

## This Isn't Your Parents' Workforce

**A**t a recent conference, I met a 16-year-old high school junior named Josh. Josh patiently hung around after my session so he could introduce himself. In his tailored suit, striped tie and shiny dress shoes, Josh looked much older. Only his socks, neon argyle, belied Josh's true age and his place in a generation of highly driven but highly individualistic young people.

Josh told me that he attended a magnet high school that specializes in maths and science. Even so, his classes weren't challenging enough for him, so he spent one period each day working on tough physics problems online with students in Asia. He wanted to ask me if I thought he should go to college. 'I feel like I can learn everything I need virtually,' he said. 'And isn't my future job competition online, and not in an American college classroom?'

Thanks to steadily decreasing fertility rates in the United States and the recession, Josh is part of the comparatively small Generation Z, which includes people born between 1996 and 2012. I too

was part of a small generation, known as Generation X, which includes people born between 1964 and 1979, but when I graduated from college, it was a free for all. There were simply not enough Gen X-ers to fill the employment needs of US organizations. A talented Gen X-er could have any job they wanted.

But Josh had a valid point – his situation is much different. There aren't that many Gen Z-ers in the United States, but how much does that matter? Josh won't be competing for jobs with other Americans. Rather, he'll have to go toe to toe with the very best candidates with his skillset in the world. That's why he's practising physics with those kids now, and why he isn't sure a US college is the best use of his time and money.

Before we go too far down the path of how we're going to be working in the years to come, it's helpful to explore who's going to be working. The twin forces of demographics and globalization will affect who is seeking employment and where. In this chapter, we'll address documented demographic shifts, extended labour participation by baby boomers, projected skills shortages and the continuing rise of the multinational workforce and global talent pools.

## Falling fertility rates impact population

When the US Census Bureau talks population growth, Americans are accustomed to hearing good news. But the most recent figures are a bit concerning. As reported in the *Wall Street Journal* (Adamy and Overberg, 2016), the population has increased by just 0.7 per cent, the lowest rate of growth since the Great Depression years of 1936 and 1937. In 2016, the US fertility rate fell to the lowest point since record keeping started more than a century ago, according to the US Centers for Disease Control and Prevention. The general fertility rate is the number of births out of 1,000 women between the ages of 15 and 44, and in late 2016 it was only 59.8 births per 1,000 women (Park, 2016).

This isn't news to Europeans. In many countries on that continent, the rate of growth is below replacement levels, which means that population is declining. And it's not necessarily a reason to panic. After all, birth rates dropped dramatically in developed nations during the Industrial Revolution and just after the First World War, and everyone recovered.

The population in industrialized nations will be buoyed in great part by immigration. According to D'Vera Cohn, an analyst with Pew Research Center, these countries will become even more diverse in the coming decades (Cohn, 2016). By 2055, for instance, the United States will not have a single racial or ethnic majority. Today, a near-record 14 per cent of the country's population is foreign born compared with just 5 per cent in 1965. Asia has replaced Latin America as the largest source of new immigrants, and African immigration has doubled every decade since 1970.

Meanwhile, population in the developing world is exploding. According to the United Nations Population Fund, advances in modern medicines and improvements in living standards have significantly reduced infant, child and maternal mortality, contributing to an increase in life expectancy. Although fertility levels have declined, they have not fallen at the same pace as mortality levels (United Nations Population Fund, 2017).

Thanks to improved survival rates and past high fertility levels, there are more women of reproductive age today. This will contribute to a relatively large number of births, even if those women have fewer children on average. The population of the world's least developed countries will double by 2050, and in some countries it may even triple (United Nations Population Fund, 2017).

India is on course to become the world's most populous country by 2050, with 1.6 billion people. Then, there's China. The Asian nation presently has the largest population on the planet, peaking in 2030 at 1.45 billion. And China's one-child policy was recently amended to allow all Chinese families to have two children, pushing the number of births in the country to 17.86 million in 2016 (BBC, 2017).

What do these population trends mean for your workforce, and what can you do to make sure your operations aren't upended by labour shortages? By the end of this chapter, you'll have your answer.

## Millennials take over the workforce

As of 2015, millennials, or people born between 1980 and 1995, have become a majority of the workforce. Picturing millennials, we often think of late bloomers carrying huge debt and living in their parents' basements. I should know – I've been talking to organizations about the millennials (otherwise known as Generation Y) since the oldest ones entered in the workforce in 2003.

But today's true picture of millennials is quite a bit different. I recently worked with Deloitte to conduct a study on millennial leadership, surveying 1,200 working millennial professionals in eight countries including Brazil, Canada, China, Germany, India, Mexico, the United Kingdom and the United States. We also interviewed 38 millennial thought leaders and business leaders from the eight countries about their attitudes and concerns around millennial leadership.

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According to our research, 50 per cent of currently employed millennials already meet our definition of a leader, meaning that they have decision-making authority and at least two direct reports. Forty-four per cent of them have only three to five years of experience, yet 41 per cent have four or more direct reports. By contrast, at the same age, most baby boomers and Gen X-ers were still in junior-level positions (Smith and Turner, 2017).

Organizations haven't adequately prepared these young professionals to be managers, and it shows. Of current millennials who are leaders, only 36 per cent said they felt ready when

entering the role, and 30 per cent still did not feel ready at the time of the study, citing managing difficult people or situations, lack of experience and dealing with conflicts as their top concerns upon entering a leadership role (Smith and Turner, 2017).

Globally, the workforce developments we discuss in the coming chapters will be driven in large part by the millennials and their preferences, even as Generation X and Generation Z gain influence and the boomers remain in play.

## The non-retirement of boomers

Nearly 20 per cent of Americans who are 65 and older are now working, according to the most recent data from the US Bureau of Labor Statistics (Desilver, 2016). That's the largest population of employed older citizens since the 1960s, before the United States enacted Medicare. This, combined with the fact that baby boomers, or those born between 1946 and 1963, are hitting the traditional retirement age of 65 in droves, means that the United States has the largest number of older workers in its history. By 2020, it is expected that a third of British workers will be over 50 (Guardian, 2017).

Several factors play into baby boomers' newly extended careers. According to the United Nations, China is ageing more rapidly than almost any country in recent history. China's dependency ratio for retirees could rise as high as 44 per cent by 2050. The dependency ratio compares the difference between those not in the labour force with those who are working, and one this high will put an enormous strain on government resources and may force many elderly Chinese back to work in some form (Rapoza, 2017).

Meanwhile, The Transamerica Center for Retirement Studies recently found that almost half of ageing US workers were experiencing money problems that are forcing them to keep working. Some are retiring later than they planned because the

financial crisis devastated their savings, while others didn't have much put away to begin with. Still others are grappling with the escalating cost of living in their geographic areas, and the fact that Social Security isn't the golden nest egg it once was (Transamerica Center for Retirement Studies, 2016).

Healthcare needs, which understandably increase as people age, cost more than they have in the past. At the time of this writing, the Fidelity website tells us that 'a couple, both aged 65 and retiring this year, can now expect to spend an estimated \$245K on health care throughout retirement, up from \$220K last year. The figure has increased 29 per cent since 2005, when it was \$190,000' (Fidelity, 2015).

Normal health challenges aside, the average baby boomer is living longer and is physically capable of working longer than the average individual in prior generations. As George Lorenzo reported in a recent *Fast Company* article, the Pew Research Center found that baby boomers 'don't consider themselves old until around 72 years of age. 'Most long-held culturally and historically embedded notions about how to retire are quickly becoming outdated,' wrote Lorenzo. 'Many boomers no longer see themselves playing shuffle board, golfing, fishing and generally relaxing for the remainder of their days' (Lorenzo, 2016).

This resonates with my experience. My mother-in-law and father-in-law were born in 1942 and are members of the traditionalist generation. At the age of 62, they put in their notice, promptly moved to Florida and never thought about work again. Over a decade later, they still enjoy spending their days hanging out with other seniors in their retirement community. They play mah-jong and tennis and eat out multiple meals. It's like camp for old people.

My father, on the other hand, is a baby boomer. He 'retired' closer to 70, but the lifestyle didn't work for him – at all. He had way too much time on his hands. I watched him pace around his apartment, breathing shallowly and complaining about mysterious ailments, until I finally suggested he get a part-time job. So, my dad

started teaching psychology and statistics online, and then signed up to volunteer at a homeless shelter. Only when he'd filled his schedule with productive activities did my father regain his mental and physical health.

My father is not unusual in this respect. According to Lorenzo's article, a study conducted by the Rush University Alzheimer's Disease Center in Chicago points to living a life of purpose (identified as having a strong sense of meaning, which frequently comes from essential paid employment and/or volunteer work) as highly conducive to reducing one's susceptibility to stroke, dementia, movement problems, disability and premature death (Lorenzo, 2016).

And, a critical factor is that many baby boomers enjoy employment. The Transamerica research, for example, showed that more than a third of those over age 65 are still employed because they like working and want to stay involved. In an article for *Bloomberg*, Ben Steverman wrote that education comes into play here. 'The Center for Retirement Research at Boston College found that people with college and graduate degrees tend to work later than those with less schooling,' he said (Steverman, 2017).

While boomers might need and want to work, most don't want to work quite as many hours as they did at the height of their careers. In an article for the Knowledge@Wharton blog, Stewart Friedman, director of Wharton's Work/Life Integration Project, said that this decade has ushered in the age of tailor-made retirement. Friedman suggested that the transformation of labour markets is increasingly going to be helpful for people who want to slow down, but still want to be active. 'It's not all or none anymore,' he noted. 'We are going to be seeing more and more people who reach retirement age doing the kinds of things that enable them to continue on a part-time basis, to still be active in ways that allow them to use their talents' (Knowledge@Wharton, 2016).

In the same article on the Knowledge@Wharton blog, Joseph Quinn, an economics professor at Boston College, and Kevin Cahill, a research economist with the Sloan Center on Aging

and Work at Boston College, reported on patterns in workforce withdrawal. They said that 60 per cent of workers leaving their main careers end up doing something else. ‘We actually found a fair number of people, 15 per cent, who are out of the labor force for about four years later come back into the labor market,’ said Quinn. ‘We call these un-retirements. People come back either because of finances or because they are bored to death’ (Knowledge@Wharton, 2016).

What does this work look like? Well, many of today’s boomers are happily embracing the gig economy. A gig economy is an environment in which temporary positions are common and organizations contract with independent workers for shorter-term engagements, and we will talk about it in much more detail in Chapter 5. Ride-sharing company and gig economy poster child Uber recently claimed that more of its drivers are over 50 than under 30. The gig economy provides boomers with the opportunity to pursue work that they consider personally meaningful.

Encore.org is one example of an organization known for advancing second acts for the greater good, and has provided numerous services related to ageing boomers, including The Purpose Prize, which has been awarded to more than 500 over-60 innovators who have brought their skills and talents to communities all over the world. Another organization, Experience Matters, brings together boomers and non-profits for the benefit of both individual and organization.

Even boomers who just want to make money have endless options in the gig economy. ‘The opportunities for doing things like freelancing and consulting work and establishing products and services that you sell on the web have become real possibilities for boomers,’ Nancy Collamer, author of *Second-Act Careers: 50+ ways to profit from your passions during semi-retirement*, told *Fast Company*. ‘The amount of money required to start online businesses is far less than if you were to try to establish a brick and mortar business’ (Lorenzo, 2016).

One final, but equally important reason that boomers are working longer is that employers want them to stay. Although age discrimination is real when it comes to hiring boomers for new jobs, those who are gainfully employed often find that they have the upper hand when it comes to retirement. As companies realize that boomers are rich in institutionalized knowledge that is difficult to replace, they are starting to offer benefits such as phased retirement programmes; a way for workers to reduce the number of hours they work while phasing in retirement benefits or flex and part-time work.

According to the Knowledge@Wharton blog we referenced earlier, faced with a massive wave of upcoming retirements, the US government has been rolling out the idea in many of its agencies. Under prior law, workers who were eligible for retirement but wanted to continue part-time had little economic incentive to do so, since retirement benefits would often be equal to or greater than their salary would be for part-time employment.

The government's phased retirement programme allows workers to retire from part of their employment while continuing in another part of the job and continuing to earn additional retirement benefits proportionate to the new level of employment. In exchange, some workers are required to spend 20 per cent of their time mentoring new generations of workers.

Retiring boomers will be a major issue for organizations through the 2030s, and by mid-century we will start to contend with retiring millennials. And every time there are a massive number of people retiring, organizations are likely to experience disruption caused by loss of institutional knowledge, expenses associated with hiring and training, and productivity deficits as new employees get up to speed.

Therefore, it's critical that leaders develop more sophisticated solutions for preventing brain drain. Being more proactive with

*Don't let your high performers walk out the door without an ongoing connection to the organization.*

respect to retirement is a sensible first step. Analyse demographics in your geography, industry and company to determine when segments of your employee population will be retiring, and what essential skills and knowledge they will take with them. Then, don't just let your high performers walk out the door without an ongoing connection to the organization. Ask them about their plans, and if they'd be interested in staying on in a mentor, consultant or part-time role. If you know that someone is leaving, encourage a seamless and detailed knowledge transfer that, depending on the employee, could involve one-on-one meetings, e-documentation, wikis or video tutorials.

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**SPOTLIGHT** Ford's phased retirement programme

In *Harvard Business Review*, Rebecca Knight shared the story of Julie Lavender, director of personnel relations and employee policies at car behemoth Ford. Julie said she was rattled when Maria, one of her high performers who had worked at the automaker for close to 30 years, announced her plans to retire.

Julie had initially panicked because Maria had a complicated job working on government procurement and compliance. Maria was also extremely detail-oriented and had a lot of close, professional relationships that had taken a long time to develop. She would be a very difficult employee to lose.

With Julie's approval, Maria applied for Ford's phased retirement programme, which allows prospective retirees to work part-time for six months at full-time pay. Her application was granted, and Julie was immediately relieved. She knew Maria's part-time situation would allow her to recruit and train her replacement in the best possible way.

Julie identified Kelly as Maria's successor. At first, Maria opted to work three months full time and then have three months off at full-time pay, but the timing was challenging as Kelly was dealing with a recent promotion as well as union negotiations. So Maria volunteered to take some of her time off earlier, giving her more hands-on time with Kelly.

Julie supervised the two employees as Kelly and Maria worked together on a comprehensive transition plan. The knowledge transfer was facilitated by a technology-based Ford system that allowed Maria to store reference information for Kelly including access codes, report writing instructions and contact details. Maria also introduced Kelly to all of the key players, both internal and external, who were pertinent to success in role.

All in all, Maria was offboarded and Kelly onboarded in a way that demonstrated respect and appreciation for Maria and confidence and enthusiasm for Kelly. When Maria's paid leave was up, she was the guest of honour at a company party and assured Kelly and other colleagues that they could get in touch anytime with questions or concerns. Best of all, she probably meant it (Knight, 2016).

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## Labour shortages and skills mismatches

According to a recent SHRM article by Pamela Babcock, chief Conference Board economist Gad Levanon proclaimed at a Talent Acquisition conference that the labour market is tightening. This is due in part to retiring boomers, but a slowdown in labour productivity is also a factor. In the last five years, labour productivity in the non-farm business sector (a subset of the economy excluding the economic activities of the following: general government, private households, non-profit organizations serving individuals and farms) grew by just 0.5 per cent annually, compared to 2 per cent to 3 per cent in the decade before the 2008 recession. Meanwhile, unemployment has tumbled to 5 per cent, which economists consider full employment (Babcock, 2016).

There will be virtually no growth in the working age population between now and 2030, and this spells trouble for organizational leaders who are already having trouble hiring and retaining qualified workers. The Conference Board's Labor Shortage Index compares shortages expected in the next decade based on circumstances such as how much a career field is

expected to grow, how many people will enter it or retire from it, whether education or experience is required to perform the job, how flexible the field is, whether certification is required, and whether positions can be offshored or done by telework or visa holders (Babcock, 2016).

The ageing population combined with healthcare reform equals a massive, global shortage of healthcare workers. Many job categories, including occupational and physical therapists, may grow as much as 40 per cent by 2024. Demand will also outpace supply in several STEM (science, technology, engineering and mathematics) occupations, with the highest projected shortages in the field of mathematics (for example, actuaries and statisticians).

In Babcock's piece, Levanon commented that skilled trade labour positions (jobs like machinists, plant and system operators, and electricians) are also at high risk in part because a lot of people are retiring from the field and few younger workers want to enter it. For example, 42 per cent of rail transportation workers are expected to retire in the next decade. Automation will address some of these shortages, but as we'll talk about in the next chapter, the more complex the job, the tougher it is to hand over to a machine.

I'm currently the chair of a non-profit organization, the Career Advisory Board, which was established by DeVry University in 2010 to provide guidance that helps job seekers advance. Our annual research study, the Job Preparedness Indicator (JPI), tracks the gaps between what hiring managers are looking for and what candidates are bringing to the table. A recent iteration of JPI showed that despite globalization and the available technology to tap recruits from anywhere, most companies still prefer to hire locally. In fact, 75 per cent of hiring managers said they were not willing to relocate candidates from other geographies (Levit, 2014). This means, though, that organizations might not have the skills exactly where they need them.

Nevada, Arizona and Florida, which are still recovering from the housing crisis, have above-normal unemployment and are not experiencing the labour tightness of let's say, New York. Another factor affecting states is the age composition or ratio of people 3 to 17 years old and those 50 to 64. By 2030, all the people currently 3 to 17 years old will be working age and most of the people currently 50 to 64 years old will be out of the workforce.

As we approach 2030, what can organizations do to contend with labour shortages and geographic skills mismatches? Babcock suggested evaluating future labour market conditions by occupation and location. Tap untapped pools of workers, including new immigrants, older workers delaying retirement, and discouraged or underemployed workers. Since certain jobs and locations will experience more significant shortages than others, be flexible in your hiring policies. For instance, instead of insisting on a local hire that physically comes to the office every day, consider carefully if the job could be done by someone remotely who flies in once or twice a month.

You might also consider relocating operations, and not just once. As former Manpower CEO Jeffrey Joerres said in a recent *Harvard Business Review* interview with Amy Bernstein, the location of talent pools isn't constant. 'We're seeing in-demand skills pop up in different areas of a country or the world. For a few years the best place to find IT developers was Kraków; then it shifted to Kiev, because Kraków became saturated,' he said. 'It's a nomadic mentality that means you are ready to pick up and move when necessary.' This approach, called micro-market analysis or micro-foot printing, involves rapidly shifting work from one country to another to stay ahead of competitors (Bernstein, 2016).

If you need an army of talent and the right soldiers don't seem to exist, take a step back. We'll discuss in the next section, and later in the book, how it's easier than ever to recruit precisely the workers you need when you need them.

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**SPOTLIGHT** The global health workforce in 2030

Healthcare is one of the industries that will be the most significantly impacted by shifting demographics and skills shortages. In 2013, Jenny Liu and her fellow researchers at the National Institute of Health (NIH) used health workforce data for 165 countries from the World Health Organization's Global Health Observatory to predict the demand for health workers in 2030. Their model was based on economic growth, demographics and health coverage, and predicted that by 2030, global demand for health workers will rise to 80 million workers (Liu *et al*, 2017).

This is double the current stock of health workers, but the supply of health workers is expected to reach only 65 million over the same period. We're therefore looking at a worldwide net shortage of approximately 15 million health workers.

Liu and her colleagues proposed that growth in the demand for health workers will be highest among upper- and middle-income countries in East and South Asia, driven by economic and population growth and ageing. These countries will face workforce shortages because their demand will exceed supply. By contrast, many low-income countries will face low growth in demand and supply, both of which will be far below what will be needed to achieve adequate coverage of essential health services.

And in some less developed nations, demand may stay below projected supply, leading to what the researchers identified as a paradoxical phenomenon of surplus health workers in countries facing acute, needs-based shortages. This is a classic example of the kind of skills mismatch we talked about in the previous section.

So what can we do? Fortunately, Liu and her colleagues believe that the global shortages projected for 2030 may not occur if labour productivity could be increased through better use of technology, improved skills development and institutional reforms.

This will require that the international community determine the kind of additional investments needed to increase the number of health workers in those countries facing health workforce shortages. We must also find a way to achieve greater productivity and efficiency with a limited

number of available health workers, as well as a more effective distribution and deployment of health workers within and across countries.

The NIH researchers indicated that opportunities exist to bend the trajectory of the number and types of health workers that are available to meet public health goals and the growing demand for health workers in upper- and middle-income countries especially. Technology-supported efficiency gains will help, as will changing the skills mix so that fewer workers will be needed to provide equivalent levels of service.

It's not quite that simple, however. There is also the possibility that technology advances could increase the scope and complexity of healthcare interventions, and lead to an even greater demand for highly skilled health workers. Both government and industry must keep on top of these developments so that we can create the most effective policies in real time (Liu *et al*, 2017).

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## Harnessing global talent pools

Technological advances in the last two decades mean that one's country of origin and ethnicity no longer dictate where one can work. Developing countries are producing as many skilled workers as developed countries, and even people residing in far-flung, rural locations can compete effectively if they take the initiative to acquire the right skills. Collaboration can occur easily across borders and time zones.

'Job vacancies, which may previously have only been advertised in provincial newspapers or through the personal network of domestic recruitment agencies, are now disseminated far and wide through the Internet,' wrote the SHRM Foundation in its research paper, *Engaging and Integrating a Global Workforce*. 'Globally minded employees can identify opportunities abroad or in multinational companies through a variety of online channels such as LinkedIn' (SHRM Foundation/Economic Intelligence Unit, 2015).

As we approach mid-century, the number of channels will likely increase exponentially, but limitations will still exist. While you can send a CV from anywhere, how likely is it that a hiring manager from one country will consider a candidate from another? In addition to hiring manager bias, globally minded employees will need to overcome logistical challenges and a potential shift to the type of flexwork we will discuss in more detail in Chapter 5.

Tomorrow's organizations will be even more concerned with increasing productivity without changing headcount, prompting a move from a talent ownership mindset to a talent attraction mindset. Building an external, global and technology-based talent strategy that focuses on contract workers and crowdsourcing, and takes advantage of internationally competitive freelance wages, is one way to go about it.

Braden Kelly, social business architect at open innovation pioneer Innocentive, agreed with this approach, commenting: 'Two of the most important job skills in this new world of work will be the ability of the individual and the organization to deconstruct the work into portable units that can be executed by a mix of internal and external talent, and construct a project plan for distributing, aggregating, integrating, and executing the component parts to achieve the overall project goal' (Kelley, 2014). Stay tuned, because we will also talk much more about this in Chapter 5.

The globalization of the workforce, however, is being driven by more than just technology. According to the SHRM Foundation's research paper, trade liberalization and the relaxation of trade barriers provide benefits including the deferral or elimination of customs duties and tax exemptions, and have encouraged companies to expand internationally and trade their products and services on a global scale. The world's largest companies have stretched across borders to the point where they have greater operations and more employees in other parts of the world than in their countries of origin.

In an article for the SHRM titled *Tapping into the Global Talent Market*, Lynn Shotwell, executive director for the

Council for Global Immigration, and Andrew Yewdell, global immigration specialist for the Council for Global Immigration, suggested that a successful future economy will still rely on the cross-border movement of human capital. 'The efficient delivery of goods and services will depend on foreign talent somewhere in the supply chain,' they wrote. 'Matching talent to demand across borders is one of the greatest human capital challenges of the 21st century' (Shotwell and Yewdell, 2016).

Shotwell and Yewdell speculated that the most pressing issue related to accessing global talent pools relates to migration policies and processes that obstruct the timely, predictable and flexible access to talent. For instance, in the United States, the insufficient H-1B cap and annual limits on green cards create a talent bottleneck, preventing employers from hiring the highly skilled immigrants they need. Similarly, in the United Kingdom, Brexit may negatively impact the hiring of workers from elsewhere in the European Union. And, they wrote, as governments implement more sophisticated electronic tracking systems and invest in more audits of employer records, even brief, casual and innocent work without the proper permits can result in fines, debarment, reputational damage and even criminal penalties for global executives and mobile employees.

'When managing global talent operations, work and residency permit compliance should not be the only area of concern,' Shotwell and Yewdell said. 'Employers should carefully monitor compliance with tax laws, anticorruption laws, such as the US Foreign Corrupt Practices Act and the UK Bribery Act, and laws regulating international labor recruitment, such as the recent UK Modern Slavery Act. In some cases, vigilance must extend to supply chain management, as with the California Supply Chain Transparency Act.'

As Shotwell and Yewdell pointed out, managing global mobility is time-consuming and uncertain. We may push for better migration processes, but they won't happen overnight, and unexpected obstacles can delay hiring or deployment of critical foreign employees (Shotwell and Yewdell, 2016).

Leveraging global talent pools carries other risks. Not all education is created equal, and cultural differences sometimes play more of a role than we'd like. Although multicultural organizations and their array of diverse experiences often allow for greater creativity and innovation, they may also breed communication problems. A 'glocal' approach, in which a company hires local employees who also understand the organization's larger market, is essential and will be discussed in greater detail later in the final chapter.

As more companies become multinational, the challenge of making sure that overarching organizational values are implemented consistently rises to the forefront. There are also concerns about divergent moral and ethical standards in an age of increased scrutiny and oversight, not to mention intellectual property quandaries.

Despite any potential hazards, the benefits of global talent pools will far outweigh the downsides. When expanding into a new talent market, here are strategies to keep in mind as you venture into new territory:

- **Understand the intricacies involved with hiring in the new market.** Regulations involving everything from global mobility and migration policies to permits and the management of contract labour vary from country to country.
- **Leverage experts in the talent market.** These individuals can help you understand the risks and opportunities of setting up shop and then hiring there, and to promote effective integration once you get started.
- **Seek advice for translating your culture, values and policies.** You'll want to be sure they make sense in the nomenclature of the new market, and that they encourage collaboration among a diverse workforce.
- **Set up digital talent communities.** These online properties showcase your knowledge of the local workforce and offer an opportunity for real-time interaction with potential full-time and/or freelance hires in the new market.

- **Consider sending people from headquarters on short-term assignments.** These stints of three to six months in the new region will ensure that there are reliable connections between the centre and spokes of your wheel.

Technology will obviously play a critical role as you expand into new talent markets. In the next chapter, we'll talk about the role of automation and smart machines in designing the most effective global workforce.

## Action Plan

As a leader, you should brainstorm with other senior executives, industry thought-leaders and team members to answer these questions today. Evolving your responses over time will ensure that you are well-prepared for the 2030 workplace:

- 1 In what age bracket do most of your employees fall? How will this shift in the next 10 years?
- 2 How are you training your rising millennial leaders to take the reins of your organization? What can you do to enhance the performance of your current millennial leaders?
- 3 How will you ensure effective knowledge transfer from your retiring baby boomers? How will you adapt to the boomers' desire to contribute longer?
- 4 What skills shortages are your organization experiencing now? Are your gaps narrowing or widening? If they are widening, what can you do to close them?
- 5 If you are a multinational organization, how can you do a better job of growing and supporting your global workforce?
- 6 If your organization has not expanded internationally, how can you dip your toe into the global talent pool? What barriers might prevent success?

## Chapter summary

- While the millennials have become a majority of the global workforce, the baby boomers have reached retirement age doing the kinds of things that enable them work fewer hours and remain active using their talents.
- Despite falling fertility rates, the population in industrialized nations will be buoyed in great part by immigration. Meanwhile, population in the developing world is exploding due to advances in modern medicines and improvements in living standards.
- Organizations can contend with labour shortages and geographic skills mismatches by evaluating future labour market conditions by occupation and location. Tap untapped pools of workers, including new immigrants, older workers delaying retirement and discouraged or underemployed workers. Since certain jobs and locations will experience more significant shortages than others, be flexible in your hiring policies.
- We are moving from a talent ownership mindset to a talent attraction mindset, which can be supported with an external, global and technology-based talent strategy.
- The most pressing issue related to accessing global talent pools involves migration policies and processes that obstruct the timely, predictable and flexible access to talent.