Is the Perfect Storm Coming?



Patrick Seaton Innovative Management Tools © 2024 Let's talk about the weather and I'll play the role of meteorologist.

Current Conditions

- Many companies are having trouble finding skilled workers to fill their positions.
- We have become a turnstile society of employees where it is totally acceptable to be at a company for two to three years before moving on – we no longer consider these people as jobhoppers.
- The generation entering the workforce today needs and expects to feel connected just look at the number of gadgets and communication tools they have at their disposal and use on a daily basis.
- People are moving into supervisory positions with minimal supervisor training gone are the days of training and mentoring an employee to move up the ranks when his or her "boss" retires.
- Companies want to constantly grow and "reinvent" themselves in order to remain competitive.
- Employees want and expect to be part of the decision-making process.

Forecast

For the forecast, over the next 10 years, of the 164 million workers in the US, 30 million people will retire and there will be only 30 million Gen Zers to replace them – virtually no surplus of talent. Other countries face a similar dilemma.

- Finding qualified people to fill positions will become increasingly more difficult.
- The turnstile will only move faster if employees are dissatisfied with their job or employer.
- Companies will need to maintain high employee satisfaction if they want to retain their most valuable assets their employees.
- Managers will need to become better leaders so that employees don't use the manager as the reason for leaving the company (Which, by the way, is one of the most common reasons cited in exit interviews as to why an employee is leaving a company.)

Predictions

And if I could be so bold as to make some predictions:

- Companies will have permanent openings and those currently on staff will have to carry more weight.
- People will easily "move on" if they are not satisfied with their situation or the w environment.
- "Work smarter, not harder" will challenge us more than ever.
- Managers will need to become great leaders if they want to keep their staff.







The true test will <u>not</u> be how to **create** change. The true test will be how to **weather and anticipate** change. For not learning how to effectively anticipate and embrace change in the near future may place an organization in the heart of the "perfect storm."

The Perfect Storm – Three Converging Challenges

Recruiting Talent: Navigating the Talent Drought

In the tumultuous landscape of contemporary workforce dynamics, recruiting top-tier talent has become an intricate dance for organizations facing a relentless talent exodus. The modern challenge lies in a workforce where departures outpace entries, creating a daunting scenario for companies striving to replenish their ranks with skilled and motivated individuals. With a limited pool of candidates, organizations find themselves in fierce competition, compelling them to be acutely aware of the shifting dynamics that attract potential employees. Crafting compelling employer brands, offering competitive compensation, prioritizing workplace culture, and providing opportunities for professional growth are now imperative strategies. As companies navigate this talent drought, the ability to adapt and innovate in the recruitment process becomes paramount, ensuring that the perfect storm of talent scarcity does not leave organizations stranded without the skilled workforce needed for sustained success.

According to the Springboard State of the Workforce Skills Gap Study 2024, 58% of leaders place hiring new talent as a top priority to address the skills gaps they have today. This will place an increased emphasis on finding and attracting the right fit for the jobs, based on established skills in the candidate, and perhaps looking for a unicorn along the way.

Onboarding New Employees: Bridging the Transition Abyss

Once the recruitment hurdle is crossed, organizations often face the overlooked challenge of onboarding new employees. Entrusting this crucial phase solely to hiring managers without a comprehensive and standardized onboarding process can result in a haphazard mish-mash of experiences for new hires. The consequences are disenchanted employees, diminished productivity, and a rapid exit from the company shortly after the recruitment investment, to which some studies have shown that over 30% of new employees will leave the company in the first year of working there. To weather this storm successfully, organizations must recognize that onboarding is not merely an administrative formality but a strategic investment. Implementing structured onboarding programs that introduce employees to the company culture, provide clear expectations, and offer avenues for swift integration into the team with Intentionality, Consistency, and Engagement (ICE) can significantly impact long-term retention. By bridging the transition abyss effectively, organizations foster a sense of belonging and empowerment, setting the stage for new employees to thrive in their roles.

Weathering the Storm with Existing Employees: Retaining Talent Amidst Turbulence

Employee retention emerges as a critical concern for organizations navigating the stormy seas of modern workplace challenges. As employees grapple with increasing workloads, stress, burnout, and dissatisfaction with company culture, the risk of talent walking out the door looms large. The financial toll of recruiting and training replacements, coupled with the productivity dip during the transition, underscores the urgency of proactive retention strategies.



Companies must prioritize employee well-being, offering avenues for skill development, creating a positive work environment, and fostering a culture that values work-life balance. By addressing the root causes of discontent and proactively weathering the internal storms, organizations can mitigate risks, enhance productivity, and cultivate a loyal and resilient workforce that stands strong even in the face of broader industry challenges.

In the same State of the Workforce Skills Gap report, 53% of leaders say that high employee turnover is the biggest challenge the organization is facing. Turnover does not usually happen in one instance. It typically takes time before the employee decides to leave, often because they are pushed beyond the breaking point. Let's explore this topic in detail. Things are in constant change and employees are the drivers of those changes. But what happens when we push them too hard, too fast, or don't include them?

Pushing New and Existing Employees Unnecessarily

Introducing and preparing for "change" is not magic, a mystery, or a secret, nor does it need to be overwhelming. It can be boiled down into a simple formula. It is also logical and realistic, but it requires planning and follow-up.

There are six elements to consider when evaluating the readiness of a change initiative, as seen in The Change Readiness Formula. They are:

- Vision / Direction
- Processes / Procedures
- People / Resources
- Skills / Training
- Motivation
- Action Plans



Vision / Direction

When establishing a vision and direction, make sure that the vision is broad, it is inspiring, it instills a sense of purpose, it is positive, and it provides energy and attitude control.

Processes / Procedures

When considering what processes and procedures need to be created or modified, consider any and all of the following:

- Team / Department
- Administrative
- Communication
- Process Analysis
- Process Improvements
- Legal

People / Resources

When evaluating an upcoming change, make sure you have enough people, you define clear roles and responsibilities, you select the best person for the tasks, and you communicate details to the people.

Equally important is the need to have adequate resources, which can include equipment, tools, financial support, knowledge, and

historical information to name a few. You must decide if resources are to be in-house or outsourced.

Skills / Training

Skills that should be honed for effective change management could be the following:

- Overcoming barriers to change
- Creating and managing effective teams
- Effective leadership
- Communication
- Skills assessment
- Listening
- Being proactive

Motivation

Effective motivation is more than a simple congratulatory e-mail from time-to-time. Motivation should be an interlocking *strategy* that uses multiple tools (i.e., reward, recognition, responsibility, delegation, and levels of freedom). You need to look up, down, and sideways in the organization when designing a recognition and motivation plan. The key word is <u>design</u>. Invest time into developing a plan that fits together with other plans already being used in the organization and avoid conflicting program incentives.







Action Plans

Creating action plans is critical. They are the roadmaps to success. Your plans should be clear, measurable, realistic, anchored with a timetable, defined by the team, and written down.

Missing Elements

What if there are missing elements? When pieces of the readiness formula are overlooked, brushed over, forgotten, or minimized, the outcomes and emotions are quite predictable. Let's go through the predictable outcomes when one of the elements is missing from the change initiative planning and preparation activities.



Vision / Direction Element Missing. In the realm of change initiatives, the absence of critical elements in the Change Readiness Formula can be likened to navigating uncharted waters without a compass. As we dig into the first missing element under scrutiny, let's shine a spotlight on the repercussions of overlooking the Vision / Direction. This foundational aspect holds the power to shape the narrative and trajectory of a transformative journey. When this pivotal element is neglected, the outcome is all too predictable. The ensuing **Confusion** becomes a prevailing sentiment among the team and stakeholders, akin to being lost in a labyrinth without a guiding light. As we dissect the nuances of each missing element, it is evident that addressing the Vision/Goal/Direction deficit is paramount to ensuring a change initiative's success.



Processes / Procedures Element Missing. Transitioning seamlessly from the importance of a well-defined vision, the second critical element in our Change Readiness Formula lies in Processes / Procedures. Picture a finely tuned orchestra that, despite having skilled musicians and a clear composition, lacks a conductor or sheet music. When Processes / Procedures are overlooked or underdeveloped, the symphony of change becomes a cacophony of **Inefficiencies**. Without a structured framework guiding actions and delineating responsibilities, the organization finds itself entangled in a web of disarray. This lack of procedural clarity not only hampers the flow of tasks but also diminishes the overall efficiency of the change initiative. As we navigate through the intricacies of change readiness, it becomes obvious that ensuring robust Processes / Procedures is instrumental in orchestrating a harmonious and efficient transformation.

In the Springboard 2024 report, 27% of leaders say that decreased productivity or efficiency is their biggest challenges due to skills gaps, which links closely to not having processes and procedures in place for employees.



People / Resources Element Missing. As we unfurl the layers of the Change Readiness Formula, the third pivotal element comes into focus: People / Resources. Imagine assembling a team of skilled athletes without providing them with the necessary equipment or expecting a chef to create a masterpiece without access to quality ingredients. The People / Resources element is the lifeblood of any change initiative, encompassing not only the human capital but also the essential tools, funds, and supplies required for success. When this critical element is neglected, the repercussions are palpable – a scarcity of essential resources leads to a ripple effect of challenges, fostering an atmosphere of **Anxiety**. Teams are left grappling with unmet needs, hampering their ability to execute tasks with precision. Inadequate funding or insufficient tools can stifle innovation and hinder progress. Recognizing the intrinsic link between people and resources is imperative; it is this synergy that propels a change initiative forward, transforming potential hurdles into opportunities for growth and success.

🗲 + 🥕 + 🤍 = Anxiety



Skills / Training Element Missing. Transitioning to the next cornerstone of the Change Readiness Formula, we shine a spotlight on the Skills / Training element – an indispensable facet that, when overlooked, manifests as the disconcerting pattern of False Starts. Envision a team equipped with determination and vision but lacking the necessary expertise to navigate the complexities of the change initiative. The result is akin to attempting to run a race without the requisite training; initial enthusiasm falters, and progress becomes a series of halting steps. False Starts emerge as the team endeavors to forge ahead, only to encounter unexpected skill gaps that necessitate abrupt stops for skill acquisition, locating individuals with the needed expertise, or seeking appropriate training. This disjointed progression not only disrupts the flow of the initiative but also instills a sense of frustration and uncertainty among team members. Recognizing the pivotal role of Skills / Training in fostering a continuous and smooth journey through change is paramount, mitigating the risk of false starts and ensuring a more seamless transformation.

In the Skills Gap Study, 77% of Junior Employees would like to learn new skills. At the same time, 51% of leaders say that they are focused on upskilling, reskilling, or giving learning and development programs to early career/entry level staff and 47% are focused on intermediate or experience individual contributors. While the desire for training and the focus on training seem aligned, the question would be how relevant the training is for upcoming projects and initiatives. In addition, are the people using the new skills they have been trained on shortly after getting the training? Use the skill or

lose the skill and the False Starts will appear. "He/she was trained six months ago on this skill. We are good to go." That might not be an accurate statement or assumption.



Motivation Element Missing. As we dive into the intricate fabric of the Change Readiness Formula, the spotlight now shifts to the indispensable element of Motivation. Consider a scenario where all the other components align seamlessly—vision is clear, processes are in place, resources and skills abound—yet the crucial factor of motivation is disregarded. This oversight gives rise to a palpable undercurrent of **Frustration** within the team. Individuals, investing their time and effort into the change initiative, yearn for more than just the completion of tasks; they seek acknowledgment and recognition for their contributions. The absence of intentional efforts to nurture motivation can lead to a disheartened workforce, questioning the significance of their roles in the grander scheme. Frustration becomes the prevailing emotion as individuals grapple with the perception that their dedication goes unnoticed. Recognizing and fostering motivation as a core component of change readiness is pivotal, ensuring that the collective energy of the team is channeled positively, and frustrations are transformed into a driving force for success.



Action Plans Element Missing. As we navigate through the intricate dynamics of change readiness, the final piece of our puzzle comes into focus: Action Plans. Picture a wellorchestrated ensemble poised to perform but lacking a score to guide their synchronized movements. When Action Plans are omitted from the change initiative equation, the result is akin to a gradual, meandering progression. While the vision is clear, processes are in place, resources are abundant, and skills are honed, the absence of a strategic roadmap hampers the pace at which the transformation unfolds. The team, armed with potential, faces a scenario where decisions are made on the fly, and improvisation becomes the modus operandi. This unscripted approach may yield progress, but the lack of a structured plan impedes the initiative's ability to achieve optimal speed and efficiency. **Gradual Change** becomes the norm, with the potential for rapid and impactful transformation left largely untapped. Recognizing the indispensable role of Action Plans in driving purposeful and expedited change is crucial, ensuring that the collective efforts of the team are directed with precision and purpose.

Change Overwhelm and Employee Burnout

Rushing headlong into a change initiative without fortifying the foundational elements of the Change Readiness Formula can precipitate a state of organizational disarray, leaving employees grappling with a bewildering blend of anxiety, frustration, and inefficiency. This hurried approach often manifests as a confused state of affairs, where the absence of a clear vision, well-defined processes, adequate resources, necessary skills, motivation, and strategic action plans converge to create an overwhelming environment. The result is a heightened risk of employee burnout, as individuals find themselves navigating a chaotic landscape without the requisite support structures in place. Recognizing the signs of this overwhelmed state is pivotal, serving as a clarion call for a strategic pause and deliberate introspection. By acknowledging the missing elements and systematically filling the gaps, organizations can pivot from chaos to cohesion, offering employees a roadmap towards clarity, efficacy, and a renewed sense of purpose in their work. This intentional approach not only mitigates burnout risks but also sets the stage for a more resilient and successful change initiative.

The cited Workforce Skills Gap Study for 2024 shows that 23% of Junior Employees say that they have experienced severe burnout and another 40% have experienced some burnout. Not having enough employees or talent, coupled with pushing forward with new projects and strategic initiatives without taking the readiness pulse, will undoubtedly place stress, frustration, anxiety, and a myriad of other factors and emotions on the workforce. While it seems like an unescapable cycle, there is a way to break the cycle, which we will explore in the Suggestions section on page 11.

Change is Inevitable...Growth is Optional

As Michael Dell stated in his book, *Direct from Dell,* "Change is opportunity. It is also constant, direct, and temporary, for once things change, you can bet they are going to change again. Learning to thrive on constant change is the next frontier."

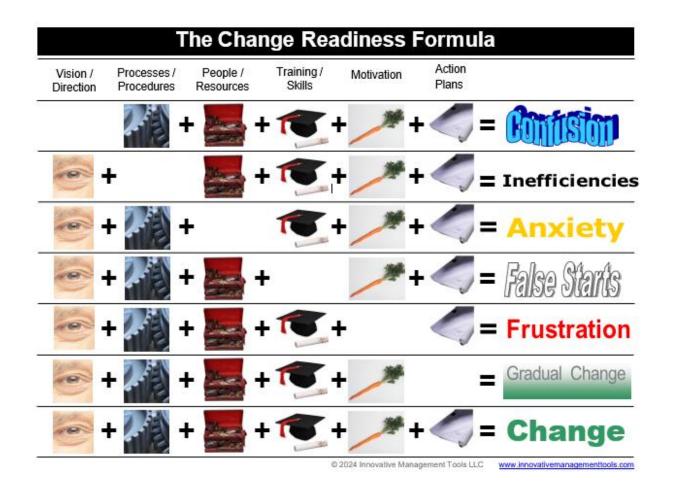


Charles Darwin provided us with the following insight: "It is not the strongest of the species that survives, nor the most intelligent, but the one most responsive to change."

Conclusion

Has the perfect storm already come to your company? Is it coming toward you? I don't know, but I hope you have a weather radar system that gives you weather forecasts in this regard. If it does come your way, you may not be able to control the storm's direction, strength, or timing. However, you can control your organization's readiness and ability to weather the storm's resulting changes.

In the orchestration of successful change initiatives, the harmonious alignment of all elements in the Change Readiness Formula emerges as the symphony of transformation. When Vision/Goal/Direction, Processes/Procedures, People/Resources, Skills/Training, Motivation, and Action Plans are not only present but thoroughly discussed and meticulously in place, the change initiative stands poised on the precipice of true metamorphosis. This comprehensive readiness signals that every facet of the organizational landscape has been considered, laying a robust foundation for progress. The probability of achieving meaningful change soars exponentially when each element plays its part, fostering a climate where clarity, efficiency, engagement, proficiency, motivation, and strategic direction converge seamlessly. Recognizing the interdependence of these elements and ensuring their collective presence positions the organization for a transformative journey characterized by purposeful strides, minimized disruptions, and an elevated likelihood of realizing the envisioned change.



Suggestions

A few ways to create a more inviting and effective work culture are the following:

- 1) Build, strengthen, or work towards a proactive, situation handling culture and work environment in your organization instead of a stressful, reactive problem-solving work environment. Watch this video for information on that: Creating a Culture Shift from Problem Solving to Situation Handling - Innovative Management Tools
- 2) Find ways to break the employee turnstile movement in your company, especially with recent or upcoming hires by getting in front of the storm called New Employee

Disenchanted Syndrome. Rethink and rebuild your onboarding process to be as intentionally welcoming as possible for new employees with our

ONBOARDING™ – Employee Welcoming Process Development course. Watch this video for information on the 9-session course that your organization can go through to reinvent your onboarding process: ONBOARDING - Employee Welcoming Process Development Course - Innovative Management Tools

 Consider adopting the Conversation Framework[™], NAVIGATE[™] – Planning and Preparation Activity, that is based on The Change Readiness Formula discussed in the previous pages. For more information on NAVIGATE, click on this link:

NAVIGATE - Planning and Preparation Activity - Innovative Management Tools

Contact the company Rhealize. This is an HR consulting company that is developing **Ikimy** - a recruitment platform that saves time and frustration by gathering more data points on candidates and the roles. This provides a higher quality match at the start and opportunities for identifying right-fit people based on their transferable skills. www.rhealize.com









ONBOARDIN

Employee Welcoming Process Development

Final Thoughts

- Build leadership skills in your people so employees will want to follow them and stay in the company.
- Develop top-notch proactive, situation-handling management skills across the organization so you can adapt to the employee shortage, should it hit your organization, moving away from reactive, problem-solving management that frustrates employees.
- Focus on creating efficient processes and continually refine them as the workforce dynamics change letting employees feel like their work is valued, productive, and needed.
- Involve all levels of employees in the decision-making process as much as possible to give them and their work a sense of purpose. Consider Conversation Frameworks to structure, engage, and involve employees in topics that impact them in their day-to-day work.
- Work smarter, not harder at everything you do.
- Do everything with a large dose of ICE Intentionality, Consistency, and Effectiveness.

"Innovative Management Tools helped us so much. Through their NAVIGATE planning and preparation activity, we created a timeline and direction. Additionally, because the activity is so user-friendly, it is not only easy to implement the results but also easy to understand why each step of the planning process is important and how all the steps work together to create a comprehensive plan.

"Going through the NAVIGATE planning session provided us some peace of mind and by following the plan we created during the session, we grew our accounts by over 50% with at least six more in the early planning stages. All that in less than six months!" Joe and Bev J., Co-Owners Kankakee, Illinois

"NAVIGATE allowed our management team an opportunity to get back on the 'samepage' by focusing attention on companywide goals & objectives - and the change required to achieve them. The session provided a clear, simple-to-use, 6-step formula that involved each department manager defining what would be required of them and their departments, and then expressing those requirements to the group as a whole. We came away with action plans that once realized, could be implemented immediately." Mike C., "Lean Manufacturing Champion" Morton Grove, Illinois

Consider adopting one or many of the 28 different Conversation Frameworks by Innovative Management Tools. Watch this video to learn more: <u>Understanding Conversation Frameworks - Innovative Management Tools</u>



"Staff training and development needs a very different approach in the knowledge economy. Companies are now aware that skills must be transferable, that the nature of 'skills' is changing. The demand is often for those 'soft' skills such as team-working or creative thinking, which need to be nurtured and developed rather than directly 'taught'. The holistic, experiential approach of the activities offered by Innovative Management Tools fits into any business approach or organization. The 'blended learning' approach means that those involved can examine their own capabilities in a no-blame, no-fail culture."

Ray B., Director London, England "Advances in technology seem to be happening almost daily: new platforms, new media, and thus new markets. For companies in the technology sector, managing change effectively has become a key competitive advantage. In more than 25 years of management experience, I have never seen tools so useful to help you adapt to changing conditions as the frameworks from IMT. They are elegantly simple and truly a breakthrough in managing changes throughout an organization." Juan M., International Business Development Wisconsin Rapids, Wisconsin

"The way a change happens is through our feelings; our emotions. Any company that simply subscribes to analysis to get the change does not get results. All the analysis in the world does not substitute for caring, sharing and dealing with the emotion - the feeling. You can analyze and fixate on a process for change but until you get to the people and address their feelings around it - their understanding of it – the change will not happen! I have found the right way to implement change with IMT. By engaging the employee and addressing their emotions and feelings, this business is making it happen." Barbara M., Owner Chatham, Illinois

"IMT has a very unique and effective methodology for helping companies work through business processes. The innovative and flexible approach - as needed by the company - 'qets the job' done."

Michael T., Ph.D., President/CEO Morton Grove, Illinois

"I was a training consultant with Dale Carnegie for 18 years. Previous to this, I was in hospitality management for 17 years. This experience taught me the value of training that is practical, results-oriented, and gets people on board.

"I find the IMT products and training to be a comprehensive, hands-on solution to small companies who desire to manage their growth and profit streams. In addition, the IMT plan trains the trainer. This allows for more ownership of the process and saves training dollars.

"Using IMT frameworks can help companies to be proactive so that they will not grow faster than their ability to manage."

Steve B., Trainer Woodstock, Illinois

