



An employer's nightmare

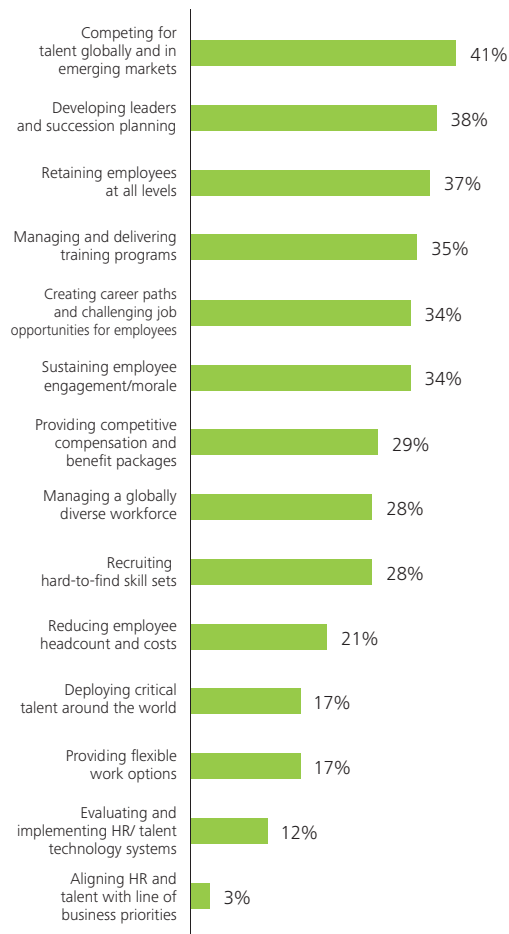
Finding the right talent

“Our people are our greatest asset” has become a cliché that executives have been keen to repeat to anyone willing to listen, but much has changed since the latest financial crisis with business leaders having to rethink their talent strategies.

Talent edge 2020, a study by Deloitte and Forbes insight (December 2010), reveals that the most significant challenge to driving future growth for companies competing in the global marketplace post-recession is hiring the right talent in the right place at the right time. In the context of the study, 334 business leaders and human resource executives at large businesses in the Americas, Asia Pacific, Europe, the Middle East and

Africa were questioned on their changing talent priorities and strategies. Of those surveyed, 41% identified 'competing for talent globally' as the most pressing talent issue while 38% listed 'leadership development and succession planning' as their most critical human resource (HR) challenge. 'Retaining employees' was seen as the topmost challenge for 37% of respondents.

What are your organizations' most pressing talent concerns today?



Source: Deloitte, *Talent Edge 2020: Blueprints for the new normal*

Hot spots in the Middle East

Prior to the recession, strong economic performance had shone the light on the Middle East, identifying it as one of the markets of the future. Now, post-recession, the talent challenge is back on the table. Despite strong economic performance, the resource pool in the Arab nations is challenged. The alarming rates of unemployment, at around 11%, have not generated the talent surplus expected. Reliance on expatriate labour is still heavy despite many expatriates returning home after losing their jobs. Nationalization programs are proving challenging to implement in the Gulf countries. Statistics from Gulf Cooperation Council countries from 2009 (Fleming Gulf conference) mention that only 12% of employees in the United Arab Emirates are in fact Emirati Nationals. Similarly, 17% of employees in Qatar are Qatari Nationals, 18% are Kuwaitis in Kuwait, 28% Saudi in Saudi Arabia, 45% Bahrainis in Bahrain and the most successful, the Sultanate of Oman, where 46% of the workforce is Omani. The youth unemployment rate stood as high as 21.4% at the start of the crisis and female participation remains at only one third that of men despite more participation in the labour force over the years.

With the accelerated growth of Middle Eastern economies post-recession, the war for talent rages again as many GCC countries continue to diversify their oil and gas economies. Companies are looking at hiring as of one of their key drivers for growth and are once again struggling not only to find the skilled workers for their critical positions, but also to retain them.

Clear talent imperatives: changing strategies

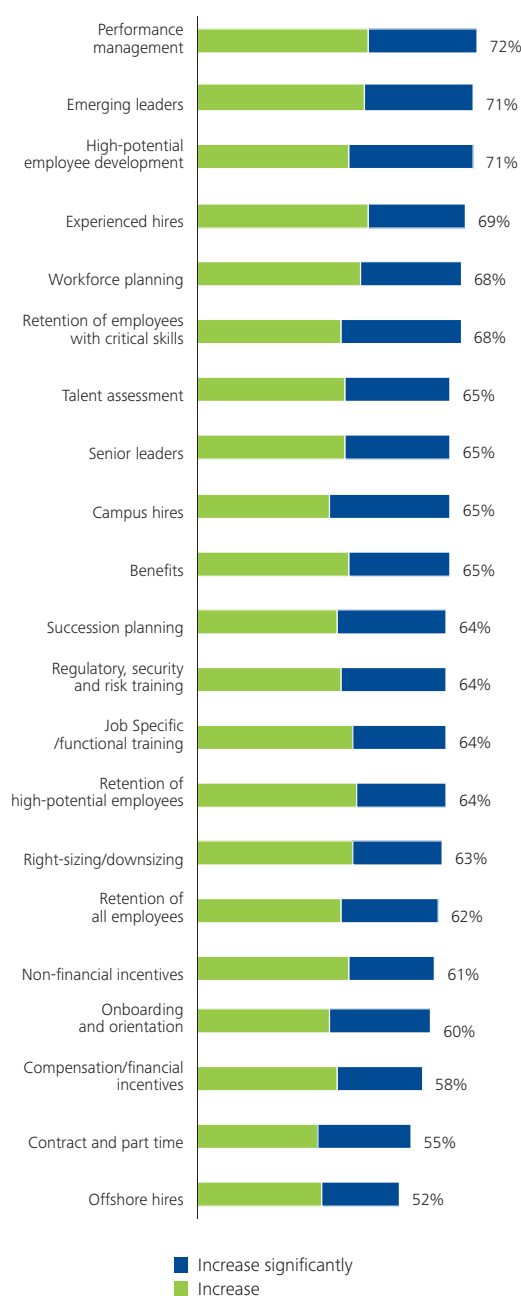
As companies in the Middle East compete, more than ever, for global talent, there is more of a need for a comprehensive strategy that works. It does not have to be complex but should have a holistic approach for the business to successfully and confidently align its most important objectives. Recognising that people create the differentiating factor, executives would need to take today their talent strategy to a new level.

1. Developing a leadership pipeline

Succession planning is a talent imperative as the global workforce continues to age, or as may be the case in the Middle East, as existing family firms pass on the helm to the younger generation. In either case, a variety of tactics should be deployed by leadership and talent managers to fill the leadership pipeline.

- **Identify high potentials:** people who are not just good in their current role but with true future potential, with emphasis on the organization’s business drivers and future priorities.
- **Designate talent openly** as it will improve their retention and morale.
- **Groom future business leaders** by increasing focus on their development and enrolment in accelerated leadership programs.
- **Leverage the use of workforce planning tools** such as performance management to diagnose, coach and inspire performance for results.
- **Fast-track high performers to promotion.** Differential pay such as hefty compensation packages, commission or varied bonus structure is no longer the solution. Many employees leave for new opportunities and challenges rather than better compensation packages.

How are executives zeroing in on the right talent to train and develop future leaders?



Source: Deloitte, *Talent Edge 2020: Blueprints for the new normal*



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2. Deploying people to new locations and offering them new roles

In the current talent landscape, talent managers are pressured to identify and get new people in new jobs at new locations. Looking ahead, companies should predict where their talent strategies are headed at least in the coming year or two, taking into consideration new market trends.

- Ramp up social media programs by capitalizing on the new platforms such as Facebook, LinkedIn, Twitter and YouTube to connect with and deploy a global talent workforce. Of the executives surveyed in the Talent edge study, roughly one quarter (28%) plan to significantly increase their focus on social media over the next 12 months. However, some industries outpace others: nearly four in ten (39%) surveyed Financial Services companies reported that they will “significantly increase” their focus on social media, along with 37% of Life Sciences/Health Care firms and 33% of Technology/Media/ Telecom companies. However, only 20% of surveyed Consumer/Industrial Products and 21% of surveyed Energy/Utilities companies plan to do the same.

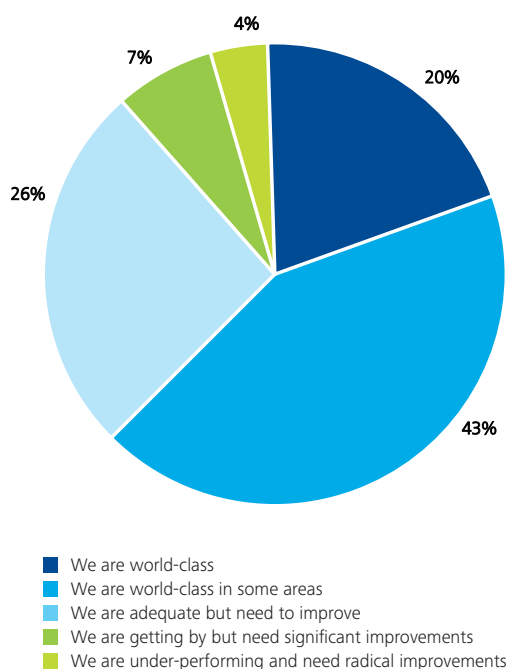
- Find ways to improve mobility programs in the context of international firms by balancing strategic concerns with cost effectiveness and tax and regulatory compliance.

3. Raising the bar in crucial talent areas

Post-recession, many companies are tempted to return to their talent strategies prior to the downturn, which has not left Middle Eastern countries untouched. To succeed in a globally changing market companies would need to review and reassess their efforts in key areas.

- **Adopt a tactical approach to talent** by aligning it with the business objectives.
- **Measure success** by putting in place clear metrics and key performance indicators (KPIs) across most talent categories.
- **Implement and integrate talent technology** with talent strategy to continually source, market and engage a pipeline of high-quality talent while measuring success.
- **Bridge generational gaps** by creating positive relationships through awareness, understanding and acceptance.
- **Focus on global workforce and diversity** by creating an inclusive workplace.
- **Develop a specific employer value proposition** with associations and values unique to the company to differentiate it from the competition.
- **Invest in talent** by putting heavy emphasis on learning and delivering training programs.
- **Connect with employees** by leveraging communication channels to keep them aware of the company’s strategy and key developments.

How would you assess your overall talent management program?



Source: Deloitte, *Talent Edge 2020: Blueprints for the new normal*

4. Understanding retention

With increasing mobility in today's workforce, the retention issue is a problem that is here to stay, especially that Generation Y is more demanding of experience and diversity than its predecessors. To tackle this issue successfully, employers will have to become significantly more creative.

- **Focus less specifically on "retention strategy"** but more generally on developing the environment and culture that is so captivating and engaging that talented people will have very little enticement to leave.
- **Modify the operating mode** so that more flexible working relationships allow both the individual and the business to develop.
- **Work more creatively** with diversity.
- **Connect with Alumni** and build the business' reputation as an exporter of talent.

On a final note

Although fears about talent shortages eased at the start of the global recession, organisations are now once again taking a hard look at their long-term talent pipeline. To succeed, these organization need to have sharper focus on leadership development and succession planning while creating the appropriate work experience to retain and engage the right people. With cost pressures encouraging cutbacks in rewards, organisations need to understand the value proposition for their key talent segments keeping in mind that not all talent strategies and their execution are equal. As uprisings in the Arab countries testify, the youth of the future are a vociferous force that companies will also have to account for in planning and strategy.

by **Rym El Zein Dimashkieh**, senior manager, Human Resources, Deloitte, Middle East

Endnotes

- 1 Talent Edge 2020: Blueprints for the new normal