

Global Workforce Trends: “How to ensure your HR strategy is based on substance not hype”

Ci Virtual Roundtable – Thursday 19th August, 2010

The objective of the roundtable was to explore how organisations are identifying global workforce trends and using them to inform their HR strategy.

Part 1: INSIGHT

Workforce trends identified by participants included:

- the expectations of a growing middle class in emerging markets, both as customers and as potential employees
- movement of work from one part of the world to another, e.g. mining from South Africa to South America
- the impact of demographic changes e.g. Baby Boomer retirement
- growth in emerging markets, and high demand for small supply e.g. China, for particular types of skill
- education in emerging markets not aligned with corporate needs
- the long-term effect of educational trends e.g. decreasing number of graduates in science and mathematics
- the impact of the recession e.g. reduction in new hires, focus on growing talent internally

UK Horizon-Scanning Centre definition

*You are standing on the bridge of a ship, scanning the horizon (**horizon scanning**) and see an iceberg and your supply ship. You work out the likely speeds and directions of the iceberg and supply ship (**trend analysis**), put the information into the ship's computer (**modelling**), then plot a course (**roadmapping**) to meet with the supply ship, not the iceberg.*

*While you are doing this you dream of eating some nice chocolate that you hope is on the supply ship (**visioning**).*

*You realise that the speeds and directions of the iceberg and supply ship might change, so you work out a range of possible options to make sure you have the greatest chance of meeting the supply ship (**scenarios**).*

*Even with all of this planning, you know there is a chance of hitting the iceberg so you get the crew to do an evacuation drill (**gaming**).*

*While they are doing it, you work back from the most likely future position of the supply ship to work out the steps you need to get there (**backcasting**).*

Challenges for participants included:

- Getting the ‘employee value proposition’ right to attract and retain people in a competitive market
- Approach to talent management – are active approaches worth doing?
- The availability of information to potential employees who become ‘savvy buyers’ when job-seeking
- Putting in place sufficiently agile planning processes, and ensuring alignment with business strategy

Part 2: INNOVATION

How do organisations identify and validate workforce trends? Participants identified a number of sources of intelligence, which included:

McKinsey's quarterly bulletins
Regular benchmarking e.g. recruitment profiles, salary data
Data providers e.g. Randstad or local providers, with connections to local recruitment services
Professional societies
In Asia, the Asia HR Executive Board

Participants acknowledged that sources of data in emerging markets were not of as good quality as in developed countries, and this poses a challenge. Much information is anecdotal, and will need to be derived from different sources. Relationships and networking are crucial to ensure that the ‘dots are joined’ to provide useful data.

Provocateur, Peter Nolan (Professor of Industrial Relations at the University of Leeds, UK), challenged participants to consider the time horizon for planning. He emphasised the long-term nature of some trends, for instance in the UK, a growth in managerial skills fuelled by government investment in health and education over the last 15 years. Organisations need to shape the talent pool where they see a long-term need for skills, through influencing government policy and educational provision. Participant examples included development of relationships with universities in China to ensure a supply of R&D skills in future, engagement with US government committees.

Peter’s work on census data shows a dramatic fall in certain skills over the last 50 years and the migration of manual labour from manufacturing to the service sector. There is a need for organisations to plan for ‘intermediate’ (non-graduate) skills, for instance using apprenticeship schemes, or perhaps moving work to where the skills are found, and by working closely with the business to identify needs.

Part 3: IMPACT

Key learning points for participants included:

- Need to differentiate between short and long-term planning; interpreting trends is difficult
- Emerging markets pose a challenge to a number of organisations – there may be opportunities to collaborate to grow talent pools
- When considering workforce trends, integration across different areas of the business is critical to avoid a ‘collaboration deficit’ within organisations
- Influencing schools and universities is important