

The Talent Implosion

It's 2029, and your VP of human resources is working overtime.

A perfect storm of factors has led to a crisis in hiring. The youngest baby boomer has now turned 65 and while some continue to work, many no longer have the skills necessary for the modern workplace.

But when HR looks for replacements, shortages loom. Twenty percent of Gen-X is already over sixty. The Millennials are the major part of the workforce, while a third of Gen Z are still teenagers.

With regional variations, the talent shortage is worldwide, from Mexico and Brazil to western Europe, Australia, and Singapore. Only China and India are somewhat less stressed in terms of both IT and manufacturing workers.

In many countries an underfunded education system is no longer turning out the workplace-ready employees. And while the overall number of bachelor's degrees granted continues to rise, the number of engineering degrees does not.

Finally, many skilled younger workers no longer want full-time jobs. Worldwide, sophisticated online talent marketplaces have made it possible for skilled workers to find dependable work on a project basis. For workers with highly desirable skills, bidding among employers in the international talent marketplace actually increases compensation, rather like young professional athletes.

Businesses are now competing for a significantly smaller pool of talent. Salaries for qualified workers are rising steadily, freelance budgets are unpredictable and employee retention is a major challenge. Even when companies have both cash and innovative ideas, new initiatives or the expansion of current operations are difficult at best.

1—What's likely?

2—What's unlikely?

3—What's missing from the scenarios?

4—How can your group respond to these possibilities?