

THE KELLY INTELLIGENCE REPORT

Helping employers seize the power and possibilities of a diverse workforce

Three ways to capitalize on a changing labor pool

A two-part intelligence briefing:

>> **A. THE CHANGING WORKFORCE**

As the workforce diversifies...

- Understanding these population shifts becomes increasingly important
- Grasping what these workers really want is critical
- Taking positive action now could make all the difference

>> **B. REALIZING THE BENEFITS OF
A DIVERSE WORKFORCE**

As a more diverse worker emerges...

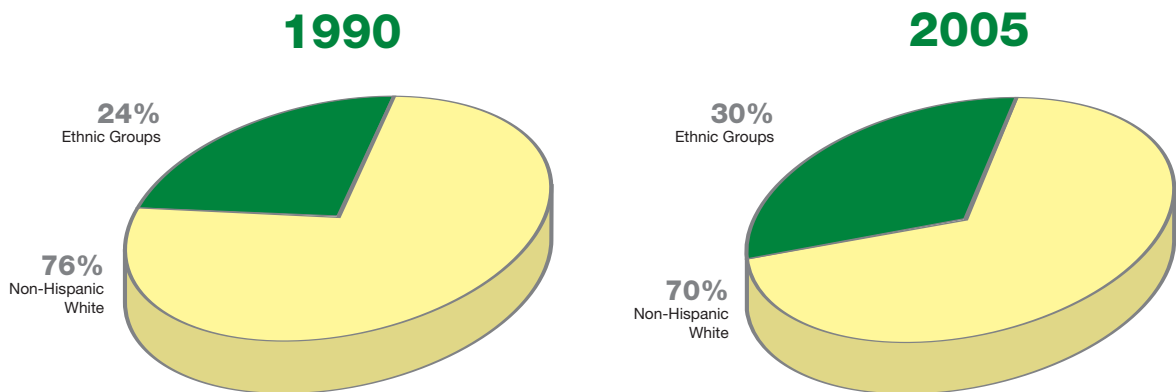
- Three ways to create competitive advantage now
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A. THE CHANGING WORKFORCE

1. As the workforce becomes more diverse, understanding these population shifts becomes more important.

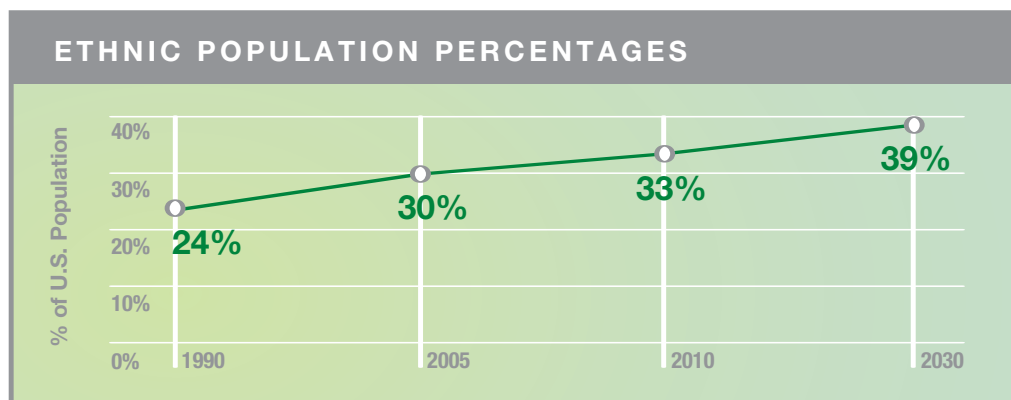
a. In the past 15 years, the U.S. population has changed dramatically.

Although non-Hispanic whites still comprise 70% of the population, this reflects a significant decline from 76% in 1990.



b. The US population is expected to become increasingly diverse.

Diverse populations are projected to grow 63% from 1990-2030, from one-fourth of the total population to nearly 40%.

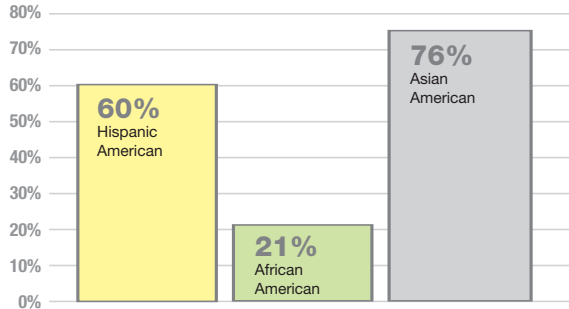


Source: U.S. Census Bureau

**c. Three major groups are driving the growth in diversity:
Hispanic Americans, African Americans and Asian Americans.**

Within these three groups are many varied cultural backgrounds, adding an even greater dimension to the diversity picture.

Growth (1990-2005)



Source: U.S. Census Bureau, Population Projections

d. Immigration is a major factor behind the growth in diversity.

Immigrants will account for half of the population growth in the U.S. during the next two decades. By 2050, an estimated 13% of the workforce will be comprised of immigrants, primarily from Asia and Latin America.

2. Grasping what these workers really want is critical.

(SOURCE: BostonWorks.com)

A recent hiring survey of job seekers reflects the fact that a company's image is critical to attracting minority candidates: 65% of these candidates said that an organization's reputation for supporting workplace diversity was an important factor in deciding where to apply.

3. Taking positive action now could make all of the difference.

This changing face of labor means businesses need to revisit their internal and external diversity strategies to ensure they are meeting the needs of the workforce and changing population as a whole. This will mean reevaluating recruiting and retention methods to adapt to the needs of a newer, more diverse workforce.

>> EXPECT: Forward-thinking businesses to promote awareness strategies in the workplace, and to seek multi-cultural approaches to attracting and managing a diverse workforce.

B. REALIZING THE BENEFITS OF A DIVERSE WORKFORCE

As a more diverse worker emerges, here are three ways to create competitive advantage now.

Companies equipped to meet the unique needs of ethnically diverse employees — “diversity-friendly” companies — will gain a significant competitive advantage in all aspects of their business, from attracting and retaining top talent to meeting the needs of an increasingly global marketplace.

1. Establish cultural competence

The first step in creating a cultural competence around diversity is to gauge current perceptions. Understanding how diverse markets perceive your company/industry is the first step in bridging any identified gaps.

Once you understand and address current perceptions, it's time to look inward. Like any other initiative, support for cultivating a culture of competence must begin at the top. Executives must lead the charge by being champions for diversity awareness. Being a champion of diversity awareness requires four things:

- An understanding of the current situation - How is the labor force changing? What do these changes mean?
- The ability to articulate the business case for diversity as it relates to your particular industry
- A true belief in the power and possibilities of diversity
- A visible role in the organization's diversity initiatives

Once the support from top management is established, organization-wide diversity training is critical to promoting a supportive culture. Diversity training begins with increasing awareness of the importance of a diverse workforce. It should provide specific information on behavior changes needed to effectively manage and work within a diverse workforce.

Once cultural competence is infused throughout the organization, a competitive advantage begins to take hold, resulting in mutual benefits for your organization and the community.

2. Restructure recruitment and retention programs with diversity in mind

Another effective way to embrace an increasingly diverse workforce is to review and revise current recruiting and retention programs to ensure that these are crafted with diversity in mind. Some effective ways of doing this are:

- Designing recruitment campaigns that communicate with potential employees in their native languages via media that targets “native cultural” communities
- Establishing ongoing diversity recruitment and internship programs with colleges and universities
- Partnering with local schools and universities to set up school-to-work mentoring programs and training for diverse segments lagging in education

3. Build a workplace culture that appeals to and is inclusive of all workers

Keep in mind that employees of all ages, races and ethnicities are continually reevaluating the employer/employee relationship. Employees today are looking for a mutual fit with an organization. Appeal to these employees by offering what they want. This can be accomplished by:

Investing in Technology

Today's worker values leading-edge technology. Investment in technology demonstrates a commitment to the success of your employees and pays off for your company with top productivity and dedication.

Leveraging Relationships

Workers have friends and acquaintances within their own communities, making them a good resource for word-of-mouth recruitment of new employees. Educate these employees about the kinds of workers your business is seeking and equip them with the information and tools needed to generate referrals within their social networks and communities. And of course, offer incentives for their part in recruiting a candidate.

Offering Workplace Flexibility

Workers are seeking a balance between their work and personal lives, and flexibility in the workplace is an especially attractive benefit. Emphasize your company's flexibility and develop an accommodating environment by providing employees with opportunities for job sharing, telecommuting and flex time.

Providing Training Opportunities

All workers want to develop their work skills and knowledge. Giving them room to learn and grow and to make choices is important to their development — and to their job satisfaction. Provide these workers with expanded, on-line training opportunities and consider adding language training to your company's offerings. Bilingual employees are extremely valuable and this new skill can open the door to increased communication from all groups.

SUMMING UP

As the U.S. population continues to become more and more diverse, so too does the workforce. Organizations that successfully cultivate and support diversity will improve productivity, boost their competitive position, and establish a solid relationship among employees while enhancing social responsibility.

>> **The Solution?**

To become an employer of choice for the diverse workforce organizations need to:

- **Establish cultural competence**
- **Restructure recruitment and retention programs with diversity in mind**
- **Build a workplace culture that appeals to and is inclusive of all workers**

>> Kelly Services recognizes and embraces all types of diversity in the workplace (e.g., age, gender, religious, disabilities, national origin, sexual orientation, etc.). While this paper focuses on strategies for attracting and retaining an ethnically diverse employee population, the information presented in this report should be considered a part of a comprehensive staffing program.