

Confronting The Talent Crunch and
Its Effects On The Employment Lifecycle

Amanda M. Tallman

Southern New Hampshire University

Abstract

This paper explores the impending lack of competent and well-trained workers that will be facing many human resource managers in the years to come and how this talent shortage will effect the employment life cycle of many companies. While the articles cited in this research may differ with regards to defining the exact steps of the employment life cycle, the general premise of the cycle seems to remain the same. Manpower (2007) cites a shift in the demographics of the global workforce as being a major factor relating to the shortage of competent talent and they suggest current employers make sure their own employees have the skills needed to fill positions as the demand for jobs shifts. Without the necessary skills to remain competitive, many companies will end up facing trouble acquiring the employees necessary to remain competitive. This paper compares Manpower's article on the talent shortage with other research on the employment life cycle and how the two subjects are interrelated.

Confronting The Talent Crunch and Its Effects On The Employment Lifecycle

In recent years it has become clear that more employers need to focus on retaining top talent in their workforce in order to remain competitive in the global marketplace. According to research done by Manpower (2007), some of the major factors that have led to this talent crunch are shifts in demographics of a particular area, social evolution, inadequate education and training programs, shifting to a global economy, and practices such as offshoring, outsourcing, and on-demand or temporary employment. As research suggests, the number of people available to work is still there to this day, however the skills of these individuals does not always fit the particular jobs that are, in fact, available, and when those skills do match, the employee may not be located where that particular job is (Manpower, 2007). This ends up leading to what is known as a human resource paradox, in that employers are trying to find the right employees for the job at the right time and in the right place (Manpower, 2007).

The employment life cycle has many different components based on the source being referenced. Lopes (2006) uses a more simplified approach to the steps by defining them as acquire, deploy, develop, and retain. In the acquire phase, the company actively looks out for and obtains the best recruit for a particular job (Lopes, 2006). In the deploy phase, Lopes (2006) states that deployment is about how and where workers do their jobs, not just what employees do for work. In the develop phase, focus should be placed on aiding in the professional development of employees so that they will be able to move up within an organization. If employees are not able to develop as a professional, they may move up by going to work for a different company altogether (Lopes, 2006). The last phase of the employment cycle according

to Lopes (2006) is that of retaining employees. In his article, Lopes (2006) states that retaining employees goes beyond offering a competitive benefits package and perks for employees. Employers should learn what employees are looking for in their work and adapt to fit the needs of the employees and keep them happy (Lopes, 2006).

A slightly more detailed look at the employment life cycle by Lucash (2008) tends to compare the employment life cycle with that of the product life cycle in marketing (introduction, growth, maturity, and decline). Lucash (2008) takes an 8-step approach to the employment life cycle and defines the steps as attraction, recruitment, expectancy, formative days, development, growth enablement, work/life actualization, and separation. While Lopes (2006) ends his life cycle on the retention phase, Lucash (2008) goes further to explore the inevitable end, or separation between the employee and the employer. In the attraction phase of the life cycle, the employer may have candidates who are a perfect match for the company and may readily apply for jobs, even when none are available. In the recruitment step, the best candidate from the pool of applicants is selected for the position. The expectancy phase is where the company prepares the existing employees for the new hire coming into the workplace. The formative days are where the new employee actually starts with the organization and is provided with the tools they need in order to be successful within the company. Stage five is the stage where the company helps the professional development of the new employee. The sixth step is that of growth enablement, where the employees are able to learn and grow as the progress through the hierarchy of the company. Stage seven is defined by Lucash (2008) as the work/life actualization phase of the employment life cycle, where employees have an ideal mix of professional development, work life, and personal life. The last phase of the employment life cycle is that of separation. It is inevitable that employees will eventually leave a company and

the intent of the separation phase is to make the transition out of the company as seamless as possible (Lucash, 2008).

There are several similarities between some of the phases of develop and retain as defined by Lopes (2006) and the development, growth enablement, work/life actualization, and separation phases of the employment life cycle as defined by Lucash (2008). The develop phase to Lopes (2006) combined many elements of both the development and the growth enablement phases as defined by Lucash (2008). Both authors understand that it is essential for companies to not only develop their employees in order to become more productive members of the workforce, but to help develop employee loyalty to a particular company by allowing employees to move up within a company as they learn new skills. The retain phase as described by Lopes (2006) seems to closely relate to the work/life actualization and separation phases described by Lucash (2008) in his assessment of the employment life cycle. In order for employees to feel that the company values them as a person, the company must be able to allow employees to balance both their personal and their professional development. When the company does not allow for such a balance, they will need to be prepared to deal with the employee separating from the company (Lucash, 2008).

One of the easiest ways for companies to stay ahead of the competition is to constantly develop their current talent pool and make sure their employees have the skills necessary to remain competitive in the global work environment. Reskilling employees is the process of updating the skills of employees with relation to current job function where as up skilling is the process of cross training employees and teaching them new skills in order to remain competitive in society. Manpower (2007) indicates that many companies today are working so lean that if even a few key employees were absent, the whole of an organization could break down. By

upskilling employees, companies can take advantage of the talents of their current workforce to fill in those gaps when the need arises. According to Spence (2010), companies need to be rethinking how they have been doing things and they should be looking for ways in which they will be able to do more with less in a sustainable way. Spece (2010) also suggests that more companies should look to implement a more holistic approach to career development in order to keep employees within the company. These suggestions include very clearly defined paths for advancement, special project or taskforce opportunities, employee communication campaigns, better performance management systems, and greater flexibility to manage work and personal life commitments (Spence, 2010). It is also important for individual employees to realize that what they learn when they enter the workforce will not continue to sustain them as they move through the workforce and should thus seek to continue to develop as a professional for their entire working life (Manpower, 2007). Individuals should also take stock of what interests them personally with relation to their career and work on ways to develop their career beyond their current role within the organization (Manpower, 2007).

While there is no uniform way to define what the employment life cycle is, it does remain clear that a lot needs to be done to retain employees in the workforce and make sure employees are both well trained within their own organization, but well trained with respect to similar organizations within the same market segment. In order to remain competitive, companies need to remain aware of the environment around them and how it relates to their current role in the marketplace so that they know what needs to be done to remain competitive. There may here not be shortage of laborers who are available to work in today's economy, however finding workers who have skillsets that match the jobs that are currently available is becoming increasingly difficult (Manpower, 2007). This is why it is essential for both companies and individuals to be

constantly learning and growing, especially as the external economy is constantly evolving and does not remain the same from day to day. From acquiring the best talent, to retaining and maintaining that talent, it has become very clear that what companies are doing in today's environment will not sustain them into the future.

References

- Lucash, P. (2008, January 29). *The Employee Life Cycle*. Retrieved January 22, 2011, from AllBusiness: <http://www.allbusiness.com/labor-employment/labor-sector-performance-labor-force/6610783-1.html>
- Lopes, B. (2006, October 9). *Talent management: Mind employment life cycle*. Retrieved January 21, 2011, from Mass High Tech: The Journal of New England Technology: <http://www.masshightech.com/stories/2006/10/09/focus4-Talent-management-Mind-employment-life-cycle.html>
- Manpower Inc. (2007). *Confronting The Talent Crunch: 2007*. Retrieved January 18, 2011, from http://files.shareholder.com/downloads/MAN/546260107x0x87524/0d64f86c-77eb-4f53-a021-c8f100bfd4ba/2007_TalentCrunchWP_USLetter.pdf
- Spence, S. (2010, February/March). *2010 Begins A New Employment Cycle: Start Your Engines An Prepare to Rebuild and Reviatlize*. 4-5.