



Tackling the new global talent realities

FORWARD FORWARD
Talent Talent
Talent Talent
FORWARD FORWARD
Talent Talent
FORWARD FORWARD

A six-part series

Part 1: Tackling the new global talent realities

Through this talent forward thought series, we at the CIPD, in collaboration with a range of experts and thought leaders in the field, want to start the debate about future talent strategies and identify some of the macro and micro challenges that are likely to determine our approaches. That is not to say that we will all need to respond to these issues in the same way, rather the themes discussed here should inform the way we develop our unique talent strategies linked to our specific business challenges. And your views as HR and talent practitioners are key to this debate, so we will be seeking out a range of ways to capture your thoughts and engage you in the discussion.

The rapid speed of globalisation is affecting all of our organisations to a greater or lesser extent and will impact upon our current and future talent strategies. Even if you are a predominantly UK-based organisation, it is likely that you will need to be informed about shifts in the global marketplace. For example, greater labour market mobility, notwithstanding the non-EU migration cap, will impact on your supply and diversity of talent. With the increase in globalisation, we are witnessing a real diversification of the markets in which we operate and ever-increasing competition. This only serves to heighten the need to really invest in our talent – our key differentiator.

And for those of us whose organisations are becoming increasingly global, so must our talent and resourcing strategies. UK-based talent approaches cannot be replicated across different geographies but need to combine global consistency in attracting and developing talent with local relevance and application. The challenge for us as HR and talent professionals is to anticipate business needs and ensure that appropriate structures are created for getting the right people into the right local markets where they're needed around the world. We might even need to consider shaping our operations around talent flow and resources, as these are becoming so scarce – 'move jobs to the people, not people to the jobs' (see Petrofac's approach in the viewpoint below).

And, increasingly, organisations are looking towards the East. We have seen a clear shift in power and influence from west to east, accelerated by the global financial meltdown being felt more acutely in the West. This has moved the East beyond a centre for the West's production needs to a much more strategic position of intellectual capital and targeted investment in influential industries and businesses.

Some Western multinationals have been criticised for not anticipating the shift in power from west to east early enough and for approaching new customers from emerging markets in a piece-meal manner rather than as a coherent strategy. Multinationals are also facing greater competition than ever from regional organisations with expertise in local markets, hence the renewed importance of getting the global consistency and local relevance fit right.

Some of the current global trends and challenges that we are seeing and hearing include:

- the move to relocate work close to sources of plentiful and often cheaper labour, although this is a constantly moving target
- how to attract global talent – particularly challenging if you do not have a big brand name
- developing leaders with a global mindset to drive growth
- getting the global consistency/local relevance balance right
- understanding and navigating the political, legal, social and economic climates of the geographies in which you are working
- moving into emerging markets and the East and understanding differences in cultural values
- developing cultural sensitivity and awareness (talent assessment and identification for instance is extremely culturally sensitive)
- managing diversity, inclusion and respect in our increasingly multicultural workplaces
- gathering insight about our current talent and their aspirations across all businesses, geographies and languages and using this to differentiate our organisations
- recognising and clearly articulating the financial value of global talent to our business.

Talent provocations

- Do you have a clear understanding of the shifts in the global marketplace and how these will affect your business and supply of talented people?
- Have you got the global consistency and local relevance balance right?
- Do you know about the aspirations, expectations and cultural values of your talent across geographies? Can you articulate the financial value of global talent to your business?

Talent forward themes covered in the series

Part 1: Tackling the new global talent realities

Part 2: Talent and changing values

Part 3: Talent clusters

Part 4: Developing talent measurement insight

Part 5: Talent partnerships throughout and beyond the organisation

Part 6: Talent sustainability coming out of recession

Viewpoint: Turn outdated global working practices on their head

Forget past US or Anglo-centred global practices. The new-world global realities and complexities require a very different and flexible way of working. If you run your whole business as a version of what you do in one core location, it simply won't work.

Take the oil and gas industry – it was once even more heavily influenced by international oil companies, but now the dynamics are changing and increasingly national oil companies and host governments in emerging countries are setting out to develop their own reserves and also the local talent required to extract it. In many places there is no longer a place for Western traditional expatriate models. They are too expensive for a start and, with the right training and development plans, the quality and supply of local talent can exceed that from Western origins. As a result, emerging countries are demanding that the supply chain benefits their local economies and labour market. To be successful on a global stage you need to make 'local' your mantra.

That said, Petrofac recognises the importance of developing a small cadre of global talent who are rotated across geographies to help embed core skills and consistency of process across its global operations, which serves to complement the much larger proportion of local workers.

Overall, you need to carefully place your business on the local and global spectrum – develop a global framework and set of standards, values and ethics but flex your style locally to deliver the best outcome. The secret is not putting in place too many policies and mechanisms in order to maintain our organisation's entrepreneurial spirit and organic growth. Our senior management, being very diverse internationally, helps to provide us with a truly global perspective.

Like many other industries, talent is a top issue for the oil and gas sector. In the mid-1980s to 1990s, the price of oil dropped dramatically. Back then many organisations didn't take the long-term view and stopped recruiting, which created a 'missing generation'. Petrofac is responding to this by placing a greater emphasis on graduate recruitment and employee development. We also need to ensure that we recruit people who understand technology, which is often different and more complex than in the past and initially taught in different ways. Our strategy is to aggressively hire the best talent around the globe.

The need for talent is so strong in our industry that it is essential we align our resourcing and business development strategies. Business opportunity is one thing, but we must have the capability on the ground to deliver. This is a feature of Petrofac's business and organic growth and has helped us be successful.

Our talent attraction proposition naturally varies across geographies, but at the core, the key areas that we focus on are safety and integrity and our entrepreneurial culture. We actively encourage employee participation coupled with a clear link between risk, reward and performance to generate a sense of ownership, strong work ethic and shared purpose. We are trying to build an organisation to do all this and to really utilise our people's ideas and knowledge.



**Geoff Tranfield, Group
Director of HR Petrofac Limited**

Geoff Tranfield is the Group Director of Human Resources for Petrofac, a FTSE 100 company and leading international service provider to the oil & gas industry. Since joining the group in 2008, Geoff has led the development of Petrofac's HR strategy and organisation development. During this time, the group has added more than 4,000 employees and launched a number of talent, development and HR programmes.

Previously, Geoff worked for Hess Corporation for more than five years, latterly in the position of Vice President HR – Worldwide E&P. Prior to joining Hess, Geoff held a number of other HR positions in sectors including oil & gas, utilities and rail.

An accomplished HR professional, Geoff has 20 years of experience gained across a number of sectors and geographies, combined with a deep knowledge of the energy sector.

Viewpoint: An Eastern perspective

As Asia takes on an ever larger share of the global economy, companies are increasingly setting up and expanding their operations in the region. They will require individuals with the relevant cultural and business knowledge, skills and leadership qualities to lead across Asia. From an HR perspective, this presents new challenges in how we can tackle the new global talent realities.

Given the double-digit growth rates that many Asian economies are experiencing, coupled with double-digit inflation and salary increments in emerging markets, common challenges such as attraction and retention, talent management, succession planning, workforce planning, and so on, take on a whole new dimension. Through the many conversations we have had with senior business leaders across the region, it is clear that many organisations are grappling with the issue of how to accelerate talent development in Asia. In fact, this is often ranked amongst the top concerns for senior business and HR leaders. Today, there is a dearth of leadership bench strength across many organisations to take their organisations forward, and this supply shortfall is further exacerbated with the lack of time to develop leaders for senior roles as many do not even stay long enough in the organisation to be developed.

The traditional approach where leaders are deliberately groomed for the next larger role through a structured process, and where organisations still have the luxury of time to do so, is becoming less relevant for the new Asia. Today, organisations need to think of more innovative, effective and efficient ways to groom and retain talent, provide opportunities for career growth and communicate clear career progression paths; otherwise, they risk losing their talent to the competition. There is an increasing realisation that we cannot wait to train a leader until they are 100% ready, but we will need to deploy a leader in a stretched role when they are perhaps 60% ready, and provide support for them to learn and grow in the role.

Beyond the complexity caused by the geographical spread of countries across Asia, the topic of culture plays a central role when it comes to how effective we are at managing people and leadership development. Today, oft-quoted and implemented best practices still pretty much originate from Western thought leaders and Western MNCs operating in Asia, but organisations and leaders are increasingly questioning if there are better ways to manage Asian workforces and developing leaders for Asian operations.

Inevitably, the issue of culture also impacts on how business gets done in Asia on two broad fronts: strategically and behaviourally. At the strategic level, we often hear of organisations grappling with business dilemmas such as: the degree of globalisation versus localisation; control to be exercised out of head office versus empowering local offices; protection of intellectual property (IP) versus sharing IP with local partners, and so on. At the behavioural level, misunderstanding or not seeking to understand some of the cultural nuances in various Asian countries has also created perplexing dilemmas and reduced the effectiveness of HR practices.

Given the growth trajectory of Asian economies, organisations that can seek answers to more effective ways of managing their Asian operations and better leverage their human capital for growth in Asia will derive the most value from the Asian growth story.



Kwan Chee Wei, Executive Director, Human Capital Leadership Institute

KWAN Chee Wei took on the role of Executive Director, Human Capital Leadership Institute (HCLI) on 1 Feb 2010.

Chee Wei started his career with the Applied Behavioural Sciences Department, Singapore Armed Forces. He then went on to the private sector as Managing Director, SHL South East Asia; Regional Director (Human Capital Consulting Group), Watson Wyatt Worldwide; and Chief Human Resources Officer, IMC Corporation Limited. Prior to joining HCLI, he was Head, Strategic HR with RGE Pte Ltd.

Chee Wei graduated from the University of Leeds, UK, with a Bachelor of Science (Psychology). He also holds an MBA from the University of Leicester, UK.



Chartered Institute of Personnel and Development
151 The Broadway London SW19 1JQ
Tel: 020 8612 6200 Fax: 020 8612 6201
Email: cipd@cipd.co.uk Website: cipd.co.uk

Incorporated by Royal Charter Registered charity no. 1079797