

# How to Advance the Capabilities of Today's Workforce

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Human capital has become the most important factor in companies' success. Talent has simply replaced capital as the competitive differentiator in today's economy. This is the cornerstone of the Human Age, the rapidly changing, transformative reality identified by ManpowerGroup at the 2011 World Economic Forum.

The economic turmoil has masked a growing talent mismatch. Still, companies are unable to fill vacancies because finding workers who possess the needed skills is very difficult. According to ManpowerGroup's 2012 Talent Shortage survey released last month, one in four EMEA employers cannot find employees with the right skills. The problem is particularly challenging in Bulgaria, where more than half of employers face this problem, and in Russia, Romania, Germany, Turkey, Austria, Poland and Sweden, where on average about four in 10 employers can't find the skills they need.

The mismatch is hurting established economies, most notably in Japan, where a shocking 81 percent of employers cannot find the right skills, and emerging powers, such as Brazil where 71 percent of employers cannot find the talent they need. The problem extends across organizational levels, from executive ranks to entry-level workers. The most acute shortages are among skilled trade workers, engineers, sales representatives, technicians and IT professionals. But there are also sizable gaps in management, unskilled labor and support personnel.

To address this shortage, many companies are approaching workforce management with new flexibility. They are using a wider range of talent sources and work arrangements, including new combinations of contingent and project-specific talent, research networks and crowd sourcing. As sources of talent have become more dispersed, and travel for work has become easier, they are also recruiting from across borders and oceans. This use of strategic migration has enabled them to find talent when sources nearby are dry and keep pace with

opportunities in a cost-effective way.

While strategic migration epitomizes essential flexibility, it is focused on a company's more immediate needs. However, strategic migration does not address the fundamental problem of supply.

Training offers a more logical way to grow a larger and sustainable supply of talent ready to step into any opening. New training initiatives designed by employers in tandem with workers will achieve this goal. Older approaches rooted in a static, classroom environment and narrowly focused on only a few skills and regions no longer relate to the realities faced by companies in the global economy. Companies must build the skills, experience and mindset that are needed in each individual to deliver results.

Day-by-day training seminars are becoming vital for business. They will be a great help in the fight to grow a new generation of professionals. And those companies that do not see enough value in training will meet a lack of talents in the very nearest future and eventually become non-competitive.

The following recommendations could be helpful in widening our business mindset, changing our attitude toward training and effectively influencing the success of companies' short- and long-term goals.

**ANTICIPATE.** It's not only what a company needs now that's important, but what it will need in the future. Successful companies forecast their talent needs years in advance and build a robust workforce strategy to ensure they'll have the talent they need to win. Companies in the Human Age should look in detail at their current skills, consider their business goals and factor in variables, such as understanding your own internal supply and factoring the amount of natural turnover due to retirees, that will determine the types of skills they need in the future. Weighing all these factors together will enable companies to choose the type of training that can be most useful.

**COMMUNICATE WITH EMPLOYEES.** Employees have a larger say in the terms of their employment. That includes the type of career training they seek from an employer. If a company doesn't deliver, they are more likely to go elsewhere. That makes it imperative for companies to engage in ongoing dialogue with employees about training and development. The dialogue should allow the employer to show why improving certain skills is important to the business and allow the employee to discuss professional development goals.

**TARGET ALL LEVELS AND AREAS.** Training still largely focuses on managers and the most skilled workers. But this overlooks significant numbers of lesser skilled employees whose improvement could bolster companies' performance. With the right training, many of these workers may have the potential to assume higher-level positions.

**START WITH STUDENTS.** The skills shortage starts with students' lack of job readiness. Many schools, colleges and universities simply haven't kept pace with business needs. They need feedback from companies to make changes in curriculum. That means companies should focus some part of their training activities on schools and postsecondary institutions. That way, they increase the likelihood that future candidates will have the skills they need.

**MAKE TRAINING ACCESSIBLE.** The nature of work gives people little time for professional development. Companies have to work with this reality. They need to give employees the time to work on their skills, or at least the option of accessing training resources from anywhere and at anytime. Mobile learning applications are still in an early stage. Companies owe it to themselves to explore how they can make the best use of them.

**BE INNOVATIVE.** The complexity of the labor market and scale of talent shortages in the Human Age is unprecedented. A new and innovative approach to training and development will be needed to overcome these challenges. For example, in some cases work could be broken down into hyper-specialized roles (divided into ever smaller tasks performed by ever more specialized workers), to enable people to be trained and developed faster. Individuals can also use virtual marketplaces to test and build their skills.

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