

Mid-Level Manager Shortage? It has only just begun!

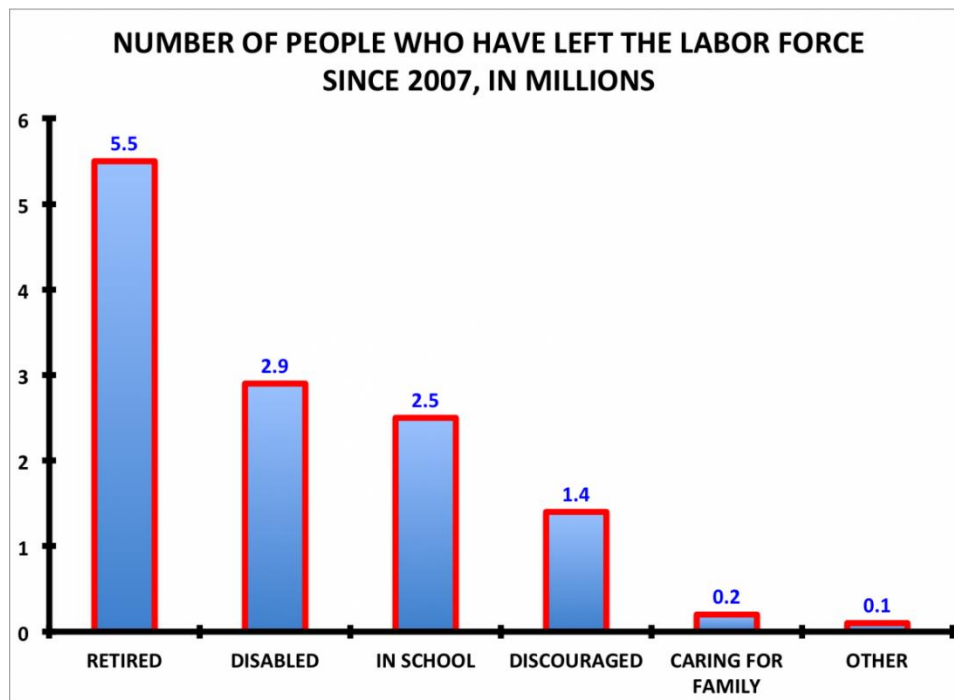
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Executive summary

The Great Recession caused employers across the spectrum to cut back on hiring, eliminate positions, slash staff and budgets, and maintain those policies for a fair amount of time. As the economy shows continuous signs of improvement the chickens are coming home to roost, so to speak, in the form of a looming – and continuously growing – shortage of trained talent, particularly in entry to mid-level managers. For the purposes of this paper, that refers to product managers in the technology space, specifically.

The lack of opportunities for new grads has been noted in the national and business press for some time. Holders of both recently awarded undergraduate and post graduate degrees are underemployed at alarming levels. They have missed out on the crucial first few years of employment in their chosen field, when one learns how to work and function fully in the ‘real’ world. Moreover, they lost out on critical development experience which would enable them to manage teams and navigate significant challenges.

Boomer retirement has been reported upon extensively and the rate at which those people are leaving the workforce is not going to let up anytime soon. The necessary reaction to the recession that made companies reticent about adding new hires made them equally reluctant to replace departing senior level talent with qualified candidates.



Business Insider/Mathew Boesler (data from Atlanta Fed, courtesy of Ellyn Terry)



Succession planning will become critical as many organizations will feel enormous pressure to secure top talent to replace retiring boomers. 'Brain drain' is used in the media to describe the loss of skilled talent from the workforce and, as noted by Dr. Maynard Brusman, a consulting psychologist, executive coach and workplace expert specializing in emotional intelligence and mindfulness-based leadership development, "The younger Gen X and Gen Y (New Millennials) are growing impatient to ascend to leadership responsibilities."

How to address this shortage now that companies are beginning to hire again? Expectations need to change from the perspective of both the employer and potential employee. Long established and venerable Fortune 500 companies need to attract a younger working population, a demographic that expects frequent job changes. Potential employees need to be consider brick and mortar organizations that are developing robust and innovative technology departments.

Underemployed recent grads and Boomer retirement

Nearly half of recent college graduates are working at jobs that do not require a degree. The Bureau of Labor Statistics reports that 284,000 college graduates are working at minimum wage jobs, largely because the economic recovery has been dominated by jobs in low-wage sectors. 21% of such jobs were among those lost during the recession while jobs that generally go to recent graduates made up 60% of recession losses.

Boomers will continue to have significant impact on virtually every area of our society. The sociological, cultural and economic effect of the Boomers' latest mass transition it will factor into the employment outlook of the second stage talent gap addressed in this paper. As the Boomers retire from management positions without an adequate supply of trained, experienced professionals to take their place other, less obvious factors come into play in this area and will need to be considered and addressed.

Layoffs – and New Opportunities

Major firms have laid off numerous people since 2008. 11 firms that laid off approximately 175,000 people in total, including JPMorgan Chase, Bank of America and Citigroup are now hiring again. Indeed reports listings for at least 500 new workers at each firm, including positions in STEM areas and the business functions around them. While hiring is far from pre-recession levels it is a sign that things are improving

The good news is that federal labor statistics indicate that employment growth in tech jobs — defined as those most closely related to science, technology, engineering and math (STEM) — outpaced gains in all other occupations by a ratio of 27 to 1. For each job created in the high-tech sector the multiplier effect in turn creates approximately 4.3 more non-tech jobs, and that effect is higher than almost any other sector.

According to mashable.com the hot tech jobs in 2014 are software engineer, web developer, network systems analyst/network engineer, mobile developer, IT manager, sales development, database administrator and Chief Digital Officer. And there is growth in opportunities presented by cloud, mobile,



SaaS, etc., and technology jobs with companies and industries that are not tech companies, but are developing robust tech departments and capabilities.

GE is adding significantly to their IT departments in Michigan and New Orleans in areas such as software development; governance, risk and security; and infrastructure. Ingersoll Rand is actively recruiting for their technology sector for positions in areas such project management, source and negotiation, and shared services management. Honeywell is actively working to meet demand for energy technology and advanced materials produced by its Performance Materials and Technologies (PMT) business. And others have announced new consulting and support services that improve network simplicity, scalability and agility, enabling organizations to reduce the time spent on IT maintenance so they can take on more strategic initiatives.

Attracting, training and keeping the talent

The problem remains: where to find the people with the right skill set, or combinations of such, to fill these positions, and how to recruit and attract them when they have many options. A long term solution includes increasing visa sponsorships, and enrollments in the STEM Science Technology Engineering Mathematics) education field is booming.

Solutions to the more immediate need require some original thinking and a more holistic approach. An acceptable candidate may not be someone out of a top business school or with experience in a particular industry, but with adjacencies that makes their backgrounds relevant and qualifies them as a viable candidate.

Employment branding is coming to the fore in terms of not only creating a recognizable set of characteristics which the general public identifies with a certain corporate entity, but also internally. All manner of companies such as General Electric, Honeywell, Caterpillar and Ingersoll-Rand, historically known as manufacturers of hard goods, have entered the software and data mining space. They may have solid, trusted brands but they face stiff competition for talent from firms that are exclusively high tech and perceived as cutting edge.

Employment branding is an expanding field that some companies are successfully leveraging as a way to attract and keep talent, but the reality of the situation is that not everyone has the funding or the resources to build and execute an employment brand that is pleasing to technology candidates. And it will take a considerable and sustained effort in order to change the perception of traditional brands to ones that are perceived as cutting edge technology companies.

Megan McCann, an IT recruiter for a Chicago based global logistics company in Chicago, says "Technology is about finding creative solutions to complex problems, and we need to apply that same thinking to the talent shortage. Hiring managers need to be creative in looking at talent that may not have every box checked from a technology perspective, but would be a great cultural fit to the organization. At the end of the day the role is to solve business problems using technology. And that requires a certain type of thinking and problem solving and looking for talent with those skills, with the



technical aptitude and desire to learn the technology platform or stack that the organization works with, is talent that will transfer well into an organization.

The underemployed college grads with degrees in hand but without the crucial experience that, under normal circumstances, they would have gained at their first post-collegiate job in their chosen field, is a viable source for talent. Dustin Leszcynski, Global Business Talent Acquisition Lead at HP, says "At HP we are continuously evaluating opportunities to identify and hire the right talent, at the right time, at the right place to drive the New Style of IT. With the recession a lot of the hiring of early career talent went on hiatus at many companies and across many industries, creating this talent pool of underemployed college grads. We view this as an opportunity and are working to connect this talent pool with current and future opportunities at HP across the globe."

And go after new talent now, adapting what is often called 'always on' recruiting. Securing top talent to replace the retiring baby boomers will result in an increasing amount of pressure on organizations, and this is not the time to take a wait and see attitude. This is the time to develop and maintain an ongoing, continuous search for the talent needed to keep business running and competitive.

As for recruiting from non-traditional sources "It's really going to be about what an organization's recruiting staff's imagination comes up with," says HP's Leszcynski. "Their ability to identify and assess talent will be the differentiator, from a recruitment perspective, among firms with efficient systems in place to process the volume and stay ahead of competitors. "Success will lie in finding those pockets of talent that have not traditionally been recruited, establishing a talent pipeline, then cultivating and nurturing relationships for the long term."

This top talent, and those looking for talent in unexpected places and nontraditional sources, is going to be everywhere. It's also going to be assessing the experiences and education of that talent, and having the imagination to see that a finance major may not be a pre-requisite. It may be someone with a liberal arts degree, for instance, and as organizations follow through on those hypotheses and demonstrate results, more and more will follow suit. But until then it's going to take original thinking, open mindedness and even bravery from organizations looking to push the envelope. But one thing is certain: the firms that have established reputations as being progressive, dynamic and robust in the IT space who will be among those who will take those approaches, take those chances and land the talent.