

South African companies acknowledge challenges in the 21st Century HR environment, but many admit they are not ready to tackle problems, says Deloitte.

Johannesburg, June 2014 - An analysis of leading South African businesses undertaken by Deloitte as part of their annual comprehensive 2014 Global Human Capital Trends survey has found that business concerns regarding HR challenges in 2014 are universal. Many, like their international counterparts, also admit that they are uncertain of how to tackle the challenges.

The South African section of the survey attracted 266 respondents across a broad range of business and industry.

“Globally, 12 critical human capital trends extending across three areas came sharply into focus,” says Werner Nieuwoudt, Deloitte Human Capital Leader.

Globally the trends are categorised according to three main themes, namely; ‘lead and develop’ and ‘attract and engage’ and ‘transform and reinvent’

Respondents from South Africa rated the importance and urgency of the same 12 trends as their global counterparts, the South African results echo the global and the EMEA results with Leadership, and Retention and Engagement standing out as the two most urgent and important trends across all these regions. The urgency and importance of the remaining trends for South Africa differed from the global results.

The Top five trends for South Africa in terms of the importance index are

- ***Leadership was identified as the top most important trend for South Africa with an importance index of 77% and a readiness index of 40%***
- ***Retention and Engagement is the second most important trend for South Africa with an importance index of 71 % and a readiness index of 43%***
- ***Moving from diversity to inclusion was identified as the third most important trend for South Africa with the importance index of 70% and a readiness index of 45%***
- ***The quest for Workforce Capability is the fourth most important trend for South Africa with the importance index of 70% and a readiness index of 47%***
- ***Talent Acquisition and Access (Recruitment) is the fifth most important trend for South Africa with the importance index of 69% and a readiness index of 35%***

“Leadership in the 21st century is substantially different to that of the 20th century. New challenges include drawing multiple generations into leadership to fill gaps, globalisation,

the need for innovation and adapting to changing technologies and disciplines. Allied to this is a requirement for younger leaders to be brought online faster and for senior leaders to be kept relevant and engaged for longer than was previously the case,” says Nieuwoudt.

Companies can begin tackling challenges arising by engaging top executives to develop leadership strategies and govern leadership development. Additional actions could include aligning and refreshing leadership strategies to meet evolving business goals.

“When it comes to retention, employees of the 21st century wish to work for companies that continually invest in developing their skills so that they can stay relevant in an ever-changing workforce. They also want balance, passion and purpose in their jobs.”

“Like their international counterparts they are likely to move if they perceive performance management to be old-fashioned, believe that there is a lack of mobility for talented individuals and think that mid-management is weak. Employers addressing this issue should therefore see that work is meaningful and development is part of the job while they develop proactive retention models,” says Nieuwoudt.

Moving from diversity to inclusivity requires that all employees are inspired to perform at their highest levels. Consideration must also be given to regarding diversity in thinking as a business imperative. Diversity and inclusion must be embedded in leadership pipelines and programmes and gap analysis conducted on talent systems and processes amongst other measures.

“Workforce capability is a complex question in which continuous disruptions of the global economy obscure the issues of finding, accessing and developing staff whilst also bringing work to them. The depth of the challenge facing South Africa lies in the fact that 67% of respondents regarded it as the top most challenge that they face within their organisations in the next 12- 18 months,” says Nieuwoudt.

When it comes to talent acquisition and recruiting, companies today are competing on a battlefield that is shaped by global networks, social media, and employment brands and changing views of careers.

Of those interviewed, 62% said that they had, or were in the process of, updating their talent sourcing strategy.

“Talent recruitment in 2014 must be treated like marketing and companies must prepare to become innovative. New avenues for recruitment are constantly arising and these should be located and used. Using available data can deepen talent networks and ensure that an active candidate bench can be maintained,” says Werner Nieuwoudt, human capital leader for South Africa.

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