

A Complex Landscape

The world today is a complex place to do business. Markets are volatile, unpredictable and increasingly reactive to the economic conditions around them. Even those that are stable are still challenging environments in which to operate. Organisations are scrambling to redefine their business model and structure their operations to do what they can to safeguard their future. Businesses everywhere are adjusting to suit the turbulent world all around them. Agility and innovation have become business by-words.

Globalisation remains an inescapable backdrop to the boardroom agenda and colours every Executive Committee's decision making. As organisations and businesses seek to unlock new and emerging markets, adapt to the changing needs of existing markets and react to new competitor threats and regulations, the internationalisation of business is a relentless march that cannot be halted. But it can be embraced.

To survive and thrive organisations are increasingly working across borders and in new territories. While arguably there are very few truly "global" organisations, the rise of multinational corporations stems not just from traditional markets like Europe, Japan and the US, but increasingly from emerging economies such as India, Korea, Brazil and China. To take one example, Wall Street listed and Dublin headquartered management consulting firm Accenture, estimated 35% of its workforce are currently working from India. More and more organisations are operating beyond the locality of their foundation in some sort of stateless virtual world. In business it's an exciting time.

But despite the turbulence, many core factors remain. Factors that define an organisation's ability to grow, to survive and to be successful. Primary of these is the talent an organisation is able to deploy.

Be under no misconception, the much-debated war for talent has never abated. People remain the competitive differentiator for almost all businesses, and skills shortages are for many the biggest hindrance to growth. Despite rising unemployment in some regions, many organisations are still unable to find enough people with the right skill and experience to achieve their strategic

goals or business plan. According to long range forecasts from leading research organisation IBISWorld, the global HR and recruitment services industry will see a strong rebound of hiring. From 2012-16, the global HR and recruitment services industry will achieve an annual growth rate of 3.5% and hit \$610.3bn in five years.

Furthermore, as the DDI Global Leadership Forecast 2011 uncovered, not only is there a shortfall of talented executive leaders, the success rate of these leaders in role remains a concern. Not only is the dynamic business world we read so much about demanding more of our business leaders, the skills they need to be successful are changing. The stark fact is that without leaders and people able to be successful in their jobs, organisations have no chance at all of achieving their goals.

Organisations understand this is a complex situation and that global talent management programmes are a challenge to design and implement, but talent management professionals also know that the potential benefits are huge.

Global talent management: Myths, misconceptions and half-truths

Regardless of where organisations are on the continuum, our work with talent management professionals and senior leadership teams around the world to implement global and multi-regional talent strategies means we regularly come across a series of common misconceptions, myths and half-truths.

These are often the points where a well-intentioned nascent global talent management strategy can go awry. Employing the maxim "prevention is better than cure" will help deliver success more quickly and avoid unnecessary roadblocks:

- **"Ah, but we're different."** When it comes to developing rigorous people and talent processes, there is a temptation for every organisation, business unit or region to think "but we're different from every other organisation". This is partly true; there is no single, off-the-shelf approach that will meet all the requirements of a particular business. Nevertheless there are some universal

truths that remain, and organisations would do well to learn from the common assumptions and mistakes that can hold back even the best of global talent management intentions. It is impossible to enter the global talent management journey without an optimistic belief in a positive outcome. But there is little room for naivety. A healthy dose of realism in areas including scale, speed, the support required, visibility of results and local resistance from the outset will deliver the best chances of success.

- **"Global talent management will be easy."** It won't be. A typical first step is to replicate what's working well in one country in another region. This is often the most simple and straightforward approach, but can lead to a host of complex problems. It can ignore the legal, cultural demographic and technology issues we have already looked at. It is also reductive of the complexities of the business and the experience that exists outside the corporate centre. Just because everyone is on the same payroll, it doesn't mean they are moving in the same direction. Different parts of the business will have different perceived priorities, and a different understanding of the business strategy. What's more, the levels of enthusiasm by which different divisions of the business take up the global talent management gauntlet will vary enormously. The global talent management strategy needs to be flexible to encompass multiple perspectives and starting points. The challenge is not to mandate consistency, but to manage the differences within the overall global talent management framework. Success takes time, effort and commitment.
- **"Global talent management is too complicated to bother with."** Absolutely not. Some organisations may be put off taking the global talent management road because it seems like an endless, complex and thankless task. The fact is that every journey starts somewhere and the goal is achievable for any organisation's commitment to the outcome. Chances are, if your organisation is operating across borders or in different regions there will be some pull toward globalisation of the

organisation's talent anyway. Some, perhaps informal, activities will already be happening and already achieving good results. These areas of good practice at a local and regional level are the ones to build on. Knowing where to begin is often a challenge, and starting with simpler initiatives is no bad thing. And there is another factor at play. As we look at business today, the march towards increasing globalisation is inevitable. Increasingly global businesses need to be supported by an increasingly global talent strategy.

- **“We can get this done quickly.”** No, you can't. All the benefits that could possibly be achieved in a joined-up and truly global talent management strategy simply won't happen overnight. It takes time, first to identify where the organisation as a whole is now, then to design and implement a sensible number of new innovations and talent initiatives and, finally, to see the fruits of this labour. You will likely require people to change what they do and how they work – never an easy ask. Typically this roll out will be measured in years, not months. So how long before organisations can measure real success? It might be heartening to know it won't take a decade to see change; we typically look at a three to five year horizon to see significant strategic business benefit. However, this does not mean that there will not be some quick wins and more immediate benefits that can be achieved early in the process. Even the act of taking a step back and considering the talent of the global business as a whole will likely reveal some easily fixed problems and gaps.
- **“Talent can be easily moved across the globe and into different markets.”** This can be true, but more commonly it's a stumbling block both on an organisational and individual level. Despite a vocal willingness on the part of the individual or executive to relocate in principle, when it comes down to it the reality may be different. Personal factors always come into play, even if the individual has had a supportive training programme to help prepare them for the new role elsewhere. What if they have just moved house, or settled into a new relationship? This underlines the importance of having a pool of possible candidates for each new role or position; relying on one person will not be enough. Secondly, what makes

an individual a success in one market will not necessarily translate easily to another; a change of context can make all the difference in the world. A robust global talent management strategy will identify those who are not just willing, but will also assess how well their skills, readiness and experience fit into a new role elsewhere.

- **“Distance is just kilometres, and we're all virtual now anyway.”** If the company is structured around a single corporate centre, it is often further away from other parts of the organisation than can be measured in mere kilometres. What do we mean by this? In terms of information flow, communication, understanding of practical and cultural barriers and available support there is often an enormous gulf. Often those at the corporate centre assume that because something happens there, it should cascade out to every part of the business and be successful. This is naïve in the extreme. Even if the mandated programme does transpire – there will be vast variance in how it is received and implemented around the world. Organisational culture can vary widely within the same business, and senior executives can be guilty, to a surprisingly high degree, of corporate blindness to parts of the business. If the objective is for a successful programme, a much more effective approach is to develop initiatives and tools in conjunction with representatives from the parts of the organisation that will implement them. This maximises relevance, value, understanding and buy-in. Somewhat comfortingly, despite the wonders of modern communications technology, the only way to really understand a different part of the business located in a different country, together with all and the issues at play, is to spend a significant amount of time on the ground there. There is no substitute for the talent management professional charged with creating and implementing a global programme.
- **“Strategy and culture live in isolation.”** They do not, and if there is conflict, culture will win every time. Even with the strongest business case and a well thought-out and practical talent programme designed to grow the business, the strategy won't be realised if it runs contrary to the culture of the organisation. If the senior team at Google suddenly decided the

organisation needed to be risk and innovation-averse, it just wouldn't happen. If a century-old Chinese state-owned enterprise suddenly decided to have its leaders in their twenties lead a group of senior executives in restructuring the organisation, it likewise probably wouldn't happen. The talent management team need to understand the organisation they are working within, and design initiatives in line with organisational culture – even if the organisation is on a journey towards a different type of cultural environment! In some cases, the reality is that successful implementation of a global talent management strategy might require a shift in organisational mind-set and culture.

- **“So everything must start away from the HQ.”** Also not true. While involvement and participation of teams and divisions in other geographies and markets is absolutely crucial to a global talent management process – especially when it comes to developing some of the tools, processes and initiatives that will be used in the field – that does not mean that the centre is not the logical place to start. It has a key role in understanding the local talent situation, translating business strategy into talent strategy and defining the processes, tools and systems that the organisation will have access to. But the centre's role has to be informed by the global locations. For example, not all the knowledge and experience to put together consistent success profiles will emanate from the corporate HQ, but it is the natural place to bring people together from other parts of the business to explore what defines success in that location. In the end an integrated global talent management programme will balance consistency and difference around the world.
- **“This is a job for HR, and not the Executive Committee.”** Half-truth. Successful talent management, like many other parts of the HR function is most fruitful when it is an embedded part of the business and with tangible connections to delivering the business plan. Thus performance management must be perceived by the whole organisation as a business process, not an HR one. The Executive Committee must be able to understand and actively support the role of the talent management department in linking its work to the delivery of the business

goals. Beyond that, it's the role of the managers and team leaders in the wider business to deliver the talent strategy and without clear understanding of the benefits to be gained, the process will not receive the necessary buy-in. At the same time the HR and talent departments need to provide the systems, create the communications, give the business access to the necessary tools, equip leaders with the right skills, and report on the results. It's a bit like saying the finance department is responsible for organisational profitability. It's not, but it has a huge role to play.

- **“Content is more important than implementation.”** When things go wrong the tendency is to blame the process or the content. Great content designed for leadership development initiatives or assessment programmes should not be mistaken for a good overall strategy. There may be many great elements in the programme, but these are wasted if no one is able (or wants) to use them. Implementation and content go hand in hand, but for a successful programme the balance of effort should be on implementation rather than content. Good great content and excellent tools should be a given.
- **“We have a process – that means we have a strategy.”** No, it doesn't. Many valuable individual initiatives and processes are fine, but unless they tie into an overall strategy, which has defined and measured goals and helps the business achieve its aims, activities are likely to be sub-optimised or potentially even wasted. Processes are informed by the strategy not vice-versa. Organisations should be asking themselves whether their processes and systems need to change when the business strategy does. For example, an organisation's talent pool often stays the same in make-up, size and process, despite the succession needs of the business radically altering.



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