



FINDING TALENT – DILEMMAS IN UNCERTAIN TIMES

By Debbie Craig & John Gatherer

Introduction



In our previous articles in the series on Talent Management, we made mention of the “perfect storm” brewing, the employment and talent crisis exacerbated by the effects of the Global financial meltdown over the last 10 months. In the last quarter, there have been the first signs of recovery in market reports and economic indicators – but it is going to be a long and slow return to anything like the conditions of the past - and may never be the same again!

The spotlight on critical skills and pressures to find the right people-capability to help kick-start growth and renewal strategies across global business has increased exponentially in the aftermath of the financial crisis. Most organizations, not only “battered down the hatches” to sit out and survive the storm, freezing any practices that influenced people overheads, but many initiated significant downsizing and restructuring processes to “cut their cloth” during these tough times. These battle-weary companies, many of which have had debilitating “leavers and stayers” dynamics within their structures, must now rethink their people strategies as they start the rebuilding process.

Dilemmas

Finding the right people for the right role is always going to be a delicate balance of strategic foresight and planning while making the most of the current market conditions. A number of dilemmas are continuously debated to find the best fit solutions. Some of these dilemmas are explored below.

1. Is it better to build talent or buy talent?

The usual answer to this question is to find a good ratio of internal and external sourcing that works to encourage existing talent to perform and grow whilst also ensuring new ideas and innovation comes in from the outside. The rule of thumb recommendation seems to be somewhere in the region of 70% recruit from within and about 30% recruit from outside to balance company knowledge and relationships with new thinking and external experience.

“The executives talk about their people being their greatest asset, but are quick to disregard our needs and aspirations when the going gets tough.”

There is certainly an advantage of bringing new people into an organisation especially if there are many long-serving people stuck in their old way of doing things. However, new people can also bring expectations, behaviours and cultures, which may either merge or clash with what exists and increase the time to fitting in and performing. The challenge is to ensure an effective recruitment and selection process where expectations are managed and where the potential employee gets an opportunity to meet some of the people he or she will be working with. It is also essential that new employees follow a good orientation and on-boarding program including team and culture integration sessions.

Where there is a lack of internal skills, and significant external recruitment becomes necessary, it becomes important to manage the expectations of the current key players and hopefuls to avoid de-motivating or losing them as well.

2. Do we focus primarily on our talent pool and succession plans or continual reassess the marketplace for more alternatives?

An effective talent management process will result in talent pools of high performers and potentials earmarked for a variety of key positions. A lot of time and effort is spent on the identification of key positions and talent, career development programs and in succession planning. This may create the expectation that new vacancies need only be filled through the contenders on the succession plan. Unfortunately, organisational life is seldom so predictable and people develop at different speeds and their performance and aspirations also change with time. Business needs may also require a person earmarked for a senior appointment, to stay in their current role until a successor is considered ready to take over from them.

Whilst it is important to emphasise the company intent of developing from within, aspiring individuals also need to know that when the gun goes off and the race has begun, it is the fastest and strongest that will win on the day. One of the realities to recruit externally and internally simultaneously to shorten the timelines and to meet urgent requirements. It is always preferable to recruit internally first, but the most important issue is finding the best person for the job, in a timeous manner.

3. Does it pay more to be an investor in and builder of talent or a poacher of talent?

There are some organisations that pride themselves in being builders of talent. Their value proposition states as much. They offer comprehensive development programs and invest in study bursaries, learnerships, graduate trainee and coaching or mentoring programs. The biggest challenge these organisations have is to retain the very people they have developed and receive an acceptable return on investment. It is well known that many graduates, especially of masters programs such as MBA's resign within a year of completing their studies. Good development programs automatically raise the intrinsic value of the participants. Where this value is not recognised or appropriate opportunities and work challenges are not provided, these individuals will tend to look elsewhere for these.

The mercenary organization prefers to wait in the wings for these disgruntled individuals and offer attractive packages and new enticing opportunities. Unfortunately, the employment is often short-lived in these organisations as they rarely invest in personal and career development.

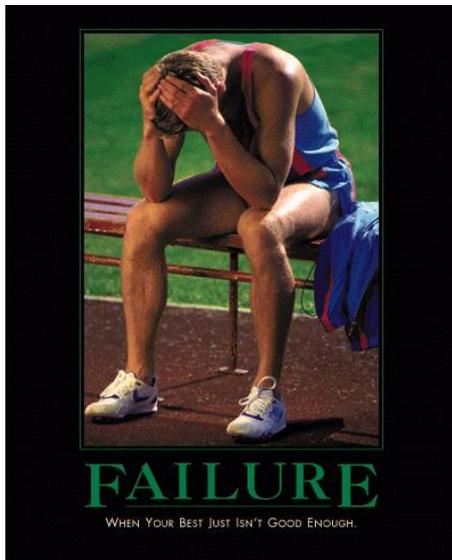


"I am glad that I was able to give them wings and build the industry. My division continues to do well as we now have depth. I know that I will meet and work with many of them again in the future".

The organisations that seem to maintain their position as a great place to work and to retain their best talent are those that regardless of the risk of people leaving, develop people anyway. They focus on building a learning organisation and building the industry and that any investment in people is a good investment.

4. Is it worth the risk to place high potential but untested talent into key positions?

When times are tough, and skills difficult and expensive to find, it can be tempting to take a chance with untested talent in the hope that they rise to the occasion. This option has 2 possible outcomes. Option one is the talented individual does rise to the occasion and saves



the day, reinforcing the belief that people have inherent talent that just needs the opportunity to shine. Option two is the talented individual becomes overwhelmed, does not have the competence or experience to lead and succeed at higher levels of thinking, complexity and decision making. This can lead to expensive business mistakes, impact on staff morale and more importantly on the self-esteem and future career aspirations of the individual.

Make sure you take a calculated risk. Instead of placing someone in a key position, find a developmental position or special project assignment for them to be tested in first. Use assessment methodology such as levels of work, core competencies, assessment centres or action learning projects to establish level of performance.

5. What is the upside and downside of global vs. local recruitment?

When local sources are deficient, it may be necessary to look internationally. This has been the only option for some of the large capital projects in South Africa such as the 2010 soccer stadiums, infrastructure, roads, ports and pipelines. In these instances, the experience lies outside our borders such as the Middle-East, South-East Asia, India, France, China and the UK. So whilst the technical and project management expertise prove very useful, it raises other challenges such as culture clashes, difficulty in finding reasonable accommodation and transport and safety and security issues. Other issues include disparity in pay levels between locals and ex-pats doing the same roles, tax problems and the challenge of ensuring capacity building and knowledge transfer to local employees when deadlines are tight and motivation is low. The uncertainty of the current financial crisis has also resulted in expensive relocation exercises being reversed as projects get suspended or cancelled. This has a huge impact on families, careers and financial stability.

Whilst global sourcing might be the only option in the short-term, organisations employing a more strategic and long-term view of resource planning and skills development have a better chance at either developing the skills they need or ensuring a smooth integration of a smaller number of ex-pats to share skills and knowledge in key jobs.

6. What is the impact of short-term solutions such as part-timers and contractors?

Part-timers and contractors are a popular solution to skills shortages. There is a growing trend toward independent consultants and contractors working at hourly or daily rates. Many people who have lost their full-time jobs in the global financial crisis have also turned to working for themselves and getting any work they can. Whilst contractors are a useful resource, many organisations struggle to find a happy medium between their full-time staff and flexible work arrangements. The perception by employees is that contractors get paid more, work less and don't contribute to the development of the company or attend internal meetings. This can leave employees feeling disgruntled. Many of them don't realise that contractors have no benefits or job security and often end up with the menial work that full-timers were not keen on doing. They also don't usually receive performance reviews or additional rewards for hard work.

If there are large numbers of part-timers or contractors, a sub-culture of "them and us" can develop which becomes immune to the company practices and culture. The best way of managing contractors is having a comprehensive contract that ensures they work under the same conditions of employment as the rest of the staff and ensure that managers follow performance management and team integration processes to build a "one team, one goal" culture. Also make it clear to employees, the reason for contractors, the specific role they are fulfilling and to encourage interaction and involvement with them.

7. What is the impact of longer-term solutions such as outsourcing?

Outsourcing non-core and non-strategic functions such as call centres, payroll or IT can work really well with the correct choice of outsourcing partners. Many organisations try outsourcing, but end up with more hassles than benefits because the terms and performance standards are not clearly understood or communicated. Outsourcing takes close monitoring and management by someone good at building strategic partnerships and influencing without authority. It also takes someone familiar with the function and the business to negotiate service levels and resolve problems between internal customers and the outsourcing partner.

Inappropriate outsourcing of key functions that directly impact on business results and decisions such as sales, finances or product development can result in the business losing sight of key customers and their needs or key information required for decision making.

Other long-term options can include off-shoring (relocating business processes to other more cost effective countries e.g. Printing and call centres in India and manufacturing in China.) Similar issues to outsourcing abound with this option with the added complexity of time zones, distribution, language and cultural challenges.

8. Does finding talent at school level have a good return on investment?

One of the most successful and cost effective approaches to finding talent is through early identification and selection of secondary school pupils, who have the personal qualities and educational credentials to take up bursary or scholarship schemes at universities and technikons.

Big business groups have always been at the forefront of these initiatives involving career



marketing, bursary and scholarship schemes, vacation employment and business preparedness training programmes. Some organisations use the graduate trainee process effectively to build good all round capability and future leaders.

It is a highly competitive process with companies pulling out all the stops to ensure enticement of the cream of the crop; and prospective bursars, doing their best to impress to secure both a bursary and longer term career prospect with a prestigious company.

The investment by these companies in time, resources and liaison with students, trainees and academic staff from learning institutions is huge but the payoff in finding the right calibre talent and cultivating their skills, knowledge and exposure into the company. The biggest risk that needs to be managed is to keep the bright young things meaningful engaged and challenged in real work assignments, in a variety of roles, with the necessary support and development.

9. If knowledge transfer isn't happening – do you pay for it?

The lack of skills in younger generations and new entrants into the business world requires fast-tracking of skills in the workplace. Long-serving individuals with the required skills and experience are nearing retirement and are not too interested in sharing knowledge and skills with “precocious” and sometimes better paid individuals with less experience. The old apprentice system is all but obsolete, leading to new solutions needing to be found. Mentoring and coaching programs have been put in place but with minimal real success stories. So what does it take to download the knowledge and experience from the old to the new, in a short space of time?

Some organisations have taken to creating new full-time positions of technical or master coaches with measurable KPA's to build capacity. Other organisations are entering into part-time contracts with retiring individuals who get paid a basic salary to coach and receive bonuses on the successful attainment of qualifications and positions of their protégées. It is important to build a culture of coaching and developing others where the mutual benefit for coach, coachee and organisation is recognised and acknowledged. The coaches also need support and a sense of belonging and continued development in their coaching skills which may need some honing after many years in a more structured management role.

10. Strategic sourcing and building skills pipelines: return on investment

There are many examples of organizations building relationships with suppliers of skills to increase the skills availability and improve the quality of new acquisitions. Strategic sourcing can include building alliances and partnerships with schools, learning institutions, such as universities and technikons, specialist companies involved with bursary and scholarship management, recruitment agencies, head-hunters and consulting firms. It has also involved sponsorships of career marketing initiatives such as career exhibitions, university career days, advertising in career publications, sponsoring technical facilities and Chairs at universities, as well as academic awards for excellence.



All the above activities take dedicated time, effort and resources. If you are a growing organisation that requires a large number of skills, it is certainly worth your while to invest in strategic sourcing. However, as with any business initiative it is important to continually re-evaluate the return on spend and effort.

A lower cost but effective option is to market your organisation through the internet with a user-friendly website. In this way, you can promote the company's brand, profile, organization, products and services and importantly an on-line facility to attract new recruits.

Strategic sourcing is aimed at marketing the brand of the company and its value proposition to prospective employees as well as establishing positive, relationships with preferred talent partners. Once the organization has a reliable supply of skills, from new job seeker to high level executive appointment from these external sources, it is imperative that these new employees are fully integrated into the formal talent management career pipeline so that their potential and performance can be assessed and further developed.

11. How do we fix our internal recruitment and selection processes for fast but effective vacancy management?

Everyone recounts horror stories of their experiences in the hardships of finding employment with organizations. This list of complaints includes incompetent or inefficient HR people, abrasive treatment, arrogance from line manager interviews, as well as delays, indecision and lack of feedback from recruitment consultants. To add insult to injury, some people have experienced misrepresentation and integrity compromises from Head Hunters.

If time delays, poor communication and responsiveness are the main villains in the resourcing value chain, what can we do to significantly improve the speed, effectiveness and credibility of the selection process?

One immediate remedy that has worked surprisingly successfully in the past, is the "instant offer" practice. This involves a slick, organised recruitment, interviewing, selection and decision making process over a maximum of two days from walk-in to an offer of employment. The company needs to commit to this quick turnaround philosophy where a team of HR and line managers share in the selection activities. Some companies use this in a "blitz campaign", especially for multiple vacancies, but others have adopted this practice for any selection.



Line managers are critical to the success and need to commit their time and energy to the process. The on-boarding and culturalisation process is also vital to secure success with the new hire and an agreed probation period could be structured into the offer letter as security. It works well, and is a quantum leap from past selection inefficiencies, frustrations and timeline challenges.

Conclusion

In conclusion, finding the right talent should not be treated as a short-term, quick-fix event, but rather elevated to a strategic approach of creative solutions to optimise investment. This necessitates a mind-set shift from line managers and HR practitioners to proactive planning and sourcing activities and on-going identification and development of internal talent.



ABOUT THE AUTHORS



DEBBIE CRAIG

Debbie has over 18 years' experience in the field of strategy, leadership development, change management, talent management, high performance teams and organisational development. She has worked and consulted at leading local and global organisations in the private and public sector throughout Southern Africa and internationally in the UK, Australia, South East Asia, China, South America and the USA. Debbie is a skilled strategist, design architect, team builder, a powerful facilitator, change agent and executive coach. Her passion is transformation and empowerment which she facilitates through individual coaching and empowerment workshops, team-development workshops, corporate training and consulting assignments and organisation wide strategic change interventions. Debbie is the founder and Managing Director of Catalyst Consulting which she has grown into a successful consulting company with her business partner, John Gatherer.

Debbie has published a book, "I am Talent", on optimising potential and career aspirations, has written numerous articles, appeared on radio talk shows and presented at conferences.



JOHN GATHERER

John has over 38 years' experience in the fields of HR, labour relations, training and development, leadership and strategic change management, having held senior and executive positions in Anglo American plc. and the De Beers Groups. John joined Debbie Craig at Catalyst Consulting as Principal Consultant, specialising in strategic change, leadership development, talent management and executive coaching, working locally and internationally. John brings a deep and practical knowledge and expertise to his roles as facilitator, consultant and organization development specialist as well his ability to think strategically and design innovative solutions. John has managed large scale people management projects and transformation journeys in Africa, Asia, China, the UK, India, Kuwait, Australia and the USA.

John has co-authored a book, "I am Talent" with Debbie Craig, on optimising potential and career aspirations, has written numerous journal articles and contributing chapters to Management education publications and presented at conferences and workshops. John's other passions include photography and travel and he has written and published a number of photographic "coffee table" books on African Wildlife and Adventure Travel.

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