



# A Changing Labor Market

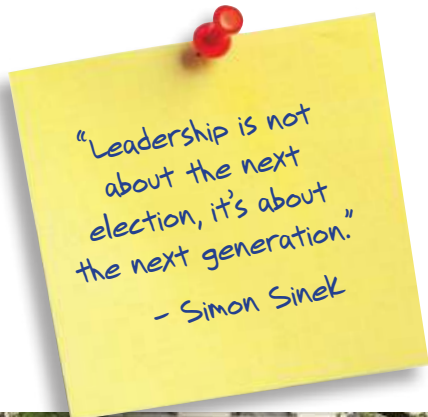
## The face of the American worker is changing and there's good news and bad news about that.

Three generations – the Baby Boomers, the Millennials (Gen X/Y) and Gen Z (those born between 1994 and 2010) – are having a huge effect on the Labor Market.

The Baby Boomers are creating a huge need for succession planning as they begin to age out of the workforce. Many Boomers were negatively impacted by

the Recession and so they want to stay in the workforce longer. Those who are retiring are creating pressure on the mid-manager sector which is impacting the Millennials.

27% of Millennials are already managers, according to a recent study conducted by *Forbes* Contributor Dan Schawbel and Upwork. In another study done by CareerBuilder, they found that 38% of the workforce is already managed by Millennials. While this represents a great opportunity for Millennials, these new managers are not prepared for their positions, have not been trained on how to be good managers and are getting these positions as older workers are aging out at a rapid pace. Some companies, though, have taken on the strategy of retaining older workers in



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order to transfer their knowledge to younger managers.

Many companies are already starting to invest heavily in Gen Z – a generation that will be emerging into the workforce this year. As a strategic move to engage this generation, companies have started engaging with this age group by offering internships while they are still in high school. Some companies are paying students thousands of dollars to be interns. Many companies are using this strategy to compete for the very best talent in Gen Z.

In a recent presentation to the RBF CEO Peer Group, Scott Fiore, VP and Partner at TriStarr Staffing noted that the Gen X and Gen Y workers see job changing as part of their career strategy. “They saw their parents being laid off and

pensions disappearing,” he noted. “The ‘Loyalty Pact’ between employee and employer has been broken and they are constantly looking for job opportunities that will move them up the ladder.”

Fiore also noted that Social Enterprise is valued by the Millennials and they look for that when job searching. “This generation is looking for more flexibility and want to work for a company that is fun and rewarding.”

Along with the desire for flexibility, workers want to be able to search for jobs on their mobile devices, but only [20%](#) of the Fortune 500 have a mobile friendly career site. Additionally, social media is having an increasing impact on how young workers are looking at companies. They are looking at social media posts to gain a greater sense of the company and to see if it’s the kind of company they would want to work for.

There is a growing skills gap in the marketplace which means that higher level jobs are more difficult to fill. Fiore warns employers to take good care of employees because “I can guarantee that

## JEFF BLEACHER



*“As an accounting firm in a very tight labor market we have had to strategize to get our positions filled with top performers. The unemployment rate in our industry is around 2%, which basically means that we have to hire college graduates and offer them training, flexibility and the opportunity to move up in their careers. It’s exciting to us to work with the younger generations and to learn about their values and beliefs.”*

## KEN FALK



*“The Baby Boomer transitions are creating a huge impact on the business environment. The clients we work with who are in succession planning are doing exactly what they need to be doing to ensure a healthy transfer of assets, culture and corporate knowledge. Planning ahead is so critical for a company’s survival and the wise executive gets ready for a smooth exit.”*

*“He plants trees to benefit another generation.”  
- Caecilius Statius*



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your super stars are being recruited right now.”

Many people are opting out of structured jobs altogether and working as freelancers or in temp jobs. Companies like working this way because it’s cheaper and they don’t have to pay benefits. Due to the huge loss of jobs in the Recession and improved

technology, more people are finding these jobs more rewarding and higher-paying. In addition, corporate coverage of medical insurance is declining and more workers are buying their own coverage.

In summary, employers need to be strategizing now in order to keep their top-performers and to hire other great performers. Automation of routine and repetitive tasks is eliminating the need for many production positions, so top talent in key positions will create a competitive edge for companies that get ahead of the changing labor market.

## JEFF GROFF

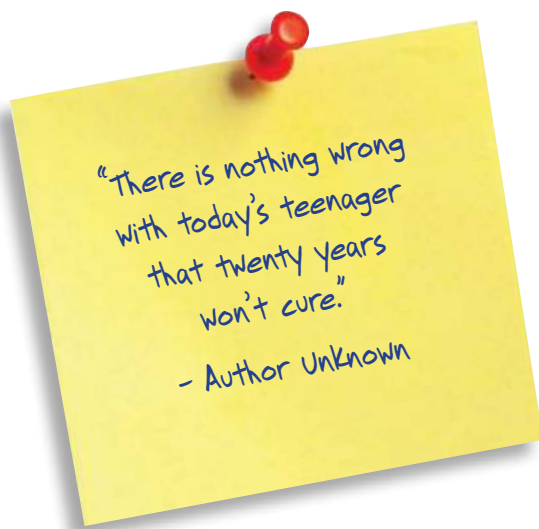


*“Understanding the difference in the way different generations work has helped us in our recruiting and retention efforts. High-performing team members will help us to create a competitive edge and to serve our clients with great work. We need all of the generations to make it work.”*

## PATRICK GENDRUE



*“Relationship building across the generations is key to success in the workplace. No one generation has ever had all of the answers. We can learn a lot from each generation and create a better workplace for those who are more traditional and those who want work to be what they do, not a place they go to.”*



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