

## What war for talent?

*It's now been 13 years since McKinsey's survey firmly entrenched the term 'war for talent' in our minds. Oddly, the number of people out of work is at its highest level for 13 years.*



**M**CKINSEY'S 1997 report highlighted the importance of attracting and retaining talented people to achieve business success, and stated that implementing this would be a major challenge for organisations over the following 20 years. This led to a call to arms for organisations to battle it out for the best people around. But with the overall jobless figure totalling 2.46 million in December 2009, surely there is no dearth of talent in the market and therefore no need to compete?

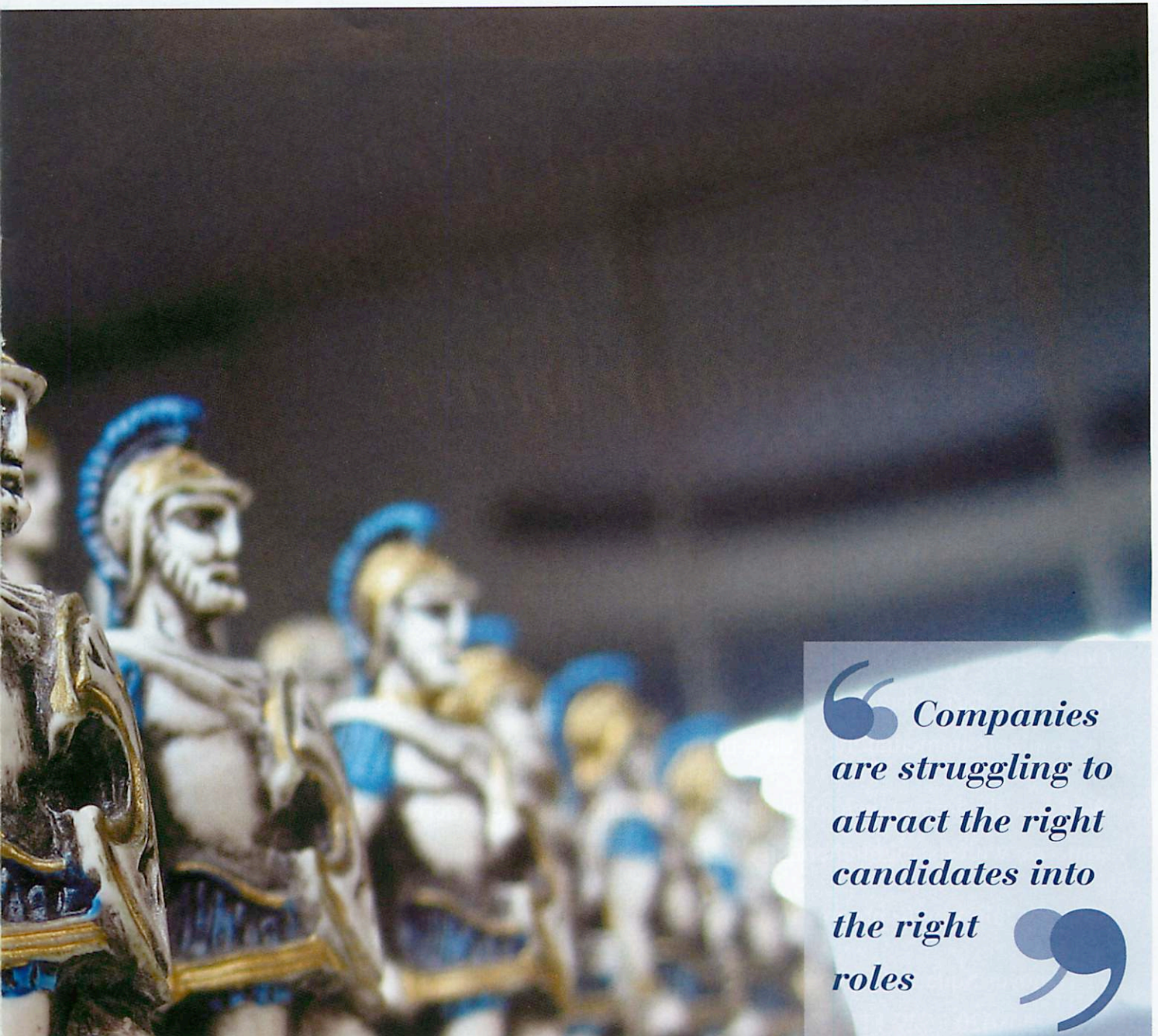
"It's a common assumption that there's an abundance of great talent available because so many people have been made redundant," says Kate Mansfield, Head of HR at interim management provider Alium Partners. "In reality companies are struggling to attract the right candidates into the right roles at the moment and I think this will only become more acute when the economy picks up and

we start to get a greater churn of people moving across organisations."

The proliferation of jobseekers has not aided organisations' pursuit of talent but instead brought a new dimension to the challenge. Roger Philby, Founder & CEO of talent management and recruitment firm the Chemistry Group, explains about the demands facing hiring organisations: "The volume of candidates has increased but the volume of candidates that clients want to look at hasn't. With more candidates available, clients have to be far more specific and restrictive about their requirements and so the filter gets tighter. This creates a war because organisations are all looking for the same type of person."

Attracting the best talent possible is a key objective for any business as it helps organic growth and better efficiencies as Carole Donaldson, Resourcing Manager at retailer John Lewis, explains: "The structure of the John Lewis Partnership is unique because it is

co-owned, meaning that every Partner (staff) shares the responsibilities of ownership as well as its rewards. We believe that as every Partner is part of a demographic body, it provides us with a competitive edge in the war for top talent. An important consideration when attracting talent to an organisation is to ensure there is clear messaging on what the role entails. By outlining this in the first instance, candidates can make the decision on whether or not they feel they are right for the role, which saves time for both the candidate and the company. It also attracts a more specific candidate that will fit into the role and provide greater value to the company. In addition, companies also need to be sure to reflect their businesses culture within their recruitment outreach. People need to be happy at work in order to succeed, so by knowing these values from the start, they are able to make a quicker decision on whether the business is right for them."



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Battling a talent war in a recession has led organisations to change their tactics, as many would-be job changers are staying put until the future looks brighter. According to Gerry Miles, Vice President, Capgemini Consulting, attracting and recruiting talent to fill vital positions in the current climate needs careful planning. “Before, companies were big and bold about it; the suspicion now is that the game has become more subtle,” he comments. “Headhunters, bounty schemes and alumni events attract a lot less attention than national media campaigns. They’re cheaper too and often mitigate the potential cost of mis-hires. The other thing that is changing is the seriousness with which talent management is now being taken. HR professionals are winning the battle in the boardroom to show that investment in talent management is directly linked to top line growth as well as better cost control. Executives are now being asked to name the talent they admire in the market and play a part in acquiring it.”

Simon Geere, Senior Manager at recruitment consultancy Alexander Lloyd, agrees that a simple solution to the war for talent is to proactively source candidates from desirable and comparable organisations. “Headhunting remains the most successful job to placement ratio for all senior UK positions within HR,” says Geere. “The technology sector leads the field here, employing in-house teams of headhunters to gather data, intelligence and referrals about their competitor’s employee base. And failing that, pay a specialist supplier to understand your business and culture, and task them with finding professionals for your business.”

As we move out of the recession, another critical problem is arising for organisations. The large volumes of recruitment freezes and redundancies that we saw over the last two years means companies face gaping holes in their future talent pipelines. “Conversations about internal talent and succession planning

are becoming more frequent now than they were pre-recession,” explains Philby. “Organisations need to realise that maybe the person they need is internal and not external, and so they need to look at how they develop their people into specific roles.”

Miles agrees: “In such circumstances, companies are going to have to take a wider view of talent management and engage with their core teams and not just their ‘stars’. Like it or not, the talent churn will come, and companies will need to protect market share by having a settled workforce.”

Although we are in the toughest trading period of recent history, the challenge to identify and retain talented individuals has by no means diminished. Those who continue to position themselves as an employer of choice to attract the best people in the market will find themselves ahead of the game when the economy returns to strength.