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# Theodore Klein On The Labor Shortage & The 5 Things We Must Do To Attract & Retain Great Talent

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This is a very self-serving answer but Applied Improvisation (AIM) programs have been scientifically proven to improve and enhance corporate culture on a number of different management dimensions.

**T**he pandemic has allowed people to reevaluate what they want from work. This “Great Reevaluation” has led to the “Great Resignation” which has left the US with a great big labor shortage and a supply chain crisis. What can we do to reverse this trend? What can be done to attract great talent to companies looking to hire? What must companies do to retain their great talent? If not just a paycheck, what else are employees looking for? In this interview series called “The Labor Shortage & The 5 Things, We Must Do To Attract & Retain Great Talent” we are talking to successful business leaders who can share stories and ideas from their experience that can address these questions.

*As a part of this interview series, we had the pleasure to interview Theodore Klein.*

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*Theodore Klein is Managing Partner at the Boston Strategy Group (BSG). Mr. Klein has over 40 years of executive management experience at several premier consulting firms and was the CEO of Boston Systems Group, named one of America's 100 leading consulting firms. Mr. Klein has led over 350 engagements for global corporate, healthcare, university, and government institutions, across four continents. He has served on the management faculty at Boston University, Boston College, and the University of Massachusetts in Management, Marketing, and Information Technology. He has been an avid improvisation student for the last four years, undertakes original research in the field, and writes frequently on applied improvisation and leadership. Mr. Klein holds an MBA from Boston University and undergraduate degrees in Mathematics and in the Social Sciences. An avid sailor and cook, he crossed the Atlantic in a 62-foot gaff-rigged schooner over a five-week period, serving as cook, when he was still young and adventurous.*

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**Thank you so much for joining us in this interview series! Our readers would like to get an idea of who you are and where you came from. Can you tell us a bit about your background? Where do you come from? What are the life experiences that most shaped your current self?**

I have been fascinated with mathematics since high school growing up in New York and was working towards my undergraduate degree when I was told, surprisingly, that the social sciences classes I had taken entitled me to a dual degree. My career has bounced back and forth since then, ultimately leading to a management consulting leadership position. Early in my career, I was lucky enough to have been appointed an Assistant Professor with Boston University and assigned to teach graduate students in Europe. The experience broadened my perspectives in a number of ways and has made me sensitive to cultural differences and global leadership issues. As a result, I've successfully consulted with large multinational firms on six continents, in both technologies and in organizational development.

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**Let's jump right in. Some experts have warned of the "Great Resignation" as early as the 1980s and yet so many companies seem to have been completely unprepared when it finally happened. What do you think caused this disconnect? Why do you think the business world was caught by surprise?**

If we look at the last several generations of professional staff, overlapped with the world's major economic periods, we see several key "organizational eras." From 1920 to the mid-1950s, we had the "industrial manufacturing era," seeing an emphasis on efficiency, production, with staff having long-term employment with high degrees of loyalty. From the mid-1950s to the mid-1980s there was a shift to the "information and technology era." Here, effectiveness was more important than efficiency, professional skill levels expanded, leading to a diminished degree of loyalty between staff and their firms. From the 1990s on, we've moved into the "services era," where a new generation of professionals no longer consider loyalty important, as we move towards the "gig economy. The developing global economy and the use of outsourcing and "labor arbitrage" has accelerated this shift. In this manner, given growing telecommunications capabilities, business executives can acquire professional skills at the least possible cost, wherever they may be found on the globe. Overall, these important incremental factors have now reached a head diminishing the prior elements of (1) employer-staff trust, (2) cooperation, (3) shared vision and (4) loyalty. The fact that the business world and senior executives were caught by surprise is easily explainable, as their focus was on global competition, accelerating technical change, and reducing costs, and not the loyalty of the professional workforce.

**What do you think employers have to do to adapt to this new reality?**

Employers need alternative mechanisms to offset these factors, such as building employee trust, both between a firm and the staff as well as between staff members, formal processes to increase collaboration and teamwork, specific

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approaches to encourage and reward collaboration, and specialized techniques to teach staff greater emotional awareness. Joseph Aoun, in “Robot-Proof” eloquently speaks of universities today teaching technical and data literacy, but falling far short in teaching interpersonal literacy.

**Based on your opinion and experience, what do you think were the main pain points that caused the great resignation? Why is so much of the workforce unhappy?**

Quite simply, a recognition that senior management saw the workforce as an expendable, replaceable, economic asset to be expended, and not as a professional talent to be leveraged to contribute to firm success.

**Many employers extoll the advantages of the entrepreneurial spirit and the possibilities of an expanded “gig economy”. But this does come with the cost of a lack of loyalty of gig workers. Is there a way to balance this? Can an employer look for single-use sources of services and expect long-term loyalty? Is there a way to hire a freelancer and expect dependability and loyalty? Can you please explain what you mean?**

It depends entirely upon the degree of employer sincerity, authenticity, and company culture. These are “top-down” characteristics that emanate from the values that senior executives hold. Many employers “talk up” the gig economy and the concept of entrepreneurial spirit but do not empower nor reward staff accordingly. It’s often an empty gesture designed to manipulate or influence staff. True freelance or gig work implies a degree of independence, individual thinking, and self-reliance. Loyalty can exist but not in the same form or to the same degree. An employer “can-not have their cake and eat it too.” Honesty, shared vision, cooperation, revised reward structures, and other alternative management approaches are required.

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**It has been said that “people don’t quit jobs, they quit bosses”. How do you think this has been true during the Great Resignation? Can you explain what you mean?**

To a large extent, this has been true. For much of the last ten years, management, in many, but not all industries has operated with diminished regard for staff satisfaction or professional growth. Older employees are quickly replaced with younger, or offshore staff, at far less expense. This quickly demonstrates to all staff that little loyalty flows to them from management, diminishing individual morale, job satisfaction, and corporate loyalty. While many staff goes on to more challenging positions with greater responsibility, if you are valued in a position, there is far less chance of departing.

**I am fond of saying, “If it’s fun they charge admission. But you get a paycheck for working here.” Obviously, I am being facetious, but not entirely. Every job has its frustrations and there will be times when every job will aggravate employees. How important is it that employees enjoy their jobs?**

Depends entirely on the personality of the individual. Some individuals just want a paycheck, some want professional challenges, some want intellectual growth, etc. Each individual has a personal frustration level. These factors all change with age and experience levels. An executive or manager's responsibility is to match each position with the individual needs and wants and to create an effective team. This is one question that is almost impossible to answer.

**How do you think an unhappy workforce will impact a) company productivity b) company profitability c) and employee health and wellbeing?**

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Again, it depends on the degree and nature of the unhappiness, alternative employment opportunities, and the “production” economics of the business. Some businesses can survive a lower quality rate due to discontented staff, some businesses will have profitability impacts others may not. It also depends on the motivational factors driving the staff, for example, many factory workers, while generally unhappy, take pride in their work efforts, or offset unhappiness with the shared social understanding of the group.

**What are a few things that employers, managers, and executives can do to ensure that workers enjoy their jobs?**

A very easy question. Be authentic, honest, strive to create a shared vision. Build trust, collaboration, and communication skills among the organization. Be emotionally aware and vulnerable. Support professional growth for those staff looking to advance. Staff needs leadership, and most professionals are reasonable and want to do a good job if they believe that management and executives are looking out for them.

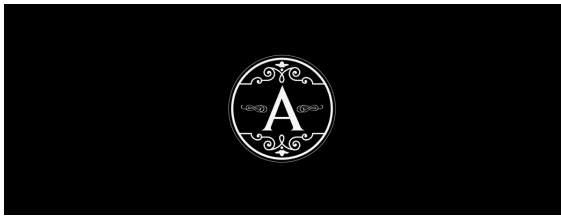
**Can you share a few things that employers, managers, and executives should be doing to improve their company work culture?**

This is a very self-serving answer but Applied Improvisation (AIM) programs have been scientifically proven to improve and enhance corporate culture on a number of different management dimensions.

**Okay, wonderful. Here is the main question of our interview. What are your “5 things employers should do to attract and retain top talent during the labor shortage?” (Please share a story or example for each.)**

1. Support professional growth for motivated employees;
2. Develop leadership to earn to be an honest, vulnerable, authentic leader;

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3. Establish effective communication channels, over-communicate, and be as transparent as possible;
4. Learn and apply the components of effective team building; and
5. Demonstrate and encourage creativity and innovation.

**We are very blessed that some of the biggest names in Business, VC funding, Sports, and Entertainment read this column. Is there a person in the world, or in the US with whom you would love to have a private breakfast or lunch, and why? He or she might just see this if we tag them.**

Tim Cook, CEO, Apple. From what I have seen, he embodies all of the leadership and management characteristics I have discussed here.

**Our readers often like to follow our interview subjects' careers. How can they further follow your work online?**

My linked in profile is: [linkedin.com/in/theodoreklein](https://www.linkedin.com/in/theodoreklein)

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**Thank you for these fantastic insights. We greatly appreciate the time you spent on this. We wish you continued success and good health.**

