

LOUDS ON THE HORIZON?

The Big issues facing HR in 2008

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In the ever evolving business world, every profession has its unique challenges, tet those challenges facing the HR profession in 2008 and beyond must count as some of the most daunting. Grippd by record low unemployment, competition for good employees has never been fiercer.

TALENT remains the BUZZ WORD – How to source, recruit, engage, motivate, reward and reward it. If the questions continue to be the same, then it must be time to challenge the techniques and the nuts and bolts. As the workforce evolves, so too must management.

“I think it’s actually moved beyond finding talent because talent is starting to become commoditised even unto itself,” says Dr Judith MacCormick, research fellow at the School of Organisation and Management, Australian School of Business, University of NSW. “Talent has been commoditised, benchmarking has been commoditised. The real issue is how to entice that talent to contribute in whatever way it can or is willing. What will be unique [will be] what people do with it and the analysis they put into understanding what the conditions are in the environment, the risks that are happening and how they might potentially deal with those.”

Dr MacCormick believes that ‘changing conditions’ means that the need for innovation is more important than ever. “That innovation needs to be not only in the products and services you provide, but for HR it’s being really innovative in what you do with your people,” she says.

Dr MacCormick recommends that part of that innovation is to approach staff like a product and to apply marketing principles to those products. “The employees are the customers of the firm now. They aren’t paying money for the product but they’ll contribute their creativity, their motivation, their engagement and that translates into something for the company. We want their loyalty, we need their loyalty – it costs one – and – a – half to three times the annual salary to replace someone. Because it’s all about creativity and innovation, we need to entice them – we can’t simply demand that they do things for us. We need to entice them to give more than just their presence.”

The post-managerial era

As an indicator of the sorts of pressures managers are increasingly coming under, Dr MacCormick refers to Gary Hamel’s 2007 book *The Future of Management* and his concept of the post-managerial era. Fear not: this is not an era without managers, executives or administrators. Yet it does herald a future in which the work of managing will be performed less and less by managers. Activities will still need to be coordinated, individual efforts aligned, objectives decided upon, knowledge disseminated and resources allocated, but increasingly this work will be distributed out to the periphery.

“The era we’re entering into is all about being able to manage the outputs rather than the methods and ways people are working. It’s no longer about the hours but it’s the

actual constructive output that people have and that's a critical difference to how we've operated in the past," Dr MacCormick notes.

Attracting and Sourcing

Given these quite radical shifts, has talent attraction ever been more challenging? Grahame Doyle, Director of Hays NSW, believes recruitment in general is becoming much more of a science than an art. "You've got to have the fundamentals in place so you go to market with the right engaging story about the role, you've identified you want to do it directly or through a partner and bought them into the same strategy and you've also got to ensure the actual processes behind the scenes are structured and in place," he says.

Doyle does not believe there has been enough solid research into social networking and the 'next generation' of online job portals and thinks reports of the death of print advertising may be premature – newspapers are still a valuable outlet for targeted recruitment ads, he says. "I don't think there's been enough fact measured in terms of how useful those social networking sites are to generate career opportunities. While the internet is a major player in the recruitment space, when you look at the industry associations and their industry journals and even in terms of newspapers and how they break up career areas, there are still ways of targeting specific areas of the market." Regardless Doyle believes job advertising needs a shake-up. "Most of the advertising is so grey. There's a lack of customization in advertising. I think both the client market and the recruitment market need to start looking at the way they're advertising. They need to get the content more attuned to the candidate market," he says.

Whatever job advertising is used, the experts talked to agreed that the employee value proposition must be clearly communicated and the employer brand must be revisited regularly to ensure it matches reality. "Your brand needs to be synonymous with your employee value proposition. Your employee value proposition may also be different for different roles, so if you're a huge organisation, what you offer in your call centre may be very different to what you offer in the IT department. You then need to train your managers about how to sell that in the interview process," says June Parker, GM, LINK HR Consulting.

Recruitment

In its list of 'hot issues for 2008', HR consultancy Hays noted that when it comes to recruitment, the onus will be on organisations to speed the whole process up. In a tug-of-war for talent, most candidates will be fielding multiple job offers, so a lumbering recruitment process is a major turn-off.

"We wouldn't recommend cutting corners," says Doyle. "What we'd recommend is: as they go to market with a vacancy, that they have buy-in internally from the organisation about that vacancy, that they have a recruitment process that they'll stick to and they make sure that the internal resources to achieve that hiring decision are available to make those decisions. So HR, for example, will do the first interview but then the second interview needs to be with the other managers and those people may not be available for three weeks."

Even before going to market, Doyle recommends that some strategic workforce planning should take place – which involves looking both externally and internally for talent. Looking internally for talent makes sense – succession planning, leadership development and career path planning all stand to benefit.

Retention: knowing your employees

It is no surprise that the big retention issue for 2008 revolves around employee engagement. Recent research indicates that presentism – where a person is at work but simply going through the motions with low engagement levels – is a bigger problem than absenteeism. “Everybody wants to boost employee engagement because if you have a happy, engaged employee then they perform better and stay with you, there are less management issues and it results in more profit at the end of the day – everybody wins,” Parker says.

Engagement is notoriously difficult to measure and assess. Although surveys and turnover rates can be useful, Parker believes that from a management perspective it is necessary to think about individual motivations.

“What motivates one person may be different to another person. Then as an organisation do you allow the flexibility to cater to those individual motivators or are all people treated the same way? There are general things you can do for engagement like loyalty programs and social clubs, but if possible it’s good to have individual treatment on top of that,” she says.

It is important to understand different personality types and the stage of life people are at. A new entrant to the market might be motivated by working on more projects and some personal development, whereas someone else might be driven by promotions and escalation, for example. Something as simple as sharing information in an organisation can help engagement as well. Regular briefings about the vision, the profits and the forecast all help people feel part of the organisation’s strategic direction.

“Those companies that do well are those that really understand what people want – for example, why do they want flexibility? A lot of firms offer fantastic perks and gyms and so on, but the critical question is: does it have an impact on those individuals? Does it make their lives easier and better? The danger is going blindly down the road of perks, but the real question is: does it enhance their wellbeing, does it simplify their life? If it’s a ‘me too’, then we’re commoditizing it again,” says Dr MacCormick.