

Current Trends Affecting Workforce Development

1. **Recruiting will intensify among smaller employers.**

While large companies are bracing for the rippling impact of the European debt crisis, we will see the small and medium-size companies adding staff. Many companies will continue their reluctance to add staff, until they have a sense for the outcome of the 2016 elections. Foreign companies are in expansion mode, taking advantage of low capital development costs and a stronger U.S. economy. ¹

2. **Unemployment will continue to remain relatively high.**

Unemployment is expected to remain over 5.5 percent for most of the country during the rest of the year. North Carolina will struggle to lower unemployment to 5%. As noted in the 2014 Employer Needs Survey, the challenge for employers is that many of the unemployed do not have the skills they are looking for.

3. **More communities will wake up to the critical need for workforce development.**

More communities will become aware that they will simply not grow economically without having an available skilled workforce with the skill sets that can attract new business. More employers are now requiring Career Readiness Certification to simplify the recruiting process and increase the likelihood of a good skills match.

4. **Metrics, metrics, metrics.**

Looking for efficiencies everywhere, more employers will embrace technology to manage processes and keep track of talent. Companies providing software to employers will see their businesses grow. Employers will face the challenges of training their people in these new systems. More tools such as the business performance and energy assessments used in the E3 process will be used.

5. **Companies will take greater advantage of social networks.**

They will not only use it in recruiting, marketing, and public relations, but also training and development, and even in succession planning. Large companies will capitalize on their own internal social networking sites to communicate internally.

6. **Growth levels will vary by region.**

The US will have continued slow growth, as will North Carolina. John Connaughton, UNC-Charlotte economics professor predicts an annualized rate of 3% for the Charlotte area. According to Federal Reserve Bank economists, the lingering repercussions of the European debt crisis and the Great Recession in the US including modest growth in housing prices will hamper expansion. Small but steady gains in the economy are predicted for the next year.

7. **A growing number of unemployed people will become consultants.**

The personal and professional services industries are burgeoning. More companies will "rent" the talent they need for the time they need it for many services. Individuals will increasingly seek the services of contract workers.

8. **Re-engineering will continue.**

Companies, particularly the larger ones will continue to reduce staff and hire others in an ongoing attempt to optimize productivity and profit. The drop in employee engagement will not affect this drive for efficiency, until that decrease begins to affect the bottom line. Wise employers will engage their employees in finding these efficiencies. ²

9. **Far too many employers will ignore the rules of engagement and retention in their bottom line profitability.**

Though employers will have higher employee turnover and greater difficulty in recruiting, too few will take action to meet this challenge. By necessity once again, employers will be forced to look at the real drivers of employee retention, which may not be what is reflected in their surveys. The solution may be to simply ask all employees how the company can be more productive and retain employees.

10. **Escalating regulatory environment.**

With the continuing increase in regulations affecting Human Resources, such as proposed rules affecting Veterans and employees with disabilities, employers will have no choice but to collaborate with their local workforce professionals and lawyers to avoid compliance problems.

Notes: 1,2 *"The Herman Trend Alert," by Joyce Gioia*