

Maximizing Insights

Workforce Trends, Forecasts and Solutions from Maximizing Insights

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You Need Them but How Will You Afford Them?

Who Can Produce for You?

Retaining older workers longer is absolutely one necessary solution to filling (or postponing) vacancies in the workforce. But can employers afford it?

President: How are we going to fill these vacancies?

HR: We'll put a program in place to retain our older workers longer.

President: Perfect. You've got my blessing. We've invested a lot into this workforce. The longer we keep our employees the better.

One year later. Reality hits.

President: Our health care costs have increased another 20%. Prescriptions, hospital stays and medical leaves are killing us. We need to freeze wages, recruit younger, healthier workers and do more cost-sharing.

Recruiting younger workers **AND** retaining older workers longer is only one part of a complex solution. The reality is that there are less younger workers available and both younger and older workers will cost more.

But age really has nothing to do with it. It's all about productivity. Productivity is about delivering goods and services for a profit. The bottom line is this: Which employees can deliver? Without increases in employee productivity, the cost of labor goes up.....and profits fall.

Maximizing Insights is written, edited and published monthly by Ira S. Wolfe.

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What are the implications of retaining older workers?

- ◆ To grow companies, employers will need to retain older workers longer.
- ◆ Older workers have more age-related health issues.
- ◆ Older workers use more high cost health care services: prescription drugs and hospital services.
- ◆ Older workers will require and demand health care insurance (in addition to more flexible hours and training for new skills).
- ◆ Insurance for older workers is more costly.
- ◆ More costly insurance will increase labor costs.
- ◆ More cost sharing will be forced on employees to lessen the burden on employees.
- ◆ More cost sharing means more out-of-pocket expenses.
- ◆ More out-of-expenses can lower morale among employees.
- ◆ Employees with out-of-pockets expenses are more likely to postpone or avoid receiving preventive and acute care.
- ◆ Employees who postpone care eventually become less productive or absent due to acute illness or flare-ups of chronic diseases.

When push comes to shove, aging effects work performance and labor costs. Hiring and retaining older workers is a must but it won't come without costs.

See page 3 for more facts about on the aging workforce.

Dieting and even liposuction isn't enough to change them into 90-pound darlings of floor mats and balance bars.

Many organizations hired teams of sumo wrestlers to do yesterday's work. Today they expect these employees to be gymnasts - agile, adaptive, and full of boundless energy - for today's fast changing, ever-changing world and jobs

The problem for most organizations is that many employees were only average wrestlers in the past. Now many are being asked to do handsprings off the vault horse, followed by triple somersaults and concluding each performance with perfect 10-point landings.

Unfortunately these employees were hired to wrestle. Many are incapable of even touching their toes, not to mention a simple sit-up.

It is not that these employees are bad people. In fact, one of the most troubling issues is that many of them are really fine people and good at what they do. It's just what they are good at doesn't really matter anymore.

As troubling as terminating an employee is, no business has ever made money with employees who couldn't do their job.

Get the most of your employees. Who can change? Who will change? What do they need to change? Contact us today at 512.278.1200.

Integrity Conundrums

Not that acting with integrity should ever be an option but integrity is rarely black and white.

Most people would agree these days that bending the truth to hit your numbers is wrong.

What about these situations? What would you do?

1. Your best friend is starting a business. Many of your company's clients need his services. (The services that your friend provides don't compete.) You give him a copy of your company directory.

2. A prospect can't afford your company's services. They trust you and ask if you would be willing to do the work on the weekend or at night. You do the work on your own time.

3. You are interviewing candidates for a sales position. By far the most qualified candidate is a female African-American. Your best customer, however, has told you absolutely that if you ever hired one of those &*&%, he would transfer 100 percent of his business to your competitor.

What would you do? Have you been faced with other situations that questioned your sense of integrity? Have you witnessed other breaches of integrity in the workplace and how has it been handled?

I'd like to hear from you. Please email me your stories to:

Barbara@maxproductivity.com.

Please include your name but be assured that your responses will be kept completely anonymous.



All this DISC stuff is giving you a headache!

Have you ever taken a personality test like DISC and afterward said now what do I do with it?

A guy comes home from work. His wife says she has a headache. He responds by saying:

1. Tells her to take an aspirin.
2. Tells her it will be better soon, hugs her and describes how he felt when he had a headache. (She tells him to shut up...all his talking is giving her a headache!)
3. Tells her it is not unusual, that she should rest and how several co-workers also had headaches today
4. Searches the Web for the most recent studies on headaches and provides her a detailed study of all her treatment options.

Did you know that each of these responses is not only predictable but observable? Don't believe it? How many times have you asked a question to a partner or spouse and knew exactly how he would respond, whether it was the roll of his eyes or the words she used.

To understand DISC means that you are more skilled in communicating with other people. DISC is a universal and completely observable language that helps people sell more effectively, manage and lead projects, resolve and even avert conflicts, negotiate successfully, build effective and cohesive teams, and reduce stress on the job, in the job and at home.

To learn how DISC can improve individual and team performance and to receive a FREE Managing for Success® report, contact us today.

Right from the Mouths of Management

Ah, yes. We are in good hands, aren't we?

A magazine ran a Dilbert quotes contest. These are actual quotes from managers out there.

1. As of tomorrow, employees will only be able to access the building using individual security cards. Pictures will be taken next Wednesday and employees will receive their cards in two weeks. (This was the winning quote from Charles Hurst at Sun Microsystems)
2. What I need is a list of specific unknown problems we will encounter.
3. E-mail is not to be used to pass on information or data. It should be used only for company business.
4. Turnover is good for the company, as it proves that we are doing a good job in training people.
5. This project is so important, we can't let things that are more important interfere with it.
6. Doing it right is no excuse for not meeting the schedule.
7. No one will believe you solved this problem in one day! We've been working on it for months. Now, go act busy for a few weeks and I'll let you know when it's time to tell them.

The trouble with being in the rat race is that even if you win, you're still a rat!

Lily Tomlin

Stormy Labor Forecast Facts

M&Ms vs Eminem

Remember “they melt in your mouth, not in your hands”? Then the first thing that comes to mind might be M&Ms.

Say “M&M” to the echo boomers, and the first thing that comes to mind is Eminem, the controversial and popular rapper-actor.

Don't know who the echo boomers are? Therein in lies a major problem.

Meet your next employee and customer—the echo boomers, or Generation Y. These are the children and grandchildren of the Baby Boomers. Yes, the Eminem generation.

Although teenage members of Gen Y represent only 7 percent of the U.S. population, they already account for 21 percent of total retail spending. And by 2015, the adult members of Gen Y (by then 18 to 35 years old) will comprise 34% of the population.

That's the good news for employers. Here's the rub:

“They are addicted to motion, change, and constant activity. They are technologically savvy multitaskers who watch television while seated at their computers listening to MP3, burning CDs and instant-messaging with a group of friends. They value education, and they value fun.....they are experts at filtering out “noise” and skeptical about of the information directed at them”

(American Demographics, Jan 2003)

Only one word will describe tomorrow's workplace and the workers who fill it.

D-I-F-F-E-R-E-N-T

How prepared are you to retain the M&M generation while recruiting the Eminem replacement worker? For expert advice, call us today at 512.278.1200.

A Solution with a HUGE Price Tag

Fact: Between 2000 and 2030, the U.S. population is forecast to grow by 26%.

Fact: The 65 and over segment of the population will grow by more than 80% and represent 21 % of the population. (Today only 13% of the population is aged 65 or older.)



F a c t : Although representing only 13 % of the population, the over 65+ segment accounts for 36%

of total national healthcare expenditures, 36% of hospital admissions, and 50 % of all days in the hospital.

Fact: People over age 50 are responsible for 58% of healthcare resources and consume 74% of prescription drugs and 61 % of all over-the-counter drug spending

Fact: In 1987 per capita medical expenditures for people under 65 was \$1045 and 65-plus was \$3,710. By 2005, per capita expenses for non-institutionalized people over age 65 will average over \$14, 000 per year, while those younger than 65 will be only \$3,366.

Fact: Older people take over 5 prescription drugs on a regular basis and fill between 9 and 13 per year.

Source: Success Performance Solutions and Bureau of Labor Statistics

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Is anyone home?

If Human Resources is supposed to be the keeper of the employees, then why did 93 percent of companies surveyed in a recent study by Circadian Technologies, report no HR coverage at night?

With three 8-hour shifts, one-third of the employees had no contact with HR. With two 12-hour shifts, half of the workforce had no contract.

And 41 percent did not provide training for shift workers on how to cope with the challenges of performance, safety, health and quality of life when working shifts.

So much for people are your most valuable assets. Source: HR-News,

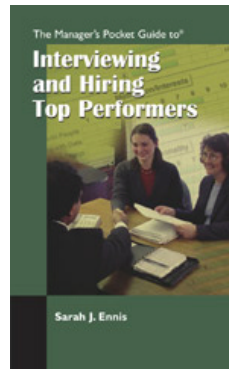


What you need to know to build a *“whole person approach”* selection and development process that is legally defensible, reliable and accurate.

CriteriaOne is a trademark program of
Poised for the Future Company

Interviewing and Hiring Top Performers

By Sarah Ennis



This book is for individuals with training responsibilities who are looking for tools to help their managers, supervisors, and/or team leaders interview, hire, and retain top performers. If you or someone in your hiring system has limited experience in interviewing and hiring, this book will help you and your organization to be more proficient in hiring practices.

\$9.95 + \$2.95 for shipping & handling

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