

# The Internationalisation of Talent:

Are you ready?





We are living in the era of people. The business landscape has changed and human capital has become the key to achieving success. This was not always the case though - in the 1920s and 30s access to raw materials was essential, from the 40s through to the 60s assets were the deciding factor and in the 80s and 90s cash was vital. In the 21st century however, people are everything.

This change has coincided with the growth of internationalisation and globalisation. Borders have blurred and leading organisations now operate across multiple countries and continents. In many ways the playing field has levelled and these organisations now have relatively equal access to the resources that once decided business success. This means talent has become the key differentiator in deciding competitive advantage.

*"The past competitive advantage criteria of things like raw materials, labour arbitrage and education are becoming less and less differentiated. Today's competitive advantage is talent-driven innovation and the two ingredients are the talent itself and the workforce design to enable, empower and reward that talent to do its best work. Put simply - the right talent will make this happen. The wrong talent won't."*

Bruce Morton  
Head of Innovation at Allegis Global Solutions

*"Factors like technology can improve processes but these are accessible to everyone. Getting the right talent into your organisation can really make a difference and provide competitive advantage in both your localised and globalised offering."*

Natascha Hauman  
Director of Business Development at Allegis Global Solutions



# The Key Challenges To Overcome

While internationalisation and globalisation have brought many benefits such as free trade and increased international cooperation, it has also created three key challenges organisations need to overcome.

The first is **skills shortages**. There is currently a global mismatch between the skills organisations need and the talent that is on the job market. Organisations are desperate for highly skilled individuals in sectors such as IT, technology and engineering, but there are simply not enough of these people out there. This has created an 'age of disruption', in which organisations are having to tailor their approaches to human capital to make do with less.

**Innovation** is the second challenge. Organisations are now competing with others from all over the world and this makes the need to come up with the 'next big thing' and stay ahead of their rivals all the more pressing. They also need the ability to innovate when it comes to talent and how they deal with the evolving needs of the modern workforce.

The third challenge is **data**. Organisations now have access to more information than ever before and on a truly global scale. However, they need to be able to find a way to use this effectively and make informed choices if they are to thrive.

These are the obstacles facing organisations in the globalised world and you must be aware of them and ready to take action if your organisation is to succeed.



# The Changing Face of Talent



A continuous breeze of change is blowing through the modern business world and it is drastically altering the face of talent. The global labour market is changing and so is the way people see work. Organisations who are not ready for this are in danger of being left behind.

As discussed, the internationalisation and globalisation of talent has contributed to a widespread mismatch between required and available skills. This is something of a paradox considering unemployment levels have been high across much of the world, and Europe in particular, since the onset of the financial crisis and is a sign the education systems in certain nations are out of sync with their economic requirements.

Take the UK for instance. In 2013, 42 per cent of organisations in the country struggled when it came to recruiting people with STEM (science, technology, engineering and mathematics) skills and knowledge, leading to concerns this could damage the nation's economic recovery.<sup>1</sup>

Further research has revealed skills shortages are causing major problems for a third of European organisations, with the figure rising to 45 per cent and 47 per cent in Greece and Italy respectively.<sup>2</sup>

# The Changing Face of Talent

*"To overcome skills shortages in key areas organisations have to take a hard look at the talent within and truly understand what their people are capable of. Is everybody in the right role? How easy do they make it for them to do their best work? Can they hire somebody with seven of the skills needed and train them on the other three?"*

Bruce Morton  
Head of Innovation at Allegis Global Solutions

A consequence of this problem is a shift in the balance of power between employer and employee. Those candidates who do have the skills organisations are looking for are well placed to take advantage of what is becoming an increasingly competitive market and this is indicative of a general change that is seeing the workforce take more control of its own destiny.

The way people view their career is changing and the nine-to-five, job-for-life approach to work will soon be a thing of the past. Employees want to

work in a stimulating environment and are more than happy to move around to find it. The growth of the contingent workforce is evidence of this. Contingent talent accounted for a quarter of the average organisation's workforce in 2012 and this figure will almost certainly have grown over the past two years.<sup>3</sup> While organisations benefit from the flexibility and agility provided by contingent employees, it also represents a challenge, as these workers are only tied to the organisation in the short term and can easily move on and take their skills to a competitor. Thus organisations need to ensure they are ready to take advantage of contingent staff in the time they are with them and reach full productivity as soon as possible.

Combine the growth of the mobile contingent worker with the skills shortages occurring across the world and the extent of the talent challenge facing organisations is clear.





# The Changing Talent Landscape

Changes are sweeping through the business world and have already had a profound impact on the talent landscape, making it unrecognisable compared to just ten or twenty years ago. Talent has become international and organisations are now able to attract staff from all over the globe. However, due to the skills shortages discussed above, there is an increasingly small pool of candidates in a number of key areas.

Organisations must also contend with a growing demand for mobility among employees themselves. Talent mobility has increased 25 per cent since 2003 and is predicted to grow by a further 50 per cent up to 2020.<sup>4</sup> People are increasingly keen to spend part of their career working abroad and will favour organisations who are able to provide these opportunities.

Mobility is a particularly common priority among the millennial generation, with 71 per cent of this demographic wanting to work outside of their home country at some point in their career.<sup>5</sup> Millennials are also contributing to a further change to the talent landscape - urbanisation.

Life-work integration is more important to this generation than any that came before it and this means they want their place of work to be as convenient as possible. The millennial demographic is very much an urban one and people in this group are increasingly coming to expect the organisations they work for to be based in the city centres where they want to spend most of their time.

Some organisations have already adapted to this trend - Unilever and General Electric have both split their headquarters across different locations - and by 2025 more than 330 cities are expected to host a large company for the first time.<sup>6</sup> Another way in which the talent landscape is changing concerns emerging economies.

*"Candidates have become 'talentsumers' and choose where they want to work. This means organisations need to ensure the company itself and the products and services they offer are attractive to the candidates they are looking to hire."*

Natascha Hauman  
Director of Business Development at Allegis Global Solutions

*"Internationalisation and globalisation have flattened the talent landscape. In a world where we can send work to people rather than sending people to work we are seeing a global battlefield for talent. This is compounded by the fact today's generation are far more willing - and in fact seek out opportunities - to work abroad and relocate."*

Bruce Morton  
Head of Innovation at Allegis Global Solutions

An early by-product of globalisation was the immigration of labour from less developed economies to more affluent nations. However, the impact of the financial crisis and growth in these nations means many people are now choosing to return. The UK is a prime example of this, with a significant number of the Polish migrants who moved to the country between 2004 and 2008 now believed to have returned.

How we get work done has changed as well. The internet, mobile devices and social media have altered the business world for good and the effects of these changes are only just starting to be felt. Look at the media - the print and television industries are in a state of terminal decline and organisations in these markets need to adapt if they are to survive.

Perfect examples of this are organisations like Apple, Amazon and Nike, which have successfully innovated and been able to tailor their strategies to adapt to overcome disruptive market conditions. At present, an ideal opportunity for innovation is presented by data. This is something the business world is well aware of, but is a development that is still in its relative infancy. When used effectively, data can provide real-time information that gives organisations the ability to react to the changes and challenges thrown up by globalisation and internationalisation.

While the likes of Apple have thrived through innovation, it should be noted that for every success story there is another organisation who failed due to stubbornness and an unwillingness to change.

# Taking Advantage



There can be no denying that globalisation and internationalisation have changed the business world for good, and those organisations that choose to bury their heads in the sand and ignore this fact will suffer the consequences. But what can you do to survive the changing face of talent and thrive in the era of people?

**Ensure work works** - If organisations are to attract and retain top talent they need to make sure it is as easy as possible for employees to be productive and fulfil their potential. Whether it is allowing them to use their own tools through a bring-your-own-device policy or rethinking social media and internet use procedures, organisations need to provide a working environment that works and should not restrict employees by hiding behind security restrictions.

*"Agile recruitment teams need to be built to respond to volatile and changing business environments. Technology must be used as an enabler to find and attract talent."*

Tom Brierley  
Director of Business Development, UK & Ireland at Allegis Global Solutions

**Agile recruitment** - The changeable nature of the talent landscape makes agile recruitment essential for organisational success. It is vital organisations have a team in place that can respond to market changes and have the resources to scale hiring activity up or down anywhere on the planet. Effective use of data is key to this as it provides the real-time information that allows for quick decisions to be made.

**Consumer brand = employer brand** - The line between consumer and employer brand has not just blurred, it has disappeared. An organisation needs to sell itself to potential employees just as much as it does to customers if top talent is to be attracted and retained in the global age. You only have to look at the success of Google - a company with a widespread reputation as a great place to work - for evidence of this.

# Taking Advantage

**An all-encompassing approach** - Permanent and contingent talent have long been regarded as two separate entities to be considered and managed separately. The growing prominence of the contingent worker means this is no longer effective. Many organisations now have contingent staff whose average tenure is longer than fixed employees. Talent needs to be viewed as a whole if organisations are to make the most of the workforce - the greatest asset at their disposal.

**Turning HR into leaders** - HR has a huge part to play in the era of people. Of all the departments in an organisation it has the closest links to the workforce and organisations must utilise this by granting the profession a place at the top table. HR has the potential to add serious value in the form of workforce planning and predictability of talent and deserves to be treated as a true business partner alongside the likes of finance and IT.

*"We are now in the human age and HR has never had such an opportunity to finally get in the boardroom and call the shots. This is the most important business strategy there is and the profession needs to step up and demonstrate how it is making the difference for organisations by using business language of revenue, bottom line and profits without getting buried in HR metrics, which are important in finding the story but not always in telling it."*

Bruce Morton  
Head of Innovation at Allegis Global Solutions





# Moving Forwards

The business world has changed and talent is now the key to success. This is simply a fact and needs to be acknowledged if your organisation is to grow and prosper.

An evolving workforce driven by skills shortages and the growth of contingent labour, combined with the changing landscape created by globalisation and internationalisation, has thrown up numerous challenges organisations must overcome to be successful. Managing to attract and keep hold of the best staff is the way to do this.

*"A company that can get the right people in the right positions at the right time and at the right price has a tremendous advantage over less astute competitors."*

Natascha Hauman  
Director of Business Development at Allegis  
Global Solutions

To achieve this goal, organisations need to have a clear talent strategy in place for now and the future. Adopting a holistic approach to human capital that combines managed services (MSP), recruitment process outsourcing (RPO) and statement of work (SOW) into a total talent management solution is the way forward in this era of people.

*"Having a specialist partner vs in-house knowledge can provide the best talent as they are attracted to multi-client engagements and the opportunity to constantly update their skills."*

Tom Brierley  
Director of Business Development, UK & Ireland, Allegis  
Global Solutions

The impact of internationalisation and globalisation has already seen numerous organisations fall by the wayside. Are you ready to ensure yours does not follow them?

*Allegis Global Solutions provides unique human capital solutions and workforce management solutions to meet your needs. We have a track record of success across numerous industries and our offerings include MSP, RPO, SOW and advisory services.*



# References

- <sup>1</sup> Confederation of British Industry, Engineering Our Future, 2014
- <sup>2</sup> McKinsey & Company, Education to Employment: Getting Europe's Youth into Work, 2014
- <sup>3</sup> Aberdeen Group, Contingent Workforce Management - The next generation guidebook to managing the modern contingent workforce umbrella, 2012
- <sup>4</sup> PwC, Talent Mobility: 2020 and beyond, 2013
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- <sup>6</sup> McKinsey & Company, Urban world: The shifting global business landscape, 2013

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