

Employment: Effective Talent Acquisition Is the Key to a Competitive Future

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November 26, 2013

The  Moscow Times

The Employment section did not involve the reporting or the editorial staff of The Moscow Times.



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Executives in virtually every industry are concerned about the lack of available talent. Globally, the working-age population is on the decline while the number of retirees is on the rise. At the same time, low-skilled workers exceed demand while highly educated and even more importantly, properly trained are in short supply. For the foreseeable future, it appears there will always be more buyers (employers) than there is product to buy (talent).

How is it that 200 million people are available for hire, while 34 percent of companies around the world report having difficulty filling jobs? Quite simply, the demand for educated, skilled talent vastly exceeds the supply. The distance between the world's available workers and the skills that are needed is more than a gap. It's a chasm, and it's only going to get worse.

In 2012, more than one-third of employers were having difficulty finding the talent they needed. The extent to which they faced challenges varied by industry, job role, available candidates in the local labor market, as well as demographic and economic factors.

The McKinsey Global Institute recently projected that by 2030 the global economy will have as many as 40 million fewer workers with college degrees than it will need. At the same time, there may be a surplus of up to 95 million workers who lack the educational credentials employers will demand.

The competitive employers of the future will be the ones that plan for talent shortages today. Developing a long-term, competitive workforce is a complicated business and many interrelated issues come into play. However, there are a few basics that apply regardless of company size, location or industry:

Understand your market. Time and again, we come across companies who believe there is a shortage of available talent when, in fact, the employer simply isn't doing enough

to compete for the talent. For example, one retail company in Latin America needed a diverse array of bilingual talent on a contract basis to launch a new enterprise. Their needs included everything from architecture and public relations to sales and administration. Clearly such talent would need to be bought, but the client had challenges with recruitment. As it happened, the company had never worked in the particular region before, so they simply didn't have access to the leading candidates. Moreover, without access to regional data, they didn't realize their salary offerings were not competitive for the area. Once they had a better understanding of the market, they were able to reshape their recruitment efforts, resulting in higher quality candidates.

Plan for the future. Hiring needs are never static. However, even industries that traditionally need to expand or contract their workforces on demand can build a sustainable competitive workforce.

Recognize and value potential. For many industries, the days of prioritizing candidates who fulfill a checklist of skills are over. Ever-changing technology and business approaches demand a more flexible workforce. The more competitive companies will focus on a candidate's capacity for transferable skills such as problem-solving and complex thought, as well as his or her fit with company values and culture. As part of that, the hiring manager must consider the potential to acquire near-term fixed skills.

Commit to your employees and they will commit to you. Every available indicator suggests that competition for talent will continue to be fierce. Those who build the best workforces will have done so with an eye toward retaining them. After all, what good is training someone who gets poached by the competition? In Australia, a global technology firm had difficulty filling its customer contact positions that opened up as a result of turnover. With baby boomers retiring at a fast clip, they expected the problem to intensify. The solution was found in a 12-month government-funded traineeship program focused on candidates who could acquire the near-term skills necessary, but who are also eager to learn and develop further. From the trainee's point of view, one of the key selling points of the program is the ability for trainees to receive nationally recognized certifications in Information Technology, Customer Contact or Business Administration at no cost. The program is also seen as a clear signal of the company's commitment to their employees' futures. The result: reduced turnover, increased morale, improved productivity and a \$250,000 cost savings in year one.

In sum, I'd like to say that whether an organization builds talent, buys it, or uses a blended approach, attracting and retaining qualified people is the key to success. With the talent shortage here to stay, victory will come to those who cultivate human resources in new ways.

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