

Strategic workforce planning:

Experienced coatings industry leaders are already hard to find. What would happen to your company if your chief chemist and R&D manager retire--or even worse, your vice president of operations suddenly resigns?

The coatings industry is in for a major change. A considerable percentage of high-level professionals in the business are getting ready to retire, and when they do, the industry's already slight workforce will face major talent gaps in the areas of management and technology.

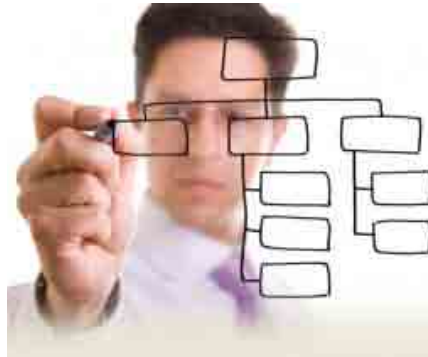
What will happen when your chemists and R&D managers retire--or even worse your vice president of operations suddenly resigns? Experienced coatings industry leaders are already difficult to find. As the workforce contracts, locating and retaining top talent will not only become challenging, but may pose a threat to productivity and your bottom line.

What's the solution? The coatings industry must take a strategic approach to workforce management. We must learn



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to proactively manage the three primary factors that affect staffing: retirement, retention and recruitment.

RETIREMENT

There are nearly 77 million Baby Boomers in the workforce today who are looking toward retirement in the upcoming years. Compare that number to the 45 million Generation Xers currently in the workforce, and you have yourself an impending talent shortage. Many organizations in the coatings industry lack the internal talent to replace departing staff, and due to overall industry shortages, recruiting new talent may prove to be infeasible. So what can you do?

The solution is succession planning--proactively developing transition plans for key positions such as scientists, group leaders and R&D professionals. A well-defined succession plan enables the smooth transition of key employees, provides more lead time to recruit the best talent, minimizes hiring disruptions and leadership transition issues, and helps companies protect their market positions.

With a succession plan in place, even unexpected events like the loss of a senior executive can be navigated with relative ease.

RETENTION OF TOP TALENT

A recent study by the Society for Human Resource Management shows that 75%

of employees are actively or passively in the hunt for new jobs. With the average cost of replacing a private sector worker escalating to more than \$13,000, organizations in the coatings industry must focus on retaining the employees they currently have rather than risk losing them.

Savvy employers are recognizing the importance of establishing employee retention plans. A retention plan forecasts turnover rates and pinpoints those people and departments that are at risk. It focuses on re-recruiting current employees by improving job satisfaction and reducing unwanted attrition. Below are some of the best ways to retain top talent.

- Communicate with current employees. Ask the questions needed to discover what you can do to create a more rewarding and fulfilling work environment. Determine what people want and need to be successful.
- Break down the barriers. Be careful not to stifle creative license and independence with too many rules, policies, and by micro-managing. Often times, there is an invisible barrier between employees and management that creates a lack of trust. Help to break down those barriers by giving your staff the right to certain freedoms.
- Hire good managers. Diane Fassel, president of New measures, a Boulder, CO-based firm that develops and administers employee surveys said, "Front-line managers are key to retaining employees." If employees like their managers, and feel as though they are working for someone who is looking out for their best interests, they are more likely to be satisfied in their positions.

- Become a "Best Place to Work." Implement the changes necessary to make your organization the most desirable in the coatings industry. Sometimes it's about better pay, but more often it's

about providing meaningful work, recognition, fair treatment and helping people balance their lives.

RECRUITMENT

It pays to hire the best. John Sullivan, a human resources consultant, has found that top performers exceed the output of average workers by at least 25% and as much as 1,000%. But in order to hire the best, you have to see the best, and that requires a strategic approach to recruiting, which involves the following activities: developing a staffing plan and focus on strategic recruiting.

Staffing plans proactively anticipate staffing needs while charting available resources to secure the best talent. Below are the four most integral parts of developing a staffing plan that will work for you.

- Plan staffing needs based on your strategic or business plan.
- Determine gaps in current resources and develop strategies to fill them.
- Restructure or re-deploy your workforce to maximize resources.
- Hire proactively based on planned needs and expected attrition. Strategic recruiting is a process of identifying and developing the best talent in advance of hiring needs.
- Define clear and complete specs for each position to be filled.
- Identify sources of talent and key individuals you want to hire.
- Nurture relationships with target candidates in advance of hiring.
- Develop relationships with recruiters and others with contacts in your industry who can act as talent scouts.

STAFFING FOR PEAK PERFORMANCE

Progressive firms in the coatings industry realize that the time is now to focus on issues of retirement, retention and recruiting of top talent. Inaction could prove to be a costly mistake that could significantly impact your bottom line. However, with a little strategic workforce planning, creative attempts to retain current employees and keen recruiting techniques you will be well equipped to keep your firm staffed for peak performance.

5 STEPS to Developing a SUCCESSION PLAN

IDENTIFY KEY POSITIONS

Those that if left vacant would severely impact your company and the people you expect to lose through retirement, promotion or attrition.

ASSESS

Assess each loss and where possible, plan to consolidate duties or eliminate positions that are no longer needed.

TARGET

For positions you need to refill, develop a list of top candidates. Include people both inside and outside the organization.

DEVELOP

For internal candidates, create a succession plan that defines the steps needed for the transition to occur and how those steps will be implemented. For external candidates, develop a strategic recruitment plan.

DISASTER PLAN

Create an emergency plan to fill in for unforeseen events, like illness, death, defection and natural disaster.