

**CHALLENGER, GRAY & CHRISTMAS, INC.**

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# **Challenger Future Workplace Trends® 2005 And Beyond**

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## Labor Day Report: Challenger Future Workplace Trends<sup>®</sup>

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### **Occupational Synthesis<sup>®</sup> Breeds Big Salaries**

Occupations traditionally stereotyped as moderate- to low-paying will experience a windfall by the next millennium.

What we are starting to see now and will continue to see well into the 21st century is Occupational Synthesis<sup>®</sup>, whereby standard job skills are melded to meet specific corporate needs. The result will be workers with more varied yet specialized skill sets that command higher and higher pay.

For example, the typical public school teacher will be looking at significant pay increases, as private businesses invest in public schools in an effort to mold student bodies into tomorrow's skilled workforce.

The new "educational consultants" will benefit from dollars freed by private companies donating hi-tech and other educational materials to municipal school systems. Teachers will also be the beneficiaries of concentrated skill training provided by private funds.

Another example of Occupational Synthesis<sup>®</sup> is the auto technician. There is more on-board computerization in the average new automobile than was involved on the Apollo 13 mission. Workers in this field will be half mechanical craftsman, half information technology professional. Some highly skilled automobile diagnosticians earn in excess of \$100,000 annually.

## **Workplace Christmas Events Fade In Era of Diversity**

In addition to concerns over liability, growing workplace diversity will likely make the traditional company Christmas party a relic of the 20th century.

The number of religions and cultures represented in the workplace has grown markedly in the last decade. There are now more than 1,500 primary religious organizations functioning in the United States and the number of people practicing these religions continues to grow annually. Muslims will soon become the second largest religious group in the United States.

Of course, many of these groups do not acknowledge or celebrate Christmas. Nor do they recognize certain traditions like Thanksgiving.

Some companies will change their holiday schedules to reflect the growing diversity. Instead of giving employees a list of days on which the firm will be closed, employers will likely give employees a list of possible holidays from which they can select a pre-determined number to observe.

Companies will likely focus future celebrations around the new year or perhaps the firm's anniversary. Others may choose to give each department an annual party budget which they can use to fund an approved group function anytime during the year.

## **Global Economy Spawns Inter-Econ Worker®**

A new category of worker will emerge from the growing need to provide goods and services 24 hours a day, seven days a week.

To stay competitive in this global economy, companies will rely on Inter-Econ Workers® who will be willing and able to work the flexible hours associated with an increasingly Internet-oriented, nonstop marketplace. These individuals are very comfortable with the latest technology, including the Internet. They rely heavily on portable tools, such as cellular phones, laptop (or palm top) computers, and feather-light modems for both life and work. They could be techno-savvy teens or seniors who have followed the development of the computer since its inception.

There is already evidence of the emergence of this new worker. In 2001, 28.7 million Americans or 29 percent of all full-time wage and salary workers maintained flexible schedules, according to the latest survey of alternative work schedules conducted every six years by the Bureau of Labor Statistics. That is the largest percentage since the Bureau began tracking the data in 1985 and a whopping 93 percent increase from 1991 when only 15 percent of the labor force worked flexible schedules.

## **Grad Schools Seek Seniors For Survival**

As corporate and online universities reduce demand for traditional graduate schools, these institutions of higher learning will be forced to find students from other pools. One group of potential students could be onetime business executives in their 50s and 60s seeking to embark on a new career.

According to projections from the National Center for Education Statistics, enrollment in graduate schools will slow considerably. Between 1990 and 2001, the number of graduate school enrollees grew 39 percent. Enrollment growth is expected to grow just 7.1 percent from 2001 through 2012.

However, as people live and work longer, it will become increasingly common for individuals to have several careers in a lifetime. Graduate schools, with accelerated course programs, will offer the quickest path for those seeking new careers.

While it is unlikely an accountant would go back to school to become a doctor or engineer, the opposite scenario could definitely play out. Doctors could return to school to become marketing and sales executives, and software engineers might return to become high school English teachers.

## **Next Job: Corporate Memory Manager**

The aging and retiring workforce will prompt a growing number of companies to begin building large data banks of case histories which will serve as the virtual corporate memory.

Corporate memory is comprised of the collective business experiences, dramas, visions, successes and failures of real people who work for a company. Companies draw on corporate memory's lessons each time they solve problems, sell products and services, interact with customers, develop new technologies, or design marketing campaigns.

However, companies will face a serious memory drain as the first of 77 million baby boomers begin reaching the official retirement age in just seven years.

To prevent this major memory loss, companies will need an ongoing and detailed record of projects, programs, problems, solutions, results, etc. in a computerized data bank. When future situations arise, a Corporate Memory Manager will cross-reference the database for similar instances and create a report containing possible strategies and outcomes.

The system will be especially helpful as more companies expand nationally and internationally. For example, a plant manager in Mexico facing quality-control problems may find by accessing the memory database that a similar problem occurred in Singapore. He or she can learn how the problem was resolved and apply that knowledge to the present situation.

## **Corporations, Schools To Form Partnerships**

America's public high schools will form much-needed partnerships with private companies.

In exchange for refurbishing dilapidated public schools as well as "wiring" them for computer networks and high-speed Internet access, companies will ask schools to become outsourcing providers.

In conjunction with course work, the corporate partner will assign real-life problems that it currently faces or expects to face one day. Students will work in teams to develop solutions to these problems, just as they would in the workplace.

It will prove to be a win-win situation for both the students and the corporate partners. The students will learn valuable lessons in the teamwork and problem-solving skills needed in today's workplace. The company will benefit by helping to produce a future workforce that is better prepared to meet the everyday challenges in the corporate world. In addition, the company may actually get a useable solution to a real problem.

## **Electronic Housecalls To Sell Hottest Market**

Retailers increasingly confront the problem of how to sell to the exploding population of seniors when they are less likely to travel to a store. More and more retailers will count on computers to reach this lucrative consumer group.

Seniors 65 and over are the fastest growing segment of the population. By 2050, there will be nearly 82 million Americans in this category, more than double the number of 18- to 24-year-olds, the group currently among the most coveted by marketers.

To reach this important -- yet less mobile -- market, more retailers will make electronic housecalls.

Future generations of seniors will be far more computer savvy and will rely heavily on the Internet to obtain information, products and services.

To make repeat purchases easier, companies will develop an automatic re-order system. For example, medications will be dispensed through a computerized device and when the pills or liquid get to a certain level, a new order will be placed automatically over the Internet.

## **Next Consultant: Teaching Retirement**

Where there is a dilemma, a consulting business cannot be far behind.

As the nation's Baby Boomers begin reaching early retirement age in less than five years, a new business opportunity will arise: couples' retirement consulting.

Such a service will be in high demand, especially in dual-income households where both husband and wife retire around the same time. The adjustment of going from a situation where both are working to one where both are retired will almost certainly be a difficult one to manage.

Consulting professionals will help these couples cope with the changes and help them discover what they want to do in their retirement.

A consultant can evaluate each situation objectively and guide retirees toward decisions based on personality, business experience, financial situation, etc.

## **Campuses To Welcome Corporate Billboards**

In an effort to influence career as well as buying decisions, corporations will have a greater and more visible presence on America's campuses and colleges will welcome this with open arms as these institutions fight to hold down surging tuition.

At the rate college tuitions are rising, the dream of higher education may soon be out of the financial reach for a growing number of Americans. Even state universities, once the bastions of affordable education, are being forced to raise tuition as funding from the host states shrinks due to their own financial crises.

Rising tuition, which jumped 14 percent among four-year public institutions in 2003-2004, is pushing more students toward community colleges, which have seen applications increase to the point where it has become necessary to be much more selective.

To help stem tuition growth, colleges and universities will turn to corporate sponsorships. Just as sports stadiums carry the name of the primary corporate sponsor, so will university libraries and science halls -- corporate logos, products and services will become ubiquitous fixtures on campuses.

Sponsoring companies will benefit on two levels. First, they will be exposing their name, products and services to a large pool of potential customers. Second, the on-campus presence may influence the career choices of the students. This will become increasingly important as companies face significant labor shortages in the next decade.

## **And, The Next Item Up For Bidding: Workers**

The next online auction item: workers.

Online auction sites have been used to sell everything from used record albums to multi-million dollar homes, so why not temporary workers?

Temporary workers will become increasingly important as companies try to maintain a just-in-time workforce. However, labor shortages could drive up salaries as well as the fees paid to firms that provide temporary workers.

To eliminate the middleman, companies will go directly to the workers through online sites.

A precursor to this can already be found in reEmploy.com, which places retired workers with their former employers on a temporary basis. A major user of the service, Milwaukee, Wisconsin-based small engine maker Briggs & Stratton, says that it is less expensive than typical staffing agencies.

## **Corporate, NBA Recruiters To Meet At High School**

Since the NBA has had success by hiring raw basketball talent right out of high school, why not corporate America?

As the number of college graduates begins to decline and as post-high school education becomes too expensive for many, companies may pluck promising students directly from the nation's high schools and begin a new apprenticeship tradition for the information age.

After growing 19 percent between 1980 and 2000, the share of workers with post-high school education will grow just four percent between now and 2020. Contributing to the downfall are lower college graduation rates, which fell in 2003 to 54.5 percent for private schools and 41.2 percent for public universities, down from 57.5 and 46.1, respectively, in 1995.

If the number of Americans attending and/or graduating from college shrinks, corporations may be compelled to take over the education of their future workers.

Instead of going to the state university, high school graduates will go directly to employer universities, where they will be educated in math, science and technology, the areas where skills seem to be weakest. Corporate educators will continue the tradition of teaching literature, philosophy, psychology, etc., to develop the reasoning and problem-solving skills which are also essential in today's workplace.

## **Eldercare: Company Benefit And Business Opportunity**

By the year 2020, the ratio of over-65 individuals to the working age adult population (18-64) will be 27.7 per 100, up 38 percent from a ratio of 20 per 100 in 2001. By 2040, there will be nearly 37 people age 65 and older per 100 18- to 64-year-olds.

In order to be competitive in attracting and keeping talented employees, some companies may offer on-site non-medical eldercare facilities. Employees may bring their parents to these company-run facilities, just as children are brought to company-operated daycare centers. The cost of the centers will be offset by increased employee productivity and lower absenteeism rates.

Teenagers may assist the elderly who stay at home. Entrepreneurial nanny services will evolve into "granny" services, operated by and employing young people to perform duties for the elderly such as running errands and assisting with household chores.

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