

to. The bill will fund new jobs for experts in the grid system, broadband networks, and the environment. “Right now everyone’s trying to figure out how to get through the pandemic,” says retail expert Craig Rowley, a senior client partner at Korn Ferry. “This will be our next worry.”

During the New Deal, the last major government-inspired public-works projects, the unemployed were sadly plentiful. But fast-forward to this century, and companies are facing an unprecedented labor shortage. The numbers are not pretty: warehouse and distribution centers are already short hundreds of thousands of workers (Walmart alone is hiring 20,000 this season, and a recent Korn Ferry survey found that many retailers plan on opening new distribution centers). This puts infrastructure-bill jobs on a collision course with the demand for truck-driver and distribution talent. And it gets worse. “All of the bill’s construction work is also going to create competition for steel and concrete and bricks and so on,” says Rowley. “If you want to build distribution centers, you need bricks.”

To be sure, many companies stand to profit handsomely from the influx of project funding. But that will only be possible if they can keep staffed. “The infrastructure is great for the country,” says Michele Capra, vice president of client services for talent acquisition at Korn Ferry, but it does give employees a reason to leave, she says, particularly those

who consider their call-center or retail or latte job to be temporary, because a substantial number of the infrastructure-bill jobs will come with training. “The bill is providing opportunities to learn a niche skill that people can really build a career on, without having to go back to school,” says Capra. For example, a telecom technician who is accustomed to working outdoors with little opportunity to advance might jump at a specialty sewer-building job with training, which would provide a similar environment but higher future salary.

The way to retain those workers, says Capra, is to build a culture that repeatedly spells out their internal career paths, a step that companies have historically skipped with entry-level employees. “Say, ‘This is what your role will look like in six months, a year, two years, and here’s how your compensation will increase,’ so that employees can see their futures,” she says.

In the end, more inclusive hiring may be the best answer at many firms trying to expand their labor pools, say experts. But that will take a lot of careful study of local markets. “A lot of times companies say, ‘I need to hire more experienced black engineers in Montana,’” when few exist there, says Jacob Zabkovicz, vice president and general manager for Korn Ferry’s Global Recruitment Outsourcing business. “Companies that do well on this are open to flexibility on where the action is.”

THE TAKEAWAY

Retaining staff is all about creating career paths.



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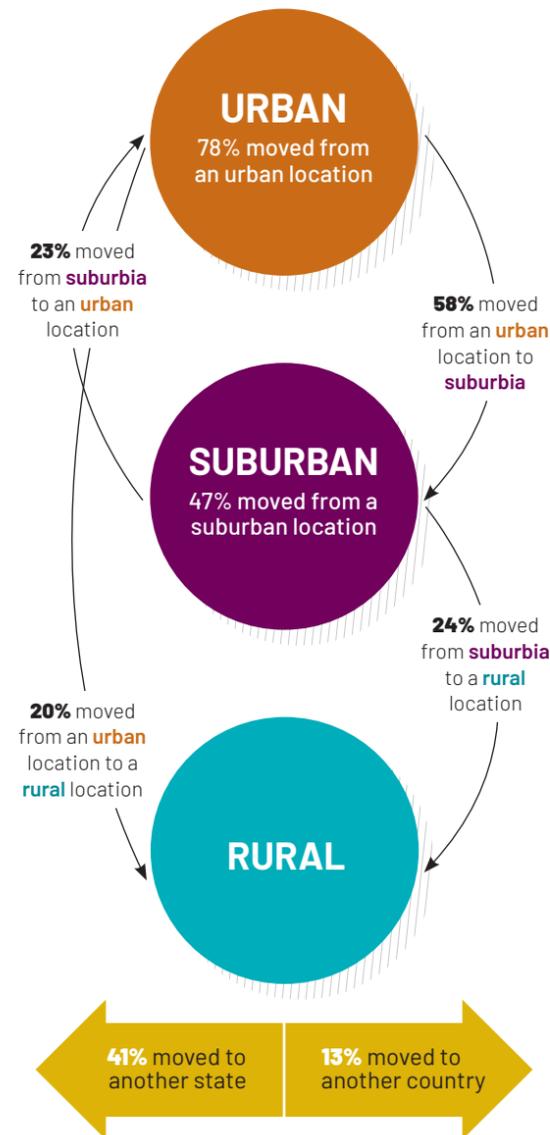
Defining Net Zero

NO ONE EXPECTS ANY SINGLE ORGANIZATION TO save the planet. Achieving net-zero carbon emissions by mid-century would cost an estimated \$1 trillion to \$2 trillion of additional investments per year, or 1% to 1.5% of the world’s gross domestic product, according to the UK’s Energy Transition

DATA

Moving On

Many employees moved more than once during the pandemic. Here's how those moves worked out, from leaving cities to suburban to rural locations.



Commission. According to the majority of climate scientists, reaching “net zero,” or balancing greenhouse gases emitted with those removed from the atmosphere, is critical to keeping the world’s average temperature from rising by more than 1.5 degrees centigrade.

So it’s not surprising that a slew of companies have issued bold statements promising to get to net zero in a decade. The list includes names from a host of industries—airlines, cars, even Big Oil. But in providing key oversight, experts say, directors themselves have to answer one nagging, if not basic, question: What does being net zero actually mean for their firms in the first place?

What isn’t net zero is the amount of investment dollars at stake. More than 120 institutional investors controlling \$43 trillion have signed on to the Net Zero Asset Managers Initiative, committing to finance only those organizations aligned with net-zero emissions by 2050 or sooner. That means that organizations that don’t make concerted efforts to reduce their carbon footprints could eventually find it difficult to attract capital. Still, while that money is key, directors need to make sure management runs a viable business. “You don’t want to be net-zero cash pursuing net-zero carbon,” says Dennis Carey, a Korn Ferry vice chairman and coleader of the firm’s Board Services practice.

Just as they shouldn’t be devising business strategies, boards shouldn’t be drawing up an emissions reduction plan. But they can ask their executives some pointed questions about how their business will survive and thrive in a world which has dramatically curtailed the growth of carbon emissions. At the same time, directors should make sure that executives have such a plan, experts say, along with key performance indicators that can highlight whether the firm is making progress. Part of that involves making sure management has a good idea of how large, exactly, the organization’s carbon footprint is now and, importantly, what it will be 5 to 10 years from now based on the company’s business strategy. “Director oversight is needed to hold companies to account on their commitments to achieving a net-zero future,” says Stephanie Pfeifer, chief executive of the Institutional Investors Group on Climate Change.

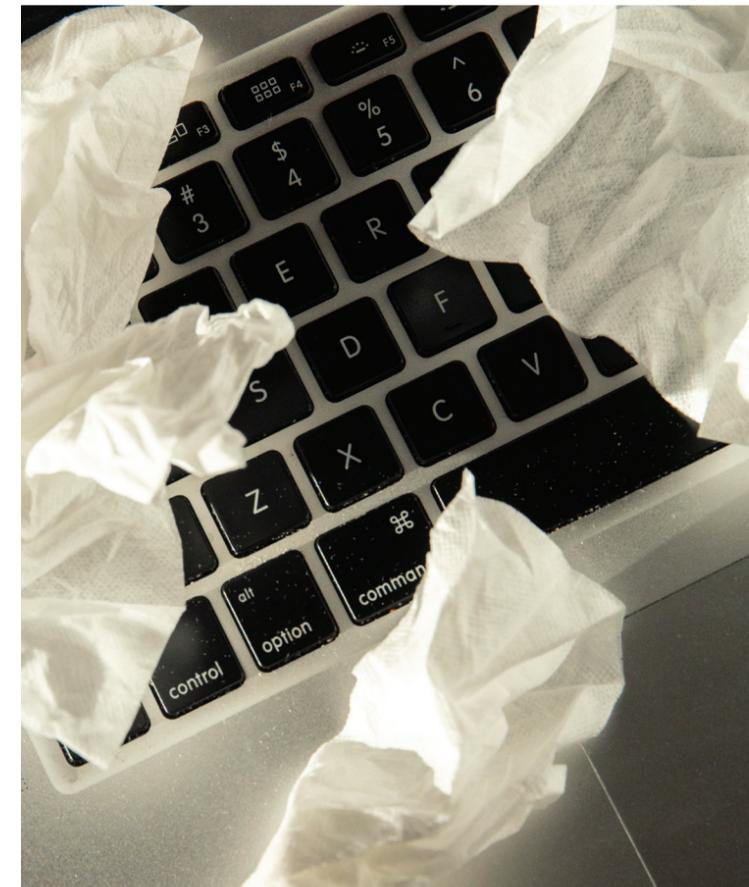
THE TAKEAWAY

Board members quietly fear that their firms are overpromising.

That guidance might involve telling management to tone down the climate-related bravado. Promising to be net zero within a few decades may be flashy; more than one-fifth of the world’s largest corporations have pledged to reach net-zero carbon emissions by 2050. But it’s a promise that could be difficult to keep, and the CEOs who are making such commitments now probably won’t hold their current positions long enough to see this goal through. Directors might be better served guiding management to pursue more modest but still definitive goals. “Make sure the goals you enunciate are achievable, and that you have evidence that you are meeting those goals,” Carey says.

Another oversight suggestion: tell executives to seek outside help. No single organization can reduce the world’s emissions to net zero, and none will be able to completely offset its own emissions. Executives everywhere will need to work with their big suppliers and seek out new technologies from innovative organizations.

Perhaps most importantly, directors should consider looking at whether executives are incentivized to get to net zero. To get big organizations to take definitive actions, directors should tie a larger portion of executive compensation to hitting net-zero-related targets. “This is not just going to happen willy-nilly,” Carey says. //



LEADERSHIP BY LISA RABASCA ROEPE

Sick Days Up, Impatience Too?

AMID A PANDEMIC THAT CREATED one tragic health crisis after another, it’s somewhat remarkable that sick days at US firms didn’t skyrocket. In fact, according to one data-marketing firm, a third of workers took no sick days in 2020 and 2021. Before COVID, nearly six in ten people took up to five sick days a year.

Give companies credit for trying to change, with new wellness programs that encourage employees to watch their health and take sick days when needed. But as the pandemic eases and workload increases, patience among coworkers may start to wear thin fast, experts say, creating new tension among teams. “The pandemic has brought