

# The Advisory Alliance

**60-Second E-mail – April 26, 2005**

## ***Quality Talent: The Impact of 0% Unemployment***

In March, the US unemployment rate stood at 5.2%. Ask any successful leader, manager or executive, and he or she will tell you it's closer to 0% or even negative. For many companies, there's a serious shortage of quality talent. In its recent research report "It's 2008: Do You Know Where Your Talent Is?" Deloitte Research notes that CEOs of successful companies are twice as likely as CEOs of less successful companies to cite the shortage of talent as a key concern. Furthermore, it's a concern that has few signs of abating. In the survey of US HR executives, Deloitte finds an ever widening gap between the skills businesses need and the skills they retain. The executives cite three major threats to business performance over the next three years:

- Inadequate skills in incoming workers (70% of respondents);
- Retirement of Baby Boomers (61%); and
- The inability to retain critical talent (55%).

And by "critical talent", respondents aren't referring solely to senior-level executives. It goes far beyond that. It's those employees, including those on the front line and in the back office, that execute consistently and persistently: "A company's critical talent possesses highly developed skills and deep knowledge—not just of the work itself but also of 'how to make things happen' in the organization. Without these people, organizations could not achieve their strategies." In a country that is enamored with business strategy, it's crucial to remember that impact must be created not just at the top, but throughout the entire organization.

So what is a business owner, senior executive or manager supposed to do? Deloitte offers the following: "Employers need to focus quickly on understanding

- which skills will make or break their business,
- where those skilled individuals will come from, and
- how to keep these workers engaged and committed within the organization.

Only those organizations that respond swiftly and plan effectively will find themselves on top of these new challenges." And we will examine how companies can address these challenges in next month's 60-Second E-mail.

If you'd like a copy of Deloitte Research's study "It's 2008: Do You Know Where Your Talent Is?" please reply to this e-mail and we'll be happy to e-mail you one. Additionally, you can access this and past 60-Second E-mails, by accessing the following link: [www.cnsltng.com/detail.php?page=resources](http://www.cnsltng.com/detail.php?page=resources).

Best regards,

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