

## Talent Hunt: Getting the People You Need When You Need Them

### *Introduction*

In April of 2008, the Knowledge Program at the Wharton School of Business interviewed Peter Cappelli and Joyce Bradley. Mr. Cappelli is a Professor of Management at Wharton as well as being the Director of the Center for Human Resources. Ms. Bradley is Senior Vice President and General Manager of the Delaware Valley Region of Lee Hecht Harrison, a global human resources management company. As the interview begins, the interviewer points out that when CEOs are asked what their biggest challenges are, they almost always say finding and keeping good people. However, many leaders fail to properly manage a company's employment needs. Mr. Cappelli and Ms. Bradley view *talent management* as the process of anticipating the needs and demand for people in the job market going forward as well as preparing a plan to meet those needs.

The areas discussed by Mr. Cappelli and Ms. Bradley include outdated hiring practices, the importance of taking a big-picture view of the hiring process, the correlation between hiring employees and the process of supply chain management, the problems companies experience with talent management, issues associated with the hiring process, and the investment in corporate talent.

In this reading, we will review Mr. Cappelli and Ms. Bradley's 2008 interview, focusing on an analysis of their views on the talent hunt.

### *Outdated Talent Hunt Models*

Mr. Cappelli believes that in the past everything was planned in advance without any variation. Expectations were determined ahead of time and then companies would take predictable steps to meet those expectations. A company would identify what it needed to accomplish its goals, what skills its employees would need to accomplish those goals, and then work backwards to do the work. Additionally, companies hired people when they graduated. Companies trained and developed their employees, and employees would stay with a company for their entire careers. This was a big system and process that assumed a company would know what its needs would be in advance and then would rewind to put everything in place to meet those needs.

In current times, the presumption of certainty no longer exists. The market changes rapidly, people do not stay with one company for very long, and supply and demand cannot be predicted. Also, job losses as a result of a recession can present numerous problems for organizations. During an economic recession, organizations may be forced to lay off people, but they must be able to keep enough employees so that they can meet corporate objectives. These factors mean that companies must think differently when it comes to their employee

pool. Mr. Cappelli feels that the main issue with acquiring talent today has become how to manage the talent hunt process in the face of uncertainty.

### *Taking a Holistic Approach*

Ms. Bradley recommends that organizations take a *big-picture* view of, or *holistic approach* to, their human resources issues. In response to how companies view talent management, Bradley says, “What we’re seeing is that many companies are looking at it from a holistic perspective – not only recognizing talent and selecting talent, but hiring talent, retaining those same people, developing those people, keeping them engaged and, at the appropriate time, redeploying and transitioning.” (2008) She highlights the importance of strong leadership development to ensure that the process is successful.

Taking Ms. Bradley’s holistic approach even further, Mr. Cappelli discusses how an organization should also evaluate hiring mistakes from a big-picture viewpoint. He believes that it is very important to get the hiring process right, because mistakes are very expensive. If a company does not have enough people, or if it does not have the right people, then work will not get done. Also, if a company hires too many people and there is not enough business to warrant the number of employees, letting people go is difficult and costly.

### *The Supply Chain Management Process and Human Resources*

In his book *Talent on Demand: Managing Talent in an Age of Uncertainty*, Mr. Cappelli proposes a new approach to human resource management. He suggests that companies apply the same supply chain management principles that they use for their products to the ways in which they manage the people in their workforces.

According to Mr. Cappelli, talent management is all about anticipating the needs and demands for people in the job market going forward. A company must have a plan and a strategy to meet those needs. He believes the issue of hiring people is much the same as all other issues that arise in business. A company must determine what it will need and how it will meet that need; this perspective illustrates Mr. Cappelli’s view of the human resource function being analogous to supply chain management.

Because supply chain management is generally applied to actual products and not to people, doing this may appear to dehumanize employees by reducing them to commodities rather than considering that they are human beings. Nonetheless, Mr. Cappelli infers that decisions regarding employment have to be made much like the decisions needed for determining the amount of materials and resources a company will need to produce its products and services. Companies must consider how many people they will need, keep, hire, or fire.

Unfortunately, most companies are doing this without having a focused plan or an identified strategy. According to a survey conducted by the International Public Management Association for Human Resources (IPMA-HR), 2/3 of companies do not have any kind of workforce planning and make their hiring decisions without thinking it through in advance. (2004) Since this interview took place, many new technologies have become available to help organizations make better work-force decisions. However, there is currently no information to determine if, and how many, companies are taking advantage of these resources.

By looking at workforce issues from a supply chain management perspective, a company can be sure that careful thought and consideration is being given to this very important function. Supply chain management can be applied to the human resource function much in the same way that needed raw materials and resources to develop a product are determined. In fulfilling human resource needs, a company can explore the specific skills needed for each task, department, or function as well as evaluate what human resources are needed to successfully complete those tasks and responsibilities. This process takes into account the tasks needed for the job rather than first evaluating the skills of the individual.

### *Corporate Culture*

As previously mentioned, Bradley emphasizes the importance of strong leadership development to solidify a holistic approach to talent management. Leaders must take an active role in contributing to an organization's corporate culture in order to attract and retain strong talent. When people are looking for jobs, they will evaluate a company's mission statement and vision to determine if the company fits within their own values. Potential employees also use this information to determine whether or not they would like to work for that organization. Similarly, companies want to hire people who share their corporate values and ethics to ensure that the employees they hire will be a good fit for their corporate culture. Companies can evaluate how well a potential employee will fit into the corporate culture by first having a good understanding of what that culture entails. Companies should be able to explain and describe their culture so that they can attract employees who share those same values. This will help to ensure that the right people are being hired.

### *Flexibility and Adaptability*

A company must be adaptable to change, but it cannot assume it will know what to expect. The older models of cultivating employees for the long term resulted in a surplus of workers any time the economy dipped. Companies are forced to fire employees, and positions are eliminated entirely, which changes the corporate

structure and hierarchy. To prepare for these inevitable realities, companies should have a plan in place to be able to respond to changes rather than to make assumptions, which will likely be inaccurate, about economic growth.

Ms. Bradley uses the word *agility* to describe leadership behavior. She believes that leaders should be flexible in both their business practices and with their workforce. Our current workforce includes those from a wide range of age groups, the workforce is more culturally diverse than ever before, and leaders must be able to meet the individuals' needs, while meeting the needs of a constantly changing marketplace. By being open to the variety of cultures, talents, levels of experience, and range of skills, an organization will find a large pool of talent from which to recruit.

### *Conclusion*

Hiring employees is a big investment for an organization. Making mistakes can be costly.

When companies think about what kind of talent is needed to run their organizations, they should not only think internally, but go outside for their talent needs. Because of the uncertainty in the marketplace, when planning human resources needs, companies should spread the risk across both internal and external employees.

For internal employees, Mr. Cappelli suggests that companies should cultivate approximately 80% of their HR needs among their current employees by training and developing those workers. The organization should fill the remaining 20% of their HR needs by hiring external talent. Temporary workers, part-time workers, and independent contractors can fill in the gap of needed employees. Additionally, as demand increases, this offers a company the flexibility to hire new workers, as required.

### *Summary:*

- Peter Cappelli is a Professor of Management at Wharton and serves as the Director of the Center for Human Resources.
- In his book *Talent on Demand: Managing Talent in an Age of Uncertainty*, he proposes that organizations should view their talent pool in the same ways in which they view supply chain management.
- Joyce Bradley is the CEO of a global resources management company, and she believes that organizations must take a big-picture view of, or holistic approach to, their talent management function.

- Companies must recognize the importance of leadership development to ensure an effective human resources process.
- A company's mission statement and vision statement provide potential employees with information about how well the organization fits with their own values and ethics.
- These statements also enable companies to attract those employees who will fit in with the corporate culture.
- Companies should be flexible and have plans in place to address human resource needs as they occur.
- Leaders must be flexible in their approach to the ever-changing business environment, while being sensitive and attentive to the needs of a diverse workforce.
- Companies should spread the financial risk of hiring employees among both internal and external workers. This enables a company to be flexible to hire new people when needed.

References:

Cappelli, Peter and Bradley, Joyce. 2008. "Talent Hunt: Getting the Right People When You Need Them." Knowledge Program at the Wharton School of Business.

IPMA-HR. 2004. "Workforce Planning."