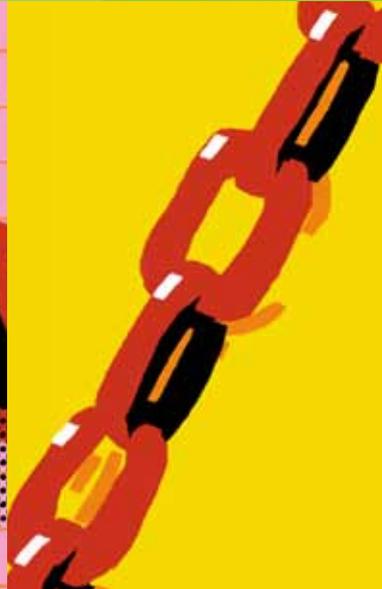
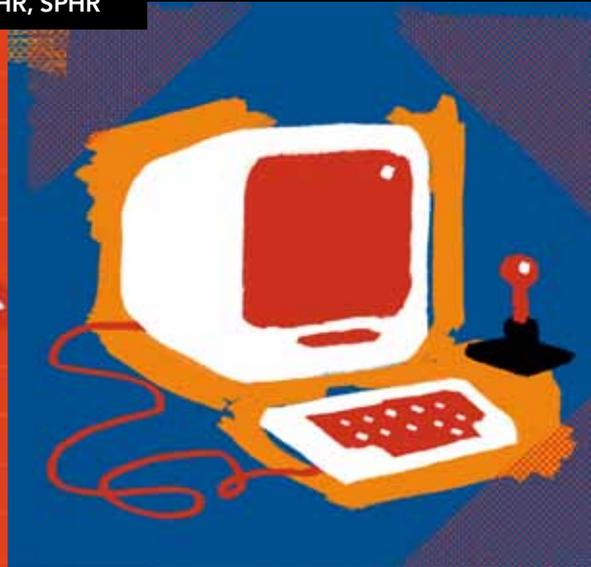




TALENTOMICS: 9 WAYS HR MUST ADAPT TO FIND TALENT

LANCE JENSEN RICHARDS, GPHR, SPHR



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INTRODUCTION

Don't learn to make kimchi, find someone who already can

A couple of hundred years ago, talent (or labor) was a simple commodity. The rich and powerful had access to as much labor as they needed, and those with the discipline and ability to work, did. The supply-chain, and the transaction between employer and employee, was straightforward.

But that was then.

Now, despite global economic instability, and large variations in employment rates, finding the right people is harder than ever. The US unemployment rate hovers at nine percent. In Germany, it's 6.6 percent (but go find an engineer), in Japan it's 4.7 percent, but you can't find a medical professional, literally, to save your life; in Russia it's 6.1 but in Singapore it's 1.9 percent.¹

This is what we call 'talentomics'—the 'economics of talent'—and the supply-demand equation that underpins it has changed.

If Karl Marx were alive today, he would be pleased to see his theory in practice. Now, we really are operating in a knowledge economy, and the means of production truly rests in the hands of the worker. But, this shift can, and does, present unique challenges for HR and for business.

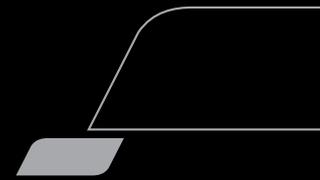
I like to sum these challenges up by explaining to HR professionals that their job is now about getting to grips with a new 'talent' supply-chain.

Think of it this way: if you gave me two kilograms of the finest, freshest Korean cabbage, and asked me to make kimchi with it, we'd have a problem. I think it involves spicing and burying, but that's about it. However, I have Korean friends who know how to make it perfectly, without having to look at a recipe or follow any instructions.



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¹ *The Economist*, 8 October 2011



SUPPLY-CHAIN: KIMCHI AND PEOPLE



Fundamentally, managing your talent supply is a little bit like making kimchi. Now, you must weigh up your ability to find someone who can make it already, or your ability to train and develop existing staff to do it. This is the role that HR must play in an increasingly globalized, multi-generational, fast-moving business environment. One day it will be kimchi, the next it will be another skill or talent.

This is the new reality. Talentomics is a single supply-chain model: finding, securing, developing and retaining the right talent at the right time and place is imperative to keeping pace with business needs. In this paper, we hope to show you what it means, why it's happening and how to evolve your HR practice to adapt.

01

HR MEETS THE GLOBAL VILLAGE

Human resources is already a global business. We can't resist the move to globalized talent searches, so we must adapt—and that means HR professionals need to change the way they work together, too.



While the language of globalization is relatively new, the concept itself has been around for centuries. The search for better food, shelter, pastures, and territory has occupied the minds of our ancestors from the Sumerians, to Marco Polo, to the Inuit.

Across virtually every sector of the economy, we are now intertwined with the global community through trade in goods and services, a complex web of banking and financial flows, and a growing exchange of intellectual and scientific information. The world today is very much like the global village that was first envisaged in the 1970s. We have evolved into a global, knowledge economy, and as a result, the tight geographical bonds between producer and consumer are gone—permanently.

Labor is just the latest 'market' to be engulfed by the tide of globalization. In certain industries where skills are highly transferrable, there is little to stop workers from being recruited for assignments in any location around the world.

For many people, this globalization of talent brings incredible opportunity. For others, it feels like a threat. For those still resisting it, the bad news is that it's already happened. You're in it, and you're part of it, like it or not. And even if you're not managing global workforces today, the shift in any organization can come out of nowhere. One day you can be managing a local employee base with issues you know and understand, the next you can be called upon to merge, offshore or expand your workforce into far away places.

If you're not ready for it when the change comes, your business will seek someone who is.

As employees become more mobile, the search for talent increasingly transcends international borders, so HR professionals need to tap into global networks to access the right talent. Remember, Marco Polo wasn't scouting out beaches in Sanya when he ventured out—he was looking for improved supply-chain logistics. And now, HR professionals have to do the same.

THAT WHICH YOU CAN'T AVOID, WELCOME

It's only when we accept that globalization is here to stay that we can begin to work with (rather than against) its tide.

After all, the need to source talent globally isn't only about cost. It's also about business performance. There is clear academic research that demonstrates how well-managed heterogeneous teams outperform homogenous teams.² Managers are increasingly aware of the need to assemble teams that can leverage a variety of cultures, behaviors, and skill-sets to deliver optimum productivity and creativity. As HR professionals, we talk about diversity and its benefits all the time. The question is, 'Are we eating our own dog food and embracing this in our own practice?'

HR professionals must be able to exploit and leverage networks and resources across borders, across multiple locations, and apply the best of their knowledge to the benefit of a local enterprise.



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² *Creating Value with Diverse Teams in Global Management*; Joseph J DiStefano and Martha L Maznevski; Organizational Dynamics; 2000.

02

HR MUST EVOLVE FURTHER, FASTER.

The global economic downturn has intensified the pressure on all functions, including HR, to deliver returns that are both measureable and relevant to strategy. HR 3.0 is on the horizon—are you ready for it?

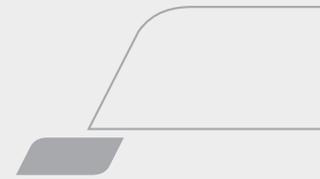


One of the most important chapters in the evolution of HR is the way it is being driven to move closer to the center of organizational strategy. For too long (and frequently because of our own failure to offer an alternative), HR has occupied the periphery of strategic decision-making in the enterprise, primarily as just another functional department.

This is partly because of HR's history. HR 1.0 was forged in the late 1940s. Its genesis was in the massive influx of former military personnel from the Second World War (with nicely refined skills in the supply-chain management of people), and it was focused on transactional excellence: employment law, payroll processing, and recordkeeping. While critical at the time, as business transformed during the 1960s and 1970s, this was no longer sufficient.

HR 2.0 emerged and has been primarily about moving beyond transactional tasks into areas such as employee relations, performance appraisals, training, and recruiting. HR 2.0 represented a move upwards along the value chain. It ignited an interest in information technology, specifically about how it could liberate HR from routine processes and free-up professionals' time to concentrate on higher value tasks. This was, and continues to be, an encouraging sign that HR would move closer to the corporate 'center'... but, it should only be a transitional state during the journey.

The fear that IT could, and would, swallow a critical mass of HR tasks has not proven correct. In the era of the knowledge economy, the application of human judgment and reason still prevails over technology, although a key challenge remains for HR to more tightly integrate its systems with IT.



Despite this evolution from HR 1.0 to 2.0, for the most part, HR has still not been fully enmeshed in a central strategic role of corporate life. This is all about to change. HR 3.0 requires us to possess and demonstrate a new level of thinking about business.

In short, now we are getting a glimpse of the next wave of activity that promises to give HR a 'seat at the table'... if we've earned it.

What all HR professionals must realize though, is that if we aspire to a seat at the table (an analogy I frankly tire of), then we must be active in making the dining experience worthwhile. We must help to shape the menu, source the right ingredients, and bring the food in from the kitchen. If (and only if) we do all of this, we might be invited to say the blessing.

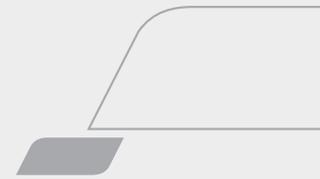
In the HR 3.0 environment, HR people need to be able to articulate the critical strategic issues central to the organization, and they need to keep pace with the dynamic changes that are occurring. As HR moves through this process of being transformational, HR professionals must think more like corporate executives, moving out of the HR silo, and putting themselves in the minds of those who are guiding the organization.

This transformation will be harder for some. Essentially, it requires taking a 30,000-foot view of the strategic issues impacting the business, considering how different parts of the business link together, and what part people play from top to bottom. It will entail putting aside the narrow metrics of HR activities and focusing instead on broader business outcomes and results. It will mean thinking about how the 'people element' adds value at every stage of the organization, as well as the factors that both enhance and dilute that value.

DON'T BE TRANSACTIONAL, BE TRANSFORMATIONAL

When HR people are talking to other HR people about HR issues, they may often be transactional. When HR people are talking to business people about HR issues, then it's usually transitional. But, when HR people are talking to business people about business issues, it can become transformational.

In other words, HR people need to be immersed in the critical strategic issues central to the organization. They will need to continually develop a broader



business understanding in areas such as corporate finance, marketing, and strategic management. To do this, they may need to spend time in areas outside of HR to better appreciate how functional divisions interact as part of the big picture.

Yet, all the while, HR must maintain transactional excellence as it moves up the value chain—without that, no one is going to want to engage with us in these transformational discussions and actions.

This is HR 3.0: knowing HR is required, but no longer sufficient.

We must know business.

03

KNOW WHAT YOUR CEO WORRIES ABOUT

When we look at the Top Ten concerns of CEOs, seven out of the ten are people-related. If that's the case, then HR's priority work is of tremendous importance to the CEO.



Yes, HR people across the world can breathe a sigh of relief —your work and your effort really does matter. The challenge then is not to make people issues count on the executive agenda. They do. It's to know what they are and to help solve them. And this is actually a lot more difficult.

So, does HR know what the seven top people-related concerns of the CEO are?

Do we know how these issues relate to corporate finance, marketing and strategic management? If not, we need to find out. This is the gap that only HR can fill.

All CEOs, when they see their offices empty out each night and all their employees go home, need to feel confident that those people are coming back the next day. And they need to know that even the ones that don't come back can be replaced—that across the business the supply-chain of talent is being managed with a forward-looking view.

The 3.0 HR professional doesn't have to understand all the business details inside and out, but she does need to understand the people elements of the business, in all its variations and for all its challenges and opportunities.

The comforting fact here is that CEOs do care about how HR professionals spend their days. The uncomfortable fact is that they always did and all too often HR just didn't ask the right questions. The challenge now is for HR professionals to communicate with CEOs about those top concerns and let them know that these constitute the HR agenda.

So, if you still think your CEO doesn't care about HR, it's time to have a conversation.

2011: CEO'S TOP 10 GLOBAL CHALLENGES

CHALLENGE	SCORE
1. Business Growth	1.65
2. Talent	.74
3. Cost Optimization	.72
4. Innovation	.70
5. Government Regulation	.59
6. Corporate Brand and Reputation	.42
7. Customer Relationships	.40
8. Sustainability	.37
9. International Expansion	.29
10. Investor Relations	.09

Source: Conference Board CEO Challenge, 2011

04

UNDERSTAND TALENT DEMOGRAPHICS

Companies seeking highly skilled talent will need to consider strategies that will enable them to address a demand-supply impasse. Of all the forces that are converging on HR managers, few will be as daunting as this demographic shift, simply because it is virtually locked in for at least the next 40-50 years.



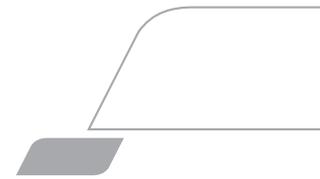
The economic uncertainty of recent years has led to millions of workers losing their jobs. After more than a decade of critical labor shortages in developed economies, the basic rule of numbers would suggest that labor supply should now be plentiful. And, while it is true that unemployment levels in many countries remain at historical highs, the issue facing HR organizations is an increasingly critical talent shortage: those individuals who bring specific education and occupational skills to an organization that can make an immediate and lasting impact.

To be clear: it's not a people shortage, it's a talent shortage.

For some industries, these talent shortages have persisted in good economic times and in bad. The recruitment markets of healthcare, science and IT, for example, remain tight and have been so for many years now. (Talk to a senior HR executive in the health industry and they will likely express surprise that we even had a recession!)

Essentially, we are entering a phase in the demographic cycle that will be characterized by chronic talent shortages in a number of sectors over the long haul. It is part of a longer-term trend dictated by population cycles.

Population growth in many major, developed economies is well below replacement rates, meaning there will be fewer people of traditional working age, relative to the total population. A rate of 2.3 children per woman is generally considered the replacement rate in developing countries, while 2.1 is the rate in developed economies. Above this rate a population is increasing; below this rate, it is generally falling.

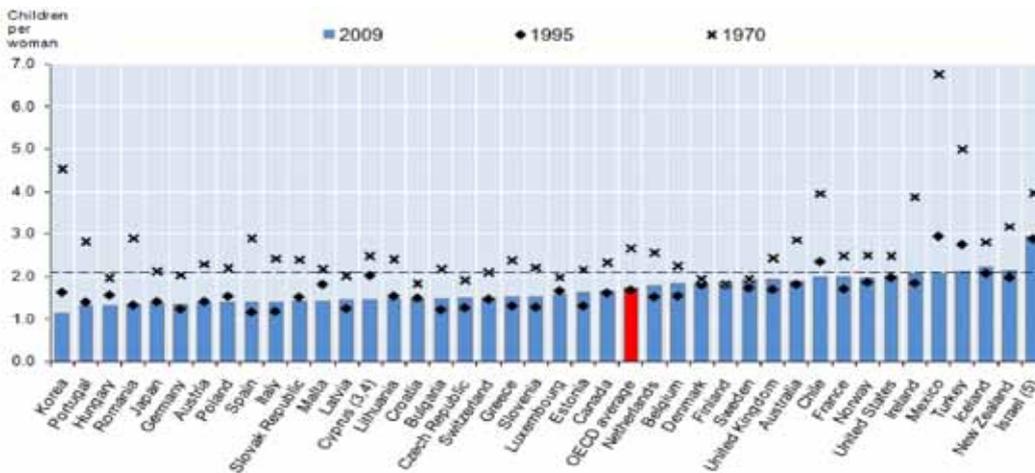




Unfortunately, many of the countries with fast-growing populations do not have the educational infrastructure to develop a level of skilled labor that can be readily substituted for the shortfall in industrialized countries. This results in a paradox: we may see high unemployment while at the same time recognizing a global shortage of talent. This paradox may be more or less pronounced based on sector or geography, but it is an inevitable emerging trend.

WE DON'T HAVE A SHORTAGE OF PEOPLE, WE HAVE A SHORTAGE OF TALENT.

TOTAL FERTILITY RATES IN 1970, 1995 AND 2009



The trend is marked and becoming more acute. There is a limited global pool of skilled labor—not a shortage of people, but a shortage of qualified people—at a time when workplaces are demanding higher and more specific levels of skill and knowledge. Even at times of relatively high unemployment, employers are facing difficulty in obtaining the best talent with the right skill-set.

The new operating reality for human resources professionals is that they will need to keep recruiting irrespective of short-term cycles. The best-educated and skilled technical and professional employees will be in greater demand, harder to find, and command a premium to switch or re-locate jobs.

Just as entire countries modify their national immigration policies to counter this trend, companies seeking highly skilled talent will need to consider strategies that will enable them to address this demand-supply impasse.

05

BE READY TO GO VIRTUAL

The way we locate and deploy talent is changing. Increasingly, HR will need knowledge of labor markets, cultural differences, key recruiting methods, technological enablers and labor laws in a wide variety of jurisdictions.

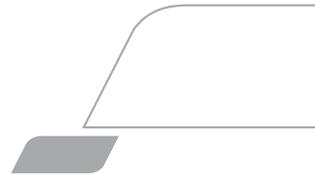


The world of work is evolving. Actually, it's becoming simpler. There are many jobs that require a specific locality. But there are an increasing array of jobs, and elements of jobs, that can be tasked to individuals in any part of the globe. Now, if the work is located away from the talent, instead of moving the talent, we can move the work.

This is workforce virtualization.

E-health, as an example, means that diagnostic tools can be accessed by patients and health professionals remotely; scientific research is becoming highly internationalized; in construction and manufacturing, standardized CAD techniques mean the design elements can be outsourced to wherever they can be performed competently. In the growing knowledge economy, there is virtually no limit to the breadth and scale of functions that are open to globalization. This is truly revolutionizing the way that we locate talent and distribute work.

Workforce virtualization is something quite new, wholly enabled by accelerating technology—but only delivering results to those select firms that understand this sea change. It also opens up a new set of challenges around the recruitment and retention wars that are unfolding in this era. Essentially, managers will need to know how to work with a virtualized workforce and they'll need the tools to do so. This means that the way we coach and measure the performance of managers is also going to change. Increasingly, we'll need to look at their ability to take a skill, knowledge, a competency or a behavior across multiple locations and cultures, and make it work.



HR MUST BECOME TECHNOLOGICALLY SAVVY

Companies see the potential of tapping into a vast global labor pool, but they need their HR partners to show them the way.

HR will be expected to become proficient with a range of technologies and platforms that support an ever-broadening set of functions. They will also need knowledge of labor markets, cultural differences and similarities, key recruiting methods, and labor laws in a variety of different jurisdictions, requiring a level of expertise that many HR departments have never before been called upon to provide.



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06

KNOW THE KNOWLEDGE WORKER

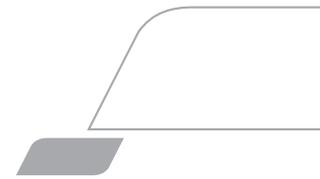
The task of locating, nurturing, and harnessing the expertise of those who operate in the knowledge environment has become the Holy Grail for many HR professionals. But, the process of engaging with people who may not be actively looking for work, or who may not be where you want them to be, poses a new set of challenges.

They extend across sectors including IT, healthcare, education, business consulting, engineering, science, and agriculture. They are the source of much of the innovation and the competitive advantage that drives organizational performance. They are the repositories of specific expertise and frequently the agents of change. They are the knowledge workers, and they are the new 'rock stars' in the escalating search for talent.

They have penetrated all industries and extend across all nations. The march of economic progress has been accompanied by the gradual disappearance, through technology or through offshoring, of low-value manufacturing work, to be replaced by individuals who are valued for their ability to understand and interpret information and generate high-value outputs.

The knowledge worker has altered the way that we look for and deploy talent, and even the way we manage people. In knowledge-driven enterprises, managers are no longer the source of all wisdom; they are not required to know everything, rather, they are required to know how and where to access information and evaluate it. In these organizations, managers have a collaborative and enabling role. They must know how to get the best from their workforce, operating with teams to unlock creativity and innovation.

In developed economies, knowledge workers outnumber those in all other sectors. As economic output and social development advances, the proportion of knowledge workers also rises. These workers are highly sought after, yet in short supply in most economies. Because their talent is universal, they are able to shift between firms, regions, and countries with little effort.



Even the nature of knowledge work is itself evolving. Many jobs that were once considered largely manual now have a knowledge component. Jobs for which a high school diploma were previously sufficient, now likely require a college degree. It's not so much a matter of *which* jobs will be knowledge jobs, but *when* they will be knowledge jobs.

The task of locating, nurturing, and harnessing the expertise of those who operate in the knowledge environment has become the Holy Grail for many HR professionals. Employers must adopt recruitment approaches that are aligned to the type of social networks and gathering points where these workers congregate.

ENGAGE WITH TECHNOLOGY AND NETWORKS

A vast array of platforms and technologies are transforming the recruitment landscape. People are on the move, and the use of electronic and social networking tools are providing recruiters with innovative ways of reaching their targets.

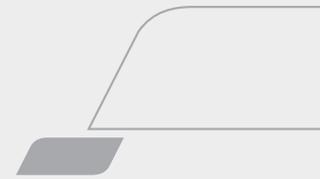
The ready availability of these applications has led to a leveling of the playing field, as organizations with large budgets now compete with those without. In this environment, it is not so much about the technology, but the appeal of sophisticated and savvy strategies that penetrate the electronic noise, to reach potential candidates, both active and passive. Technology provides speed-to-market, however, recruiting and sourcing skills are still ultimately the driving factor in success. Having the right tools in your toolbox simply helps you get there faster.

Just some of the techniques that are currently, and increasingly, likely to be deployed in the recruitment space, and must be mastered in order to tap into the increasingly sophisticated labor pool include:

- **Niche websites:** many general job boards do not focus on any one industry or passive candidate, but niche sites can enable better targeting of candidates with industry expertise.
- **Social media:** Facebook, XING and LinkedIn, and even Twitter, can become part of an evolving conversational landscape. Company- or recruiter-specific profiles, which are regularly updated, can make the most of industry news, events and job vacancies to pique the interest of even passive candidates.



PEOPLE ARE ON THE MOVE AND THE USE OF ELECTRONIC AND SOCIAL NETWORKING TOOLS ARE AFFORDING RECRUITERS AND CANDIDATES INNOVATIVE WAYS OF REACHING THEIR TARGETS, OR REACHING EACH OTHER.



- **Knowledge sharing & leadership:** authoring or sponsoring industry-specific papers, writing blogs, and presenting webcasts that showcase trends, products, issues, or best practices can go a long way to starting conversations with potential 'knowledge workers'.
- **Internal applicant tracking systems (ATS):** many companies have access to an ideal database, yet often neglect this as a sourcing tool. Previously considered candidates who were not chosen for one position may be qualified for another opening.
- **And, expect candidates to do their homework:** there are now many tools available to candidates to help them understand and vet potential employers. Sites such as vault.com or glassdoor.com are just two examples.

The emerging HR paradigm, with its convergence into social media, entails a more focused, strategic, and non-traditional approach to reaching key audiences. By using industry expertise and thought-leadership as a tools, capable recruiters can cut through the clutter that permeates much of the traditional media space, and engage in interactions that will uncover exceptional talent.

07



PAY ATTENTION TO THE MILLENNIALS

The influx of Gen Y, or the Millennials, into the workforce is changing many of the ground rules that prevailed for Gen X and Baby Boomers. Gen Y has entered the workforce with different attitudes, expectations, and ambitions—and HR must recognize and capture the positive elements of these if the right talent across all generations is to be secured.

Gen Y is the first truly globalized generation of workers. They have grown up with technologies that have shrunk the workplace and the world, expanded their horizons, and made them feel comfortable operating in a borderless environment. For them, the digital workplace means dealing with colleagues from different cultures in different time zones.

Frankly, for them, the old “9 to 5” means nothing. Video conferencing, which used to be an exclusive tool only available to senior managers is now not only fast, but free. So, younger generations have never experienced, and consequently don’t understand, the requirement to be ‘in the office’ to communicate and work effectively.

As such, their attitudes to job selection, tenure, work-life balance, remuneration, promotion, and not least of all, their use of technology, is providing food-for-thought for most organizations.

While Gen X and Baby Boomers have the greatest direct experience in the global business environment, Gen Y is increasingly becoming the driving force for change. They see global experience as a positive differentiator in job selection and promotion.

For Gen Y, the lines between work and personal life are blurred, perhaps permanently. They are the first generation that’s been raised in a 24/7 environment. The communications revolution has made that possible, and Gen Y doesn’t view it as a burden. For the Millennial, the workplace is not solely about work—it is a place for social interaction and shared learning. Workplace culture, relationship building, and ongoing learning are critical to retaining these individuals. Similarly, they don’t view their home, or off-hours as solely about not working. They blend it—and they blend it well.



Increasingly, we see the emphasis of younger generations shifting to what some call 'the third place' —a place between home and the workplace where the demands of both can be balanced, and where a more creative, less restrictive approach to 'work' can occur. As workforce virtualization increases, so too does the need for, and attraction to, these 'third places'. Here, workers can strike the happy medium between 'home' and 'office', and younger generations in particular are forcing this trend into the mainstream.

Issues around work-life balance are important because in an environment where the boundaries between work and social life are ill-defined, there needs to be some level of compromise. The workplace itself is already evolving, but will need to evolve further to meet some of these expectations of younger generations.

Gen Y is also bringing new approaches to the issue of ethics, the environment, and social responsibility in the workplace, and this challenges the hierarchical status quo for older generations.

The Millennials demand meaning in the workforce, but few employers offer it. There is an increasing disconnect between what workers want, and what employers offer, and we see this reflected in our own worldwide research. Almost half (47.9%) of people globally would take a lesser or lower paid role if it were more 'meaningful'—and Generation Y is actually more likely to say they would do this than Generation X.³

Gen Y's are more likely to want to work for firms that have a good reputation for ethical and environmental performance, and they are ready to tell others when their employer is doing well or doing poorly. They are acutely sensitive to the changing fortunes of brands, and the way in which social, ethical, and cultural influences can enhance or destroy corporate reputation.

The issues of career paths, workplace responsibility, and promotion frequently arise regarding Gen Y. While their Silent Generation and Baby Boomer predecessors had a laser-like focus on the career ladder, the Millennials are far less interested in a career ladder ... but they are intently focused on a career lattice.⁴ Lateral movement, new opportunities, continual development, and intellectual challenge are of greater interest and value to them than a simple "climb to the top."

³ Kelly Global Workforce Index, 1Q11 White Paper

⁴ *The Corporate Lattice: Achieving High Performance in the Changing World of Work*; Cathy Benko and Molly Anderson

The task of recruiting and managing these latest (and future) entrants can seem bewildering, especially for those whose approaches are based on old notions of command and control. The benefits of diversity in the workplace are well documented and Gen Y brings a rich opportunity to challenge established notions, refresh practices, and tap into new thinking, technologies, and attitudes.

Then there is the next generation—Gen Z—a collection that some say will make Gen Y look responsible and patient! While Gen Y grew up with computers, Gen Z grew up with the internet. They are totally at ease with social networks and communications habits founded in the real, and virtual, world. So, the idea that organizations can simply make Gen Ys conform to the way things are is flawed. If organizations don't evolve their workplace for this generation, Gen Y will leave and Gen Z will never darken their door.

Understanding the varying needs of the different generations—everything from communication style, workplace style and expectations, management techniques, and organizational structures—becomes critical if everyone's needs are to be met. When they are, there is more likely to be a high-performing workplace.

HR managers and employers worldwide—some with more success than others—are adapting to these behaviors and striving to get the best out of this generational diversity that characterizes the modern workplace. Critical to recruiting this generation is an understanding of their social and cultural drivers, something that is critically testing many HR organizations today.

We now work in the multi-generational workplace, and this requires us to provide trans-generational solutions.



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08



FIND AND ATTRACT FREE AGENTS

The rise of the contingent workforce is shaping new patterns of business behavior around HR practice. The recruitment of staff needs to take account of the shifting needs of business and the availability of a pool of workers with specific expertise suited to particular projects.

One of the most important workforce trends of the past two decades has been the rise of a new breed of independent free agents—consultants, freelancers, contractors, and ‘micropreneurs.’ Many of these are professionals who have been dislodged from salaried careers as a consequence of business restructuring and economic upheaval.

They may have been laid-off from well-paid, full-time jobs in the 1990s recession, the dot.com bubble, or the most recent global downturn. Instead of waiting for new opportunities to come to them, they have started up their own businesses, providing services to clients on a project-by-project basis. And, as it turns out, they’re having fun!

According to a Kelly research, close to half of all workers in the U.S. (44%)⁵ now classify themselves as free agents. They are operating across a vast range of industries, with the greatest numbers in the services sector. In the U.S., Free Agents outnumber total Union membership—something we never thought possible.

Those who describe themselves as self-employed are a rising share of the workforce in many industrialized economies. As Thomas Friedman put it, they have redefined the orthodoxy of lifetime employment to one of lifetime employability.⁶ Now, the emphasis is on obtaining the skills that will allow for lifelong learning and development as a pathway to long-term employability.

As more people go solo, they need to become more flexible, entrepreneurial, and responsive to the needs of the market. They take on personal responsibility for updating their skills and staying relevant. They do not operate under the security of permanent employment, and thus need to think afresh about the skills and competencies that will sustain them for the long haul. How then, can an organization find, let alone recruit, such talent?

⁵ Kelly Global Workforce Index, 2Q11 White Paper

⁶ *The World is Flat: A Brief History of the 21st Century* Thomas L. Friedman

SHIFTING HR PRACTICE TO ATTRACT THE 'JUST-IN-TIME' EMPLOYEE

Recruitment practices need to account for the shifting needs of business, and the availability of a pool of workers with specific expertise suited to particular projects. Assignments can be for a period of weeks or months. The needs of this market are different from those of a permanent workforce. HR professionals need new skill-sets to understand and manage a contingent workforce that may be spread across different states, countries, and time zones. For employers, these trends usher a new era of flexibility, but they also herald a much more complex way of managing organizational talent.

If key people can jump from one assignment to the next, how do organizations retain the critical talent that provides their competitive advantage? How do they protect the knowledge and intellectual property that can slip out the door? How do they go about accessing the talent they need across the globe, while juggling myriad legal, financial, and regulatory issues across jurisdictions?

The task of grappling with a shifting contingent labor force, while safeguarding critical knowledge, and maintaining morale in the permanent workforce, will be one of the key challenges of the coming decade.

Understanding workforce analytics, and workforce planning across the enterprise, will soon be a primary issue for employers.

For HR professionals, this trend requires an understanding of what makes Free Agents 'tick'. They are always looking to upgrade their skills and differentiate themselves, so the business must be flexible enough to consider work in term of 'assignments', and to make those assignments attractive to agents looking for ways to expand and enhance their skill base. You don't want them unless they are the best at what they do, and they don't want you unless you can contribute to them being the best at what they do.

If both the business and the free agent can strike balance of a win-win situation, the likelihood of retaining an ongoing supply of specialist talent when it's needed is higher. And, so too is the possibility of getting high quality work done efficiently.

We've always said we wanted just-in-time employees. Now we have them... and they have us. The question is, is your business ready for them?

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09

BE A TALENT SUPPLY-CHAIN MANAGER

The workforce is increasingly contingent and spread across the globe. Demographics and the rise of the Millennials mean loyalty and retention are only becoming more difficult to secure. Supply-chain management of the right talent is now going to be critical to business success.



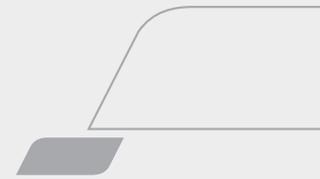
Riddle: what's the only real currency today, which doesn't fluctuate with interest rates and F/X? Talent.

Real talent is worth its weight in gold and HR managers are now moving into the business of ensuring supply continuity of that critical and valuable element, no matter how rare and far-flung it might be.

Human Capital, the value of the people who actually deliver results for our companies and enterprises, has become the last, and possibly the only, differentiator in a world of commoditization. If we can agree that the internet drives commoditization, in a wide variety of ways, then we must accept that the only remaining difference any company has is the people it engages and employs.

Very suddenly, the critical supply-chain issue isn't getting raw materials from one country to another (we've got that down to algorithmic science), it's getting knowledge moved from where it is to where it is needed. (Careful here... it's not about moving the people, it's the knowledge. Given technology, sometimes we don't have to move the people!)

Our ability, as an enterprise, to compete in a global economy may well be determined over the next few years by how well we manage a supply-chain of talent, not a supply-chain of minerals, parts, foods or fabrics. If we look at a classic model of supply-chain management, it boils down to having the right materials, in the right place, at the right time and cost, utilized the right way, to create and deliver specific goods and services. In a knowledge economy, the same is true of talent.



A weak link in the supply-chain arises when we forget that people don't necessarily equal talent. Both India and China have plenty of people... but the infrastructure required to convert people into talent isn't always as refined as we'd all like.

We create another weak link when we fail to define which raw materials (or talent) our organization needs, and to determine if and where we can get it. Can we find skill/competency mix A in København? Can we get behavior/experience mix X in Kuala Lumpur?

Thinking about talent in terms of supply-chain requires us to ask and answer these questions: First, assuming I can find the talent I need, does my enterprise have the resource acquisition mechanisms to deal with multiple markets and multiple resource-sourcing techniques? Second, do I have appropriate terms and conditions in place to secure the resources and, third, must I move the resources to make use of them?

Finally, once I have my resources in place, can I manage effectively against inventory shrinkage, spoilage, obsolescence or theft? (Am I working on employee engagement? Am I ensuring that skill-sets remain sharp, and that behaviors remain aligned? Am I doing the right things to prevent poaching?)

If this is sounding too theoretical, let's look at it another way. Supply-chain management of talent is fundamentally about finding the right person with the right skills to do the job in an efficient way.

Or, it's about realizing that as an HR professional, or a business leader, or a manager anywhere in almost any business, you don't have to learn how to make kimchi, you must simply find someone who already can.

Enterprise HR groups, which aspire to being part of HR 3.0 must start thinking about HR—and about talent—as mission-critical supply-chain management. In the same manner that we are watching significant disruptions to a variety of products globally, we have to understand how disruptions in the talent supply-chain can directly hammer (impact is too nice a word here) our business.



This requires a true change in mindset. The HR professional must:

- know and understand the business itself, just as well as she knows and understands HR
- have a view of the workforce, which includes logistics and metrics, accountabilities and results
- have a robust understanding of labor markets, including the borders they cross, and the borders they don't
- help the business to shift the way it manages people and defines the 'workplace'
- create a new definition of 'work', one that encapsulates the new requirements of our resources, how we utilize those resources, and the work those resources produce
- rethink whether we move workers or we move work. This wasn't an issue 40 years ago... even 20 years ago, but it will be a defining differentiator for the years ahead.

From here on in, a lot of companies are going to have to learn, far more crisply, the difference between employee satisfaction and employee engagement.

From an outsourcing perspective, this means that regardless of what we outsource, we must be thoroughly aligned, thoroughly interwoven with our client's supply-chain infrastructure—and that supply-chain infrastructure must be thoroughly interwoven (not merely aligned) with the enterprise's larger business strategy.



CONCLUSION

There is nothing new in the need to change—professionals across scores of industries have had to rethink the way they work in order to meet business trends and new technologies. What has changed is that ‘talentomics’ is forcing HR professionals to fundamentally re-order the way they operate, and to lead their businesses through this era of rapid and sometimes unsettling change.

The need to recruit, source, and manage labor within an ever broader and more complex global context means HR needs to simultaneously confront the various demands across technology, demographics, geography, and generational behavior, and they won’t have a lot of time to adapt.

Talentomics is global, it’s trans-generational, and it’s about managing the talent supply-chain in sophisticated and technologically driven ways. Only as a result of these actions will HR leaders be able to take this profession further up the value chain, and deliver a talent management strategy that aligns with what modern business needs.

If HR professionals are really going to lead their businesses through this new landscape, they’ll need to become talent supply-chain managers. And that means looking at long-term employment cycles rather than individual vacancies, and employing innovative ways to engage with the candidate pool globally.

Remember the kimchi we talked about in the beginning? Well, this can tell us a lot about what being a talent supply-chain manager is really all about.

If your CEO tells you that the business needs to make a whole bunch of kimchi, fast, and you’re nowhere near a Korean community that knows how to make it, what are you going to do? When the local talent can’t make it and doesn’t have the tools, you’ll need to put your supply-chain management skills into action and begin to think across borders.

You’ll need to know where the best kimchi-makers are, you’ll need to make sure they have the tools to deliver within your timeline, and then you’ll need to find (and coach) the managers already in your business to manage the process. This is the only way you’ll make your CEO’s vision a reality.

And it’s the only way HR will deliver what it must deliver for business in the new millennium. Only, it’s not about the kimchi, it’s about the people.



This whitepaper is also available in summary format in the ebook *9 Reasons Why Talentomics is Changing HR*

 **DOWNLOAD YOUR
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The information provided in this document can also be presented in person to your management team. For more information, please contact the author.

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