

A New Season of Opportunity

A Message from Peter C. Pecor, Executive Director

Although the unemployment rate is predicted to remain high through the third quarter of 2010, companies should begin preparing for an economic rebound by reexamining their current policies and strategies.

Based on current trends it is anticipated that the first impact will be felt in an increase in contract labor, which will allow businesses to supplement their workforce and complete projects without making a decision relative to long-term full-time hires. There have been indications that there will be a stabilization and leveling off, if not a decrease, in offshore outsourcing, which may create opportunities for an increase in domestic contracts. Additionally, it is expected that we will see an increase in IT spending to improve efficiencies.

It is also anticipated that there will be new business created related to providing services to deal with an increased level of governmental programs, policies, and procedures, especially in the health care and financial services fields. The monitoring, data collection and reporting requirements dealing with new or revised regulations will require new and diverse skills to meet the challenges facing both employers and government. Positions and functions will be established to deal with both internal and external compliance which most likely will be outside of traditional legal and accounting services.

In an anticipated turnaround, as the economy improves there will be a risk of employee turnover and employers will need to embrace policies, procedures and practices to retain their most skilled talent, especially employees recruited during the recessionary period who possess a higher level of experience and education.

Businesses should conduct ongoing reviews of employees' contributions to determine who aided the company during the difficult economic time, and who could provide the company with a competitive advantage as the economy improves. Employees recognized for their ability to adapt to change, be creative and innovative and bring improvements to the workplace will be more motivated and loyal. The ability to successfully create and nurture a cohesive work place during difficult times will be an important strategy as business improves and will reduce employee turnover.

The economic situation has delayed the retirement of mature workers and baby boomers to allow them time to regain values lost in their 401(k) and retirement accounts. These delayed retirements have stalled and reduced new hiring of both the unemployed and new entrants into the labor market, especially recent graduates. Businesses should review their staffing structures and look beyond the traditional part-time positions and open the door for an expanded semi-retired workforce. This would allow room for new employees to learn from a skilled and seasoned workforce, build a future staff with a well designed strategy while eliminating any operational and business disruption. The largest obstacle to instituting a phased-in retirement program is the effect it may have on benefits including health, life insurance and retirement plans. The flexibility of your individual benefit programs should be determined and could assist in fostering this strategy.

The traditional business model has been tested, reworked and purified during this recessionary time and the end result should be a more efficient and effective way of doing business. This requires a skilled, technically savvy workforce incorporating a renewed spirit of innovation and entrepreneurship. The results of instituting changes in recruiting and modifying internal workforce policies and procedures are investments with both immediate and long-term payback for businesses.

