

Talentism And The Build Vs. Buy Debate

An ongoing transformation of traditional staffing into talent management has taken place within leading organisations all around the globe. Like many evolutionary changes, after a slow start it is picking up momentum exponentially. This transformation was initiated by senior leaders who realised that talent - as much as, if not more than, technology - is the driver capable of increasing or limiting the capability and/or capacity of an organisation.

Strategic talent management functions are being established in forward looking organisations, championing new workforce practices that demonstrate that talent management is as much a science as any other management discipline. Methods for workforce analytics and talent planning are becoming more and more sophisticated as the war for talent continues.

Mercer and the World Economic Forum conducted research back in 2011 to better understand global good practices in talent mobility and development (Mercer, 2012). From this research Mercer created its Talent Barometer Survey which aimed to measure the degree to which organisations have a formal, strategic workforce plan that addresses critical talent. Mercer's research also explored three accelerators for high performance - education, health and wellness, and career experience - and identified effective practices and opportunities in each area. (Mercer, 2013).

The Talent Barometer Survey included responses from talent management executives in 1,268 organisations representing 65 countries. Survey data revealed the growing importance of talent driving success, and that organisations around the world are making greater talent investments in response. Mercer also asked respondents about the effectiveness of their organisation's workforce plans. More than three-quarters indicated they had plans that forecast their talent needs, but the scope varied. From a global perspective, the Talent Barometer Survey found that organisations take career experience seriously, and the majority of firms surveyed map out their future talent

needs via regular talent reviews. (Ashford & Laverock, Mercer; 2013).

We often hear that talent shortfall can hold back business growth when there is a mismatch between available talent and needed talent. Finding, cultivating, and retaining experienced, highly skilled workers are among the biggest challenges facing, for example, the oil and gas industry today. According to Mercer's Oil & Gas Industry Talent Outlook and Workforce Practices Survey Report addressing the shortfall of talent will require an industry-wide solution that starts with companies understanding internal and external labour market forces. Innovative practices and advanced analytics may, however, help companies better understand who to hire and how rewards affect attraction, development, and retention. (Mercer, 2014).

According to the survey report, many oil & gas companies plan to fill the existing talent gap by recruiting workers away from their competitors. This typical "buy" approach to talent acquisition will however likely not be sufficient to meet demand. Not only is such an approach impossible to sustain industrywide, but oil and gas is also in competition for that talent with other industries.

With regard to talent management, the build vs. buy debate has always been in play. In a society committed to talentism successful organisations can no longer rely on a talent strategy that simply treats human talent as a commodity. With talent scarcity being the norm, innovative organisations will instead actively work on the development of new global talent sourcing channels through multi-stakeholder networking and collaboration. Employers can significantly improve their workforce pipeline by adopting a "build" strategy that focuses on identifying new and different sources of talent, as well as reskilling talent within their reach.

Moving towards Talentism

In the opening address of the World Economic Forum in Davos back in 2012, Dr. Klaus Schwab (founder and executive chairman of the World Economic Forum), outlined that capital was being superseded by creativity and the ability to innovate –

and therefore by human talents – as the most important factors of production. Michael Haid from Manpower Group, has elaborated on what the talentism era will mean for business and our society: "A new era is upon business: the human age... Now, human potential will be the catalyst for change and the global force driving for economic, political and social development. Talentism is the new capitalism." (Haid, 2012).

According to Orlando Ashford, President of Mercer's Global Talent Business, talentism can be seen as an economic concept calling for organisations to develop their human capital not only internally via creative talent practices, but also through collaborative public, private and peer initiatives designed to enhance talent quality and availability. In his forthcoming book entitled "Talentism: Unlocking the Power of The New Human Ecosystem", Ashford expresses that his focus is not talent shortfall, but on spreading a positive vision for the future; "where talents, abilities, and passions of individual employees will be recognised and nurtured by mentors, employers, peers, and other industry networks". (Ashford, forthcoming).

Accelerating and enabling talentism in today's global business landscape is an ambitious strategy that demands leaders invest in talent as the key competitive asset. They must build a culture that values talent and seeks to develop the best in every member of the team. (Ashford & Laverock, Mercer; 2013).

Talent capital is not as finite as natural resources, but unless talent is nurtured appropriately, we may find ourselves cannibalising on the existing talent capital rather than living off the interest and successfully expanding the overall talent capital base of our human ecosystem. Companies will, in the era of talentism, need to find ways to contribute to the common good also through their talent management practices in order to stay in business.

In the words of Dr. Klaus Schwab, founder and executive chairman of the World Economic Forum: "In an age when social networks are enabling greater

participation and transparency, companies will only be able to achieve economic success if they can generate long-term benefits not just for their shareholders, but also for the common good.” (Schwab, K., 2012).

The Emergence of a New Employer-Employee Compact

Life-long employment is a thing of the past, but many companies have not yet adapted their talent management strategies to the fact that human talent now often look for the “best fit” not for life, but for “right now”. The chief principle underlying the emerging new employer-employee compact is reciprocity: Both parties understand and acknowledge that they’ve entered into a voluntary relationship that benefits both sides. Instead of entering into strict bonds of loyalty, both sides seek the mutual benefits of alliance. As allies, employer and employee try to add value to each other. Employees invest in the company’s adaptability; the company invests in employees’ employability. (Hoffman et al, 2013).

The world is changing and no one really knows what tomorrow will bring. It is therefore also difficult to identify which skills and capabilities will be needed. Creativity and innovation will most likely be core strengths within the talent pool of tomorrow, as organisations will increasingly be moving into uncharted territories.

The Harvard Business Review article “Tours of Duty: The New Employer-Employee Compact” highlights that the tour-of-duty approach, when properly implemented, can boost both

recruiting and retention as it will serve as a personalised retention plan that gives a valued employee concrete, compelling reasons to finish his/her tour, as well as establishing a clear time frame for discussing the future of the relationship. (Hoffman et al., 2013).

The new employer-employee compact can in other words be considered as a mutualism within the human ecosystem. Mutualism is a symbiotic relationship in which interrelated organisms benefit from each other. The new employer and employee compact aims at helping both succeed, thus resulting in a win-win situation.

Looking Ahead

So what characterises talentism? It is a vision of a human society where talent is the main capital and main driver of sustainable competitive advantage. Talentism requires a new employer-employee compact to be put in play – a compact which strives for a win-win outcome. Talentism will reshape not only our organisations but our whole societal structure as we know it. The move towards talentism will be aided by forward-looking individuals and organisations who are set on collaborating for the common good.

As an International HR professional you can act as a change agent for talentism and help your organisation implement creative workforce practices that will fulfill the talent needs of the future. In order for organisations to achieve sustainable growth during the era of talentism, they need to ensure that they attract, nurture and retain the right human talent at all levels of the organisation. Focusing

solely on “buying” talent will not be enough in the future, as a more long-term perspective will be required by all stakeholders. All companies will in one way or another have to contribute to the establishment of talent supply systems (i.e. building the human talent capital base) at a global level, both internally within their own organisation, and externally through public-private partnerships.



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