

talent

Global talent warfare: *Line managers are still the determinant*



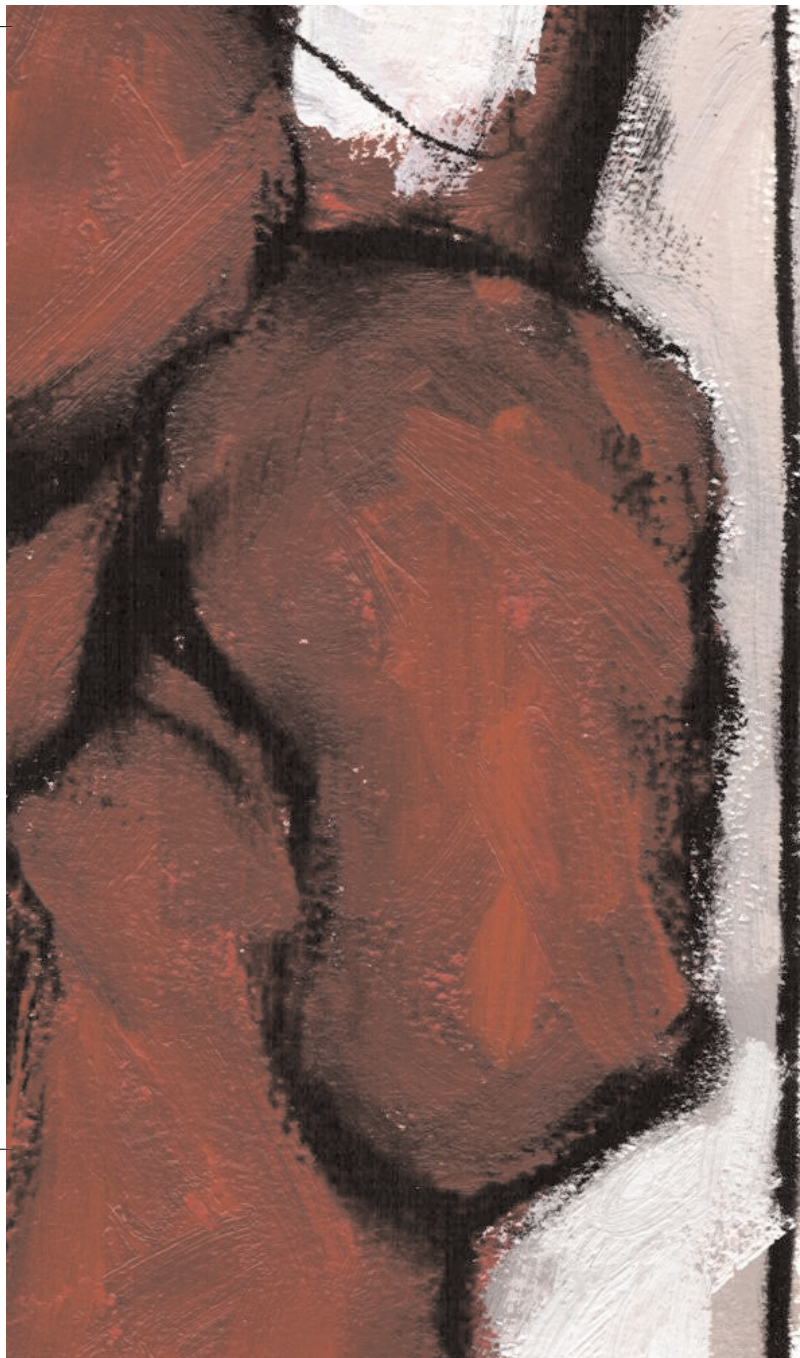
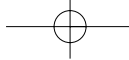
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ABSTRACT: Having had its fair share of challenges, the IT industry faces yet another threat. Only this time, the challenge can best be described as the global talent warfare. As with other industries, the IT industry is facing a tight labour market and top talent has never been as valuable as it is today. Given this situation, organisations' ability to attract top management, effectively deploy line management to develop talent and retain top talent is being tested, and it will be those who can do it best who stand a chance of winning the talent war.

The IT industry has had its fair share of challenges. Not too long ago, this industry was threatened by mass destruction. The first threat came under the auspices of a Y2K bug. This may have a feeling of *déjà vu* to some, but it seems that the negative spin and gloom prophecy meted out then just did not materialise, nor arrive.

In the same light, the 1990s brought another threat in the form of the 'dot.bomb era' – the bursting of the unreasonable IT growth bubble. In this instance, there was definitely some damage, and to some it may have seemed like a display of 'shock and awe' to those directly affected. This reached a pinnacle in 2002 when unrealistic market expectation led to investor disappointment and, in coming to their senses, investors all began pulling out of the market, leading to what IT companies can probably relate to as 'ground zero' (or, put more practically, a downward shift to more reasonable growth targets).

These attacks left the IT industry battered and bruised and, in many cases, it was sheer doom-and-gloom predictions that followed this



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HIV/Aids on the working population, globalisation and financial interconnectedness of markets, as well as the new values among younger people, have created an intense focus on the acquisition, management and development of talent. The challenge that therefore presents itself is the fierce competition for talent in the IT industry. Attracting and retaining talent has become as vital to any IT organisation as the next breakthrough in technology. Yet most IT organisations admit that it has probably never been more difficult for IT organisations to

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find good, talented people to fill critical positions.

In the past, many organisations in the IT sector may have viewed themselves as technology businesses, or as information businesses. But this view has changed and IT organisations are realising that they are actually people businesses, with similar resource and asset challenges to other sectors – simply because it is the many talented people in this industry that drive innovation and bring about new technologies, and it is those companies who can latch onto the talented people in the marketplace and develop them into the thought and innovation leaders of the IT industry.

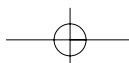
Given this fierce competition for talent, the IT industry is being forced to raise its procurement standards in order to secure the top talent in the industry, and is facing aggressive measures from other companies competing for the same talent.

The professionals who make up the IT talent pool are being more selective about the organisations and brands that they are willing to work for. This means that the tables (balance of power and/or dominant negotiator) have now turned, and candidates can be more discerning in their choice of employer, place of work and how they choose to both engage such employer and do their work. Organisations are forced to move away from group- or job-level engagement with talented employees and, instead, have to start thinking of these employees as a

industry. But despite what the media and the pundits forecast, the industry survived, reinventing itself through the abundance of new technologies spawning everywhere. And as these technologies spawn themselves, the speed at which they are adopted by users has a compounded effect on the world as we know it. One only has to look at the effects of Skype, Facebook, Blackberry, MySpace and iPod on our everyday personal and business lives to relate to this effect.

Unfortunately, the IT industry remains under attack and the war continues. However, this time it is a new war on a global scale: a war for talent.

WAR FOR PEOPLE. Talent management has emerged as one of the biggest challenges for business and HR executives today: an aging workforce, lack of provision and take-up of learnerships and apprenticeships, the impact of



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'workforce-of-one' with whom they must individually contract. According to a 2007 Accenture study¹, an organisation with a 'workforce-of-one' – one whose human capital management practices, programmes and policies are better tailored to suit the needs of individual employees – can perform significantly better than a traditionally managed workforce.

While many of the questions and challenges in talent management are HR-related, ultimately we believe that talent management is a business problem – and a business problem at the level of the individual ('one'). But a 'workforce-of-one' is a very unfamiliar model of human capital management for most organisations; it requires new roles and responsibilities not only for HR and senior leaders, but for line managers and employees as well.

LINE MANAGERS. Line managers play a central role in a 'workforce-of-one' approach. They are the ones who have to respond to the unique, localised and contextual needs of their talented employees.

It is for this reason that most studies on IT talent have found them to be among the most important elements in improving the 'employee contract': they are in the field with employees, they are the ones who can shield employees from undue harm or politicking in the workplace, they are the ones who determine the boundaries/emotional and psychological space for employees to deliver their discretionary effort, they are the ones who understand the confluence of timing and maturity for when to allow more work discretion in the hands of the employees, they are the ones who can discern when to relinquish more of the accountability to the employees, they are the ones who see what changes must be made to accommodate employees better and who have the power to make those changes – or suggest that they be made.

Just as managers have taken on more responsibility for being responsive to customers to improve customer satisfaction, managers in a 'workforce-of-one' will take on more responsibility for being responsive to employees to improve both employee satisfaction and performance, eg doing staff planning, recruitment, performance management, staff development, pay, career development and communications.

Some of the key factors cited among exit interviews in the IT industry is that the cause of their contract termination is almost always (78% of the time) because of management issues, frustration with getting things done (5%) and the inability to make an impact (10%). An employee's relationship with his or her manager therefore is of critical importance and organisations (and boards of organisations) seldom understand the competitive and sustainability impacts of this tenuous relationship, according to Gallup². In a similar vein, David Maisters³ noted that the most financially successful companies have highly effective people-orientated managers whose talents in dealing with their subordinates include, for example, the ability to nurture their subordinates' potential.

ENVIRONMENT. To hold onto their talent, companies need to create environments in which everyone feels that their career needs are being met, and where they are able to assert and expand who they are as people (their identity, self-worth and individual capabilities).

People working for IT organisations need to be empowered, in the true sense of the word – making it easier for employees to bring their unique talents, creativity, experience and judgements to a situation where they can be stretched, receive genuine feedback and coaching, can make an impact, and can be influenced by communities of interest in positively reinforcing ways.

Employees are almost always (89% of the time) more willing to stay in an organisation where they feel they are adding value, their work is being valued and, most importantly, where the company is interested in them as people, as much as being interested in their IT skills. Retention of talent in this fast-changing industry, where innovation and creativity are vital ingredients to success, is a result of successful economic, social and psychological relationships between what the creative talents want to achieve in their careers, and a company that is willing to meet those needs.

Employees want to feel assured that they will be given the development opportunities that they need to reach their full career, social, work-life and spiritual potential. Should employees feel that their needs are being met and that they are being given sufficient opportunities, the

employer can become recognised as an employer of choice. Once an organisation can reach this status, it then naturally becomes a talent attractor, by way of its distinctiveness in human capital management.

EXPERIENCE OF CURRENT EMPLOYEES. If organisations plan on surviving the talent war, they need to get a lot more serious about talent management. A simple first step to talent management is taking stock of the talent that is already part of the organisation, and putting into action a plan to develop latent talent already existing in misplaced, under-utilised and uninspiring roles.

What tends to get overlooked in organisations is the ability to make sense of, and create meaning from, experiences — moments which individuals reflect on (through backways reflection, ie on the past by way of journaling, and present-moment reflection, ie through practices such as mindfulness, stillness and the like) that have shaped their perspectives, their direction, their careers, their views and the purposefulness of their lives. Joseph Badaracco, professor at Harvard University, claims that we all have people who, and events which, have been ‘defining’ in our lives and careers (or what Warren Bennis and Robert Thomas call ‘crucible moments’ in their new book, released in March 2008).

Having the experiences is not as important as the learning that emanates from reflecting on it: times of trial, failure as often as successes that force aspiring leaders to examine who they are, what matters to them and what they can learn from adversity. The key characteristic of leaders who become aware of, and are able to leverage, experience, Thomas⁴ found, is their new-found alertness to learning opportunities — making them always ready to act decisively, be in a state of constant preparedness (that ability to read subtle clues about direction and intent) — and which ultimately enables them to recognise both the need for and the opportunity to snatch new insights, no matter how hard and fast they come.

This focus on the development of current employees who are in other departments, under-utilised in current roles, not trained for the needed roles in the organisation, not thought of as qualified enough or able to take up more senior roles, has long been amiss in organisational life — and in emerging economies like South Africa, where there

is a serious shortage of high-end skills, but over-capacity of semi- and low-skilled employees, the imperative is as compelling from a moral standpoint, as it is from a competitive advantage standpoint.

CONCLUSION. Although the general management practice may still be created and encouraged by a centralised workforce performance group, it is up to the line manager to customise it for his or her subordinates — a task that requires significant time and effort, and which needs to be properly costed into the normal budgeting process.

The ‘workforce-of-one’ approach requires managers to be involved in tailoring human capital management practices to employees. They can no longer simply delegate human capital management to a centralised group such as HR; rather, they must shoulder a critical portion of that responsibility themselves. According to the Accenture study¹, examples of customisation done by managers may include: managers being involved in the management practice of coaching their subordinates, modelling new skills and behaviours, testing potential new employees out in real or simulated work environments, modularising of work suited to particular generation groups (eg Gen X, Gen Y, Millennials, etc), providing frequent, informal performance feedback and redefining jobs and assignments to dovetail with individual employees’ education, experience, skills and strengths. In many companies, information management, quality improvement and financial management have become integrated and diffused throughout the organisation.

Now it is time for the same thing to happen with human capital management. As the need for a more flexible and tailored approach to human capital management grows, we predict this trend will continue in organisations striving to reach high performance. ■

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