

CEO Challenges for 2019

By Cynthia L. Merritt, Spring 2019

As we enter into a new year, we face a new era of challenges with no clear resolutions. 2019 presents a combination of hurdles never before faced by businesses. CEO's are now faced with an unstable economy, global unrest, legalization of marijuana, and tax law changes; coupled together, these challenges leave us to merely shake our heads and wonder how we got here. The most significant hurdles which challenge CEOs on a daily basis are a tight workforce and advances in technology.

The United States is currently facing a tight labor market that unfortunately shows no signs of easing. The latest data shows the December unemployment rate at 3.9%; a rate we have not seen since 2000. The tight labor market has skyrocketed recruiting and retaining talent to the top of the hot button issues for 2019. Every business leader knows that personnel is a company's greatest asset and the biggest key to achieving corporate goals. Finding workers that are highly skilled and experienced and then holding on to them is becoming increasingly problematic.

Employers in every industry are expressing the same concern – the inability to attract and retain qualified employees. Losing qualified employees can have devastating effects on a corporation. During a discussion with one business executive in the Lehigh Valley, he commented that his company has experienced a spike in turnover which has affected efficiency, and ultimately profits. Another manufacturer indicated that they have not been able to replace experienced workers. Thus they have been forced to pay a large amount of overtime to existing employees, which again, impacts the bottom line.

With all of the advancements in technology, CEO's are faced with either attracting new talent with the latest skills or reskilling their existing workforce. Business leaders must make training a priority in order to prepare their workforce to compete in a highly competitive market. However, training requires planning and commitment. With existing time constraints due to the tight market, there is little time available after a worker has performed his primary job responsibilities. Business leaders need to remember that although training is not revenue generating in the short term and can be costly during implementation, it will positively affect the bottom line in the long term.

The key is to be proactive in training and advancement. Training should be structured based on both the employer's and employees' needs. Personalized training, while costly, is the most beneficial method in the long run. When filling the gaps in your workforce, evaluate workers for advancement not only based upon leadership skills but also on their willingness to get involved in technological advancements. The trend has been to advance employees who could not only take leadership roles but also had soft skills. In the new era, executives also need to target employees willing and capable of developing technology skills.

During these changing times, business leaders are forced to make long-term decisions based upon predictions and presumptions. The combination of technology, automation, and a tight labor market will force business leaders to be creative with their workforce planning. In order to provide exceptional customer service in this fast-paced digital era, business leaders will need to offer more comprehensive employment packages in their recruitment of new talent or provide

the necessary training to their current workforce in order to stay viable for the next 10 to 15 years.