

Ramona Schindelheim, WorkingNation editor-in-chief:

You're listening to Work In Progress. I'm Ramona Schindelheim, editor-in-Chief of WorkingNation. Work in Progress explores the rapidly changing workplace through conversations with innovators, educators and decision makers, people with solutions to today's workforce challenges. I'm joined today on Work in Progress by Johnny C. Taylor, president and CEO of SHRM at the SHRM Convention here in Las Vegas.

Johnny C. Taylor, SHRM president & CEO:

Yes, SHRM '23, Las Vegas.

Ramona Schindelheim, WorkingNation editor-in-chief:

Oh my gosh. 20,000 people.

Johnny C. Taylor, SHRM president & CEO:

21,156 as of this morning.

Ramona Schindelheim, WorkingNation editor-in-chief:

That's in person.

Johnny C. Taylor, SHRM president & CEO:

Yes. [inaudible 00:00:38] huge.

Ramona Schindelheim, WorkingNation editor-in-chief:

And virtually.

Johnny C. Taylor, SHRM president & CEO:

Virtual, about 3,000. About 25,000 people total.

Ramona Schindelheim, WorkingNation editor-in-chief:

That is a lot more than last year, because-

Johnny C. Taylor, SHRM president & CEO:

Oh, it's more than we've ever had in history by about 20%.

Ramona Schindelheim, WorkingNation editor-in-chief:

That's great. What is on the minds of the HR professionals that are here today?

Johnny C. Taylor, SHRM president & CEO:

Well, I'm going to take a different angle. I think it's what's on the minds of the CEOs. In a knowledge-based economy, it's all about people. There was a time when CEOs said that, but you weren't exactly sure it wasn't just a talking point to make employees feel better. What we now know is they've realized that they cannot thrive economically speaking, financially speaking if they don't get the people issues right, because that's the real differentiator between the companies that win and the ones that don't.

What we found is even at the board level and at the CEO level, there's a real pressure on organizations, human resources organizations in particular and functions and departments to figure out how to maximize human potential so that the organization then benefits. And as a result of that, we're seeing business leaders say to their HR people, "Aren't you going to SHRM?" As opposed to time in the past when you had to make the business case to register and fly to wherever we were and how it's just a hotel, et cetera. Now business leaders are saying, "I want my HR leader there because they will go there and bring back something that will make us better and ultimately more successful as a financial enterprise."

Ramona Schindelheim, WorkingNation editor-in-chief:

In a time when there's 10.1 million open jobs, employers are scrambling to find that talent. What are those employers offering? What are they doing? How are they attracting that type of talent to their business?

Johnny C. Taylor, SHRM president & CEO:

Well, the obvious one is you've got to pay people. And there's a debate over what is a living wage, et cetera? But at the end of the day, if the person across the street will pay you more, then you lose them. Fundamentally, organizations have to figure out compensation, base level compensation. You heard President Clinton this morning speak about organizations that have gotten creative. They may give a lower base but then offer an incentive plan that will allow the employees to do really, really well as the organization does well. There are tons of ways to do it, but pay is still number one.

But number two, and very closely following it, is people management. Yesterday, Zig Serafin, the CEO of Qualtrics, spoke to the audience and said, "We have a lot of accidental people managers out there." They were just thrown into the job. You're a good accountant, so they make you the manager of accountants, and then the manager of accountants becomes the director of accounting. And we don't know if they're good people, managers or not. The result is we're losing people. They're coming into organizations excited, you've paid them well, great investment, but the people won't stay because the people managers are significantly impacting their experience at work. That's number two.

The organizations that get past paying people competitively, generally, not just base pay, but compensation includes benefits, et cetera, and then you find great people managers, and then it's about constantly retraining them. One of the issues that's top of mind right now is training and development. Given that 50%, as much as 70% of the jobs that exist today won't exist five years from now, or will be so meaningfully reconstituted that they won't exist, if we are not investing in our employees' professional development, and not just the hypos, all employees, then employees will leave because they're going to go where they can get the talent to remain competitive for decades.

Ramona Schindelheim, WorkingNation editor-in-chief:

What are some of the ways that that investment is happening? How are these companies, big and small, saying exactly what you just said? "We need to train those people said they stay with us."

Johnny C. Taylor, SHRM president & CEO:

Right. The first thing that companies are saying is, "This training is for both of us." They're very clear. "It's not just for you and it's not just for us; both of us. We have to give you skills that will make you competitive in a rapidly changing economic environment, and you need them just in case things don't work out here and you need to go somewhere else." The bottom line, President Clinton referred to this

morning, and there are companies now that will offer up a benefit of training and development and say, "Even if you leave me, it's yours." They're almost considering it a part of their compensation package. I got to pay you, I got to give you medical and healthcare benefits, and I also have to train and develop you even if you leave me.

And that's where the world is gone because... And we've talked a lot about this. It was literally part of my platform this morning listening to the president, the whole notion that we have a replenishment problem in America. I often say this, America is browning and graying at once. And so we just don't have enough children out there ready to be the future workforce so we've got to get people to remain in the workforce longer and we've got to ensure that they have the skills to remain in the workplace longer. It doesn't matter that you want to be in the workforce and that you need to be in the workforce if you don't have the skills that we need. And that's the problem.

We've got 165 million jobs. People go to work every day in America, as you know. Working nation, that's what we are, more than half of our population. The struggle is a lot of those people are leaving the workforce. The labor participation rate is down, inching up a little bit, but it's still down. And it's down because people want to work, but they know they're not qualified to do the work. And that's a struggle. More and more companies are saying it's not just government's job, it's just not even higher ed's job, it's our job to bring people in, even if they don't have the skills that we need, and we've got to give it to them. And we've got to constantly update them so that they are ready to be our workforce for the future.

Ramona Schindelheim, WorkingNation editor-in-chief:

The Federal Reserve in the Fed Communities, which is the 12 banks together, and it's their local community organizations, they put out a report recently called Worker Voices. And one of the things that the workers told them was they're so frustrated that they go and apply, and when they hear back, they say, "Oh, you don't have the skills." But it's still a little bit of a disconnect. It is an employer's role, I think, to help make sure that they have the talent. But also, I always say there's a disconnect with the worker themselves that they're unable to be able to figure out where do they go?

Johnny C. Taylor, SHRM president & CEO:

You point to something that's a really important issue here. Employers are willing to do it, but if you're not an employed, then the employer can't provide you the training that you need, right?

Ramona Schindelheim, WorkingNation editor-in-chief:

Exactly.

Johnny C. Taylor, SHRM president & CEO:

Here's a stat that very few people know. 7 million men in America in the prime working age, 19 to 54, have dropped out of the workforce, period. Post pandemic. And just said, "I'm not coming back." And that's precisely what we've heard from them. They say, "I don't mind working. I want to work. My issue is the employer won't hire me. And I don't even know what skills to get, I just know that whatever skills I need, I don't have." Some combination of the government, local governments are really taking the skills based and skills training as an important initiative for them, but it's also up to the individual. It's really interesting, and I say this to worker audiences all the time, there's a lot of free training out there on the internet. And so I understand you don't have the skills, but you can acquire them. Khan Academy, Coursera, they're-

Ramona Schindelheim, WorkingNation editor-in-chief:

Google.

Johnny C. Taylor, SHRM president & CEO:

... Google. There's so many opportunities out here these days for you to self train, and fairly inexpensively, frankly.

Ramona Schindelheim, WorkingNation editor-in-chief:

And employers will take those certificates.

Johnny C. Taylor, SHRM president & CEO:

And employers will take those alternative credentials all day. The Google training, it's amazing by the way. You can actually go get really good job at Google if you... And they will provide the training for you before you become even an applicant. They just want people to become credentialed. They're not the degree. No requirement that you go to school for four years or whatever. But you can literally, in six months, prepare yourself to do a job. This is one of these things where you just can't point to the government and just point at employers, employees have to own some of this too. You've got to invest in your own not just one-time training, but lifelong training and development.

Ramona Schindelheim, WorkingNation editor-in-chief:

I'll take opportunity to plug. We just did a great story on workingnation.com about Goodwill and Google. People don't know about the Goodwill Digital Career Accelerator, which is powered by Google and Coursera. And you can go and get free training. It's for IT, cybersecurity, all kinds of computer skills.

Johnny C. Taylor, SHRM president & CEO:

Almost every industry, especially those who really, really need the talent, we don't talk about the skilled labor. And when I think of that, I'm talking carpenters, welders, et cetera. The unions are providing it. I was actually speaking with-

Ramona Schindelheim, WorkingNation editor-in-chief:

Apprenticeships.

Johnny C. Taylor, SHRM president & CEO:

Apprenticeships. We were talking to someone the other day from the elevator industry. And who'd have think there was such a thing, but we all have elevators and need elevators. And so she said, "We're having a really tough time getting... First of all, we don't have enough elevator repair people." And these jobs pay really good money. And she said, "But we need people to have the skills, so we are actually offering..." If you're sitting at home right now, at WorkingNation, listening in and you're like, "I keep getting rejections from people." There are people out there who are looking for elevator operators. And you just wouldn't think about it. High paying jobs. And they will train you to do it. That's a skill that you have to acquire. But ultimately, it's not going to walk into your house; you've got to go out and look for these opportunities.

Ramona Schindelheim, WorkingNation editor-in-chief:

I'm going to check that out because I'd love to tell that story as well. One other thing that President Clinton said while he was up there, and it's something we talk about a lot here at WorkingNation, is the college degree and that it's not necessary for every job. There are some screening through algorithms, et cetera that may screen out people that don't have college degrees. How do you change that kind of thinking?

Johnny C. Taylor, SHRM president & CEO:

Right. Well, SHRM is really taken that on personally. And it starts with we've got to change the narrative. Remember, for three or four decades, we told everyone the Holy Grail was the college degree. I remembered working in the historically Black college space, and there was an organization, the United Negro College Fund. And their tagline was a mind is a terrible thing to waste. Implicit in that was if you didn't go to college, then you've wasted your mind. We have driven everyone to go to college and to say that is the only way you can be credentialed to do anything.

Well, that has changed. And SHRM is working on it from the employer side to say, "No, if you don't have a degree, that's not a reason to exclude you." IBM, Apple, many of these companies have said more than half of the hires that they did last year did not have college degrees, and it wasn't even a requirement in the job description. This is a very intentional effort by corporate America to say, "You don't have to have a degree."

Now, though it's not enough just not to have a degree, you have to have some credential. You've got to be able to do something. Companies don't hire you just because you're a nice person, so we do need employees, by the same token, to pick up skills. Find out what an employer does, figure out what skills they need, and then find out how to acquire those skills. But it doesn't require the college degree.

Betty Thompson, the chair of our board, said today, "Only 38% of Americans have college degrees." What does that say? The other 62% 25 and older who don't have college degrees have to do something. We need them in the job market.

Ramona Schindelheim, WorkingNation editor-in-chief:

And last question on that, if you don't use a college degree as a proxy and it's not a job that requires a certification, how does an HR professional screen for that talent? What kind of questions should a job seeker be prepared for? How do you share that knowledge?

Johnny C. Taylor, SHRM president & CEO:

Two quick points. One, it's really hard and it's time consuming. It's not efficient. Part of the degree requirement was it was efficient. I could weed out people who didn't have it. It's a proxy for smart was what the degree was. Well, now that means HR's got to go back to the fundamentals, and that is interview people.

Second part of the answer to your question is, so what are you doing during the interviews? You're looking for people who have... And people have to be prepared to articulate this. Are you smart and curious? We need smart people. Again, smart doesn't mean you went to Harvard and have a college degree, it says smart. Can you figure things out? During the interview process, and increasingly HR people are trying to figure out how does your mind work? I'll ask you questions. How can you solve problems? And are you curious? That's real big.

Secondly, teamwork. You got to have it. People who can't work with other people are going to find themselves unable to make it in this. And it's not that you're ornery, it's just you literally have to figure out, as we can train in a matrixed environment, how we get things done is via teamwork, that's a skill

that you can sell during an interview that says, "I may not be able to do this specific job, but I'm a great learner. I'm smart, I'm curious, and I'm totally committed to working with others."

The final and perhaps most important thing that we're seeing is we need people who are willing to work hard. There's nothing that substitutes for work. I've said I've met some really smart people in my life who probably are smarter than I am, but no one will outwork me. And there's nothing that you can communicate better during an interview to a hiring manager more than the fact that you're willing to work and you're going to work hard at it and work smart. Those three things, if applicants will get that across, hiring managers, HR managers, if you're looking for those things, we can almost train anyone to do anything. They have these other formally called soft skills, and we now refer to them as power skills.

Ramona Schindelheim, WorkingNation editor-in-chief:

Johnny, it's always a pleasure.

Johnny C. Taylor, SHRM president & CEO:

It is. Very much so. Thank you very much.

Ramona Schindelheim, WorkingNation editor-in-chief:

I've been speaking with Johnny C. Taylor, president and CEO of SHRM. I'm Ramona Schindelheim, editor-in-Chief of WorkingNation. Thank you for listening.