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# The Competitive Edge, Inc.



Photo by Hugh Foster

## “BE DARING, BE FIRST, BE DIFFERENT”

### The Skills Gap--- A Lack of Preparation?

*“I find that the greatest thing in the world is not where we stand, as in what direction we are moving.”*  
~Oliver Wendell Holmes

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Lately, so many emails and newsletters that contain the need for training have crossed my desk that I feel compelled to discuss them with you. Let me give you a few examples. The National Academy of Sciences, National Academy of Engineering, and Institute of Medicine prepared an executive summary, “Rising Above the Gathering Storm, Energizing and Employing America for a Brighter Economic Future,” in which they recommend needed reforms that federal policymakers should take to ensure that the United States maintains its strength and security in the global community of the 21<sup>st</sup> century. Another report from the American Society of Training and Development shows that employee learning and skills development is vital to grow and sustain that competitive advantage we all desire. Yet another article points out that it's not just transactional work that's going overseas, but knowledge work as well because the talent pool is “as good or better than in the U.S.” My concern is the lack of training in skills that negatively impact revenue, productivity, turnover, innovation and ultimately, affects competition at the national level and in the global area as well.

If you recall, I discussed the importance of preparation in my last newsletter and it looks as if this theme will be continued with the current issue. According to Secretary of Labor Elaine Chao, 4.5 million jobs have been created in the U.S. since 2003 of which the majority requires higher skills and higher educational levels. The 2005 Skills Gap Survey of the American Manufacturing Workforce reports that 81 percent of respondents said they “couldn't find qualified workers to fill their open positions.” Yes, it does look as if we have a skills gap brought about by lack of preparation.

A skills gap is different than a labor shortage; for now, the labor supply is strong, but the skills

needed to do a job are just not there. Peter Cappelli, a Wharton School professor, views a skills gap as “...a mismatch between the skills a company needs and the ability to find those in the outside market.” This could be the result of several major issues, among many others, that needs to be addressed: (1) the failure of the United States to improve K-12 science and mathematics education, (2) the initial hiring of workers who lack talent and (3) the lack of training that employers should be providing their employees.

Presently, there is little companies can do about the educational system of the United States except to contribute advice, recommendations and support. My answer to corporate America is for employers to place a greater emphasis on their search and selection process and then provide on-going training. They cannot depend upon snagging trained employees of other companies; they simply must hire applicants with the most potential and give them training in the needed competencies. I agree with Stacey Wagner of the Center for Workforce Success that the “real problem is not one of finding bodies---it is a problem of finding the right skill sets.” In terms of being perhaps too simplistic, the skills gap cannot be eradicated as technology changes too rapidly, but it can be narrowed by better hiring practices and ongoing training that begins the minute the new hire walks in the door. Trainability is becoming more and more important in our unpredictable job market.

Is there a skills gap within your organization? Ninety-seven percent of respondents of an ASTD online survey reported yes. If you need assistance in your hiring selection and retention practices, Competitive Edge, Inc. can help you. Remember, it's all about preparation.

## What Judy is Reading

### *It's Your Ship, Management Techniques from the Best Damn Ship in the Navy* by Captain D. Michael Abrashoff

My ownership of this book came about by happenstance. Both my younger son and my daughter-in-law bought copies unbeknown to each other and not needing two of the same book, they passed one along to me. I can understand why each of them bought the book---the cover and the title are riveting. If you want a book that is straightforward, nonsensical, easy to read content with plenty of good, practical advice on leadership, then this one's for you. Captain Abrashoff tells us how he took a ship that no one wanted to be associated with and transformed it into one of the Navy's more desired assignments and most efficiently run ship.

When he took command, the *USS Benfold* had a 28 percent retention rate which, in a matter of months, jumped to 100 percent. According to Abrashoff, all of *Benfold's* career sailors "reupped" for an additional tour. His strategies are so basic and practical that when he was asked at a leadership conference what kind of metrics he used to determine where he wanted to go in terms of improving his ship, he was left speechless. He had to call his sister who holds an MBA for an explanation of the importance companies place on metrics in seeking new directions/change. Abrashoff's ability to take a sinking ship and make it into a first-class, well-run organization relies on practical advice: lead by example; listen aggressively; communicate purpose and meaning; create a climate of trust; look for results, not salutes; take calculated risks; go beyond standard procedure; build up your people's confidence; generate unity; and improve your people's quality of life as much as possible.

As a management consultant who is very much alarmed by the lack of new employee training and follow-up, one of the things that most struck me in Abrashoff's book was his response to learning that his ship had no welcome-a-board program for its "newbies." His officers were ordered to immediately design one that had to incorporate a program to recharge the batteries of those already onboard. His Running Mate program matched the "newbies" with some of the best performers on the ship; this program was so successful that it was adopted by many other ships.

The bottom line of Abrashoff's management style is how he treated people entrusted in his care. He was ever mindful of the importance of human capital to not just the Navy and the nation's security, but to himself as a leader of a ship filled with huge potential. And he mined that potential into a ship that was deserving of its name. The *USS Benfold* was named for a Navy corpsman who died while being attacked as he courageously tended to wounded comrades during the Korean War. In 1998, the *Benfold* was named the most combat-ready in the Pacific Fleet. Would that we all could lead like Abrashoff.

## The Speed of Change

In 1930, there was 1 telephone for 50 government workers. Today, there are 196 messages for every worker.

In 1970, it took 108 workers five days to unload a timber ship. Today, it is done by 8 people in one day.

Since 1970, 80% of the Fortune 500 companies have changed.

"There is going to be a fundamental change in the economy, unlike anything we had since the caveman began bartering." ~Arnold Bahr, Chief Economist, Sandai National Laboratory.

## CEI's Strategic Partners Spotlight



### Dr. Ira Wolfe - Success Performance Solutions

Dr. Ira Wolfe, founder of Success Performance Solutions and president of Poised for the Future Company located in Lancaster, Pennsylvania. His firm specializes in helping companies and individuals identify what it takes to deliver superior performance by matching, managing and motivating employees. In 1999, he presented his landmark forecast on "The Perfect Labor Storm: Why This Labor Shortage Will Not Blow Over" to audiences all over North America. Ira's clients extend from Pennsylvania to Canada, Hong Kong and Australia. He is very much in demand as a speaker on attitudes in the workplace, employee recruitment and retention and the newest technologies for motivation. Ira and I learned that our people skills complement one another and we have enjoyed partnering on several major projects over the last five years. To learn more about Success Performance Solutions, visit their website at [www.super-solutions.com](http://www.super-solutions.com). You can contact Ira at [iwolfe@super-solutions.com](mailto:iwolfe@super-solutions.com).

*"If each of us hires people who are smaller than we are, we shall become a company of dwarfs. But if each of us hires people who are bigger than we are, we shall become a company of giants."*

~David Oglivy,  
Ad Executive

## Top 10 Traits of Resilient Organizations

1. **They entertain the inconceivable**, benchmarking themselves not against competitors, but against industries or categories that may not yet exist.
2. **They build a culture of commitment and accountability**, expecting and rewarding no less than the best from their people.
3. **They move the goalposts**, typically every three years, embarking on ambitious new objectives whether or not they feel the hot breath of competitors on their necks.
4. **They show the courage of their convictions**, charting a course based not on business fads or Wall Street fancy, but on their best instincts and judgment.
5. **They bounce back from adversity**, detecting setbacks early and mobilizing responses quickly.
6. **They think horizontal**, flattening their organizations, breaking down silos, transferring best practices, collaborating cross-functionally, and promoting laterally.
7. **They self-correct**, developing and institutionalizing internal mechanisms for correcting problems before they reach profit-warning proportions.
8. **They listen to the complainers**, using mechanisms and processes for surfacing and addressing dissatisfaction among customers and employees.
9. **They put their motivators where their mouths are**, designing financial incentives (raises, bonuses, benefits) and nonfinancial incentive (promotions, transfers, exposure) to pull in the same direction and clearly point toward what is valued.
10. **They refuse to rest on their laurels**, resisting or even shunning media praise and hype while pursuing tangible results. ( Paul Branstand and Jan Miecznikowski, Strategy-business.com)

## Upcoming Events

### TRAIN THE TRAINER PROGRAM

May 3, 2006 through May 5, 2006. This class is filled, but you have time to register for the next program which is:

July 26, 2006 through July 28, 2006 8:30 a. m through 5:00 p.m. at the Hampton Inn, Peachtree City, GA

Your investment for all three days is \$1195.00

For more information, call 770/487-6460 or Check our website @ [www.competitiveedgeinc.com](http://www.competitiveedgeinc.com)



We are one of only four authorized TTI trainers for the 'Train the Trainers' workshops.

Competitive Edge, Inc. is one of the foremost trainers in the industry. Starting in 1981, we have been instrumental in the development of industry certifications and are one of four trainers authorized by TTI to conduct 'Train the Trainers' workshops. From our headquarters in Peachtree City, Georgia, USA, Ms. Suiter provides instructional, assessment and performance-enhancing assistance to organizations around the world.

*"What all leaders have in common is the challenge of getting the most out of our crews, which depends on three variables: the leader's needs, the organization's atmosphere, and the crew's potential competence."*

~Captain D. Michael Abrashoff, former commander, *USS Benfold*

## Laughs from Employee Performance Evaluations

For everyone who has ever had an evaluation - just remember, it could have been worse. These are actual quotes taken from employee performance evaluations.

1. "Since my last report, this employee has reached rock-bottom and has started to dig."
2. "I would not allow this employee to breed."
3. "This employee is really not so much of a has-been, but more of a definite won't be."
4. "He doesn't have ulcers, but he's a carrier."
5. "When his IQ reaches 50, he should sell."

*"...it's human capital---employees---who produce an institution's financial capital."*

~ Edward E. Lawler III & Christopher Worley, Built to Change article

## Highlights from the ASTD 2005 State of the Industry Report:

- The annual training expenditure per employee increased to \$955 per employee, up from an average of \$820 per employee in 2003 and 2002.  
(This increase reflects in part better accounting of training expenditures.)
- Employees are receiving more hours of formal training---32 hours of learning per employee in 2004, up from 26 hours in 2003.

*"Successful companies develop a culture that just keeps moving all the time."*

~Rosabeth Moss Kanter, Harvard Business School Professor

*"Hidden within every disadvantage or obstacle is an equally powerful opportunity."*

~Napoleon Hill