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CORPORATE RESTLESSNESS:
EVOLVING BUSINESSES AND
THE PERPETUAL TALENT
CHALLENGE

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INTRODUCTION

In a professional environment where business models, technologies, attitudes, trends and markets are always shifting, a state of constant corporate evolution has become the norm. As the pace of business increases relentlessly, there's a clear need for corporate leadership teams to ensure they have the strategies to remain flexible.

Under such challenging circumstances, organisations' abilities to effectively manage and deploy talent is of paramount importance. It is in this context that the talent function is being asked to answer increasingly sophisticated questions; questions whose answers will impact upon their organisations' commercial viability and have a far wider impact than was previously the case.

So, what is driving this change in the way business is done, and how can your business and its talent functions respond and cope with such a dramatic increase in demand for agile, flexible solutions?

For a talent function to be successful, companies must understand the strategic direction of the organisation, the talent plan required to satisfy this strategy and the challenges which may derail execution. To do this, companies need to find new and agile ways of approaching the talent environment. Most importantly, they need creative strategies to attract, hire, engage, retain and develop their employees in this new and chaotic world.

In a business landscape of perpetual change and unpredictable futures, there's a pressing need to create an agile talent framework.

LONG TERM STRATEGY VS ACTION NOW

Corporate leaders are becoming aware that a rigid 3 to 4-year strategy time horizon may undermine the organisation's ability to respond to the need for fast-paced change.

If leaders ignore technological innovation, business will suffer. But, equally, accepting that technological disruption will eventually benefit shareholders, strategies could be placed in to stasis as the corporate future is reimagined. It's therefore clear that having a long-term strategic vision in a period defined by continual and unpredictable change is no longer appropriate.



However, having a corporate vision which simply states "subject to the winds of change" does not inspire market confidence. So how do business leaders provide investors with certainty, and employees with a strategic vision that, despite being subject to change, is motivating?

The most progressive organisations are answering this question by clearly communicating corporate strategy from the top-down, whilst incentivising employees to innovate and drive change from the bottom-up as a federated and empowered workforce.

Corporate Restlessness: Evolving Businesses and the Perpetual Talent Challenge

Change from the traditional top-down style of corporate management is dramatic, although its benefits are clear. In a Tesla-wide memo, Elon Musk said, *"Instead of a problem getting solved quickly, where a person in one department talks to a person in another department and makes the right thing happen, people are forced to talk to their manager who talks to their manager who talks to the manager in the other department who talks to someone on his team. Then the information has to flow back the other way again. This is incredibly dumb. Any manager who allows this to happen, let alone encourages it, will soon find themselves working at another company."*

However, one of the key issues associated with such a bottom-up, corporate model is that coherent communication from leadership is often lost and the tail begins to wag the dog. So, in response to this agile problem-solving approach, the role of "leader" must, therefore, also change from one of "knowing best" to someone who stipulates strategy, clarifies reasoning and mobilises change.



Crucial to this is the trust and empowerment given to the workforce. This change in corporate attitude from leadership to partnership is fast becoming one of the key characteristics determining an organisation's ability to successfully navigate change. This style of corporate governance not only signals an innovative organisation who can embrace change if appropriate, it also acts as an effective talent attraction and retention tool. As Mr Musk states:

"Anyone at Tesla can and should email/talk to anyone else according to what they think is the fastest way to solve a problem for the benefit of the whole company."

For most organisations, this approach to problem solving requires a departure from the operational and cultural norms associated with their business as it necessitates a huge rethink of their organisational design and talent strategy. In an agile and progressive environment, the role of corporate strategist therefore becomes one of:

- Setting corporate goals, objectives and associated metrics
- Understanding and reviewing the impact of potential change on the focus/strategic direction of the organisation
- Shaping future talent strategy accordingly

TALENT AS A STRATEGIC FUNCTION

The role of the talent function is no longer limited to a tactical necessity reacting to the demands of the business in a predictable environment. As a firm's ability to adapt to unexpected market opportunity becomes increasingly important, the primary function of talent management and HR teams is to deploy and redeploy internal and external talent where it is of most value.

To understand and realise this "value", talent functions must be a key part of the business planning process.

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This transition from HR as a support function to a core strategic necessity is well under way within progressive, talent-orientated organisations. It comes as no surprise then, that effective talent management is now being viewed as one of the key areas where competitive advantage can be gained when industrial shifts take place. Understanding corporate/technological innovation and its impact on talent's supply and demand therefore becomes critical in any successful response to an ever-changing business environment.

Broadly speaking, there are 4 key areas relevant to this discussion that change an organisation's appetite for talent:

- Technological innovation
- Simplifying TOM
- Push for innovation
- The introduction of new products

In a similar fashion, there are 4 key areas impacting the supply of talent to an employer:

- Skills shortages in "new" capabilities
- Push for diverse and inclusive talent pools
- Advent of Millennials/increasing trend of entrepreneurship
- Ineffective/inappropriate hiring processes



For a talent function to operate effectively, there needs to be both an understanding of what the current requirements of the business look like (talent acquisition "now", onboarding and engagement) and a strategic appreciation and planning of what is to come. This may include diversity initiatives, workforce planning, future talent engagement and sourcing strategies, attrition and retention methodologies, competitor insight and employee lifetime value and wellness.

Talent functions must also make the strategic decision as to whether they continue recruiting skillsets which satisfy current business requirements, or if they look for talent with the cognitive dexterity and problem-solving capability required to satisfy the demands of unpredictable future challenges.

CONCLUSION

Talent leaders must prepare their workforces to evolve rapidly in unpredictable environments.

Pre-2008, organisations could create talent plans based on a small number of likely scenarios directly extrapolated from their current position. In such an environment, creating mid-term training, hiring and development plans was relatively straightforward.

However, in today's world, more emphasis must be placed on an organisation's ability to effectively adapt its culture and talent to an unpredictable and ever-changing market environment.

Since 1993, Sheffield Haworth has provided clients with access to the very best senior executive talent in the world. We employ a consultative approach to understanding and solving each client's unique talent needs; providing clients with exclusive market data and talent insight to inform their business decisions.

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Sheffield Haworth's Talent Advisory practice provides clients with strategic talent solutions that range from the provision of proactively managed and fully integrated succession planning mandates, to bespoke talent intelligence projects and diversity studies.