

Innovations in Staffing

BY DAVE ULRICH, WAYNE BROCKBANK & JUSTIN ALLEN
THE RBL INSTITUTE | MINI FORUM WHITE PAPER | JULY 2008

Participating RBL Institute Members:

Diane Gherson, IBM | Brian Moore, Cardinal Health | Rick Vanasse, Bon Secours | Lori Weber, Intel

Since McKinsey and Co. published their famed study titled “War for Talent” in 1998 (see Fast Company Article), there has been an increasingly popular debate around the reality of a talent war, the location of the battle grounds, and who the “talent” we’re all fighting for really is (e.g. Gen X and Y vs. Baby Boomers – see June 2008 article by H Adamsky). In an RBL Institute mini forum facilitated by Dave Ulrich on July 3, 2008, HR Leaders from IBM, Cardinal Health, Bon Secours and Intel discussed the challenges they currently face in staffing and outlined the best practices that they are using in their organizations.

Two key challenges surfaced: (a) managing sourcing and retention in emerging markets and (b) sourcing for niche (rare or highly technical) skills. With these challenges in mind, the group outlined six innovations that have been used as best practices in the sourcing strategies of the participating companies.

Challenge #1:

Sourcing and Retention in Emerging Markets

Both Intel and Bon Secours indicated that one of the most significant challenges they currently face is the struggle to source and retain talent in emerging markets. Curiously, an “emerging market” for engineering talent at Intel might be Vietnam, while an emerging market for Bon Secours Health Systems customer service reps may be Little Rock, Arkansas. In either case, our discussion participants agreed that as with the old game of mergers and acquisitions, it is important to be deliberate and use a set of strategic criteria when assessing the go / no-go decision to source talent in a new market. It’s also a challenge to have a solid understanding of the talent depth in a particular geography over the long run. We may be

able to source engineers in Vietnam today, but will we in five to ten years from now? In other words, HR leaders must work with business leaders to ensure there is a strong long-term human capital business case to enter an emerging market. All four companies felt that they need to be more proactive and that there is room for increased analysis in determining where talent should come from.

Once the strategic viability of a talent source is verified, companies are faced with the ever-present concern of turnover. As a rule, emerging markets tend to bear more talent fluidity than stable markets. Consequently, both staying on top of the latest compensation and benefits trends and understanding the local drivers of employee engagement are critical to ensuring talent-sourcing success in emerging markets.

Challenge #2:

Sourcing Niche Talent for Key Locations

The second challenge discussed was the difficulty of finding and contracting highly skilled workers in niche markets. While there may be a flood of experienced leaders at IBM who are happy to work in New York or London, how many of them are keen to jump on a plane and spend five years in Cambodia? Brian Moore from Cardinal Health pointed out that there aren’t necessarily fewer employees who are willing to take assignments abroad; rather, it’s a supply and demand issue. There continues to be an increasing demand for strong, highly technical talent who are willing and can succeed in an international assignment, yet the supply has remained relatively stagnant. Whether sourcing nurses in the US or petrochemical engineers in Norway, there are certain niche skill / location combinations where finding and retaining talent continues to be a significant challenge.

Best Practice Sourcing Solutions

With the key challenges in mind, the group sought to answer two questions: (1) How do we increase the talent pool so that there are more people qualified for our jobs? and (2) How do we secure talent and ensure we source our “un-fair share” of the best and brightest? The following six innovations in sourcing were identified as best practices in the sourcing strategies:

- a. Employee Referrals
- b. Social Networking - Passive Recruiting
- c. Virtual Technology
- d. Alternative Career Coaching
- e. Partnering with Governments
- f. Increasing Flexibility to Expand the Labor Pool

Employee Referrals

It is well known that in many industries, referrals from current employees are the number one source for “A Plus” talent. That said, a take-away for the group was the need to be much more proactive in seeking, and even requiring employee referrals from current leaders. In addition to extensive internal marketing campaigns and prizes for referred talent, HR could actually demand that senior leaders provide strong references on a periodic basis. For example, the Chief HR Officer could make a “required internal-referral business case” to the senior executive team, outlining the cost of recruiting through search firms and the higher referral retention rate. Next, with the support of line management, HR could establish a system that periodically requests referrals and then rewards high performers. Some companies measure “talent importer” vs “talent exporter” as an internal measure of a leader’s ability to develop and share talent. This same metric could be used from a recruiting standpoint and leaders could be ranked and/or awarded for their team’s ability to network and recruit top talent. When seeking to source “niche talent” it might be particularly helpful to focus programs and incentives on teams and leaders of current niche talent.

Social Networking – Passive Recruiting

In the age of Facebook, MySpace, and LinkedIn, companies are increasingly using social networks as a great source of talent. A highlight in this area was at IBM where staffing teams are actively keeping tabs (and helping their employees keep tabs) on potential candidates currently working in other companies. In particular, they ask their employees to notify them when their friends experience

“critical moments” such as the end of a major project or a downturn in the business cycle. These are opportune times to pull talent into the organization, and having robust HR systems, to ensure that proactive, on-the-ground intelligence can be a very beneficial investment.

Virtual Technology

It may have once been impossible to be everywhere at the same time, but this is no longer the case for executives at Intel. While Intel maintains its regular on-campus recruiting, they are also taking advantage of video conferencing technology to allow one of their senior executives to personally interact with 300-400 students at multiple universities all at the same time. If there is a need for engineers in Argentina, they connect with US universities where Argentines tend to gather, then they invite a senior manager to share “a day in his/her life” and give the students an opportunity to ask questions and “get to know” both the company and the individual. These types of sessions are becoming very popular with students.

Alternative Career Coaching

Another productive way to expand the talent pool for niche positions is to provide focused career coaching to targeted populations. At Bon Secours, for example, HR leaders focus on providing career coaching to senior doctors who may be interested in some specific management positions. They have found that sourcing internally coupled with career coaching and then training can be a much more productive way to secure people who already understand the business, are part of the culture, and live the values. In many cases productivity actually increases because employees are energized by the new opportunities to learn and grow.

Partnering with Governments

Rick from Bon Secours shared a best practice that caught the attention of everyone on the call. He explained that he had previously partnered with state government to create an opportunity where the State would pay for groups to receive training in the company’s facility. When seeking to source call-center representatives, this gave the company a chance to watch an entire group of people, then simply select the best of the group, and invite them to join the team. The next step for this idea is to expand the methodology globally, and create partnerships with governments in emerging markets such that there is a win-win and both parties benefit.

Increasing Flexibility to Expand the Labor Pool

In a final focus on expanding the labor pool, the group spoke about increasing flexibility in the workplace, such that semi-retired baby boomers with significant skills would be welcomed into the workforce or women who have been out of the workforce for three to five years are actively recruited. These are often very intelligent, successful women who left the labor force to raise children, and are now beginning to consider the possibility of working while their child is in school. Whether it's flex time for retirees, work-from-home options for Gen Y'ers, or support while mothers consider returning to work, there are several ways to increase flexibility and thereby increase the labor pool.

In sum, while there were several questions left unanswered, each participant agreed that they had picked up at least one significant new idea during the call. From increasing use of new technologies on campus to "pre-employment training" in partnership with governments, there is certainly not a lack of opportunity to capitalize on when in the throes of the war for talent.