

# TALENT STRATEGY **ADVISORS**

# Executive Perspective

## **New Insights Are Required to Lead Post-Recession Organizations. Are You Prepared?**

### **While the Market has an Abundance of Labor, not all Jobs have an Abundance of Qualified Labor to Meet Demand**

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WHILE THE LABOR MARKET CLEARLY HAS AN ABUNDANCE OF WORKERS, THIS phenomenon is not widespread. Certain skills critical to business operations have too few workers to satisfy demand. In fact, 2 out of every 5 positions are anticipated to demand more workers in the next five years than what the labor market can supply. What this means to business is that some organizations will be challenged to attain their key outcomes like: sales volume growth, customer experience targets or operating efficiency gains. So, the challenge executives face is not whether they have enough workers. Rather, it's do they have enough workers with the right skills for the positions most critical to their business. These positions, which are commonly referred to as critical positions, are jobs that are hard to fill and either mission critical or business impacting. Our current research projects that organizations where critical position shortages are most likely to appear first are where the demand for workers is:

- Required at an unattractive location
- In jobs requiring specialized knowledge or scarce skills
- Out-pacing internal and external supply
- Required by an unattractive employer

Now, understanding whether or not an organization has a critical position that will experience a workforce shortfall requires a certain level of sophistication. Naturally, the better the forecasting methods, the better an organization is able to determine when a workforce shortfall or gap will appear and its driving cause – attraction issues, turnover challenges,

**Some organizations will be challenged to attain outcomes like sales volume growth, customer experience targets or operating efficiency gains because of an absence of qualified labor for a critical position**

retirement concerns or a combination of several causes. The level of sophistication, or rather, the business capability organizations require for this challenge is called workforce intelligence.

**Workforce Intelligence is an Emerging Capability Offering Executives Talent Insights for Critical Business Situations**

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Workforce intelligence is an emerging capability for forecasting supply and demand for a critical position. The forecast is derived from six distinct projections. Labor requirements are assessed for both the *organization* and its *competitors* which combine to produce the total demand for a critical position workforce. Next supply pools are determined for the *organization*, its *labor market*, any *student institutions* and others who are *qualified who may have temporarily left the workforce* which combine to produce the total supply for a critical position. Developing the forecasts at varying time periods enables executives to see changes in demand and supply for a critical position. Drill-down capabilities empowers executives with the information to determine root causes that are driving the forecast and deploy pin-corrective actions with pinpoint precision.

The projections can be easily developed from an organization’s workforce data, stored in its ERP system, and its strategic business plans along with labor market data maintained by organizations like Talent Strategy Advisor’s and its global labor market database. When combined just right, these projections enable executives to determine whether or not an organization will have the critical position workforce it needs, now and in the near future.

For most positions, this level of forecasting precision is unnecessary, but for those which are critical to an organization’s operations, this business capability is essential for executives who need to address real issues like:

- Which regions or facilities have a high-risk of a critical position workforce shortage
- How to optimally grow a critical position workforce growth given labor market trends
- Which workforce expenditures to reduce or eliminate because of low-returns
- And, ultimately, which positions require a focused talent strategy

**Workforce intelligence is an emerging capability providing forecasts into labor requirements and supply pools using both internal and external workforce data**

**Insights from workforce intelligence are not required for most business decisions, but for a some, it is a critical part of the decision criteria**

As critical position workforce gaps becomes more widespread, what would have once been considered an HR challenge will be elevated to a *business* challenge. At this point, those organizations which do not have a workforce intelligence capability will likely jeopardize their near-term business objectives, whether it be sales volume growth, customer experience targets or operating efficiency gains.

**Organizations without workforce intelligence will lack the insights required for several emerging business challenges resulting in sub-optimal outcomes**

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**About**

**Talent Strategy Advisors**

Talent Strategy Advisors is an internationally recognized workforce and talent management organization. Talent Strategy Advisors combines unparalleled labor market expertise, comprehensive talent management frameworks and timely research to help clients attract, develop, retain and engage critical position employees.

**Advisory  
Services**



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Education**



**Insightful  
Research**