

TRENDS



By Jennifer J. Salopek

Keeping an eye out for trends that can change the way we work.

Straws in the Wind

Frances Hesselbein, chairman and founding president of the Leader to Leader Institute, counsels organization executives to “catch straws in the wind,” so as not to let markets or needs take businesses by surprise. That is done by completing an environmental scan every couple of years, identifying the two or three most important emerging trends, and then asking, What are the implications for our work?

That advice is relevant for training and development professionals as you seek to plan your offerings and align them with business needs, often as much as five years in the future. A report released in September by the Employment Policy Foundation addresses the changing demographics of the American workforce over the next couple of decades and looses several straws into the wind that savvy learning professionals will want to catch.

To compile the report, “The American Workplace 2003: Realities, Challenges, and Opportunities,” EPF researchers examined 75 years of workplace history. Why such a long-term approach? “In order to put today’s workplace into perspective, we needed to take a look back through history,” explains Edward E. Potter, president of the Employment Policy Foundation. “There has been so much gloom and doom in the media about our recent recession; the glass was always half empty. We felt that many people have lost sight of how far we’ve come.”

EPF, founded about 20 years ago, had its genesis as a practical solution to training needs, growing out of a consortium approach by several organizations to preparing EEO training materials. Its early focus was on training and development and legal policy research, until a further need was discovered: “The gap

in our analyses was in understanding workplace trends,” Potter says. EPF has now been issuing its annual Labor Day report for eight years.

Potter says that some of the most positive findings, to him, are those that compare the United States to other countries. For example, U.S. gross domestic product—at \$10.7 trillion in early 2003—exceeds the combined production of the next five largest producers: Japan, Germany, the United Kingdom, France, and China. Real personal income per person (in 2003 dollars) has risen from \$6329 in 1929 to \$31,384 in early 2003—nearly five times as much. The number of households in the highest three income brackets has increased significantly just since 1991.

“Anyone would have to be grateful to be born and raised in the United States,” says Potter.

Now, on to those straws:

In the next 20 years, women and minority men will make up over two-thirds of the workforce.

“One clearly sees that we’re becoming a more diverse country,” says Potter, who notes that EPF cuts diversity three ways: by race or ethnic heritage, gender, and household type. “Diversity along citizenship and national origin lines presents a number of workplace challenges, including language barriers and accommodation of religious and cultural differences,” the report says.

Dual-earner married couples make up 41 percent of working households; the number with children is about 2.5 times that of those without children.

By 2030, the majority of managers and professionals will be women.

“Those trends have increased the importance of schedule flexibility and of innovations such as telecommuting to enable working families to balance

their work and family responsibilities,” says the report.

“Considerations of work-family balance are increasingly important,” says Potter. “You want to do everything you can to keep [managerial and professional women] engaged with your company.”

Emily DeRocco, assistant secretary of the Employment and Training Administration at the U.S. Department of Labor, says, “Clearly our public workforce system has been serving a higher proportion of women than men. This is a positive sign that the workforce is opening its doors to those who may have found it difficult to secure good jobs, and employers get the benefit of a workforce that more closely mirrors their desired markets.”

While not denying that increased workforce diversity is a good thing, Brenda Sugrue, director of research at ASTD, says, “To base decisions about training on those variables is limited and shortsighted. Within each of those groups—race, gender, or household type—you still have unlimited diversity of education, motivation, and learning styles.”

However, Sugrue—as well as Potter and DeRocco—admits that increasing diversity in the workplace may broaden the purview of training and development departments in a number of ways. For example, increasing productivity while at work is not just about onsite child care. Companies can follow the example of such innovators as Schwan Food Company in Minnesota, which has recently instituted a family fitness program and offers courses in stress management.

“By providing supports and training that employees need, work-life balance is something that learning and development professionals can help companies with,” says Sugrue.

Says DeRocco, “Personally, I believe we will see a broadening of learning experiences in the workplace because women tend to think more holistically.”

Two-thirds of the positions created in

the next 10 years will be managerial and professional.

Net employment growth for college degree holders totaled more than 15 million from 1992 to 2002.

In 2012, there will be no more jobs requiring only a high-school diploma than there are today. Total employment for individuals with any college degree will increase from 50 million to 70 million.

Net employment growth of 22.3 million, combined with expected retirements of 8.4 million currently employed college graduates age 55 and older, will likely create a need for 30.7 million new college degree holders by 2013.

With most college degree holders already employed, the increase must come from new graduates. But the current college graduation rate will produce only 23.3 million graduates at all levels over the next 10 years. Unless college graduation rates increase significantly, the United States faces a possible shortage of 7.4 million college graduates.

Educational requirements to fill our own jobs may also broaden the purview of training and development departments as companies increasingly tackle the skills gap themselves.

“Corporations have always been the educators of last resort; that doesn’t fit the changing occupational structure,” says Potter, whose group calls on policymakers to “incentivize” lifelong learning so that companies will provide education above and beyond their immediate corporate needs.

Sugrue agrees, saying, “Employers and government will have to step into the breach between workforce needs and available college-educated workers,” while noting that “a lot of what is learned in college isn’t job-specific skills.”

DeRocco says that Department of Labor estimates show that 80 percent of jobs require some post-secondary education and training. Further, “for every job, there are 15 to 25 technical jobs in support of the degreed professional,” she says. It’s her prediction that employers will have to examine—or create or at least accept—alternative pathways to the four-year college degree programs, especially for support positions. “We in the public sector are beginning to focus on such pathways, for example community colleges,” she says.

Sugrue foresees a greater emphasis on talent management: “We must align selection processes and managerial and professional development in systematic, well-planned programs that proceed from the selection of individuals with potential and take them through both formal and informal learning opportunities,” she says.

To better forecast and fulfill needs, the Department of Labor has instituted the High-Growth Job Training Initiative, which examines emerging and changing industries. “Our experience with corporate executives and human resource strategists suggests that the same array of workforce challenges exists across industries,” DeRocco says.

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DeRocco suggests that employers will dip into varying labor pools to address worker shortages, employing greater numbers of disabled, non-English speaking, and senior workers.

The cumulative number of current workers reaching age 65 will be 50 million by 2031.

“Companies have an incentive to forestall older Americans from leaving the workforce,” says Potter. He forecasts a coming transition as employers implement phased retirement and other programs to retain older workers.

DeRocco notes that her office is “absolutely focused on better connecting seniors with employment opportunities. We need to capture their abilities and marketable skills, and have been educating public-sector employees about the value of that labor pool.”

Most Americans work for companies with 50 or fewer employees; these organizations may not have the resources to provide the infrastructure and benefits needed to recruit and retain valued workers. Therefore, our experts also foresee an increasing reliance on innovative private-private and public-private partnerships that extend the resources of each participating organization—much the way EPF itself was founded.

Looking forward, EPF’s call to action is this:

Achieving a prosperous future will depend on the choices that we make as employees, employers, and citizens. In particular, securing a productive and prosperous future for American families depends on creating a workplace policy framework that respects diversity, encourages innovation, rewards productivity, and maintains flexibility.

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