SOLVING THE GLOBAL TALENT EQUATION

Mike Johnson offers some thoughts on the challenges facing business leaders tasked with managing our organisations today and tomorrow

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Peter Lorange is angry. This well-seasoned academic, innovator and business leader thinks that it is high time a lot of his contemporaries woke up to the fact that the organisation has changed irretrievably – and do something about it!

Lorange's concern is that too many organisations are not moving fast enough to keep up with the changes taking place in global society – most often driven by the digital explosion. "If we are going to be effective we must be able to really understand the modern consumer and come up with innovations that they value," he says. "This is not easy."

Lorange isn't the only one who observes that we need to get a whole lot better at this.

Global people provider Manpower Inc say that we are at the dawn of what they term "The Human Age". (See *Moving People to Work. Leveraging Talent Mobility to Address the Talent Mismatch in the Human Age*) Manpower Inc 2013.

[Manpower] think that "in the Human Age, companies must align their talent strategies with their business strategies to ensure they have the right people in place to grow and succeed." However, getting that right isn't going to be easy either.

So far, many organisational observers think that we have failed to do very much. Rudi Plettinx, Managing Director of Management Centre Europe in Brussels, notes that "although we've had all the processes in place time after time, in truth our developmental programmes have failed."

He adds: "HR has never, ever become a real partner of the executive team – although there are a few exceptions. As long as senior executives have been paying lip service and see these vital initiatives as just another HR process rather than a strategic leadership strategy process, I'm afraid that effective talent management won't really be on the radar screens of our C-Suite managers."

Plettinx speaks for many frustrated leadership experts when he continues: "HR failed to make this a strategic business issue with top management and so it has festered in the inner circles of an organisation's HR community. Talent is not just about having the appropriate recruitment and retention strategy, it is also about an effective development strategy."

The arrival of 'talentism'

Manpower's idea of a Human Age demands that the collective group of stakeholders collaborate to find new, innovative ways to operate in a world where people with the right skills are the scarce resource and "talentism" is supplanting capitalism.

It may be a lot to swallow in one go, talentism taking over from capitalism, but Manpower haven't finished yet. They further their case by noting that, "when a third of employers globally cannot fill positions, it's imperative that stakeholders expand their view of talent sources and incorporate strategies for attracting individuals with needed skills from across international borders".

And they conclude: "To win in the increasingly volatile world of work, all stakeholders must work together to find sustainable ways to unleash human potential, no matter where it comes from."

But if we are to prosper in this highly complex environment where all stakeholders need to be – dare we say – manipulated, isn't this just piling up more and more pressure on those at the top?

The answer to that would seem to be a resounding "yes"! And as Dave Altman and Roland Smith, two senior consultants from the Center for Creative Leadership, have pointed out, "globalisation has enhanced the complexity of the challenges faced by leaders at every level."

Altman and Smith report that in talking with senior leaders around the globe they rank the top four complex organisational challenges as:

- The ability to lead and influence across multiple groups and challenges
- How to define and communicate a clear direction for the future and create organisational alignment
- Talent management: the recruitment, compensation, development, succession, human capital restrains and downsizing
- Business operations and organisational performance

All this indicates that a lot of senior business heads know of the problems, they just haven't quite stitched it all together.

But complexity is now the name of the game, possibly why the loudest voices out there are advising us that we can't do it alone – even big corporations can't do it themselves. You've got to link up, you've got to partner. You've got to seek new solutions.

It's a VUCA World

The challenging global environment that Altman and Smith's research reveals has often been termed the V-U-C-A world. A world that is volatile, uncertain, complex and ambiguous. Professor Paul Kinsinger of Thunderbird Management School in Arizona says that the keys to leading in a VUCA–driven world will be:

- The ability to create a vision and make sense of the world
- Understanding one's own – and others' – values and plans. Knowing at all times what you want to be and where you want to go – even while staying open to multiple routes to get there
- Seeking clarity and sustainable relationships and solutions
- Practising agility, adaptability and buoyancy (able to right yourself when you capsize!)
- Develop and engage social networks. To recognise fully that the days of the single great leader are past. In the new world the best leaders are the ones who harness leadership from everyone

Swiss entrepreneur Peter Vogel, whose new book *Generation Jobless* will appear in April 2015, thinks that corporations, just like Altman and Smith suggest, have got some of the talent equation wrong already. "Today, highly educated top talents are less focused on a region. They search for their professional challenge in a global context these days, that's why companies must fight harder to win and keep their top talents."

And Vogel continues with a thought that may have some far-reaching consequences if he's right. "To me this is the reason why the war for talent broke out, people looked around and had a lot more choice. The level of education is higher than ever and the war broke out because of the global context. Today, it has become a whole lot harder for a company to present itself as an attractive employer."

But it's not just about choice. There's another word out there that adds a lot of spice to the talent recipe mix – pressure.

Here's Luc De Jaeger, the managing partner of the organisational consultants Nexum in Brussels on the talent issue.

"Today, my feeling is that in some industries a lot of effort has been made to become lean. This means that companies are asking more, much more, of fewer people. To achieve this, conversely, you need the very best people. At the same time younger employees are getting into top positions very quickly as a consequence of the erroneous idea that experienced people cost more while being less productive. This is another part of getting the talent equation all wrong."

The acceleration trap

If living in a VUCA world where the boundaries are constantly shifting is the big global, macro picture show, then the acceleration trap is the opposite – what individual companies face up to. It's a real trap and one that many organisations fall into. And it's all about pressure – the wrong kind.

Professor Heike Bruch of the University of St Gallen in Switzerland says it is a journey, "between high performance and exhaustion."

"Faced with intense market pressures, corporations often take on more than they can handle. They increase the number and speed of their activities (raise performance goals, shorten innovation cycles, create new organisational systems). For a while these succeed but all too often the CEO tries to make this furious pace the new normal."

Bruch says that the acceleration trap catches out many an unwary business. "Not only does the frenetic pace sap employee motivation," she says, "but the company's focus is scattered in various directions, which can confuse customers and threaten the brand." As a consequence, "exhaustion and resignation begin to blanket the company and the best employees defect."

But this ability to let the organisation run away with itself and possibly self-destruct can have its origins in the fact that when it comes to leadership and talent we are still making the most basic of mistakes.

Search professional Anthony McAlister, of Thorburn McAlister, a boutique executive recruiter based in London, is disparaging about the way people are chosen to lead organisations. "Real talent management is tracking internal and external prospects simultaneously," he says, "so when someone leaves you, not only do you know who you want, but you have reduced the time and cost of the process."

McAlister continues by suggesting that a real part of the problems organisations face is that they are lazy about the talent process, often opting for second or third best because it's just too easy to do that.

A lot of bad ideas

London-based consultant and coach Richard Savage, who has had a long career in human resources in both Europe and the US, reckons that one of the key problems is that organisations continually fool themselves that all is OK when it is not.

"There's an awful lot of bad ideas around," he says, "and we often miss out on what I call the 'human factors' of candidates because of that."

Search professional McAlister says that "all too often hiring becomes necessary as a result of a failure or an unplanned event. So what organisations need is a way of improving their bench strength against those bad days." McAlister suggests that "talent management is an art not a science. The idea is simple; it should work like shark's teeth – when one falls out another from the row behind moves into place."

And that does offer yet another difficulty. For as he points out, "I have yet to come across a talent management programme that analyses external talent. Given that between a third and a half of all senior placements are from the outside of an organisation, this is extraordinary."

Shay McConnon is the founder of People First and the creator of the online programme, "An Even Better Place to Work." He uses his one-man shows to make people think more about not only their role in an organisation but the effect they have on their co-workers. McConnon's view is that it is some of the very basics that we are still getting wrong that lie at the heart of organisational failure.

"All the evidence suggests that we are not good at our relationships, in either our personal or professional lives. The greatest source of inefficiency for most organisations lies in working relationships – conflict, mistrust and lack of collaboration," he argues.

McConnon believes that it is the failure of top management to recognise these basics that is holding us back. It isn't the complexity of today's business that most worries him, it is the inability of individuals and teams to work together effectively. "To minimise wastage in working relationships, we need to be talking to each other – simple as that," he explains.

A list for action

The implications for how businesses organise themselves to engage and motivate employees in the workplace of tomorrow are huge. And it would seem it can be tackled in a variety of ways. Truth to tell, it probably will have to be. These complex structures that we are now having to manage (and they don't have to be giant employers these days either) are going to need a lot of very careful management and leadership.

Many, it would seem, think that a lot of today's leaders need to go further, try new ideas, engage with the people inside and outside the organisations better. Whether we can do that or not will certainly decide who succeeds and who fails in the worldwide workplace of tomorrow.

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FURTHER INFORMATION

This article is an edited extract from The WorldWide WorkPlace: Solving the Global Talent Equation *by Mike Johnson, published by Palgrave 2014 http://www.palgrave.com/page/detail/the-worldwide-workplace-mike-johnson/?K=9781137361264*

ABOUT THE AUTHOR

Mike Johnson is a future-of-work author, commentator and consultant.