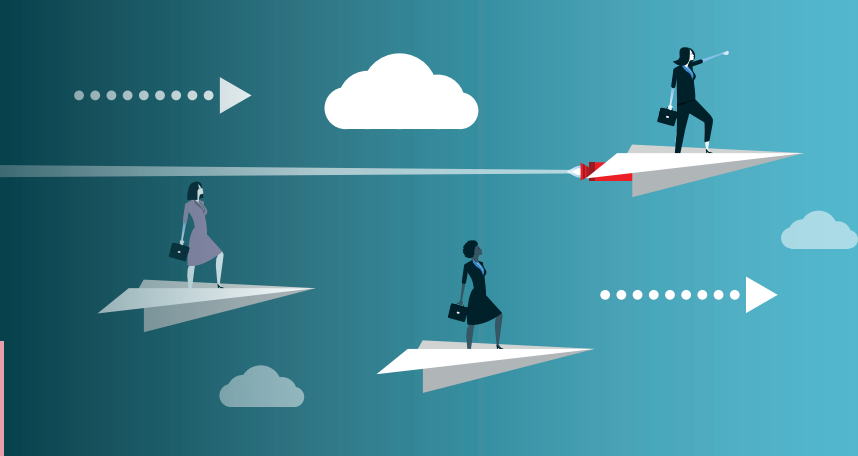




HMThinking



# Talent Talks

At a recent Hedley May event, we brought together senior HR & Talent leaders from across the industry to discuss the forces and challenges shaping today's talent agenda. In a spirited, wide-ranging and informal discussion – spanning the talent gap, globalisation, new technologies and hybrid working – five key themes emerged.

## 1. “Joining up” to bridge the talent gap

We began with the current talent crisis – a “double-edged sword” of both demand and supply-side factors. This is leading to historically high levels of vacancies but also rising unemployment. Post-Covid, ‘The Great Retirement’ and a mismatch of available skills – versus those that are increasingly in demand – are fuelling the fire.

We questioned whether governments are failing in their traditional obligations – such as reforming education to suit the requirements of the workplace. Should they be stepping up more to confront such challenges? “People no longer trust governments to solve these issues,” one speaker argued. “They look to businesses to drive change and sustainability.” We agreed that schools, further and higher education providers, governments and businesses ALL now have a critical role to play in developing and deploying the ‘sunrise skills’ essential in the modern world. But we must be “connected like never before so we can create truly sustainable talent ecosystems.”

In the words of one speaker:

“Our CEOs must be behind this. It should now be seen as a matter of both sustained profitability and societal responsibility, rather than an HR matter.”

“Are there any businesses managing to close a societal skills gap through educational reform? Or are we stuck in traditional systems where even apprenticeships may not fill that gap as they don't necessarily teach resilience, agility and risk appetite? These are all the things we need to run skills-based hiring of the future.”

## 2. Revaluing ‘low-cost’ outsourcing

Most participants thought that while solutions to the talent gap are industry-specific, we must all approach the challenge from a global perspective. Several argued that companies will need to rethink their strategies around outsourcing work to low-cost international markets, which these days should no longer be considered as ‘low-cost’, but rather as talent pools with a sophisticated skills base. One speaker said: “The digital centre of excellence is now in India, with a highly skilled and aspirational workforce. We should stop talking about low-cost – think talent hub instead.”

Participants broadly agreed that this could help redress the talent crisis. One speaker said: “There's so much talent out there. It's a different demographic – highly educated and super young.” Another shared that their company had invested in a full in-house recruitment team abroad.

However, another speaker made the point that businesses trying to outsource will need to consider the ethical considerations. With high levels of unemployment and falling living standards at home, how do companies justify moving jobs abroad? How will they keep their domestic workforce motivated? And how ethical is it for UK businesses to rely on overseas talent to drive profits and benefits only enjoyed here?

“Locations in big parts of the US are under threat from the rise of the East – you're getting someone just as capable at a tenth of the price. The more you grow in a country, the more talent you attract.”

## 3. Keeping an eye on the AI elephant

There was widespread agreement that the biggest shake-up – the largest elephant in the room – is coming from tech and particularly from artificial intelligence. One speaker noted that there will be 85 million vacancies by 2050, half of which will go to AI.

In some sectors, such as heavy industry, it's proving especially difficult to attract talent. These jobs are perceived as difficult, don't typically offer hybrid working and cannot be outsourced. But are firms casting the talent net as wide as possible for these roles? In one example given, not a single female was working on the factory floor. But with widespread automation becoming increasingly feasible, tech solutions may be the answer.

On the other hand, in service industries such as banking, AI may augment rather than replace. With technology able to automate basic and repetitive tasks, there should be more work for humans – and a freeing-up of talent to pursue creative, higher-value endeavours.

Other speakers observed that this may only delay the imperative to change. Currently, industries such as banking can only stick to 'business as usual' on talent because they can pay more to keep jobs attractive. It's less 'sexy' industries that, through necessity, must be more innovative in rethinking talent strategies. However, as automation improves and replaces more jobs, will institutions like banks be forced to re-evaluate?

In the words of one speaker:

“Entire job families will disappear to tech. People are needed on either end of the process, but not to do the entire process. What will we do with them?”

## 4. Thinking in skills not roles

A number of participants observed that, due to technological advances, we increasingly need to think of talent in terms of transferrable skills and learning agility, rather than ticking traditional job boxes. One speaker, reflecting on their company's recent appointment of a CPO with no HR background, said: “Strategic skills are so transferrable – it's about many things, not just the siloed HR function. Don't show me CVs as they don't reflect how good someone will be at today's job; tell me about their skills!”

But if junior and operational tasks are automated, how will companies train the leaders of tomorrow, particularly in roles that require good judgement – legal, finance or HR, for example? In response, one of our speakers argued:

“We focus too much on upwards, linear trajectories. But it's about developing judgement laterally – if you're nimble, agile and gain experiences across a range of roles, you'll develop judgement and be able to face things you've never faced before.”



### Karen Frizzell

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Karen leads the HR & Reward practice at Hedley May and is widely recognised for her in-depth knowledge of the HR talent landscape. She is valued by clients for her extraordinary commitment to making 'best-

in class' appointments. Karen's early career was in HR and, with an MA in Psychology, she has a deep interest in both behavioural and humanistic psychology and applies these perspectives when assessing candidates and compiling shortlists.

## 5. Addressing the hybrid question

We all agreed that companies are currently torn between allowing a continuation of remote working in a hybrid world. Indeed, there was wide consensus that retaining talent may soon be harder than attracting it, because it's so difficult to maintain a strong culture.

This sparked a lively debate about hybrid working. Some argued that five days in the office will again become a prerequisite for ambitious talent: “Leadership is a contact sport... it cannot be achieved over Zoom.” Others stressed how employees now expect much greater flexibility: “In our organisation the option for hybrid working is a key part of enabling diversity. Hybrid works: it's inclusive.” After long discussions, people agreed there's no “one-size fits all” solution; it depends on the organisation, its size and philosophy.

“It is important to define expectations at the start of the job. Talent teams need to be transparent.”

## “Talent Talks” dinner summer 2023

### Participants:

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Hg Capital

BT

Lloyds Banking Group

JP Morgan

Lancashire Insurance Group

Standard Chartered Bank

DS Smith

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Over 61% of all of Hedley May placements in the last four years have been diverse. We recognise the importance of diversity and its impact upon the long-term and sustainable success to organisations.