

# Countries Take Action to Enable Workforce of the Future

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By Aliah D. Wright

Think that American employers are the only ones suffering a talent shortage? Think again.

Statistics show that in Canada, 50 percent of nurses employed in 2003 will retire within the next 15 years. Japan is accepting more foreign workers to help alleviate its labor shortages. In Germany the lack of engineers has become so severe that some of its top firms are giving science kits to toddlers to pique their interest in science and technology.

"They're chasing 3-to-5-year-olds for scientific aptitude," said Lance Richards, GPHR, SPHR, senior director and global practice leader for [Kelly Service's](#) worldwide HR consulting practice.

What's to blame? Shortages in population and a dearth of skills.

Richards said that in order to ensure the workforce of the future "every female must produce 2.1 kids to supply enough workers." In Nigeria, women have on average 7.75 children. In the United States the figure is 2.05 children, and in Canada it's 1.58. In India it's 2.72, and in Hong Kong it's 1.02. At this rate, Richards said, "in 250 years if the current trend continues Canada will be vacant."

He added: "Obviously this is not something HR is going to get involved in." But it is something HR should note.

## Warring for Talent

What does all this mean?

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Governments are going to have to get creative when it comes to finding talent, Richards said. Many are already taking steps to do so.

Japan has turned to Indonesia for nurses and to the Philippines for farmers; Norway has recruited carpenters from Poland; Russia is recruiting engineers from Australia; and China is recruiting businesses from Mexico.

But the problem isn't solely a lack of people, Richards said. It's the lack of skills attributable largely to technological advances that require people to have more training—often on advanced equipment. Many countries are chasing talent all over the globe because skilled workers in critical areas such as nursing, engineering and science have declined worldwide, and that's because, globally, fewer people are pursuing advanced degrees.

According to a recent global study from Deloitte Research, in 1997 science and engineering students in China represented about 72.3 percent of all undergraduate degrees. In the United States that figure was 32.6 percent. Between 1998 and 2008, U.S. colleges graduated about 180,000 engineering and science students. Conversely, in India, 350,000 science and engineering students graduate annually.

"We're going to face worldwide talent gaps," Richards said. "And it's going to get worse. From an HR standpoint, we need to make change to be ready for this."

Part of the problem is perception. Ninety-one percent of college graduates surveyed said they were ready for the workforce, but 54 percent of employers disagreed, Richards said, quoting from a study by Personnel Today.

## **What Can HR Do?**

"Changes in attitudes" need to occur, and work/life balance is more important than ever, Richards said. "Sixty-five percent of [graduating] students are not interested in working up the ladder in your companies," he told human resource executives recently during a session on global talent at the Society for Human Resource Management's 2009 Global Conference & Exposition in Toronto.

But is early recruitment a good strategy?

"It is a new development in that we have seen we need to start very early with children," Maria Schumm-Tschauder, head of Siemens' Generation21 education program, told the science and engineering blog [Curious Cat](#) about the German engineering company's science kit plan for youngsters. [Bosch](#), too, has given out materials and money to schools to try to interest children as young as 3 years old in technology and science. Siemens has sent such kits to Ireland, South Africa, Colombia and China. German companies have 95,000 vacancies for engineers, and only about 40,000 are trained, according to Curious Cat.

"Starting at school is not good enough—we need to help them to understand as early as possible how things work," Schumm-Tschauder said.

Companies will "need people for new market conditions and they'll have to rewrite the rules and reinvest for skill development" and focus on education, Richards said.

According to an article from The McKinsey Quarterly, HR must overcome its image problem in order to facilitate change. The quarterly states: "HR lacks the capabilities to develop talent strategies that align with business objectives; HR is an administrative department and not a strategic business partner; HR relies too much on best practices—some of which are inappropriate—when designing systems; HR is not held accountable for success or failure of talent-management initiatives; HR lacks the authority and respect to influence the way people are managed, and HR doesn't provide enough support to line managers."

## **For HR, Change is Good**

HR, Richards added, should rethink the way it has always done things and embrace emerging technologies, like iPods, Kindles, podcasting and Skype.

"How are we leveraging technology to do our work? The technology is moving but the work isn't. What are we doing to equip the workforce for the changes that are coming?"

Wal-Mart uses iPods to teach language skills to employees and Baja Fresh uses them to teach people how to cook, he said. "We're seeing the use of technology to solve our talent gaps."

Sure, economic conditions are dire, Richards said. "But this economy will turn, and we've got to be ready for that. You must manage your expectations and keep a focus on the long term."

Part of that is understanding cultural and historical differences, global labor issues and business cultural issues.

Richards said HR must develop robust global recruitment practices while realizing that turnover will occur; must reward accordingly and embrace local market practices; must know the business as well as HR practices; must tailor retention efforts to individual employee needs; must create a positive

environment that gives employees flexibility; and must be accountable for retention. More importantly, knowing how businesses operate globally is paramount.

"For example, in Sweden," he pointed out, "you could be hiring for life because in Sweden you can't fire the employee unless they agree to it."