

Title: **Talent on Demand**
Managing Talent in an Age of Uncertainty

Author Peter Cappelli

Website

Review Finding, retaining, and growing talent is a difficult, and common, business challenge. While many businesses make no effort to respond to the challenge, others respond by turning to the talent management practices that were popular in the 1950's. Cappelli takes a look at these practices, setting them in their historical contexts and explaining how the economic climate contributed to their success, and why the current economic climate won't.

The stability of the 1950s meant businesses could predict their needs quite accurately. This was a time when long-term manpower planning, extensive management-development practices and succession planning were the norm. Nurturing talent was a worthwhile investment with returns down the road. That stability changed when the 1970's hit and slowed economic growth changed that forecasting accuracy. Companies were left creating 'holding' jobs in an effort to hold on to their expensively produced talent. As the 1980's closed in, restructuring put an end to 'holding' jobs and the marketplace was flooded with talent.

Eventually, when the economy recovered, the demand for talent picked up and employers made the most of this cheap, abundant talent pool. There was no need to grow talent from within. But with the economic expansion of the 1990's the talent pool dried up and "talent shortages" became common.

In today's economic climate talent shortages continue and, with their growing frustration with 'outside hiring', many businesses are left looking for alternative approaches to meeting their talent needs. Those that look back to the 1950's for approaches are likely to find that they either don't work or are astronomically expensive. Our economic climate simply doesn't have the stability of the 1950's – it's full of uncertainties, variables, intense competition and cost focus.

So what does work in environments of uncertainty and variability? Capelli suggests we'll find our answers by looking at supply chain management. It shares many of 'talent' management's issues and challenges - forecasting demand, reducing bottlenecks, speeding processing time, resourcing, etc. and it's already developed the efficient, cost effective processes that reduce risk and increase responsiveness. For some companies applying the learning's and processes from supply chain management to talent management, could even prove to be a source of competitive advantage.

Capelli's approach to anticipating and meeting talent needs is based on four principles:

1. Make and buy to manage risks. Carefully balance talent nurtured in-house with talent nurtured externally.
2. Adapt to uncertainty. Distribution development programs through the year to allow for continuous intake adjustments. Exploit the organization-wide talent pool.
3. Improve the ROI. Cost share development programs with employees. Encourage volunteer assignments.
4. Preserve the investment. Balance interest among employees. Promote job changes within the company.

Golden Nugget Traditional talent management practices are unlikely to work well in an environment where the ability to respond to changes, rather than long-range planning, is the key to success.