



Fresh Perspectives

The Global Talent Crunch: Why Employer Branding Matters Now



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In This Article



- Despite global recession and the weakest employment outlook in decades, employers are nonetheless facing a scarcity of talent in critical areas.
- By focusing now on building their employer brands and enhancing their appeal to talented workers with scarce and vital skills, organizations can position themselves to win lasting competitive advantage in the talent marketplace.
- An organization's employer branding efforts must not overlook its contingent workforce.

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The Global Talent Crunch: Why Employer Branding Matters Now

Manpower's 2009 Talent Shortage Survey reveals that the global talent crunch remains a pressing and pervasive issue for employers worldwide. Despite global recession and the weakest employment outlook in decades, employers are nonetheless facing a scarcity of talent in critical areas. Even as they've generally reduced their hiring, they are still looking to fill critical positions and are having trouble finding people who are the "perfect fit"—with the precise combination of skills and experience—for those roles. And so they are waiting until the right individual comes along. To illustrate, there are plenty of information technology (IT) professionals looking for jobs in India and Japan right now, yet employers in these very countries say they're having trouble filling IT positions. Why? Because they are not only looking for people with IT degrees, certifications and programming skills, but also for those individuals who possess the right managerial skills and business domain knowledge—and that's not so easy to find.¹

The persistent concern about talent scarcity leaves little doubt that once economic recovery takes hold, organizations will find it harder than ever to attract and retain talented people with key skills. Furthermore, the skill sets organizations need are becoming ever more specific and refined. In the U.S., for example, accounting and finance professionals may not be in short supply, but those with niche experience may be. Many organizations are having trouble finding individuals with expertise

in troubled debt restructuring, forensic accounting and international accounting. And as the U.S. transitions to International Financial Reporting Standards (IFRS), many organizations will struggle to find individuals with experience in applying these standards.^{2,3} Such specialized skill sets are becoming harder to find not only in the accounting and finance arena but within many professions. This is why employer branding matters now: companies must offer a clear value proposition that appeals to those individuals whose skills are critical to gaining competitive advantage and achieving strategic goals.

With unemployment at or near record levels in many countries, positions in the skilled trades, sales, technical work and engineering remain the most difficult for employers to fill globally, according to the new Manpower survey of nearly 39,000 employers in 33 countries. We've seen some easing, but not as much as might have been expected: Some 30 percent of employers said they were still having difficulty filling key jobs due to lack of available talent (See chart below). That percentage is lower than the 41 percent reported in our 2007 survey but nearly the same as survey results of one year ago, before the severe economic downturn. More people may be looking for jobs, but they don't generally have the skills that employers are looking for.



Source: Manpower Inc.

Global survey findings

NOW HIRING: The top 10 jobs that employers are having difficulty filling across the 33 countries and territories surveyed are (ranked in order)

- 1 Skilled Trades
- 2 Sales Representatives
- 3 Technicians (production/operations, engineering or maintenance)
- 4 Engineers
- 5 Management/Executives
- 6 Accounting & Finance Staff
- 7 Laborers
- 8 Production Operators
- 9 Secretaries, PAs, Administration Assistants & Office Support
- 10 Drivers

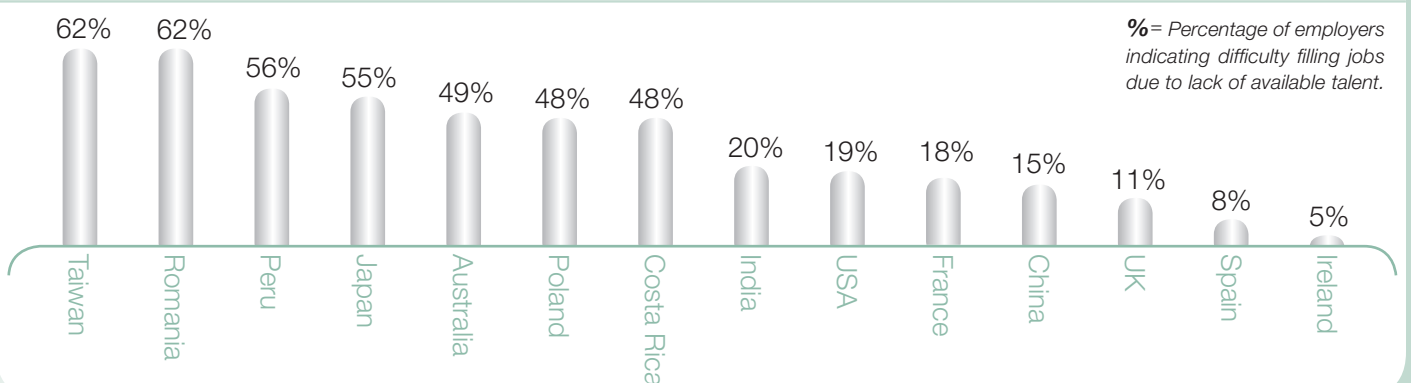
The talent shortage doesn't affect all regions equally. The problem is far more acute in Japan (55%) and Australia (49%), for example, than it is in the U.K. (11%), France (18%) and the U.S. (19%) (See chart below). Compared to 2008 results, employers are reporting that talent shortages are much less pervasive in Hong Kong (down 24 percentage points), Norway (down 21 percentage points), and the Czech Republic and Singapore (both down 20 percentage points). Conversely, talent shortages are more pronounced in Peru (up 28 percentage points), Mexico (up 16 percentage points) and Costa Rica (up 14 percentage points).

Vacancies in skilled trades roles, such as electricians, plumbers and carpenters, are the most difficult to fill for the second year in succession. Similarly, experienced sales representatives are still in high demand (See table at left).

Perhaps the most important inference to be drawn from this data in these uncertain times is that employers have to master a difficult balancing act in terms of talent management: They must contain costs for the short term without compromising their longer-term appeal to those key groups of talented workers capable of providing real competitive advantage for the future—the workers needed in each industry and country who are, or will be, subject to intensely competitive recruiting efforts. To date, few organizations seem to have struck this balance, nor have they mastered the art of talent management more broadly. As *The Economist* observed recently, "The current recession is revealing how few firms have really thought through their talent strategies."⁴

Sooner or later, global economic growth will resume, bringing additional strain to talent markets everywhere. And the increasing need for ever more refined skills will only intensify that strain. It is imperative, therefore, that employers act now to design and implement talent strategies that help attract, retain and motivate the best possible workforce.

THE TALENT CRUNCH: Countries Most and Least Affected



Source: Manpower Inc.

Building a compelling employer brand

For any organization, such strategies begin with the creation of a compelling employer brand, one that makes the organization a magnet for talent. An employer brand is the organization's identity to its employees. It's the answer to the question, "What is it like to work here?" As human resources experts Libby Sartain and Mark Schumann put it, the employer brand is what the company "promises to deliver emotionally to connect employees so that they in turn deliver what the business promises to customers."⁵

An employer brand identifies and amplifies the distinctive values, character and style that set the organization apart from others. Employer brand is an expression of an organization's values and culture and any given company's employer brand should be unique. For example, Finland's Nokia is known for its cutting-edge mobile phone design and usability. Its employer brand reinforces those traits when the company says it is "creating amazing new ways for people to connect to each other, and to the things that matter to them." It asks potential employees if they want to be "at the heart of the mobile internet revolution" and a part of a "global organization with a dynamic, open culture."⁶ The company is clearly trying to attract individuals with a particular set of skills and working style who will be aligned with its values. It's implied in this language that individuals preferring a slow-paced, highly structured work environment may not be a good fit in this culture. This approach works well for Nokia, but may not work as well for some other companies. One size does not fit all when it comes to building the employer brand.

The key to building the right employer brand begins with identifying the distinctive qualities of the organization that create an emotional connection between employer and employee—the qualities that make people love working there and bring them fulfillment. Such qualities motivate the workforce to help advance the company's mission. In other words, says workforce expert Tammy Erickson, they are the distinctive qualities of the company that give its best employees "goose bumps."⁷

One good way to identify which qualities really matter to the organization is to ask employees—and especially the very best employees—about why they came to work there in the first place. What is it that they like about the organization? For example, ask global beverage giant Coca-Cola's employees and they will say their brand is "exciting, unique and challenging" and that their work "makes people happy and refreshes them."⁸ Employee endorsements like these can be powerful recruitment tools. And it's critically important to pay attention when highly motivated employees speak of disappointments with the company because they usually point to areas where the company may be falling down on its promises to employees and to customers.

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Employer brands must remain consistent, but that does not rule out the kind of segmented approach beloved by product marketers. In employer branding, the "product" is the experience of working for that employer, and the "markets" are current and future employees across a range of skill sets and demographic segments. The organization may want to tailor its messaging to drive engagement within each segment, but the messages should always remain consistent with and support the overall employer brand.

Apple, for example, tweaks its recruiting messages to draw specific types of talent. In targeting engineers, it says it is seeking “ingenious engineering minds that design and develop Apple’s revolutionary products.” To reach sales professionals, it invites “the right combination of passion and product knowledge to deliver the Apple experience worldwide.”⁹ The messages differ, but align well with the company’s mission, values and culture.



Giving life to the brand

As every product marketer knows, there is more to a strong brand than slogans and symbols. Consumer brands have to accurately capture the reality of a product or a service experience. The same is true of an employer brand: It has to reflect the reality of what it means to work there. And the more often employees are reminded that the company is serious about its value proposition to them, the more powerful the brand will be.

Thus, each touch-point between employer and employee, from recruiting to separation, presents an opportunity to reinforce the employer brand’s centrality to the organization.¹⁰ Leadership and management communications; reward and recognition events; career development opportunities; corporate social responsibility initiatives and even routine HR processes and communications—all should reinforce the employer brand and drive employee engagement. Notably, research from Gallup shows that engagement decreases sharply after the first six months as employees begin to sense that their experience at the company is not what was promised.¹¹

It is also vital to remember that an employer’s brand extends beyond the permanent staff. Skilled temporary and outsourced employees, as well as consultants and contractors, comprise a large and vital part of nearly every company’s talent pipeline. Indeed, contingent employees now represent nearly 20 percent of the global workforce, including a large proportion of the most highly skilled and highly sought people in many key skill groups. Our research shows that the host organizations for contingent employees play a far greater role in their motivation and productivity than those employers realize.¹² Most human resources executives say they

view the engagement of contingent staff as the sole responsibility of their vendors, but contingent employees say their primary emotional engagement is with the host organization. Often, employers set rules that can act as barriers to contingent workers’ emotional engagement—by denying them use of a company fitness facility, for example—without considering the importance of contingent workforce engagement to the overall workforce strategy.

As the supply of talent continues to dwindle due to demographic shifts and globalization, employers will find themselves competing for contingent labor as aggressively as they compete for permanent staff. In fact, research shows consultants and contractors in high-demand fields already recognize that they are in the driver’s seat in selecting which clients they want to work for and shunning those that don’t provide them with a quality work experience.¹³

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Who owns responsibility?

Employer branding must be everyone's responsibility, starting with the organization's leadership. From the C-suite to frontline managers, leaders must live the brand in both words and actions. The job of attracting, developing and retaining talent is too important to the organization's future to be siloed in any one department. The C-suite has to make it clear that talent management is a top priority and a responsibility that must be shared by everyone. Led by the chief human resources officer and assisted by marketing and communications, an integrated approach should be applied to establish and sustain the employer brand.

What specifically should organizations think about as they go about building and enhancing their employer brands? Here are the most relevant issues on which to focus:

- **Does your organization have a concrete, common understanding of its vision, mission and strategic goals—along with an understanding of the vital talent that will be required to fulfill those goals?** It is impossible to devise effective talent strategies without understanding where the company wants to go and the talent it will need to get there.
- **Do you have clear understanding of what makes the organization's culture and work style unique?** Can you predict what types of people/personalities are most likely to thrive in your company? Is its work style collaborative, for example? If so, then it won't be a good fit for a person who prefers to work independently.
- **Is there a plan in place along with adequate infrastructure to assess and create the optimal work experience for all employees?** Do you have systems in place—an employee survey, for example—to track employee engagement? And do those systems include contingent workers as well as permanent staff?
- **Do you understand the true drivers of engagement among the different populations that make up your workforce?** Those drivers can vary greatly

from group to group. Aging baby boomers, for instance, may want to extend their working life under more flexible conditions. Likewise, working women, who represent a vast store of important skill sets, have different needs than other workers. Younger workers (variously referred to as “Millennials” or the “Net Generation”) are often attracted by more contemporary work arrangements and often insist upon employer commitment to matters of corporate social responsibility. The ways in which companies address these and other concerns are an integral part of their identities and brands.



Conclusion

At a time of increasing layoffs and constrained resources, it may seem counterintuitive to invest energy and capital in devising talent strategies—and especially in strengthening the employer brand. On the contrary, the need for effective employer branding has never been greater. Companies must look beyond this recession to the inevitable recovery and to the intensifying talent shortages that will follow. (This is especially true for companies that may have bruised their employer brands during the downturn; it's still possible to reverse course—though time is running out.) By focusing *now* on building their employer brands and enhancing their appeal to talented workers with scarce and vital skills, organizations can position themselves to win lasting competitive advantage in the talent marketplace.



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