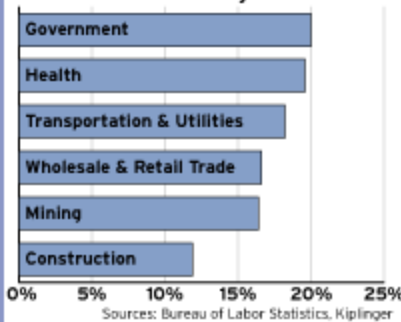


Percent of Workers Age 55 and Over



More Companies Struggle to Find Workers

The shortage of workers in a wide assortment of occupations will become acute in less than a decade. Firms that don't act now risk suffering down the road.

By Martha Lynn Craver, Associate Editor, *The Kiplinger Letter*

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Blame an aging population, education weaknesses and a lack of visas for workers from abroad. Those factors all contribute to a growing shortage as the economy's need for more labor outpaces the supply. The tightest markets: health workers, from doctors to technicians to therapists. Mechanical, electrical and computer engineers. Physicists, chemists, accountants and airline pilots. Database administrators and systems analysts. Skilled manufacturing workers, such as welders and machinists. Unskilled labor for farms, food processing plants, shipping depots, restaurants, hotels and much more.

Companies need to start planning immediately because there are no quick fixes. Solutions will take time and involve preparation. "But companies that deal with this now will see greater productivity gains than their competitors," says Bill Leisy, a consultant with Ernst & Young.

Small firms face the biggest challenge. Most lack the resources and the reputation to recruit the best new talent. It's also harder for them to hold on to good workers when big name competitors go after them with lucrative offers.

Several strategies can help smalls avert the worst of the shortage. For starters, cast the widest possible recruitment net. Look in areas with high unemployment rates, such as Detroit, New Orleans or in areas closer to home where a factory or big retailer has closed. Check with the Department of Labor's Bureau of Labor Statistics to find areas with higher-than-average unemployment rates. If you can't make a personal visit to the target area, contact local unemployment offices, school job counselors and the human resources office at companies that have announced layoffs. Place ads in newspapers to reach the target areas, and don't forget to post openings on the Internet.

Consider searching untapped groups, such as stay-at-home parents who are ready to work, the disabled and seniors who want to go back to work full time or part time. Check with colleagues in professional associations.

Try to get young people interested early. Attend job fairs at local schools. Become involved with the summer jobs camps that many manufacturing groups are creating. Develop rewarding internships that will give you an opportunity to get young people on board. For example, the president of General & Automotive Machine Shop in Huntsville, Ala., which employs 20, regularly visits schools and encourages field trips to show kids that manufacturing doesn't have to be dirty and boring. "Manufacturing isn't about dirt under the fingernails anymore," says Phyllis Eisen, senior vice president of the Manufacturing Institute.

Be proactive with job training. If you can't handle it yourself, turn to a community college. Many create programs to meet firms' needs. Bison Gear & Engineering in St. Charles, Ill., got a local school to teach blueprint reading. The company also tapped the community college to teach "life skills" to entry level workers, such as how to dress for work and the importance of showing up on time, as well as a class on English as a second language.

Promote from within whenever possible. Whether mentoring a would-be junior manager or helping an unskilled employee move up, internal advancement is a way to build loyalty as well as to provide for smooth successions.

Keep up with technology to boost productivity. Expect some fast food restaurants, for example, to let customers place orders on touch screens and then pay by swiping credit or debit cards. Food will then come on conveyor belts.

Employers want Washington's help in alleviating worker shortages, but that won't happen anytime soon. Additional funds for job training and education at all levels are hard to find in a tight federal budget. And easing restrictions on visas for high- and low-skilled foreigners is a political impossibility, at least before the 2008 elections. "Anything having to do with immigration is radioactive right now," says Heath Weems of the National Manufacturing Association.

Until long-term efforts kick in, try to keep good workers happy. Cater to older staff. Almost half of those workers eligible to retire within 10 years say they'd work part time if allowed. They like having flexible hours and opportunities to mentor.

Health care is crucial to attracting and keeping workers. It's especially important to older workers, so look for ways to use it as an incentive to keep valuable employees on the job.

Know your employee population. Often, employer's ability to limit turnover is hampered by an incomplete understanding of employee priorities, says Laura Sejen of Watson Wyatt Worldwide, a consulting firm. For example, a recent study by Watson Wyatt found that while workers rank stress as a top reason to leave a firm, it is not even among the top five reasons cited by their companies.