



GLOBAL SOURCING & TRYST WITH GROWTH

SERIES VII: TALENT ISSUES – LEADERSHIP VACCUM?

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IS TALENT A SEVERE CRUNCH?

If there is any topic that evokes countless emotions amongst employers, governments and entrepreneurs anywhere today, it is about talent. Availability, scarcity, unemployability are synonymous with the concerns expressed. The constant argument one comes across is that businesses need to be more agile, flexible and cost-conscious as they navigate the uncertain waters of globalization, changing customer preferences, and increasing technology obsolescence, that tends to dent bottom-lines, while increasing challenges with decision-making. Value and margin compressions are most often cited as the reasons for companies struggling to remain ahead of competition, or even remain sufficiently afloat to make any discernible difference. Influx of organizations from other parts of the world that are entering into new markets, or rising preferences amongst the younger generation that seem to a fatuitous increase in their demands for greater pay and flexibility, divested from the core business of money-making, are some reasons cited as the reason why organizations continue to grapple with talent crunch. As stated in a 2013 Talent Shortage Survey undertaken by Manpower group, quote *“it is becoming clear that in the Human Age, securing access to the increasingly finite pool of individuals with in-demand skill sets will be fundamental to business success”* unquote. This is a vexing question indeed. Misplaced priorities? Incorrect assumptions? Wrong emphasis? Inordinate expectations? All these are the questions that come to mind whenever I come across such motherhood statements as made by Manpower. Let’s address some of these questions.



THE FOUNDATIONAL PREMISE

The first decade of this millennium has been witness to two very distinct, yet inter-related developments that have upturned the way we look at the industrial world. These developments have gone on to question the very fundamental assumptions corporations have always made in pursuing growth, markets and customers – that of continuity and diversification. These two developments, namely (a) opening of new markets thanks to globalization, and (b) ubiquitous access to the internet thereby opening up a brand-new virtual world for services and solutions have fundamentally incorporated a borderless environment for conduct of business. In that sense, the glory and greatness of such faculties isn't the forte of each and every business entity. Consequently one has been witness to an upturning of traditional leaders alongside emergence of new businesses that weren't contemplated before. It is quite clear for everyone that the fundamental pedestal on which these businesses continued to operate – let's call it the “traditional hierarchical command-and-control (TCC)” structure – didn't see too many changes, apart from incorporation of “competent external organizations” that could compliment the conduct of business within the aegis of the TCC model – outsourcing vendors, shared service entities, hands-off partners, and in some cases equity-linked partnerships.

The advent of external collaborative partnerships, bundling together their own variegated competencies to produce products/ services resulted in the broadening of the quest for a variety of hard skills, some generic while others specialist. Demand for new skills didn't diminish the importance of the old. They just become more important in the pecking order to which growth aspirations were pinned upon. The sequential shift in emphasis on these hard skills continues today¹. Of course, management skills continued to remain important, but had to face increasing disgruntlement from within organizations because of the inherent inability of such skills to incorporate market-specific nuances².

¹ From a standpoint of sequencing, the early 70s saw the emergence and rising importance of Engineering as core skills necessary in any organization; complimented immediately in the 80s and 90s by a surge in IT skills (hardware, programming, networks, thin-client computing et al); succeeded by e-Commerce and web skills; followed at the beginning of the millennium by Mobility, Social Media, Cloud computing and now Big Data skills. Alongside all these skills, the traditional management layer continued to demand its own set of “managerial” skills – from analytical, communication, business writing, to project management, governance, multi-vendor management, forecasting, financial management and other skills. The sequencing of “hard technical skills” almost always contained the premise that the current skill in demand was the only one necessary, while the skill immediately previous to it in the sequencing order was unnecessary or increasingly unimportant/ irrelevant. Rehashing of the management skills became perhaps the most crucial job of academics and consultants worldwide who had to contend with the big question – how do we best incorporate these sequential skills (read currently popular) into traditional management competencies without structurally changing the organization's fundamentals?

² These market-specific nuances have today become more important than the core management skills themselves. For example, many aspects pertinent to specific markets – culture, business environment, ecological / demographic/ geographical/ environmental/ regulatory/ compliance – became crucial new additions to traditional management skills. The underlying threat of obsolescence or demise (if not understood) was sufficient enough for managements to

The foundational premise that hard-skills were all that were necessary to push an organization forward into competitive markets/ environments became a lasting mantra since almost everyone in the private sector worldwide spoke the same language. This is the context within which the observation by Manpower becomes quite poignant. Assuming they were right, the question then is about “access to a finite pool of individuals with in-demand skill sets”. What does this mean for businesses, and governments?

To me, this statement clearly articulates the fact that businesses can thrive if and only if they are the first at getting to a set of individuals whose skills are proven, in demand and necessary for growth. The converse is that people without “in-demand” skills readily proven, are automatically eliminated from the context of contenders, hence the finiteness of the pool. The deliberations – emotional and passionate – around lack of talent are deafening at times, having reached a crescendo. The blame game continues. Meanwhile, governments are flipping head-over-heels trying to address such talent shortages as being portrayed by their local industries.

Is this what our glory world of modernity has gotten us to? While everyone is aware that these are only short-term fixes, any fix is better than none at all (as the belief goes). In doing so, industry seems to be forgetting that it is not the government’s responsibility to train people in skills that have (a) short utility shelf-life (since they are in-demand, not timeless), and (b) variegated as each organization has need for some skills that others may not find the need for (such specificity is best left to the organizations themselves). However much to my chagrin, governments are being pushed by their industries to take the role of developing such in-demand skills (taking away the focus of governments to do what they are expected to do best – govern)³. Where is the end to this? We are speaking about millions of skills that have (a) distinct shelf-lives, therefore requiring continuous morphing into other skills and, (b) utility patterns distinct across companies, thereby making them at times resolutely crucial for some, and irrelevant for others. So is this still a problem with skills? I think not.

CHANGING THE EMPHASIS

We need to take a fundamentally distinct approach, question the very premise on which the pursuit of organizational and business growth is centered upon. There are many aspects that contribute to these factors, but

vigorously incorporate such practices into their management pursuits. I believe this pursuit has come to a point where management fundamentals have been pushed to the backburner so much so that they are quite difficult to extricate. These seemingly disparate, discreet, yet important market-specific aspects have significantly diminished the importance, and contribution of structured management skills necessary to run efficient and effective organizations.

³ An average service provider offering a single service line across a function (say HR, or F&A) has to contend with as many as 50-60 different skills to run an effective business. Extrapolating this logic to encompass a variety of companies across multiple sectors, all contributing to various components within a larger industry sector, is akin to looking at millions of skills that is never the forte of governments to address or satisfy at any given point in time.

the ones influencing talent – or lack of it – are internal, not external to any organization. I provide some insights into what I think should be undertaken if one aspires to create a sustained competitive organization.

Demolition of Hierarchies – It is quite interesting to note that Google as an organization is not structured around the traditional hierarchy as we know it. Neither are its divisions / functions structured to reflect other organizations where functional accountabilities are siloed out from other cross-functional aspects, with yet other divisions governing some of them. The borderless, objective-driven organization of the future is the only organization that will be able to withstand the vagaries of business, markets, and customers while smoothly contending with new fads, or practices that would come to be. Of course many will argue that they have flattened their organizational structures and are more agile as a consequence. I strongly believe that agility doesn't come with greater responsibility rather it comes with greater understanding of the outcomes being pursued.

Inverse Leadership – For many, leadership has reams of definitions, practices, behavioral patterns, and codes of conduct. I would urge that all these factors are just hygiene factors (not differentiators as many leadership coaches would have you believe). What will define leadership practices for a sustained value-aligned organization is not the smarts of its leaders, but the fact that all together lead and manage to outcomes. This would require a fundamental shift in thinking around accountabilities, skills, understanding of market factors, importance of outcomes being pursued in a utility context, and the value of such pursuits. Traditional leadership lessons have failed almost the entire planet, more so in the past decade than at any other point in the modern history of industrialization.

Structural Changes to Ecosystems – I have always maintained that there is only one Silicon Valley. There will perhaps be no other one to contend – at least not in my lifetime. I think the ability to create an ecosystem that permits ideas to thrive is one thing – there are many such ecosystems globally. But there is still only one ecosystem that nurtures ideation, through to productization and value-creation where our fundamental ways of life have changed (for the better worldwide). Governments and private sector need to appreciate the details enough and create such ecosystems. While doing so it is crucial that they don't continue to make the same mistakes – principally of assuming that such ecosystems are created in a jiffy by putting some policy levers and incentives. A structural, systemic and foundational change has to happen – with education systems (not content, but context), delivery mechanisms (applicability-led), collaborative platforms (industry-academia), risk takers (capital markets, moneymen), utility-identification (needs based).

Eliminating Clerks for Empire – The past century has seen education systems remain static almost everywhere on the planet, in part because of the traditional “teach-to-learn” methods adopted, and in part because of the “slave-master” mindset being created (on account of some skills positioned as subservient to others). The resultant is around for all of us to see. For the past five decades much of the democratic world has generated clerks for an empire that no longer exists, with each clerk gaining some discrete skills and hoping to deploy them gainfully (in exchange for income and lifestyle) for the rest of his/ her productive career spanning perhaps three or

four decades. In such instances the obsolescence of knowledge and diminishing shelf-life with skills is considered both an aberration, or a temporary market discord that governments are expected to smoothen out. Unless we undertake a merciless review of the manner in which we are creating and disseminating knowledge; unless we are taking accountability for the utility-alignment between individuals and knowledge, we are heading toward a precipice. There's no more room for platitudes that could manifest as blame-statements about culture, race, education systems, or government apathy. It is crucial for all to appreciate that the current generation and the next one will continue to utilize their capacities in more ways than we could've imagined, hence it is time we changed the premise of structures – ecosystems, education, business, governance – to suit such capacities, instead of trying to retrofit them into an obsolete way of life, or worst, assume it is their fault for lack of our growth.

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Bobby is one of the top 25 most powerful leaders in the global sourcing space, and the [founding] **Chairman & CEO** of **Matryzel Consulting Inc**, one of the **World's Best Outsourcing Advisors** which focuses on strategy consulting, sourcing advisory and sector development. Matryzel advises corporations and governments worldwide adopt concerted strategies aimed at enhancing competitiveness while focusing on their core competencies. He advises federal governments across four continents on ICT sector development with particular emphasis on policy development, industry-government partnerships aimed at creating GDP growth and enabling positive economic impacts. Bobby has advised Fortune 500 customer organizations on Strategic Planning, Mergers & Acquisitions, JVs, Private Capital Investment Evaluations, Process Reengineering, Pricing Strategies, Sourcing Relationships, Business & Financial Modeling et al, contributing immensely to global sourcing for clients. He is a sought-after speaker in conferences and round-tables worldwide where he moderates panels and presents content on thought leadership. He has been quoted and published in Forbes, fDi, Economist, The Outsourcing, ZDNet, CIO Africa, Brazil Exportati, Times of India, Business Week, New Straits Times, Malaysian Business, Technology Inquirer, Logicall Wordpress etc.