

By Amy Bingham



The Aging Workforce Dilemma

A Challenge and an Opportunity for Staffing Companies

This is the first of a four-part series examining the aging workforce and the challenges and possibilities it represents for staffing firms. Amy Bingham is a staffing veteran who now has her own consulting firm.

Are you sitting on a task force in your organization today to help your company figure out how to deal with “the 2010 problem?” If you’re not, you probably should be.

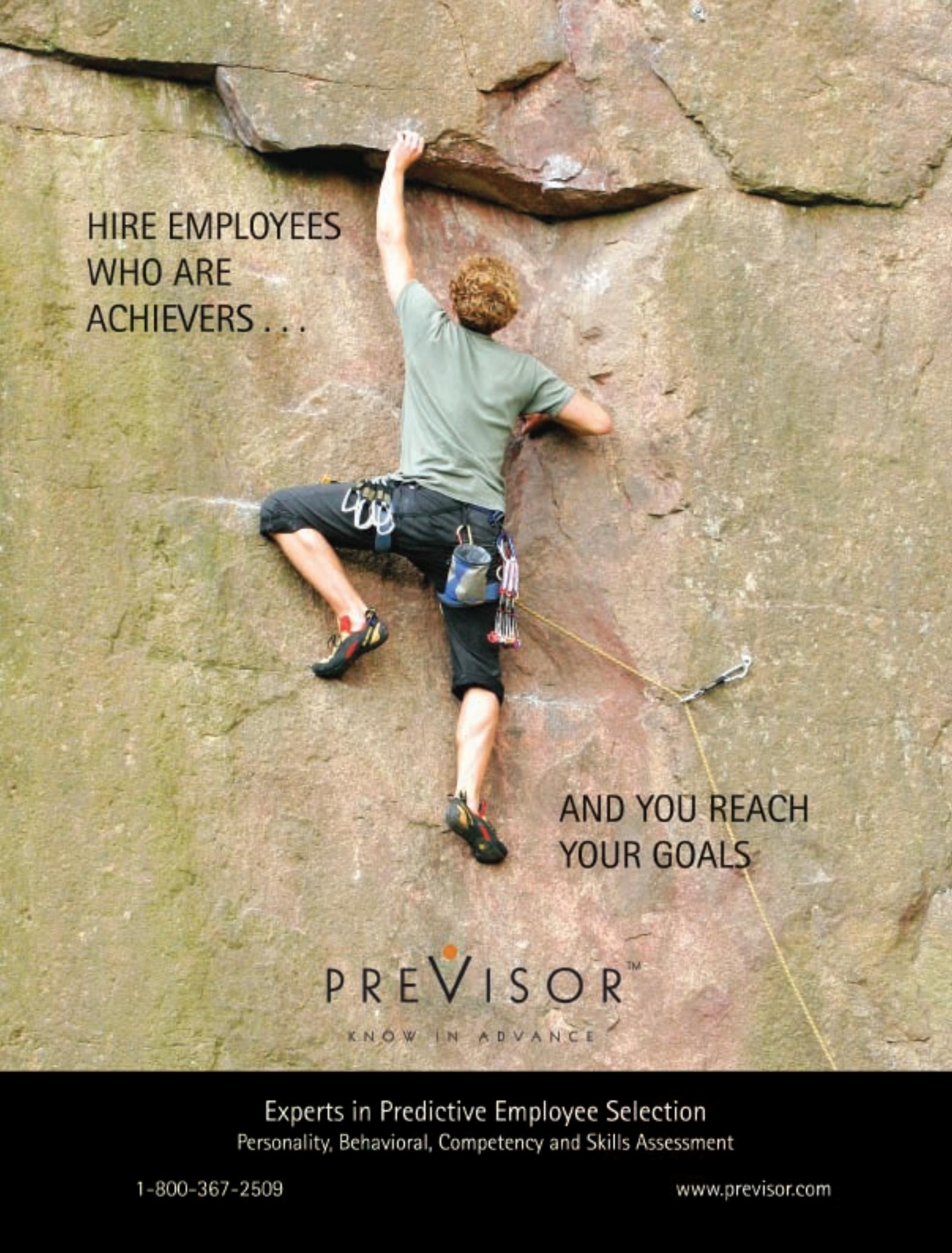
Lately it seems that not a day goes by when we don’t see something in the press about the impending workforce shortage fueled by baby boomers approaching retirement, and the impact it is expected to have on corporate America. The challenge that we’ve known for years was on the horizon is real, and it’s knocking on our doors.

We’re almost through 2007, and in less than three years, 25% of the 78 million baby boomers will reach what has historically been known as the traditional

age of retirement – 65. As a result, the issue is finally catching the attention of the C-suite, whose 5-year strategic growth plans depend now more than ever on ensuring their human capital supply is both adequate and sufficiently skilled to fuel their growth.

Consider the statistics. By next year, the median age of the American worker will be 41 years old. That’s the median, which means half of those working will be older. Many of these folks are running our largest corporations today. Think about it. How many CEOs do you know today who don’t have gray hair? And what’s really fueling our anxiety as employers is that no one is really certain what will

Illustrations by Christopher Ross, Bates Creative Group

A person with curly hair, wearing a green t-shirt, black shorts, and climbing shoes, is seen from behind as they climb a large, textured rock face. They are using their hands and feet to grip the rock. A yellow rope is attached to their harness and extends downwards. The rock face is composed of large, reddish-brown and greyish-green sections.

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actually happen ... *will the first wave of baby boomers turning 65 actually exit the workforce, or will they just work differently?* Every company hoping to survive and thrive in the upcoming decades must act now to develop a workforce plan that includes strategies for enticing its mature employees to keep working. This will not be a Y2K-like bust, and we can't hope our way out of it.

The C-suite is turning to the staffing industry for solutions. Why? Because we've taught them we're the experts. Our clients expect us to be out in front of the workforce shortage problem. Not just because they view us as the experts, but because they know our own core business quite literally depends on solving the issue.

The good news is: Our industry saw the writing on the wall a few years ago. The sheer volume of skills we recruit for each and every day means we can't afford to sit back and take a wait-and-see approach. Sustained low unemployment is taxing our service staff and impacting our fill rates. My clients routinely tell

me they're having difficulty finding "A" candidates, and those at the offer stage typically have multiple job offer opportunities from which to choose. We simply can't afford to have our supply further drained by a mass exodus of key talent. As staffing industry leaders, we feel like we've been catapulted into 2010 a few years early.

The first thing we must come to terms with is that there is likely no "one-size-fits-all" solution. A fundamental shift in our approach to both recruiting and retention strategies is required. And we not only have to employ new strategies ourselves, we also have to convince our clients to do so as well in their own organizations. Herein lies the challenge and the opportunity. There are those who understood this early in the game and figured out how to capitalize on it by developing a new message. These staffing companies are on the cutting edge of the issue, having already developed and marketed best-in-class recruitment and retention strategies targeting the mature worker. They are insulating themselves from a situation

that will negatively impact their own profits while creating a competitive advantage by enhancing their value proposition. They are generating thought leadership articles that are getting media attention and resulting in free publicity. If your company isn't taking action today, you are already behind the eight ball. You want to be asking yourselves what you can do today to insulate yourselves against revenue decline tomorrow.

Theories abound about how to entice the mature worker to stay in the workforce, and to stay engaged. We've all seen the suggestions outlined in other articles. Create more work-life balance and flexibility for the aging worker. Employ them as mentors to their younger Gen X successors. Introducing flexible work schedules and mentoring programs will be critical components to our strategy, but these are broad-brush approaches to a complex issue. The staffing industry needs a targeted approach to preserving the supply of key talent. Our solutions must be derived from the workforce data we have. We must target the demographic segments that will be available in the greatest numbers, and those with the greatest skill potential. Staffing companies that understand the paradox, and design their recruitment strategies around reaching key demographic segments, will be in the best position for success. They will craft the best solution for fueling their own growth and have a better story to tell the C-suite, because senior executives respond best to hard data.

Next month we'll take a closer look at the actual data and how we might use it to our advantage in crafting solutions for our own recruitment challenges as well as those of our clients. **SI**

Amy Bingham is a staffing industry veteran and owner of Bingham Consulting Professionals, a firm dedicated to helping staffing companies grow. The web site is www.binghamcp.com.



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