How do we win the 'war for talent'?

By Alan Russell   15 Feb 2017

At the recent World Economic Forum Workshop, Jeff Radebe, SA's Minister in the Presidency, reminded us that "countries today are competing in a knowledge-based global market where the key differentiators are skills, expertise, know-how and the ability to deliver excellent services speedily, with agility and efficiently". He elaborated on this when he added that "the demand for job-specific skills has been growing around the world" and that "globally, corporates suggest that the quality and supply of skilled labour is a major binding constraint to growth. Employers around the world are also suddenly demanding that new hires have both technical and 'soft' skills (that should have been acquired earlier on in their educational foundational phases)."

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Minister Radebe didn't emphasise the unemployment rates and lack of skills but instead drew attention to the fight for top talent.

When businesses look for specific skills and experience, the talent pool shrinks considerably. The South African context is even more challenging because only 25% of our labour force is skilled. If we look at the local Finance and Insurance sector for example, the available skills dip to only 13%, in Manufacturing to 12%, and in IT and Telecommunication only 8%.

Increased competition

While we have been talking about the "war for talent" for many years, we are now also facing increased competition from international companies.

We particularly see this in the finance and tech sectors where a number of South African organisations, thanks to innovations with remittance, payments, authentications and mobile security, have expanded operations to the rest of the continent and beyond. These companies employ talent with world-class skill.

Talent that is very attractive to international competitors who can offer opportunities to work on even more innovative projects and in countries with better exchange rates, possibly even better career prospects.

Despite this obvious truth that options for our skilled job seekers continue to increase rapidly, many local companies are still driven by risk averse practices and therefore keep tightening up the recruitment process and adding more steps to avoid employing the wrong person. This in itself is the sensible approach, but the negative impact is that they are not participating in the race for the best talent.

Changing views

We then take it a step further and look at the comment made about the increased demand for soft skills. A large proportion of our clients are changing the way they look at potential employees – which we've seen specifically in the IT and Software Development world. In the past, the average developer was thought to be someone that would operate in an isolated room in the back office. This is so far from the truth today where it's now common practice to extensively test aptitude and personality compatibility as well technical skill because individuals form part of productive teams, which requires a level of soft skill to operate effectively, creating even greater pressure to be swift about employing the candidate that proves to be a match for the role.

The Minister's statement helps to emphasise the point that companies would be wise to heed. That is, to enter the race for talent catch up with the other participants. The reality is that we are in the cycle of a "candidate driven market" for skilled talent, so if you want to secure the best of the best revisit your human capital strategy; review hiring processes, ascertain which roles are key in the company, reduce lengthy interview processes and then move heaven and earth to make them a lucrative offer and appoint them swiftly.

ABOUT ALAN RUSSELL

Alan Russell is the Managing Director of ThornTree Group, a mid-sized supplier of high quality recruitment and placement services across a number of industries and specialisations in sub-Saharan Africa.
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