

About Manpower

Manpower® is a global leader in contingent staffing and permanent recruitment. Through our expertise in talent resourcing and workforce management, we provide rapid access to a highly qualified and productive pool of candidates. In this constantly shifting world, our flexible workforce solutions provide companies with the business agility needed to succeed.



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Accelerating Talent:

Transforming your organization
into a skills creator



Introduction

Employers certainly don't have it easy. Hiring managers are faced with a slew of challenges when it comes to recruiting and retaining the best talent. In 2017, talent shortages still plague the workforce, skills gaps continue to grow, and individual choice remains a major driver of employee behaviour.

Evidently, changes in the world of work are accelerating at a rapid pace and employers are finding it increasingly difficult to sustain a hiring edge. We are in the Human age - one in which talent eclipses capital as the key driver of business success. Employers are now required to move beyond the traditional role of talent consumer and become talent creators by investing in employee training and development and optimizing the potential of their current workforce.

Employers who embrace talent-driven approaches to candidate attraction, recruitment, and retention, while focusing more closely on their brand reputation and compensation models, are better positioned to compete for - and win - the best talent in the Human age.



The Skills Gap and Talent Shortage

Dilemma

Since 2006, ManpowerGroup has been keeping tabs on talent shortages that impact employers globally in its annual Talent Shortage Survey. The 2016/17 survey found that 34% of employers in Canada are having difficulty finding talent. Last year, the top five hardest-to-fill jobs in the country were: skilled trade workers, engineers, sales representatives, managers and executives, and drivers.¹

Employers reported that applicants' lack of hard skills and technical competencies were the main reason they had trouble filling roles. Nearly a quarter of Canadian employers identified this as their most pressing hiring challenge in 2016.

Twenty-one percent of employers said they couldn't fill roles because there weren't enough available applicants, or any applicants at all, while the same percentage indicated applicants did not have sufficient experience.

By comparison, only 10% of employers said they had trouble filling vacant roles because applicants were looking for more pay than was being offered, while 8% reported their hiring challenges stemmed from issues specific to their organization.

These results underscore a skills gap, or a disparity between the skills job seekers have and the skills employers need. Although this is not a new challenge, it continues to burden employers who have open positions but not enough qualified, available talent to fill them.

The effects of skills gaps are not insignificant: Perrin Beatty, the CEO and president of the Canadian Chamber of Commerce and a longtime federal cabinet minister, reported in 2015 that the skills gap costs the Ontario economy about \$24 billion in lost GDP each year, while British Columbia's economy takes a \$6 billion hit annually.²

In addition to a widening skills gap, Canada's workforce is shrinking as the country's large Baby Boomer population begins to retire. And, while Statistics Canada reported that the unemployment

rate fell to 6.8% in November 2016 from 7% the previous month, this was partially the result of job seekers dropping out of the workforce after failing to find work.³

According to the Business Council of Canada, the service sector in Canada experienced the most job growth in the latter half of 2016, with many jobs added to the finance, real estate, and agriculture sectors. However, fewer jobs were added to the construction and manufacturing sectors.

The Business Council of Canada says that policymakers are increasingly recognizing that traditional classroom strategies are not equipping students with the hard skills needed to work in the Canadian heavy equipment distribution industry, which distributes, rents, and supports heavy equipment used in construction, mining, power generation, and a variety of other sectors.⁴

Individual Choice is on the Rise

Another factor affecting the availability of talent in Canada is the rise of individual choice. While a shrinking workforce and widening skills gaps intensify the competition for talent, changing attitudes about careers further complicate the picture.

As we reported in the ManpowerGroup Human Age 2.0 report, "Individual choice has driven the Makers Movement and growth of the C2C market with the rise of Uber, Airbnb, Craigslist, quikr and more will come. The rise of the consumer voice manifests itself too in the labour market where the basic relationship between employers and employees is changing."⁵

Essentially, today's workforce is more empowered than ever to direct the course of their own careers. Research into the workplace values and expectations of Millennials further demonstrates how their approach to work differs from previous generations.

Our 2016 report, "Millennial Careers: 2020 Vision", indicates that, while Millennials expect to work longer and harder than previous generations, they also anticipate taking more frequent breaks to travel, pursue hobbies, and care for their children and parents, among other things.



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Millennials are also interested in variety and expanding their horizons: while some may assume this means Millennials have short attention spans and will hop from one job to another, our survey showed that this generation values long-term employment and welcomes the opportunity to advance with the same employer.

Similarly, Millennials reported that if they do not feel challenged or valued in the workplace, the majority (two-thirds) would leave their company in less than two years, while just over one quarter said they would leave in less than twelve months.⁶

If a Millennial employee ultimately makes the decision to seek new work, he or she has virtually unlimited access to hundreds of online tools that not only display open positions, but provide extensive information about organizations' wages, company culture, and employee sentiment. With a few clicks to a handful of websites, job seekers can gather sufficient information to decide whether or not they want to work for a particular company.

Instant access to mountains of employer information – combined with the desire for new learning opportunities and variety in the workplace – means today's workforce can take more control of their career paths than any generation before them.

Rethinking Attraction and Retention in the Human Age

The realities of a shrinking workforce and pervasive skills gaps are intensifying the competition for talent. What does this mean for hiring strategies in 2017? In light of current workforce trends, employers need to proactively recruit, attract and retain employees using a talent-driven model.

Such a model requires employers to think of themselves not merely as consumers of talent – but generators of talent. Building and nurturing a pipeline of qualified workers will be instrumental in attracting and retaining the best talent in the Human age - one characterized by the predominance of individual skills, attributes, and preferences in the workforce.

"We are seeing the emergence of a Skills Revolution – where helping people upskill and adapt to a fast-changing world of work will be the defining challenge of our time," says Jonas Prising, CEO of ManpowerGroup. "Now is the time for leaders to be responsive and responsible: we cannot slow the rate

of technological advance or globalization, but we can invest in employees' skills to increase the resilience of our people and organizations."

Building a Pipeline of Talent Through Training and Development

Employers across the country are already bolstering their company's resilience by training and developing their current workforce.

In ManpowerGroup's 2016/17 Talent Shortage Survey, an overwhelming number of employers (76%) indicated they are offering training and development to existing staff to mitigate the adverse effects of talent shortages and skills gaps.

Canadian employers prefer employee training and development over: recruiting outside the talent pool (only 61% said this is how they are addressing the talent shortage), exploring alternative sourcing strategies, paying higher salary packages to recruits, providing additional perks and benefits to recruits, changing existing work models, and outsourcing the work.

This arrangement represents a win-win scenario for employees and employers. Employees are enthusiastic about the prospect of developing new skills or improving existing competencies to advance in their careers, while employers are better able to fill open roles by training and developing their current workforce, instead of replacing them.

For example, our 2016 survey revealed that Millennials have an overwhelmingly positive attitude toward professional development and lifelong learning. Sixty-eight percent of respondents said they are willing to spend their own time and/or money on further training to succeed at their job and expand their career prospects.

Further, three quarters indicated that the opportunity to learn new skills is a top factor when considering a new job, while one quarter of Millennials intend to take an extended break from work to gain new skills and qualifications.

In about three years, Millennials will comprise more than a third of the global workforce; therefore, it bodes well that their attitude toward work align with expert-backed strategies to closing skills gaps and mitigating talent shortages.

Investing in Your Employees = High Returns

How exactly does employee training and development strengthen a company's resilience in the ever changing world of work? According to research, continuous training and development are the greatest contributing factors to employee engagement. High levels of employee engagement have been linked to better quality work, reduced turnover, and low labour costs.

A 2015 Gallup poll revealed that only 13% of employees globally are engaged in their jobs, meaning they are involved in, enthusiastic about, and committed to their work, coworkers, and workplace.

This means 87% of employees are either not engaged or indifferent – or otherwise actively disengaged and potentially hostile to their organizations!⁷

However, as the Society of Human Resources Management notes, “Employees who enhance their skills through training are more likely to engage fully in their work because they derive satisfaction from mastering new tasks,” and “Training...enhances employees' value to [a] company as well as their own employability in the job market.”⁸

Case in point: The Chubb Insurance Company of Canada boasts a 96% to 98% employee retention rate for high-performance hires—one of the industry's highest.

Patti Ewen, SVP of Human Resources, says the company's low turnover rate is a direct result of their commitment to mentorship. Chubb's hiring process includes scoping junior employees who display the potential to “move up the ladder”, then explicitly asking managers to groom them for more senior positions.

With this approach, Ewen explains, “You're able to attract top talent. You get them, you keep them, everybody's fired up, everybody's having fun.”

Similarly, investment firm Edward Jones, which has operated in Canada since 1994, reports 17% of their current workforce has been with the company for more than 15 years. Ola Wall, Head of Human Resources, indicates that ongoing employee mentorship, feedback, and coaching keeps employees engaged.⁹

Lastly, Tim Blevins, president of Ontario-based construction company Reid's Heritage Group, learned through an employee survey that staff members wanted one thing more than anything else: customized opportunities for professional development.

After implementing programs that allowed employees to receive training that supported their individual career goals, Blevin noticed an increase in the quality of their work.

“Whatever you can offer that helps people enjoy what they do is worth doing,” he maintains. “There's a real hunger for knowledge here, and it's our job to support it.”¹⁰

Investment in employee training programs can return ten-fold when done well. Some companies have made headlines for their top-notch training and development programs, building on the skills of their current employees in an effort to close skills gaps, improve retention and develop an effective talent pipeline.

For instance, Jiffy Lube International, the frontrunner of Training Magazine's 2016 Training Top 125, attributes lower labor costs and turnover rates to its Jiffy Lube University training and certification program.¹¹



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Jonas Prising,
CEO of ManpowerGroup.



Delivering on a Promise with MyPath

To address the growing need to reskill and develop workers, Manpower has created MyPath, a collection of career resources that delivers on our promise to accelerate the careers of our candidates and associates with work experience, education, assessment, and guidance.

MyPath includes powerYOU, an education portal that gives Manpower candidates and associates access to thousands of free, online courses and helps them prepare for certification programs.

PowerYOU offers courses in a variety of categories, including environmental and health and safety protocols, IT skills, sales training and business skills, in addition to courses about soft skills, such as time management, email etiquette, and effective communication.

Manpower clients also have the option of developing custom course content that meets their training and education needs. Working with their Manpower representatives, clients can combine custom content with existing powerYOU courses to create job- and company-specific curriculums. Manpower representatives can monitor the team's progress on a regular basis to ensure everyone is receiving the training they need.

Other exclusive features of MyPath include an assessment tool that helps individuals match their strengths, interests, and preferences to the careers best suited to them. MyPath also offers an extensive library of job tips and advice on building resumes, excelling in interviews, showing initiative in the workplace, becoming a strong team player, and more.

Further to MyPath, Manpower has partnered with the Ontario Manufacturing Learning Consortium (OMLC) to offer a CNC Machinist Certification Program. The program connects unemployed and underemployed youth with employment and on-the-job paid training and mentorship.

Members of the program are given the unique opportunity to work, learn, and earn at the same time. Those who complete the program either become certified Level 1 CNC Operators, CNC machinists, or structural airframe assemblers. The Ontario government is funding this program under the Youth Skills Connections Program.

CNC Certification Program embodies the mission of MyPath, which is to help people accelerate their careers with access to training, education, and coaching.

“When [employees] tell us that continuous skill development is important to them--we know this is critical,” says Michael Stull, Senior Vice President of Manpower North America. “MyPath represents a game changer in how employers invest in talent. Jobs are changing and the skills employers are requiring are changing. Our clients' success is our success which is why we're at the forefront of this shift to skills as the differentiator between success and irrelevancy.”

Presenting a Brand that Attracts the Best

As mentioned above, today's job seekers have increased access to a company's inner workings and can use such websites as Glass Door and LinkedIn to gauge employee sentiment and an organization's culture before deciding whether or not they want to work there. As the internet continues to make it easier for job seekers to compare organizations to one another in a matter of minutes, it's becoming critical for employers to invest more heavily in their image – this means emphasizing the value they provide their employees above all else.

In the Harvard Business Review, Richard Mosley of Universum recommends that employers start by assessing their current brand awareness and reputation with target audiences. Then, employers should develop a clear vision of how the organization's brand should be perceived based on its proven strengths. Next, he advises companies to be active on their website and social media, sharing real stories that reinforce the brand's reputation.

Ultimately, a compelling brand comes from within, so it's imperative that employers engage all functions of the workforce and ensure currently employees understand and the value of the brand, so they may become ambassadors as well.¹²

Making Wages Work for You

As the labour market tightens, wages continue to be the primary deciding factor driving whether or not a candidate accepts a role with a new organization, or an existing employee stays with their employer. Our 2016 report, “2020 Vision: Millennial Careers”

revealed compensation is the number one priority for Millennials when considering a job, followed closely by the desire for job security. Although some employers may be swayed to quickly jump on the bandwagon of raising wages merely to enhance their public image, unless they have the ubiquitous marketplace presence of Starbucks or McDonalds, for example, increased publicity will not likely provide the desired return.

However, offering higher wages can benefit your company in a multitude of ways: A 2015 report from the Peterson Institute for International Economics found that offering higher wages, especially to lower-income earners, leads to:¹³

- More motivated employees who work harder
- The ability to attract more capable and productive workers
- Lower turnover
- Better quality and customer service
- Reduced disciplinary problems and absenteeism

Adjusting compensation models can help companies stand out to this generation's job seekers.

Conclusion

The labour market is getting more competitive. Hiring managers need to rethink their attraction and retention strategies to win the best talent. While there are seemingly countless strategies to tackle this issue, we recommend focusing on three main areas: offering training and development programs to new hires and your existing workforce, fine-tuning your company's image and brand reputation, and offering competitive wages in your market.

To achieve these goals, we recommend implementing talent-driven solutions. Throughout this journey, always remember your investment in skills and people will be your number one competitive differentiator. As the world of work changes and the talent pool transforms due to market and generational shifts, you need a pipeline of qualified, top-notch talent in place to ensure you can fill the jobs of today and tomorrow.



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