



motivation nation

The Economy for Model Knowledge Workers



Across the economy – despite outward indicators that there aren't enough jobs – hiring managers understand there is an underlying structural deficit of having the right people, available to do the right jobs, at the right time.

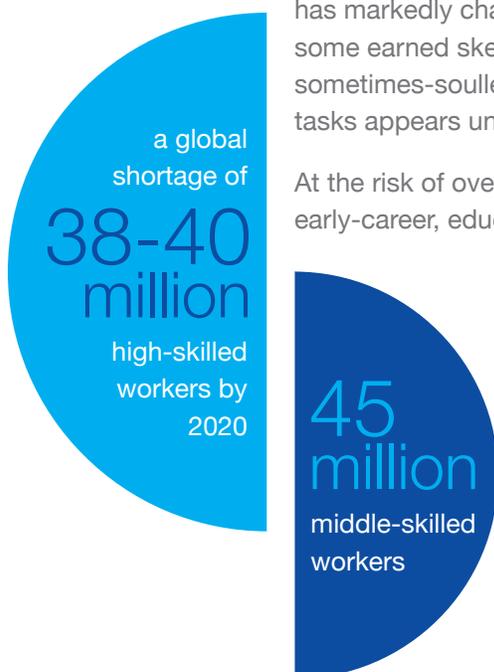
“We just can't find enough of the right people,” has become a common denominator in many high-growth, knowledge-based companies. As the developed world shifts toward a knowledge economy, where science and technical skills are critical, the demand for model knowledge workers has clearly increased. In 2012, the McKinsey Global Institute projected a global shortage of 38-40 million high-skilled workers by 2020, a full 13 percent of the total demand for such workers, and; 45 million middle-skilled workers, representing 15 percent of the demand.

Human resource professionals report the pending shortage of candidates with expertise is of great concern; 53% say this will have a major strategic impact on their operations, and another 34% said it has a moderate strategic impact.

For employers it becomes compelling to look at the relationship of workers to their work, and employers to the human capital available, to reconcile how both sides can mutually satisfy their interests and objectives.

Particularly among degreed, early-career workers – the relationship to employment and employers has markedly changed. Whether it's the generational differences in Millennials' regard for structure; some earned skepticism about the permanence of employment, or; In a sustained downturn, the sometimes-soulless quest to boost margins – the nature of the relationship between talents and tasks appears unalterably changed.

At the risk of over-generalizing the market, our focus is Model Knowledge Workers (MKWs): early-career, educated, adaptable, industrious and technically proficient knowledge workers.



Today, there are seven primary forces re-characterizing the relationship between MKW's and their employers.



PERMANENCE:

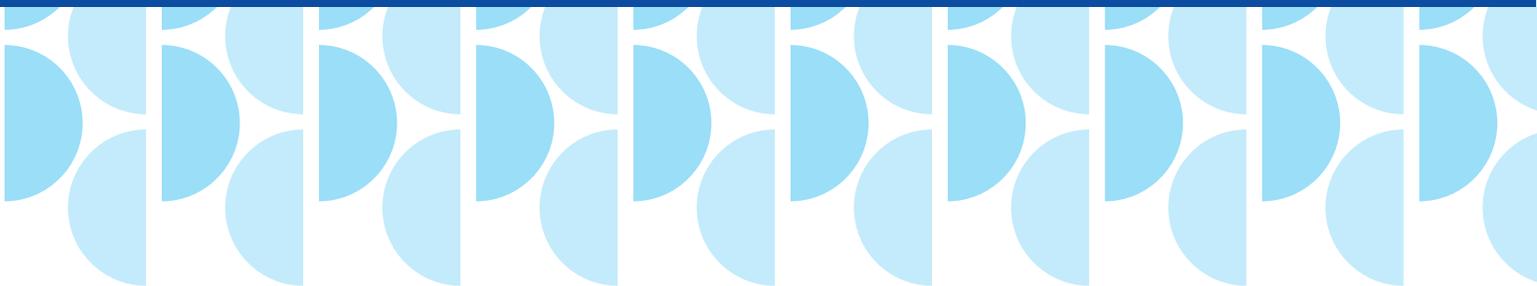
Into the 1990's, it was culturally engrained that working for one company for 2-4 years was benchmark standard for "a good employee," providing their foundation for subsequent up-or-out career moves.

Under that paradigm, good companies provided reasonably clear, structured paths to further growth and opportunity. Today, transformative technologies – coupled with a repeating 15-year boom & bust cycle to the economy – have conditioned MKW's to see employers merely as career stations, with opportunity arising organically through adjacent professional relationships and the extended social sphere.

Accordingly, young workers are compelled to make themselves "future-proof," continuously learning, and being open and responsive to constant change, seeking to acquire skills and capabilities that may not yet exist today.

In this era of economic volatility and technological advances, employee wellbeing includes a desire for greater personal control and choice. A growing number of jobs are contingent positions: contracted, project-based or freelance. In the post-recessionary economy, half of all new professional jobs created will be contingent positions.

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MKW's, particularly with advanced technical skills, adaptable personalities and a keen orientation to business, are highly prized.

And they know it.

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SCARCITY:

Today more than 15 million businesses rate the aggregate skill levels of their IT staff as less than optimal, and 93 percent of employers indicate that there is an overall skills gap among their workforce. Today, 62 percent of companies that plan to conduct hiring say that candidates will require new & different skill sets. Of those, 39 percent said they expected to encounter difficulty in finding qualified individuals for those new positions.

The demand for knowledge workers, whose skills can be leveraged in innovation initiatives, deployed to manage projects, or to create scale around more-seasoned professionals, has only served to reinforce the rise of consumerism among workers. They can choose. No longer do economics and culture conspire to make talent feel like employers are “doing you a favor” by offering a job. Instead, MKW's have become aware of the opportunities to shape employment opportunities that are specifically aligned with their skills, interests and objectives.

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MORE THAN MONEY

As hiring managers have come to learn, attracting, motivating and retaining Model Knowledge Workers isn't simply a binary transaction of skills for salary. While financial compensation and benefits are important, it quickly reaches a tipping point at a point where other qualitative factors of employment become essential.

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PERSONAL GROWTH

Out of impatience for the future, and the competitive mandate to remain current, Model Knowledge Workers seek perpetual improvement.

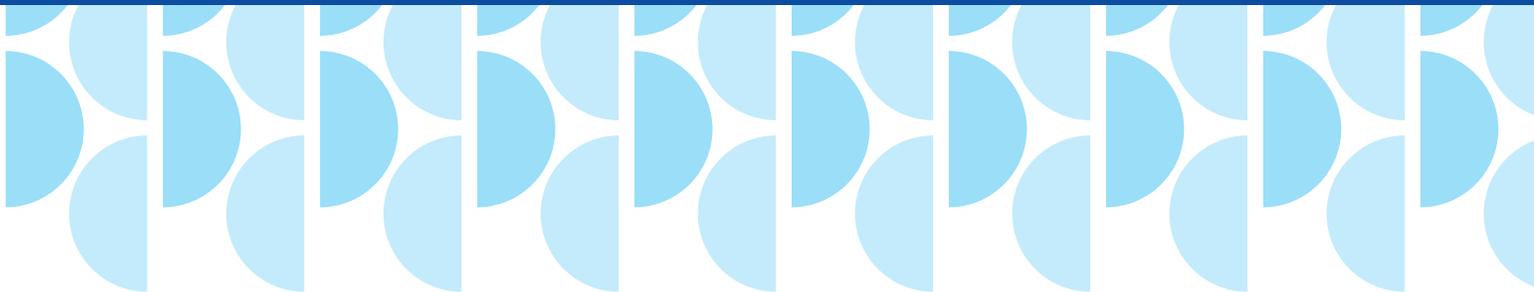
Today, 68 percent of recent graduates identify good opportunities for growth and development as one of their top professional priorities. The assignment of stretch projects, mentorships, luminary speakers and certified training have become vital "work food," helping MKW's continuously learn and grow their skills.

More so than their Baby Boomer parents or even their Gen X siblings, MKW's are especially eager to progress without the formality of a 3-5 year promotion.

Frequently, MKW's don't see the company's organizational framework as a ladder for success, but see progression or movement as a means to avoid career rutting. Increasingly employers are developing career interstitials, providing variation in roles, titles and challenges, to satisfy MKW's desire for continuous career progression.

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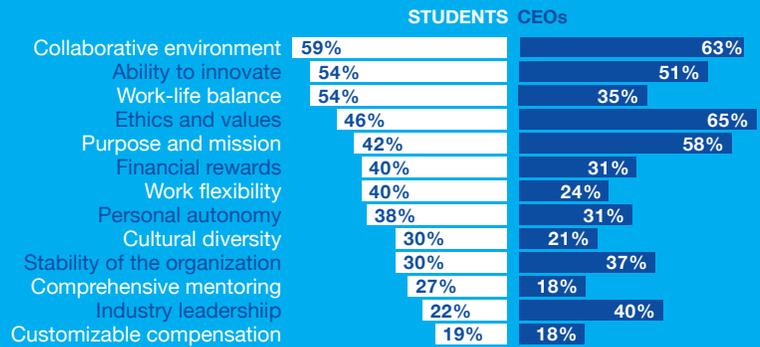
COLLABORATION

Gone are the days when talent could be left to sink-or-swim in a V-dash role. A sense of belonging and sustained, mutual collaboration between peers and managers has become an indispensable requirement to attract knowledge workers. In fact, a sense of working in collaboration far exceeds compensation, benefits, stability and industry leadership as factors to engage MKW's.

ORGANIZATIONAL ATTRIBUTES TO ENGAGE EMPLOYEES

CEO data from the 2012 IBM Global CEO Study

Figure 9: Students are more focused on work-life balance than CEOs, while CEOs place more emphasis on ethics/values and purpose/mission.



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PURPOSE

While previous generations saw company and title to reinforce their public identity, MKW's see the purpose of their work as a means to reinforce their personal identity.

According to a study by Edelman, 80 percent of Millennials say "Having a Job with a purpose that matches my personal passion" is their most important life goal. This is followed by Owning a Home, Getting Married, Having a Family, and Obtaining a High-Paying Career.

Employers must not only help candidates understand the work, they must be clear to reinforce and appreciate the implications of the work being done. In fact, 1-in-5 young adults rank a company's reputation for giving back to their community as among the most important qualities in considering a future employer.

According to 2012 Gallup Poll, 55 percent of U.S. office workers are not engaged, and 16 percent are actively disengaged in work. So, in aggregate, 71 percent of workers aren't engaged in their role, and consequently operate at well below their capacity. In fact, according to Gallup's calculations, actively disengaged employees -- the least productive -- cost the American economy up to \$350 billion per year in lost productivity. By maintaining the bond between people and their purpose, employers find productivity gains, simply by moving shares of the current workforce from "not engaged" to "engaged."

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FLEXIBILITY

Advances in technology, the style of work engagements, and the volatility of the economy made the knowledge workforce more pliable and transient.

In the US, full-time corporate office use fell from 80 percent in 2010 to 72 percent in 2012. According to Forrester's 2012 Workforce Employee Survey, employees working at home at least once a week rose from 18 percent in 2010 to 27 percent in 2012, while those working in a public site reached 12 percent in 2012, up from 5 percent in 2010.

Not only where workers work has become important, so have the terms and conditions: Studies demonstrate that employees who are able to shift their schedules are 55 percent more engaged in their work than those who can't, and flexibility is shown to increase productivity by 27 percent. Managers also experience 43 percent fewer interruptions from employees who have the option of flexible schedules.

MKW's are making their views very clear: Having seen generations work increasing hours (for in many cases fewer rewards), they seek a more equitable balance between work and personal life. To attract and retain the best workers and thinkers, working norms, structures and behaviors need to be fundamentally reassessed.



For employers of knowledge workers in high-growth sectors, the market for talent presents three clear mandates.



SCALE

Companies, compelled to grow but anxious to make long-term employment investments, must grow the productive capacity of their human capital through contracted, contingent workers.

In PwC's Global CEO survey, released in January 2013 at the World Economic Forum in Davos, 77 percent of CEOs were planning on revising their strategies for managing talent in the coming year. They identified the "availability of key skills" as among the top four business threats.

And importantly, employers are seeking ways to scale innovation initiatives relying on outside resources. According to a 2012 study (How Place Fosters Innovation) a strong majority of organizations (85%) partner with outside consultants or experts to help with innovation, usually for occasional projects (67%) versus most or all projects, and two-thirds have long-term relationships with external resources. In PwC's study 58 percent of CEO's are concerned that the lack of key skills will threaten growth prospects through innovation.

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SPEED

As the speed of innovation accelerates, and companies' relationships to partners, channel and consumers become more fluid, market opportunities come and go in an instant. This places and absolute imperative for speed and agility in securing MKW's.

One of the significant challenges to speed is the resource by which companies can effectively identify, select and onboard talent. Recession prompted many companies to reduce their full-time recruiting staffs. As the pace of hiring has begun to accelerate, companies have turned to HR contractors to supplement their in-house staffs. Nearly one-half of U.S. firms are spending more on HR/recruitment contractors in 2011, as compared with 2010. This year 58 percent of human resource directors plan to outsource more work to other companies to secure talent.

And while the volume of total applications remains high, hiring managers are challenged to screen and qualify candidates. Today, firms receive an average of 89 applications for each professional position. Without effective resourcing, honing in on finalists and ensuring quality hires creates friction and delay on a company's growth trajectory.



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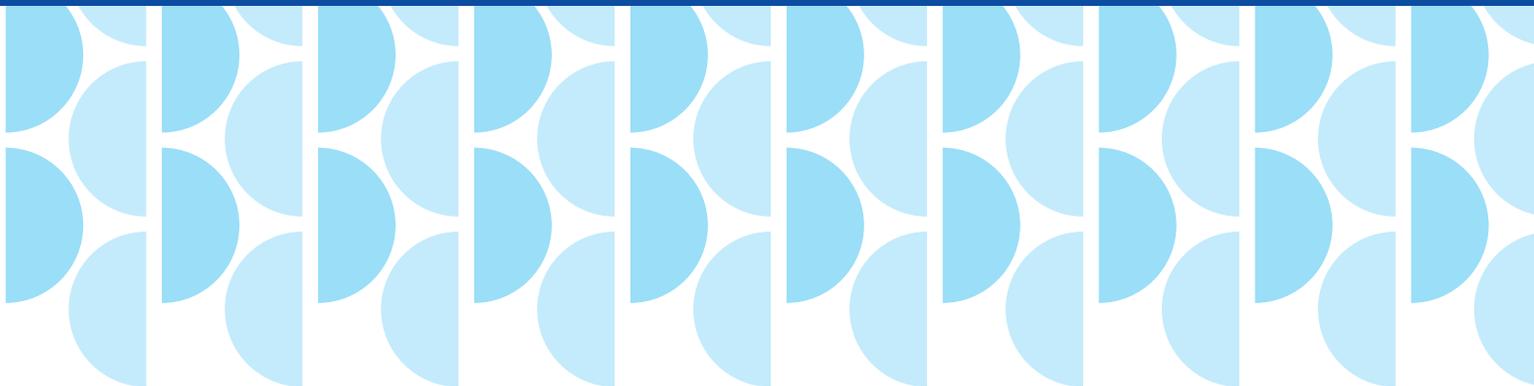
SKILLS

The value of securing knowledge workers can't be overstated: All of the increase in employment over the past two decades has been among workers who have taken at least some college classes or who have associate or bachelor's degrees – and mostly among workers with bachelor's degrees.

Georgetown University's Center on Education and the Workforce reports that, due to growth in technology across many business segments, workers require more post-secondary development for success in today's workforce. They define post-secondary education as two- and four-year education institutions, employer-provided formal training, and employer-provided informal training. In 2008, 59 percent of all jobs in the U.S. economy required post-secondary education. (Up from 28 percent in 1973.) By 2018, it is projected that 63 percent of all jobs in the U.S. economy will require post-secondary education.

And these skills are a resource requiring constant replenishment. (Today, half of all employers provide remedial workforce readiness programs to their new hires to deal with deficiencies in skills that they expected this group to have when hired.)

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Clearly, high-growth companies are compelled to acquire the skills of knowledge workers, with greater speed and scale.

At Motiv, we believe this requires more than the traditional placement agency model of networking, screening and placing bodies: As this fails to address the continuous upgrading of skills, and the managed, upward migration of talent required by both people and their employers.

Likewise, we believe people can be challenged to regard project-based and contract assignments as part of an upward progression in their careers, intentionally aligned with their values, interests and objectives.

To do so requires the radical re-thinking of the nature of relationships between people, clients and the firms that support their endeavors.

We call this Upthink: Increasing the knowledge capital in people, and the productive capacity of their ideas – continuously – for the businesses in which they work.

Upthink means looking well-beyond candidate “placement” to instead evaluate the “productive potential” of human capital.

Uniquely, MKW’s are looking for opportunities to grow and manage a career aligned with their personal values, professional interests, growth potential and skills. At the intersection of clients and resources, Motiv helps manage personal growth and work opportunity more transparently, continuously and intentionally – to create a higher effective yield for people and their employers.

The Motiv Method enables employers and individuals to identify, mutually align and actively advance career paths, a sense of individual purpose, interpersonal skills and work proficiencies – so that workers remain highly productive, client companies become highly efficient, and the virtuous circle of work to reward continues. ■

upthink

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