

From technical skills in disciplines such as finance and accounting to the budding leadership qualities of tomorrow's CEOs, employers are facing an uphill battle to get the best people with the right competencies into their organisations. And even those that manage to recruit good staff are finding that they face a new challenge – keeping them on board.

As the business environment becomes more global and demanding, the skills gap means it is a sellers' market for candidates with the right experience and training. The pressure is on employers to understand how to target the right people and offer them the right rewards to stay and grow with the company.

The staff challenge

Kelvin Stagg, Group Financial Controller and Company Secretary at Michael Page International, says: 'The growth in the size, geographic scope and complexity of the business, together with the increasing demands of the regulatory environment and our shareholders' expectations, have all required us to recruit a number of roles in general and specialist finance; namely, project accounting, tax and treasury disciplines. We, like our clients, have found this difficult.'

Michael Page International knows the challenges of finding and retaining talent well, not only from the point of view of its own staffing requirements, but also

as a global specialist in mid-market and executive recruitment. It has a strong reputation for successfully identifying and sourcing suitably qualified candidates in finance and accounting, financial services, human resources, marketing and sales, procurement and supply chain management, legal and property and construction on behalf of its clients and can see at first hand the best practices that help organisations win the war for talent.

Many companies have taken the first step by raising the importance of talent management to the highest levels, realising the strategic importance of finding and keeping the best people.



Finders and keepers

The only way you can ensure that your company survives the staff crisis is to find and retain the best staff. However, as **Kelvin Stagg** and **Kath Roberts** (pictured) of Michael Page International tell Jim Banks, many companies are failing to develop and hold onto their best assets.



Kath Roberts, Managing Director at Michael Page International, adds: 'Discussions around staff retention are significant on the CEO and board agenda. Any business has to contend with change and uncertainty, especially in talent management. The need for knowledge workers in a reshaped global workforce, the ageing of the population in the UK, the fact that in the next decade Europe will only produce 3% of the world's labour force – all these factors mean that keeping and attracting the right people with the right skills is an ever more demanding challenge.'

Companies taking a proactive stance towards HR are realising that creative thinking and concrete investment in long-term staffing continuity go hand-in-hand. The benefits may not make an immediate impact on the bottom line and so do not

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– Kath Roberts

fit the paradigm of short-termism in which the evaluation of key staff, especially senior executives, takes place these days. For the long-term health of a business, however, they are invaluable.

Changing demographics and increasingly global markets mean that companies must be far more selective about the talent pools they target to fill key posts, whether at junior or senior levels. First and foremost, this often means casting the net wider in geographic terms. Michael Page increasingly uses overseas candidates for both temporary and permanent positions.

More than money

Having targeted specific talent pools, companies must then ensure that the individuals on which they come to rely are sufficiently rewarded and challenged to want to stay for the long-term.

There was a time when this could be ensured by offering greater financial rewards, but those days are gone. Furthermore, the need to retain key staff has never been greater, so firms that find the right formula could create significant competitive advantage.

Roberts says: 'In a buoyant economy, employees take more risks in the knowledge that they can get another job. That is why

Storing up problems

Over the next decade, failure to build successful teams will cost more than money, as:

- stressed teams are forced to take up the slack
- morale plummets
- absenteeism rises

retention is a massive issue in HR now. Research suggest that a 5% increase in staff retention can result in a 40% increase in productivity.'

Employees' newfound power in the marketplace means employers must understand their workers' changing values and provide the right environment for staff

to develop and achieve their goals.

Roberts explains: 'The 1990s was a decade of cost-cutting and corporate scandals. Employees felt disenfranchised from their workplace. Generation Y people place greater importance on trust, ethics and pride. They do not believe in blind corporate loyalty. More often, they want to join smaller companies or start their own businesses. So employees prioritise the work-life balance and the community values of their employer, not just job security.'

Stagg agrees: 'Such is the demand for what is an increasingly sparse population of skilled, competent and motivated people that simply improved remuneration packages just do not make the difference any more. It takes an in-depth consideration of what the role and the company has to offer, married with a highly professional approach to career management, to secure the very best.'

Those companies that fail to develop such a professional approach will find that they incur not only the immediate costs of recruiting to fill vacant positions, but also a number of less tangible costs that, while less obvious, are just as harmful to the business.

Roberts adds: 'As Europe becomes more of a knowledge economy the costs of

losing skills gets higher. These costs include stressed teams that are forced to take up the slack as well as the impact this has on morale and absenteeism.'

Strategic staffing

If there is a single key to successfully overcoming the staffing challenge that will face every large company in the coming decade then it is to align staffing strategy with the overall goals of the business. This not only forces companies to clearly identify the skills they need in line with the long-term business plan, but provides the right environment for developing the leaders of tomorrow to ensure that succession problems do not weigh a company down.

To develop their top talent and prepare those who will eventually take over the reins, companies need to move individuals around the organisation so they can build a diverse set of skills and offer key people new challenges. This will help such companies groom successors from within by providing clear personal and career development plans. Most organisations, however, are lagging behind.

Roberts says: 'Many companies are still poor at training their own staff. The better companies are good at assessing potential and bringing it out through experience. They measure leadership potential, not just performance.'

Organisations that have recognised the need to address the strategic risk associated with the skills gap understand that best practice is to focus on a more holistic, long-term view of staffing needs. They judge talent more on its potential than on quarterly results, and regularly review staff satisfaction to ensure that they are providing the necessary framework for personal development.

This can, in turn, create a virtuous cycle, where organisations that work hard to retain talent also develop as part of their brand the concept that they are good employers. This in turn comes to play an important part in attracting new people.

The skills gap is not going to disappear overnight, so the onus is firmly on employers to develop talent for the future. ■

Further information

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