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THE HEART OF A BUSINESS
HIS PEOPLE

Hold on to your hats – it could be a rough ride ahead. Businesses still dusting themselves off from last year's economic recession are about to see a familiar challenge revisiting their HR departments. After a 15-month hiatus, the wars for real talent and skills in Asia are set to return in 2010.

Experts say it is a natural state of affairs. While the downturn certainly subdued the demand for skills, it didn't actually reduce it permanently. Now that optimism, cautious though it might be, has returned to the economy, businesses are again looking to grow. And that can only be done with the

leave a notable talent crunch," he tells *HRM*. "It's fair to say that many companies will have a good idea of the talent that they want to hire and will be ready to pounce."

Steven Gross, Vice President of HR, Unilever in Southeast Asia and Australasia, expects a more gradual escalation of talent hostilities. "It's not going to be a 'big-bang' reversal," he says. "But there's more activity in the market place after the 'wait-and-see' approach in 2009."

Either way, the pressure is set to be on HR to protect what it has. Fortunately, as both Wee and Gross

Whose move next?

talent that is already in high demand elsewhere in the economy.

There are supply factors too, brought about by the recent economic woes. Many skilled workers rode out the recession with their present employers out of caution only. With new opportunities on the horizon (and any bonuses safely in the bank), they are now more likely to flirt with alternative offers.

The result of both sides of this equation is a so-called "war" for talent. Higher wages, increased turnover and some unashamed headhunting are all likely to become apparent over the next six to 12 months. David Wee, Managing Director of Lee Hecht Harrison says the situation is likely to be as intense as in the mid 2000s. "Though part of the talent demand can be filled by those who recently lost their jobs, the lack of a job fit may still

explain, there are ways HR can defend itself against poachers; and even take advantage of the situation.

The best defence

The best defence, hiring experts say, is to minimise those factors that might push people away from your organisation. At the same time, HR needs to ensure its employee promise for key staff is effective for each individual. Wee, says HR can't do anything when headhunters arrive with a blank checkbook – but most have a limit on what sort of salary they can offer. HR needs to use non-financial factors to appeal to the individual in question, thereby increasing the bid that rival employers have to make in order to steel them away.

"Employers need to have close collaboration with those staff that may be headhunted and ask questions

Be prepared

Don't enter this period of labour market volatility blindfolded. David Wee, Managing Director, Lee Hecht Harrison, says a good HR strategy will involve:

- + Adopting best practices in hiring
- + Active employee engagement
- + Having a coaching culture
- + A focus on leadership development and succession
- + A contingency plan for when things go wrong



such as are they happy, are they getting the required support, and do they have an understanding of their career plan," he said.

Gross, agrees. He says the first step to protecting key staff is to simply acknowledge the issue and consider things from the talent's perspective. "The best at retaining are those companies focused on having a talent strategy and putting resources behind it," he said.

He says other non-financial ways of cementing people in the organisation relate to the value people feel working there. Creating a powerful brand within the community is important, as it ensures staff are proud to be associated with the organisation. "It's about creating meaningful jobs; and having a sound mission as well," he said. "That's the only way to really retain people."

International moves

While much of the talent wars will be similar to those experienced in the lead up to last year's recession, there is one theatre which has significantly changed. The market for international talents in Asia – particularly in the established economies of Singapore and Hong Kong – has partly merged with the local workforce.

As the downturn took hold, many expatriates were among those retrenched. Of these, a significant number chose to stay in Asia, having already built up a life and often family here. Those often highly-talented workers have since gone on to take jobs on more-or-less local terms, but there are still others available. Gross says the upcoming period will provide reputable employers with excellent opportunities to hire these and other talents at far lower rates than have ever been possible.

A good offence

Of course, there's two sides to any talent war, and many employers have a

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Unilever in Southeast Asia and Australasia*

strategy for both. Again, Gross says a strong and committed internal talent strategy goes a long way to attracting new candidates, just as it works to retain those already in the organisation. "HR and company leadership have not always put talent on top of the business agenda; but that's our focus," he says. "For us, it's a business imperative."

The Unilever talent strategy involves a great deal of education throughout the company, and not just in HR. Gross says the aim is to build "line management ownership" of the strategy, such that all staff are conscious and looking out for talent issues – whether they are gaps in the workforce or potential retention problems.

Wee says the temptation to wave the checkbook can be high, but better long-term value can again be created by fine-tuning the employment offer with non-financial benefits.

"The best offense is to be attractive and to offer what is important for the talent to be hired," he says. "This comes by appreciating each person's uniqueness, values and interests."

He says a demonstrable commitment to coaching, learning and development, and career progression can often be worth far more than a typical sign-on bonus or salary increment. **HRM**