

Future worker shortage demands change in corporate philosophy

by Jay Wilke



A drastic change is coming to Corporate America. The labour statistics predict that by 2011 the North American workforce will experience the worst shortage of skilled workers in modern history. As the Baby Boomers retire over the next six years, our economy will lose an estimated 10 million skilled workers. This shortage will create an unprecedented need for organisations to attract and retain their high-performing and loyal employees. The employees that are available have different demands of their employers. They don't see working hard to increase profits for shareholders as a reason for creating excellence in their product.

What sort of effect will these changes have on corporate philosophy?

In the future, the "profits first, people last" culture will no longer attract the best people, according to Jack Lannom, author of *People First*. "The new business model for high profitability and long-term viability will be a philosophy that puts people first," Lannom says. "Every human being needs to know that who they are and what they do in a company has purpose, meaning, and immense significance."

Many managers don't understand the full impact of putting people first. As one example explains, "Our human resources

department monitors compensation plans to be sure that we offer pay and benefits that are better than most. We're careful to provide equal opportunities to women and minorities. We're a stable company with a good clean working environment. What more am I supposed to do for them?" Corporate cultures that concentrate on profits often feel that way.

Lannom suggests that most managers are having "close encounters of the impersonal kind" rather than encounters that build potential. He takes a typical restaurant setting as an example. Before you have ordered your food what do you know about the person serving you? Have you made a connection that makes the server feel important or do you take the attitude that they are there to serve you and not interfere with your meal by talking about anything that does not relate to your needs? Many servers make it easy to have the 'close encounter of the impersonal kind' by being in a hurry to relate the specials and menu options rather than treating you like a special customer. Are your sales staff making that same mistake on their calls?

I've slashed our payroll, expenses are the lowest in years, but gross sales and net income are down again.

Profits are like food. You need profits to live but they are not what you live for.

What example are you setting to help prevent this costly mistake from happening?

Lannom developed his philosophy after spending 30 years working in the trenches with top executives from various Fortune 500 companies like Citibank, AT&T, and Blockbuster Video. Lannom noticed that America's core business philosophy was denigrating from one of character and wisdom to one based wholly on profits first. "The outcome of this philosophy is the Enron's and the Worldcom's of the world where earnings became paramount without any ethics," says Lannom. "Once a company loses its soul, it sacrifices long-term, trust-based relationships on the altar of short-term gain."

By distilling his business philosophy into clear, practical, easily learned principles, Lannom hopes to equip people with timeless secrets and tips for building lives and passing on a legacy. "If you want your profits to grow," says Lannom, "you must grow people first." Lannom's Pyramid of People Power is the following phrases:

Yes - Thank you - I need you - I believe in you - I am proud of you.

Try this quick check of your management style and corporate culture. During an average business day how many times are you addressing problems in comparison to the number of times you are celebrating with an employee for doing something right? Most management see their job as finding problems and solving them as they feel what is working well needs no attention. According to Lannom this is self-defeating. By celebrating success every day you create a desire to succeed. Ω

This article is a book review of "People First" by Jack Lannom.