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IN THE
NEW TALENT
MARKETPLACE,
**IT'S UP TO YOU
TO FIND AND KEEP
GOOD PEOPLE.**

THEY WON'T JUST SHOW UP

BY MARK SCHUMANN
AND LIBBY SARTAIN

The CEO isn't happy.

He wants an answer to simple, straightforward questions: *Why can't we find the people we need to do our work? Why can't we engage the people we have? Why can't we be known as a magnet for talent? And, once a magnet, will we secure the talent we need?*

The questions are fair. And common. Today's seemingly impossible pursuit to find, keep, and engage the right workers is beyond anything most organizations have confronted. It simply isn't logical that, no matter the economic conditions, companies with strong reputations can't attract and keep all the good people they need. Even organizations with legendary histories of attracting and engaging the best and brightest find it challenging to appeal to all the new consumers of work they need. Unaccustomed to the ups and downs of the talent challenge, many a CEO may lose patience and believe, "If this business doesn't meet our objectives, it will be because we don't have the right people doing our work."

We have been there. We have sat in meeting rooms with CEOs who simply want—and certainly deserve—results, not excuses; outcomes, not processes. We have tried to explain to demanding CEOs that qualified workers don't appear from thin air. We have tried to help CEOs see the realities of competing for quality people at any time, no matter the economy. We have advised CEOs on what they can do to engage people when times are tough. We have tried to educate CEOs that a company's effort to recruit, retain, and engage workers is as demanding and unpredictable as its parallel effort to secure customers. And we have tried to help CEOs discover that, for any organization to secure the workers it needs, it must aggressively, consistently, and creatively market the organization in the talent marketplace with the same discipline and energy as it brings to the retail marketplace.

Over the course of our careers, we have worked with CEOs who get it. Southwest Airlines' Herb Kelleher, with his co-leader Colleen Barrett, consistently demonstrated a legendary instinct about how people make choices about where to buy and where to work. Rick Kelleher (no relation), the former CEO of Doubletree Hotels, strongly believed that a place to work should be a caring experience that would motivate employees to create an equally caring environment for customers.

Jack Murphy, the standard-bearer of the oil-field giant Dresser Industries, was frequently humbled by how people choose where they work. As he once remarked to us, "Each day our people can vote with their feet, to show or not to show, so we're always running for election." And, more recently, Bernard Claude, the former CEO of Total Petrochemicals USA, said, "The key to any organization's future is to secure the right talent. To do that requires a compelling story of what it means to work here as well as a valuable experience once you get inside the door."

But it's not enough to be a senior leader who recognizes that quality talent leads to business results. Or that leaders need to be as accountable for having great talent as they are for delivering financial results. Today's senior business leader must be as aware of the realities of the talent market as about any market in which the organization competes. It's not as simple as dictating to a staffer what needs to be done. Today's CEO must willingly position the organization at the center of the new battle for worker hearts and minds.

But it's a confusing place to be.

Organizations everywhere seek workers with unparalleled intensity and urgency. It doesn't matter how successful or challenged, driven or passive, compelling or dull an organization may be. All types are challenged to find and engage workers for routine and pivotal roles. Despite a glut of people in many fields, many types of work go underserved; despite economic challenges, many segments of workers refuse to engage.

As a generation of baby boomers begins to retire, CEOs fear where and how they will find replacements—and, on the other hand, how long these workers will stay because of personal financial needs. Executive-search consultant Janice Ellig observes, "The change in the search for talent creates an imbalance in a company and confusion, noise, and chaos in the senior suite." The CEO accustomed to the delivery of answers may begin to realize that to "get real" about the new talent marketplace may require more direct involvement.

LOOK IN THE REARVIEW MIRROR

It wasn't always like this. We remember when it was relatively easy for organizations to find and engage people. A time when all a company needed to fill its rolls was a good reputation and a reliable way to get the word out about available opportunities. A time when employee engagement was a simple matter of keeping people connected and involved. A time when a company had little need to market itself as a place to work; it simply used the brand from its retail consumer advertising.

When we entered the workforce, as part of the baby boom, the supply of potential workers so exceeded the demand that most organizations had their pick of the best people. Those of us new to the workforce happily accepted any offers we received. We knew we were lucky to find a job, and, once we found it, we followed our parents' advice to do everything we could to keep it, learn from it, and leverage our experience into another position within the organization. We found ourselves surrounded by satisfied senior workers who proudly displayed company logos in their local communities. Changing from one company to another was less frequent than it is today. The stability of associating with one organization for a significant period of a career represented growth and stability; to be labeled a "job hopper" was to risk being considered unsuccessful.

TODAY'S SENIOR BUSINESS LEADER MUST BE AS AWARE OF THE REALITIES OF THE TALENT MARKET AS ABOUT ANY MARKET IN WHICH THE ORGANIZATION COMPETES.

We knew, as baby boomers, that a company was in the driver's seat. If it had a job to fill, it advertised in the daily newspaper classifieds (a thick section on Sundays), talked on landline telephones with networks of contacts from professional associations, or staffed booths at job fairs. It waited for résumés and cover letters to arrive through the regular mail. Each day, when the mailroom delivered large stacks of responses, its staff read through the letters and résumés that eager candidates had typed on manual typewriters while searching for magic keywords from advertised posts. Eventually, the company would respond—again by regular post—to the candidates it wanted to interview and coordinated the schedules, again, through the mail or by telephone. To help candidates prepare for interviews, it might mail a copy of an annual report. The process to secure people followed the leisurely pace of business with time on its hands.

Rarely, as it looked for candidates to fill jobs, did a business consider that it might need to market itself as a place to work. If applicants had heard of the company, that might help. If the company was known for doing good things in a community, that could be a good thing. But a marketing campaign beyond a classified advertisement was unheard of. Likewise, business rarely—if ever—focused on what it took to engage workers. The paychecks that business offered were the most effective form of feedback a company could provide.

If people came to work, attendance was viewed as engagement. If business issued directives, compliant workers simply followed. By the late 1970s, as business began to discuss "corporate culture" and the emergence of "quality circles," savvy CEOs recognized the value of employee involvement. But this was much more about the value added by increased contribution. A foundation of employee engagement was taken for granted.

PREDICTABLE ENGAGEMENT

As baby boomers, we entered the workforce with the sensibilities we inherited from our parents. Their generation traditionally looked to one company as the destination for a lifetime. While we realized, as new employees, that we were unlikely to stay at the first company we worked for, we certainly wanted that first or second job to lead to a place where we could stay. We believed we would succeed if we kept the job and pleased the boss. We rarely cared about how late, hard, or long we worked.

Our generation was bred with a need for security. Most of us started to work at times of high interest rates, record inflation, and economic uncertainty. We departed for the first day of work without a cell phone, an iPod, a new car, a gym membership, an expectation of how an employer would support personal priorities, or a safety net of financial support from our parents. We were ecstatic to receive a paycheck and "fringe benefits" and willingly worked hard in return. While that defined-benefit retirement plan provided a carrot to stay at a company, we stayed as long as the job provided an opportunity

to make ends meet, develop a craft or profession, or offer advancement. We had little reason to look elsewhere. Shopping happened at stores, not the job market.

It's no wonder business could always find the supply of people to meet demand or that engagement was not a challenge. The pool of would-be workers never emptied as steady streams of boomers entered the workforce during the 1970s and '80s. Because workers were plentiful, a business could simply plan its needed headcount as part of its annual budget cycle with the well-worn belief that the right people would be found. When a business needed to fill a job, it would open a job requisition, post an advertisement, interview candidates, and make a selection, based on the demand of the moment.

THE POWER IN THE SEARCH FOR TALENT BEGAN TO SHIFT FROM THOSE WHO PROVIDE THE WORK TO THOSE WHO DO THE WORK.

Magically, the supply always came through. Business had little need to look beyond its current budget cycle to predict whether supply or demand would change. When it needed more employees, human resources would keep the trail of candidates flowing. At the same time, business could easily keep employees engaged. Workers arrived engaged. Leaders needed only to manage and connect in the most predictable ways. The job itself provided an incentive, and, between the reliable approaches to recruitment and engagement, talent issues rarely filled agendas in boardrooms. Business met its needs at the pace that business required.

It's not that these were always easy economic times. While we look back at the 1970s and '80s as periods of major challenges, finding talent was rarely one of them. When industries would suffer—such as aerospace in the '70s and oil and gas in the '80s—the talent challenge was to get rid of people, not to find more. In the dark days of the '80s energy bust, in fact, an industry lost a generation of workers jettisoned by employers. As recession spread to other industries, and many companies reduced headcount, employees began to realize they had to watch out. They could not, as their parents had, rely on institutions to provide career stability, They had to take care of themselves. Never again could they permit business to take them for granted. Many who entered the workforce with a fundamental trust of management experienced, for the first time, a sense of abandonment.

Companies, facing struggles, gave themselves more leeway in the hiring and firing of employees. The change in business needs ended a generation's expectations for career employment at a single destination. Technology and lower-cost labor replaced longstanding employer-employee relationships as business reduced headcount to respond to competitive challenges. In every industry, business began to spin new descriptions of "the deal" it offered so it could limit employee expectations. Legacy programs that once promised lifetimes of security were replaced with "opportunities" for employees to "take charge" of their careers and finances. Benefits became less proprietary and more portable, more difficult to understand and use, and less easy to value as business began to shift the burden of fundamental security to employees. As organizations became less reliable as providers of long-term employment, those fortunate enough to keep their jobs found companies more explicit about what they would (and would not) offer and expect in return.

THE BALANCE SHIFTS

It could be said that the seeds of today's talent marketplace were planted in this slowdown of the 1980s. Certainly companies learned that, with changes in demand, they might need to reduce supply despite promises they may have made. Certainly workers learned they could influence the availability of supply by how they engaged in organizations and responded to a company's leaders. The power in the search for talent began to shift from those who provide the work to those who do the work. The reluctance of business to continue to commit initiated the challenge we face today to secure and engage talent. As business challenges intensified, technology progressed, and foreign markets demanded a global view, this shift of power began to stick.

At the same time that leadership influenced a change in worker supply and demand, business began to realize that it might need new ways to secure leaders to meet new challenges. For the first time, a business seeking change in executive direction would launch a targeted external search for a specific type of leader from outside the organization. This would require a business to tell its story in a compelling way that would appeal to a specific worker segment who might qualify for such an elite position. Business learned that following a segmented approach to the talent search, rather than rely on traditional techniques of promoting from within, might yield a higher caliber of leader.

The success of this targeted search offered important lessons. When business studied markets, and marketed to targets, it could more effectively close deals with workers. When business studied target candidates, it could more effectively tailor its story. When business engaged partners in marketing, including retained search firms for executive positions, it could upgrade its promotional efforts.

Executive-search consultant Jim Citrin remembers that "in the age of specialization, all but a few great companies were forced to get so specialized that it created a thinner pool of general managers at the top." As the demand for high-profile executives increased, candidates discovered the financial benefits of latching on to executive recruiters for a career. Then business, wanting to compete for leaders, upped the marketing and selling efforts. Leaders, wanting to keep themselves visible for high-profile positions, peppered their résumés with positions at well-branded companies. Business, wanting to hire reliable leaders, let the appeal of branded résumés influence their selections.

This never-ending spiral solidified the importance of brand to both candidate and business, which ultimately spread to non-leadership roles, too. It came at a pivotal time. Workers once easy to find and engage were now less willing to simply accept what was offered. This opened up the exchange between employer and employee in the talent marketplace.

The freedom of portable employment offered relief to employers and excitement to employees. After decades of ties that bound, employers relished the ease with which they could cast away troublesome segments of workers. Call center got you down? Send them away. Tired of hiring security detail? Outsource. Looking to make back room operations more efficient? Offshore! With such flexibility, many businesses became shells of the former selves that once promised and delivered more than paychecks.

But they may not have expected workers to grab on to the freedom with so much enthusiasm.

The new talent freedom encouraged smart companies to seize opportunity. Because worker expectations were low, smart companies realized that exceeding diminished expectations might make it easier to attract and engage talent. Southwest emerged from a cluttered airline industry to become a beacon of a new phenomenon labeled "the employee experience." General Electric leveraged its remarkable offerings in learning and development into a distinctive reputation for building careers and leaders. A little-known company known as the Container Store discovered a spotlight in the talent market by focusing its hiring efforts on loyal customers. "Over time," Citrin says, "a company's reputation for handling talent became as important as or more important than any other attribute." From these early reputations emerged the first employer brands that stimulated the talent marketplace.

That excitement—slowed by the impact of corporate scandals and the September 11 attacks—continued to build until the dismal cloud of the 2008 financial crash. While the market for jobs entered a new era of productivity driven by cost-cutting, outsourcing, and offshoring, the balance of supply and demand inconsistently changed. Freedom in the labor markets brought cost reductions, while the resulting freedom of trade generated a global redeployment of talent. The balance in talent shifted as supply could no longer keep up with demand in certain fields, while others experienced a surplus. The market for people tightened in specific segments of work where fewer people were available than were needed. Business began to search for workers from new sources as a once-static market for jobs evolved into a global marketplace for talent.

RECRUIT, RETAIN, ENGAGE—AND BRAND

As we look into our crystal ball, we see how the new consumer of work—if in a type of work in high demand—will pick and choose opportunities with every retail skill at hand. The less fortunate new consumer—in a type of work in oversupply—may be stuck in one organization, or on the outside, waiting for demand to catch up. Either consumer may be challenging to engage—one because of demand, the other because of supply. And an organization's brand may make the difference.

Diane Gherson agrees. As VP of HR for IBM GBS and IBM Recruitment, she leads the global giant's daily efforts to compete for talent as it changes its business model from production to consulting. The shift places significant pressure on the brand. "As we bring an employer brand to life for a global marketplace," Gherson says, "our challenge is to balance how we position ourselves globally following our message of 'work for the world,' as we make ourselves compelling and relevant locally, in every corner of the world where we search for people." She describes a world where a company must do more than simply say, "We are here" to be noticed and to be believed.

IBM is not alone. Any organization that reaches beyond a single continent must confront—on top of the efforts to recruit, retain, and engage—the challenge to balance what it needs to say globally with what it must express locally. According to Steve Canale, manager of recruiting and staffing services at General Electric, "The biggest challenge for us is competing in a global talent marketplace. We need to be known in new regions to new workers. For example, in the Middle East we are constantly looking for talent, especially in Dubai. In addition to looking locally, we've expanded our search to surrounding Arabic countries and other countries such as Canada and the United Kingdom where there are large numbers of Arabic students that may find it interesting to start their GE careers in Dubai." The marketplace for talent is, at one moment, simultaneously global and local.

A NEW MARKETPLACE FOR TALENT HAS EMERGED, NO LONGER DEFINED BY WORK DONE IN ONE PLACE OR TALENT SUPPLIED FROM ONE SOURCE.

In our crystal ball, business must find new ways to engage consumers of work. Just like the owner of a successful store who wakes one day to a new competitor stealing customers, business must search and market. This isn't as simple as reacting to demographic changes or as clear as shifting from an industrial to a technological economy or adjusting from work done with hands to work done with minds. Suddenly the balance of supply and demand that we knew—on which business built traditional efforts to source workers—is up for grabs. A new marketplace for talent has emerged, no longer defined by work done in one place or talent supplied from one source.

This is a new marketplace with work done all over the world using people sourced from all over the world and flattened by Web-based technology. The market for jobs in which we built careers has become a marketplace for talent. Over time, for high-demand positions, it has become what Janice Ellig describes as a seller's market with "not enough talent to meet the needs. Even if a company is downsizing, or in churn companies, there is a need for the best or the brightest or need for great talent." Susan Johnson, VP of strategic talent acquisition and diversity management at Pitney Bowes, confirms the challenge: "From a supply perspective, it is getting tighter. We are trying to pull people who are already employed, but it is harder to get them out. It's a constant challenge to get people excited about different opportunities, especially in tough economic times." In our crystal ball, the challenge to recruit is exceeded only by the challenge to engage. ■