THE TALENT SHORTAGE CONTINUES

HOW THE EVER CHANGING ROLE OF HR CAN BRIDGE THE GAP
EXECUTIVE SUMMARY

ManpowerGroup’s ninth annual Talent Shortage Survey found 41% of employers in Australia report talent shortages.

Why does a talent shortage continue to plague global employers? In the nine years since ManpowerGroup conducted the first Talent Shortage Survey, employers have yet to find the silver bullet to solve this global problem.
WE INTERVIEWED OVER 1,500 EMPLOYERS ACROSS AUSTRALIA TO DETERMINE:

- How much difficulty are employers having filling jobs?
- Which jobs are the most difficult to fill?
- Why are those jobs difficult to fill?
- What impact are talent shortages having on organisations and their ability to meet client needs?
- What strategies are being pursued to overcome these difficulties?

Similar to 2013, one in five Australian employers are still not pursuing strategies to address talent shortages. However, the lack of a single solution doesn’t mean that business can’t act. As we highlighted last year, the answer rests with Human Resources (HR) — the one group with the expertise and influence to reshape their companies’ talent-base by acting decisively to ensure a sustainable workforce.

The HR profession is rapidly changing and expanding. As the world of work evolves, new areas of expertise are required to drive business results within organisations. In this paper, we have identified three distinct roles HR must play to help organisations succeed.
Macroeconomic forces continue to decrease margins, creating a need for organisations to do more with less, and for their workforces to be more innovative and productive. In order to meet these demands, companies must access, mobilise, optimise and unleash the human potential of their workforce. This is a major shift. Due to the tentative economic recovery, 41 percent of Australian employers continue to struggle to fill open positions. At the same time, unemployment continues to be a problem. Clearly there is an oversupply of labour and an undersupply of the right talent.

The oversupply of labour comes after a global recession followed by a tepid economic recovery, while the undersupply of talent was exacerbated by rapidly changing technology and business dynamics. The skills required to meet employers needs yesterday, are already dated, widening the skills gap and perpetuating the global talent shortage. Because economic, demographic, technological and social forces will continue to evolve, companies must have a flexible and agile workforce. To achieve this, HR professionals must adopt three critical roles.
HR as Supply and Demand Experts

Although HR practitioners have encountered supply and demand issues before, they are now expected to be the de facto experts. They must understand how demand for their companies’ products and services impacts the demand for talent and assess whether or not the results align with their business strategy. Specifically, HR must ensure that their organisations have the right balance of skilled talent to meet changing needs and achieve business goals. HR leaders need to provide market intelligence supported by relevant data, understand their internal and external talent supply and how forces are reshaping the availability of required skills. If there is misalignment between business objectives and workforce capabilities, HR leaders need to have a plan in place to bridge any gaps, and bridge them more quickly than in the past.

Harnessing the data available to them as supply and demand experts, can help HR ensure that their workforce is aligned with the current and future needs of their organisations to drive speed, agility, innovation and productivity.
HR as Marketers

The second role that HR must adopt is that of marketer. Since talent is now also a savvy and sophisticated consumer, HR needs to consider how organisational branding, messaging and image can help win in-demand skills. In a world of talent shortages, HR’s role has expanded to include attracting and retaining customers/talent, in the same way that marketing segments and targets consumers of the company’s products and services.

HR must think differently and shift from one-size-fits-all approaches to create value propositions that appeal to the needs of individuals and align with organisational objectives. To access talent in an increasingly competitive marketplace, organisations must pinpoint and market their strengths to attract talent pools with the skills their businesses need to succeed.

Marketing can’t stop after a company successfully has talent through the door. Organisations need one-size-fits-one career paths that allow employees to advance business goals and allow them to develop their skills and grow. Leaders throughout the organisation must be empowered to focus on, and be held accountable for, employee development, so that top talent stays motivated and engaged.

As with any consumer, companies must regularly seek out employee feedback to ensure that improvement is an ongoing process and act quickly to address any misalignment. Quantitative and actionable employee feedback will help improve engagement and ultimately benefit employers as talent is motivated and therefore, more productive and aligned with organisational needs.
HR as Designers

The third role HR leaders must adopt is that of designers—thinking differently about how to structure work to access, mobilise, optimise and unleash the potential of current and prospective employees. Instead of focusing solely on jobs, HR should expand its view to include the intended outcomes of work. To fully leverage the talent ecosystem, manage a diverse, and often virtual workplace, while continuing to increase productivity and innovation, work models should be reimagined. Structuring work innovatively to include various models from traditional (dedicated to the relationships between companies and employees) to strategic (linking HR practices with company objectives) can help advance business goals and attract skilled talent.

Working as designers, HR leaders must build systems to drive desired outcomes and develop the right balance of talent. As more and more segmentation and specificity of work, particularly knowledge work, is demanded—work will be divided into smaller and smaller tasks, which will be distributed to many people. Work will also increasingly be performed by freelancers and consultants willing to work on an outcome basis so that they can choose the work they want to do. A different way of thinking is needed to cultivate communities of work and balance the employment mix to include contingent, fully outsourced, partially retired and other workers—as permanent, full-time employment is no longer by default the best fit for employers or individuals or what drives time to value.

In the midst of the ongoing conundrum of an oversupply of labour and an undersupply of talent with the necessary technical and employability skills, companies must redefine the parameters of work. To drive results for their organisations, HR must focus on talent pools that will deliver on business strategy and allocate work and build accountability and rewards accordingly. In an attempt to hook talent, organisations have traditionally fished from the same pools. Now that those pools are running dry and talent costs are increasing, the time is ripe for businesses to ask “What other ponds can we fish from?”
BRIDGING THE TALENT GAP

In the Human Age, a one-size-fits-all approach to unleashing human potential is no longer practical. Increasingly, the key to a company’s success and ability to quickly and effectively adapt to change depends on HR professionals. While not a silver bullet, the evolution of their role to manage the supply and demand of talent, market to the talent needed and define and design work to drive business outcomes can directly address talent shortages.

HR leaders can help their companies accelerate business performance by assessing their organisations’ talent sources, people practices and work models. Here are some questions to consider:

WORK MODELS

• What work models should we use?
• How can we leverage the talent ecosystem to drive productivity and innovation?
• How do we manage a diverse and virtual workplace?

PEOPLE PRACTICES

• What new practices will we need in order to attract, develop and retain the talent we need?
• How do you manage “one-size-fits-one” practices?
• How do you shift from HR practices to people practices?

TALENT SOURCES

• Do we know all of our talent supply options?
• How can we optimize the talent we have?
• What talent strategies can we deploy to reach undertapped and untapped talent pools?