



## TALENT SHORTAGE SOLUTIONS THAT DO NOT BURN MONEY

by Kathy Graham

Because “The Great Resignation” is mostly likely “The Great Realignment,” companies could be wasting their money by offering raises/bonuses/higher starting salaries to existing and potential employees in hopes of stopping exits and securing talent in the worst U.S. labor shortage since World War II. It’s likely to be having the same effect as if they are burning that money because unless the underlying disconnects are addressed, nothing is likely to change this Great Realignment. Why?

- Baby Boomers have now left the workforce in huge numbers.
- In late 2021, U.S. birth rates dropped again from their already record low that was reached before the pandemic—now 44% of nonparents ages 18 – 49 say that it’s unlikely they’ll have any children AND 74% of parents in that same range say that they are unlikely to have any more children.
- The generations between those retiring and the incoming work force have basically disconnected from the traditional U.S. career trajectory. They were impacted by the Great Financial Crisis as they graduated, then they were hit by continuing changes in the structure of labor markets, and now the pandemic has given them even less desirable work environments.

Here are three ways to fix these underlying disconnects.

### 1. Match the types of people hired to the type of corporate organizational structure.

There are two basic organizational schools of thought:

- **Traditional corporation:** an administrative structure based on clear, rational-legal system authority inherent in a hierarchy where individuals are expected (and assumed) to obey directives from superordinate positions.
- **Modern corporation:** a more fluid structure based on natural human relations system authority where there’s individual ownership of responsibilities and an entrepreneurial approach among individuals that aligns more closely with individuals’ myriad motivations and offers democratic decision-making, trust/friendship between leaders and workers, and a genuine concern about increasing workforce morale.

Obviously, these are two different types of corporations, which require two different types of people who would work well (or not) in these organizations—hire the wrong one and you have turnover and culture clash. Fortunately, renowned educational psychologist Lee Cronbach has solutions, including Domino’s stylistic research results that capture the persona differences between an:

- **Achievement via Conformance personality**—i.e., the achieving person who says, “I do well in meeting requirements others set for me”—would work best in a traditional company with leaders who “dominate” and “press for conformity.”
- **Achievement via Independence personality**—i.e., the achieving person who says, “I do good work when I can set tasks for myself”—would work best in a modern corporation with leaders who “press for independent work.” Interestingly, these independent performers are more innovative than conforming performers and are more innovative whether with traditional or modern leaders. Therefore, the “skunk works” innovation lab group within a traditional company is also a fit for independent achievers.

Here are three ways to fix these underlying disconnects (continued):

## 2. Approach human capital as a strategic asset tied to the corporation’s unique strengths, goals, and culture.

Whether a traditional or modern corporation, there are two ways to approach human capital management—a proactive versus a reactive focus. The reactive focus is to hire individuals to fill manifesting specific needs.

The proactive approach, called **strategic human resource management (SHRM)\***, looks at the current goals of the corporation—its vision statement, mission statement, organizational strategies—and proactively integrates those goals into the planning, hiring, and developing of current and future individuals’ job designs.

In other words, using the SHRM approach, one would find right at the top of each job design a section titled: IMPACT OF JOB ON COMPANY/ORGANIZATIONAL MISSION. Those jobs with high impact are marked key strategic jobs.

Key strategic jobs always have an up-to-date:

- a) Person-in-place backup.
- b) Cognitive and tactical career growth plan.
- c) Monetary AND non-monetary motivational enrichments.
- d) A double-check on job creep.

Such proactive continual measures, that are adjusted as the corporation grows and its mission/goals change, minimizes:

- a) Emergency hiring for hiring sake.
- b) Undesirable turnover.
- c) Unexpected succession planning...

...and such proactivity actually turns a company’s human capital structure into a sustainable competitive advantage.

## 3. After aligning overall compensation to market values for each position, change the company’s reward system to match the needs voiced by the current workforce’s mantra of “Hybrid, Health, Happiness, ...and higher wages,” with the **emphasis on non-monetary rewards**.

Keeping a company’s overall compensation within market price for each key position is necessary because almost every worker can now easily figure out what their position is worth elsewhere (thanks to Google, Salary.com, Indeed.com, etc.).

After that monetary necessity, the vast majority of research shows that **workforce productivity significantly rises with Work Satisfaction**, which is related to a person’s happiness level but slightly different.

➤ **Work Satisfaction is a happiness where an individual’s days are spent doing work that is valued by the person.**

Work Satisfaction can be increased by:

- **Adding backups** (reduces stress by freeing worker to take time off for personal health/happiness enjoyment and learning other jobs—i.e., enhances worker’s skill variety).
- **Career training/growth paths** aligned to worker’s individual talents/interests (enhances stickiness/loyalty to company).
- **Introducing non-monetary motivational rewards**, such as:
  - Emphasizing the importance of job on corporate mission success ( increases task significance).
  - Engaging with others peripheral to job in corporation for fun and work-oriented sessions in small varying groups (builds engagement and enhances work flows).
  - Providing opportunities with meaningful conversations/interactions with leaders above worker’s rank (creates showcases for leaders to connect with upcoming talent, rewards desired behaviors and performance).

These actions avoid a “domain change” where offering money (extrinsic reward) leads to a decrease in motivation and productivity by making innately satisfying work (intrinsic reward) something needing to be purchased.

Also avoided is engaging in a “money race” with larger corporations (they’ll win). Also gained is the opportunity to define the corporate workplace as a positive, unique environment, thus enhancing its sustainable competitive talent advantage.

With three easy non-money-burning solutions available to respond to The Great Resignation (really, The Great Realignment), corporations and workers gain back their focus on reaching their business and career goals, which is a great outcome for all.

## References

\*Note that the abbreviation SHRM as used in this article is not the Society for Human Resource Management (SHRM).

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