



Harry Franzheim—an HR/OD Practitioner for over 30 years—has published this newsletter to bring you careful insight into reducing costs and unlocking employee potential.

AT ISSUE

For many manufacturing companies it can take months to fill skilled positions with qualified workers. Not filling critical jobs quickly leads to many unintended, negative, and expensive consequences for the employer.

Skills Gap Solutions



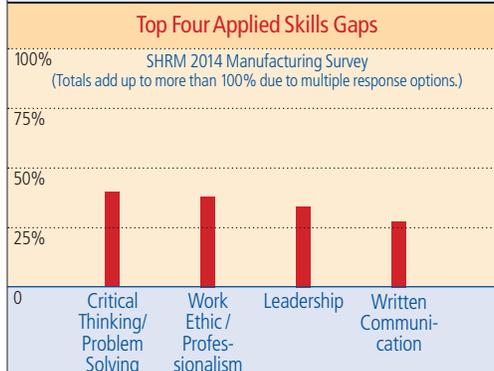
HR Fact:

The White House recently announced a \$600 million investment in apprenticeship programs. The administration hopes to strengthen ties between community colleges and private companies—and equip workers with the skills needed to secure good-paying jobs in growing industries. This initiative could not have come at a better time. In manufacturing alone, half a million jobs are going unfilled because firms cannot find qualified workers. There is a common perception that American manufacturing is in decline. Nothing could be further from the truth.

By 2020 there will be 123 million high-skilled, high-paying jobs available in the USA, but only 50 million Americans with the right skills and education to fill them. It's happening right now in 2015; we hear from many of our clients that they have openings that they can't fill and that they are taking many months to find the talent they need with the required technical competence and higher brain processing abilities.

The Society of Human Resource Management (SHRM) conducted a 2014 survey on recruiting and skills gaps. It surveyed many industries but of interest to us and likely you are the stats on manufacturing.

Is recruiting for specific jobs difficult in the current labor market? Sixty percent of the organizations in manufacturing indicated that they have had difficulty recruiting for full-time regular positions in the last 12 months!



Why are organizations experiencing difficulty hiring qualified candidates?

The top reasons for difficulty in hiring for full-time, regular positions were that candidates lack the needed work experience (50%) and the right technical skills (50%) as well as competition from other employers (50%).

What applied skills gaps do applicants typically have? The top four applied skills gaps were critical thinking/problem solving (40%), professionalism/work ethic (38%), leadership (34%), and written communications (27%).

Not filling jobs is expensive; consider the missed deadlines, heavier workload on other employees, customer dissatisfaction, delay in revenue streams. But consider too the expense of filling jobs with the wrong skills: scrap, delay, safety and quality issues. It takes the same amount of time, resources and costs to make a bad product as it does

to make a good product—you just can't sell the bad product!

Typical solutions to this problem include: overtime, "throwing bodies," settling, giving up. None of these will net an improved situation and will likely cause additional strain and strife between HR and operations.

How to break that paradigm?

Upgrade Your Workforce

We have had clients that came to New Era HR because their workforce was not capable of meeting the quality and safety standards required. They were tapped into a pool of talent that wasn't very talented. They were just throwing bodies at their labor needs. However, these bodies were not able to read and write in English and came from a wide variety of language and work habits and skills.

Solution: Use a structured recruiting process and a variety of behavioral and skill assessments to find people with not only the right behaviors but also some technical competence and who are capable of being trained. With an upgraded workforce, productivity and quality soar and costs plummet.

Cast a Wider Net

You have open positions right now that you cannot get filled. You have some positions that have been open for three months or longer! Operations managers are upset with the HR people and the finger pointing is growing rampant. Production is suffering. Salespeople are scratching their heads. And nobody can make sense of the news about unemployment and where the people are.

Solution: Get help from a [staffing agency](#) or several agencies. The right staffing agencies are recruiting machines. They typically have the resources, processes, and tools to find almost any talent you need. Use as much help as available; this will increase your odds of finding the right talent.

Hire for Behavior and Capacity, Train for Skills

If a skills shortage exists, you have no better alternative than to find people with the right work behaviors and mental capacity and then train them! Training people with poor work behaviors and no capacity will result in low output, absenteeism, accidents, and high turnover, which will only compound the problem.

Solution: Use a job-behavior assessment in the first stage of the screening and selection process. Next, use a series of available skills assessments to check for capabilities and capacities. Finally, provide the needed safety and quality training. Use in-house trainers and mentors to ensure that the training sticks. Build your selection and onboarding process today; it isn't too late. Get started.

Focus on Quality, Not Quantity

If you are simply "throwing bodies" in an attempt to meet customer demand, you are making things worse. What is likely happening is that you are draining the energy and patience of ALL workers, leading the "well" trained and skilled ones to look for other employment (which won't be hard!). Even just a few rock star hires can make a big difference.

Solution: Use professional recruiters that are diligent in using "best-in-practice" tools, processes, and quality standards. Instinct can work too, but when science is available, use it.

Build Internal Bench Strength/Cross-Train

"What happens if we train our employees and they leave?" "What happens if we don't and they stay?" Ten years of service for some employees is really just one year 10 times! Employers must have an expectation that employees must grow into other jobs. With an upgraded workforce and the clutter gone, it will be easier to see the true talents of your people. Find the ones that are naturally curious, that are easily engaged,

and begin a system of cross-training.

Solution: List your key processes or machines. Identify your best "operators." List the employees that are fully capable of running the process to standard. List the employees that need training to be able to meet standard. Build the lists and see where the bench is weakest and take action today. Just start, one at a time. Don't make it a big program or it will never launch.

Leadership Development

If you are upgrading your workforce, you will have to upgrade your leadership skills. Gone for good are the days of bullying, intimidating, coercing, and threatening employees. I am not sure why any manager or supervisor would act this way, especially in a highly competitive labor market. Instead, employees need leadership that operates from the mode of fairness, dignity, and respect. Employees want a team environment and they deserve a leadership TEAM.

Solution: Begin a rigorous leadership development program and start now! Find a competent and inspirational [leadership development](#) consultant or coach. Add high-potential employees into the training to build some leadership bench strength. Begin now. Don't make it a big program, because it will never launch. Set up monthly sessions, two hours of training each month. Your leaders must sharpen their axes. A dull ax makes for more work.

Whether you want to believe it or not, you are competing with other employers for the talent you need. Take a critical eye to your organization. Is it time for a change? Is it time to utilize a staffing agency? Is it time for [New Era HR Solutions?](#) **ne**



903 East Main Street, Suite 103
Auburn, Washington 98002

T: 253.887.0746

W: NewEraHRsolutions.com

New Era HR Solutions is a locally owned, privately held staffing and HR consulting company with the mission of creating sustainable employment opportunities for our employees by improving the business performance of our clients.

New Era HR can help you find, harness, and sustain the talent you need to grow your business. We offer training and development services and on-site coaching for leaders at all levels of the organization.

For more information about New Era, go to our Web page www.NewEraHRsolutions.com and click on our blog to learn even more.

Harry C. Franzheim

hfranzheim@newerahrsolutions.com

twitter.com/NewEraHR

[linkedin.com/in/hcfranzheim](https://www.linkedin.com/in/hcfranzheim)

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