



Business Dimensions Consulting Group Inc.

The Talent Crisis



*Managing Talent, the Growing Gap and
Impact on Business*

By Marlene Barker

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Today's Business Environment

Managing talent in today's business environment has taken on a brand new dimension. Healthy and growing economies require high performing corporations with outstanding results. Corporations in turn require high performing assets and resources including a high performing workforce working in a high performing environment.

Faced with insurmountable global market pressures, corporations strive to demonstrate exceptional performance while facing increasing staffing and talent shortfalls coupled with an ever-widening skill gap. Sometimes referred to as the labour squeeze or the people crunch, the winds of time are blowing in a perfect storm with a wide range of and significant implications on how talent must be managed. Indeed, the talent crisis is upon us as demand for adequate numbers of qualified people outstrips supply.

Never before has corporate competitive advantage been tied so closely to a competitive people advantage, even in capital intensive or resource rich industries. It is not just a matter of getting people to work longer or harder. Many are concerned that with life spans increasing and birth rates declining, the labour force will be unable to support future economic needs. Globalization, automation, process redesign and other productivity improvements themselves contribute to the need for ongoing workforce optimization, reskilling and retooling.

"There is already a talent shortage in many areas of the global labor force, a situation that will grow more acute and more widespread across more jobs over the next 10 years – and could threaten the engines of world economic growth and prosperity" Manpower Inc.

Aging baby boomers have started their exodus from the working world and those entering the workforce are significantly short in numbers let alone having drastically different expectations for acceptable work and satisfying careers that require more than just a good pay cheque. Furthermore, workers today want to change jobs every few years. Simultaneously, there is already a wide shortage of highly skilled labour, leaving many organizations vulnerable on a number of fronts.

Although executives across all industries and regions are admitting that the talent gap is already or rapidly becoming one of the most serious top-of-mind issues confronting their organization, the majority admit that they have not formulated a long term talent management strategy. Investors demand piercing focus on short term goals and objectives to achieve exceptional short term results. What's more, older executives are understandably concerned with their own financial security as they see their own retirement appearing on the horizon. Their focus is hardly on positioning their organizations for success long after they have departed. All this makes for an unprecedented and tenuous situation.

Major Shift in Thinking



Weathering the storm and charting a new course to address the talent crisis is not for the faint of heart. The key is to employ a strategy for managing talent that is firing on all cylinders, addresses the whole picture and not just merely tinkers around the edges.

Everyone's Problem

This is not solely a problem to be lobbied over the fence to the human resources department. Indeed human resources professionals over recent years have been sounding the alarm, but largely their appeals have been ignored. The effective management of talent requires buy-in and a major shift in thinking from leaders, managers and workers across the entire corporation as well as investors and ultimately the marketplace.

Attraction

Hiring practices have been undergoing an overhaul. Corporations who have begun to make some progress in becoming talent savvy recognize that to become employers of choice, they must 'sell' the merits of their organizations to potential workers and focus their strategies and tactics around what matters most to the pool of talent they are seeking to attract, develop and retain. Engagement with these individuals or groups is a big deal and becomes critical long before any formal contract is entered into.

Today, studies show that more attention is given to organizations that offer stimulating assignments, free training and personal development programs, work-life balance, a healthy work environment, an open culture, and connection with the line of sight to the corporation's performance. Also of increasing interest is the corporation's reputation regarding social consciousness, environmental responsibility, safety record, giving back to the local community, and work practices around the world.

True engagement requires walking the talk and perspective employees quickly pick up how much pride there is within an organization, how well people communicate and whether there are career growth opportunities. Evidence shows that there is a direct relationship between employee engagement and individual and corporate performance and desire for a long term relationship.

There are a number of proactive attraction strategies that corporations are employing that are beginning to show that they are committed to developing a long term pipeline of potential talent. Some are creating an 'employment brand' and employment value proposition by working on and sharing their organization's reputation for investing in and developing talent. This message is re-enforced in action and used to reach workforce candidates near and far.

Organizations are developing partnerships with post secondary schools and even with high schools. Many offer scholarships, internships and sponsor events and vocational programs to ensure there is a steady supply of students as well as develop relationships with these students long before they graduate. Some are actively encouraging minorities, the under-employed, disabled and otherwise challenged individuals to join their workforce.

Many businesses are proactively recruiting out-of-region workers from across and outside the country. Some are working closely with government agencies to get access to foreign workers, and with various professional

associations and standards boards to ensure that appropriate credentials are in place or attained. Immigrants come with their own set of values and beliefs so existing and new workers alike need to be aware, respectful of and sensitive to cultural differences.

Recruiting companies and broad use of internet technology are giving both companies and individuals themselves the ability to cast a wider net. In many of the highly skilled professions, it is the company that needs to sell themselves to the prospective individual. Effective company branding and involving management and workers in the recruiting process fosters a better working environment for coworkers and teams.

On Boarding

Providing on-boarding programs to new workers is an effective way to successfully transition an individual into their new role and these programs become even more important as the generational and diversity make-up of the workforce shifts. Beyond on-the-job support and direction, providing a big picture overview of the industry they are working in and an understanding of company strategies, values, culture, policies, practices as well as the various resources available to them goes a long way to positioning new workers for success. Corporations are working more closely with municipal governments to ensure the wider community needs of their foreign and immigrant workers are also being met.

Retention

Attraction in itself is difficult, but finding the right strategy for each company to keep skilled employees engaged, re-skilled, and committed can be daunting when the market is hot.

It is well known that the worker's relationship with their immediate manager is one of the key elements in determining whether to stay or go. Special attention and additional support must be given to first line supervisors who provide direction and guidance to front line workers and are charged with cultivating existing talent and optimizing the current workforce. Targeted and timely training, mentoring and development programs are required by all workers to be able to effectively fulfill the expectations of the dynamic business environment.

Retention is even more challenging because today's life long learners and ambitious individuals want to change their jobs every three to four years, even under ideal circumstances.

Based on their business strategy, corporations must identify the key skills and competencies required for the positions in the organization to deliver their products or services and support their business processes and be prepared to address any of the gaps. In the past, strong business, technical and hard skills were adequate in many areas. Today effective communication, leadership and a generous portion of soft skills are vital for all workers to master. Cross training becomes important when resources are in short supply. Leading organizations offer productivity improvement training to all employees.

Being fearful that investment in training and development will be wasted if workers leave is a poor excuse for not providing training and development. In the past, training and development was seen by many to be a cost rather than an investment or a means to retain a valuable workforce. Today, a company's approach to career development and training has the strongest influence over workers who are motivated, engaged and, committed. Those organizations that are serious about achieving this end dedicate significant budget funds to this area.

A circular, systemic and cyclical process emerges. Business leaders and professionals are constantly seeking performance improvements for their corporations. As each performance improvement initiative is identified and executed workers require new skills and competencies to implement, transition to, and sustain the improvement.

Talent savvy organizations create succession plans and provide their workers with on-the-job experience coupled with tailored development programs and ongoing mentoring and coaching to ensure support is provided and success is achieved in current and future positions.

Leading companies recognize workers may want to tailor their careers and move across a wide range of job options and structures and this lattice employment model is coexisting with and in some cases replacing the traditional corporate ladder. Corporations also realize that talented individuals are in high demand outside their organization. High performing companies who provide their workers with interesting work and an ambitious and rewarding career path are a hot bed for attraction and retention of high performance individuals.

Retention is related to the flexibility of the organization's leadership team and management style. Participatory and collaborative management styles are more attractive to workers than the directive, tops-down approach. Flattening organizational structures and creating autonomous business

areas provide workers with more ability to make decisions and influence day to day activities. Environments where it is safe to make a mistake, take a risk, experiment, innovate and take time to learn and develop are appealing to workers of all ages.

Typically, leading corporations offer flexible hours, flex days, distance and/or part-time working arrangements, child care, elder care, social support, employee discounts, personal interest development, professional/fitness memberships, and so on in addition to the standard benefits packages such as health care, insurance and pension plans. What's more, these corporations now allow their workers the freedom to choose from a large menu of possible choices to suit their individual situation. Therefore the unique needs of a new graduate, a single parent and someone close to retirement are all addressed.

Retention is tightly linked with worker recognition and respect. For workers, it is becoming increasingly important that strategic and consistent recognition is given to behaviours that align with corporate values. Workers typically stay at organizations when the values of the organization and the values of the individual intersect. Therefore, corporate values need to be more than just words written on a plaque or website, but are those that are endorsed by executives, have management buy-in and are espoused by everyone across the organization. An effective recognition program creates an excellent work environment, increases productivity and helps to reduce turn over. Similarly, rewards are designed to align with employee engagement, the workforce segment as well as the business strategy.

In an attempt to minimize the massive brain drain and close the large gap in highly developed skills resulting from early retirements, corporations are retaining older workers to help bridge the draining of knowledge. This is not for everyone as many retirees are ready to switch gears and embark on new adventures. For others, it provides a way to continue contributing and slowing transition out of the workplace. It can be an excellent way for the corporation to provide mentors to new or young workers and aid in overall knowledge transfer and skill development. Companies need to be flexible to incorporate significantly reduced hours or seasonal fluctuations to accommodate the older workers' needs.

Employment Models

A variety of other employment and partnership models are being employed and utilized to gain access to skilled human resources. Outsourcing and co-sourcing arrangements introduced originally to reduce costs or to allow for focus on core business are taking on a more collaborative flavour and are

being leveraged as a means to get access to best-in-class human resources, offshore resources and temporary resources.

Partnerships, tight supplier relationships and investment in public-private initiatives are other strategies used by businesses and all levels of government today. By providing financial capital and intellectual capital, they gain access to more human capital

Action Required Now

The talent crisis is upon us. Corporations, governments and individuals must work together to address the problem, seize the opportunities and circumvent the undesirable consequences. It may never again be clear sailing, but we must all do our part to create the resiliency we need for individual and collective survival and prosperity.

What can individuals do?



There are several practical actions that individuals can take today. People themselves are in the best position to identify what gets them up in the morning and pursue what really motivates them. It is up to each individual to determine just how they can translate and bring this passion into their work.

It's not as difficult as we might think. Individuals have the opportunity to proactively cultivate the work situation that inspires them, that provides the stimulation they need, the environment they enjoy, the personal development and job satisfaction they seek, the interaction and flexibility they desire, the respect that they deserve and that allows each one to contribute to their own unique purpose in life.

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