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MEASURING AND ADDRESSING TALENT GAPS GLOBALLY

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GLOBAL HRD

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A talent gap is the difference between the present situation and a desired situation, between an actual and an ideal. When an individual's performance is compared with work standards, performance requirements, or competency models, the results of the assessment process reveal gaps. Those gaps may be negative, reflecting a deficiency that may require training or developmental initiatives. But a gap can also be positive, indicating an individual's strengths and gifts, or ways the individual exceeds a standard.

It's important to discuss why those gaps must be viewed in a global context. Organizations continue to move toward a more integrated world business model. Yet managers and workers who have little or no exposure to other cultures may have a difficult time acknowledging that a talent development strategy with a global perspective is critical to business success. Ethnocentric views are more the norm than the exception; all too frequently, an organization takes the headquarters's mindset and pushes it out globally. A company based in the United States, for example, may try to use the same strategies to identify and address talent gaps in China, Singapore, and Brazil as it would in the United States. A German company's CEO might open two new production facilities in Texas and Mexico and assume the same practices used in Germany will work for addressing talent gaps in these new plants. While sometimes those strategies can work, they are not the most productive way to operate in a global environment.

This TD at Work will explain why organizations must consider an objective system that analyzes talent gaps and ties performance behaviors and work outputs directly to global corporate strategy. By doing so, much of the guesswork that is often encountered when accessing talent gaps globally is reduced.

In this TD at Work, you will:

- Explore the need to think about talent gaps in a global context.
- Examine strategies that can define talent gaps in your global workforce.
- Identify strategies to assess and close negative gaps and leverage positive gaps.

THINKING ABOUT TALENT AND TALENT GAPS IN A GLOBAL CONTEXT

In this increasingly global world, businesses will remain competitive by acknowledging that talented people exist everywhere. Everyone has talent, regardless of race, nationality, religion, or other differences. While most studies of culture focus on differences, the reality is that people everywhere have a lot more similarities. Consequently, having a global corporate mindset becomes increasingly important in every aspect of business, including talent development and the identification of talent gaps. While being sensitive to cultural differences, today's manager—and talent development professional—must seek out commonalities.

There are also economic reasons for working through a global context. As we all know, economic growth varies dramatically around the world, occurring at different rates in different places. According to PricewaterhouseCoopers's 2013 report on the world in 2050:

The world economy is projected to grow at an average rate of just over 3 percent per annum from 2011 to 2050, doubling in size by 2032 and nearly doubling again by 2050. China is projected to overtake the US as the largest economy by 2017 in purchasing power parity terms and by 2027 in market exchange rate terms. India should become the third "global economic giant" by 2050, a long way ahead of Brazil, which we expect to move up to 4th place ahead of Japan. . . . Emerging economies such as Mexico and Indonesia could be larger than the UK and France by 2050, and Turkey larger than Italy. Outside the G20, Vietnam, Malaysia, and Nigeria all have strong long-term growth potential, while Poland should comfortably outpace the large Western European economies for the next couple of decades.

Savvy business leaders tend to locate operations where growth is greatest and the opportunity to secure profits is optimal. To successfully establish the organization in these places, they need to manage talent appropriately, focusing on closing negative talent gaps and leveraging positive talent gaps.

CASE STUDY: SUTHERLAND GLOBAL SERVICES

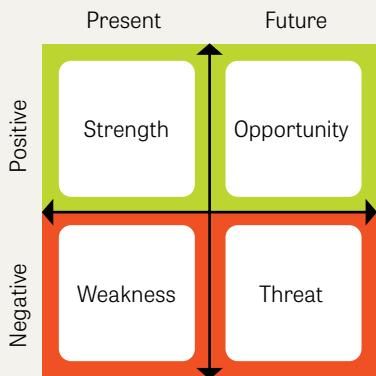
Growth has fueled Sutherland Global Services since its inception more than 25 years ago, but it also has brought along some challenges in finding the right talent, with the right skill that is able to service that growth. Sutherland, a global provider of business process and technology management services, has a compound annual growth rate of more than 20 percent during the past 20 years, so the learning function has had to be fast, flexible, and creative to meet and exceed the growing business needs of clients.

To address this critical business problem, Sutherland partnered with universities worldwide, offering learning and professional development programs that bridge the gap between the campus classes and corporate boardrooms. This effort has allowed the company to build a more employable and skilled workforce.

As new consultants are hired around the globe, learning is the first interaction they have with the company, orienting them and providing them with the training needed to do the work that is required. For many employees, this is their first job, so Sutherland is not only introducing them to work in the corporate world, but also is assisting them through challenges they may face, helping new employees acquire professional skills, language skills, and cross-cultural awareness.

SOURCE: ASSOCIATION FOR TALENT DEVELOPMENT. 2014. "2014 BEST AWARD WINNERS." *TD* 68 (10): 62.

FIGURE 1. TALENT GAPS



STRATEGIES FOR MEASURING TALENT GAPS GLOBALLY

We've defined *talent gap* as the difference between the present situation and a desired situation, between an actual and an ideal. Gaps may be present or future. As illustrated in Figure 1, a present negative gap is a weakness, while a present positive gap is a strength; a future negative gap is a threat, while a future positive gap is an opportunity. Viewed in that way, individuals—like organizations, divisions, departments, or even teams—may be the focus of strategic planning.

A well-known and well-understood component of strategic planning is the SWOT analysis, which is a comparison of strengths, weaknesses, opportunities, and threats as the foundation for deciding the future direction of an organization.

The same approach may also help to reveal the gaps present in divisions, departments, teams, work groups, and individuals.

To prepare for this *TD at Work*, we interviewed 31 global thought leaders on talent development. Through the interviews, we learned that most companies have their own way of identifying talent gaps. No matter how your organization measures talent gaps, environment and time must be taken into consideration. It is critical to know people's working environments to fully understand what is causing the perceived gap. Equally important is the timeframe for development. When you combine the factors of environment and time, you are able to look at where individuals are, how they are developing, and how long it might take them to get where you need them to be.

TO ADDRESS TALENT DEVELOPMENT IN A GLOBAL CONTEXT TODAY, ORGANIZATIONS NEED TO KNOW WHEN TO ADAPT, OVERRIDE, OR INTEGRATE CULTURALLY DIVERSE NORMS, PRACTICES, AND PERSPECTIVES.

In *Cultural Agility*, Paula Caligiuri says that global talent professionals now need to consider differences in each country's infrastructure, such as legal, educational, and labor systems. In addition, cultural values that affect how to communicate, earn trust, motivate, and influence others must be deliberated and adopted when developing a competency framework. However, Caligiuri cautions in a 2013 *T+D* article that there are some circumstances in which "strategic necessity dictates a single enterprise-wide standard—not adapting to the local one. Safety, ethics, and quality are a few salient examples." She also argues that in still other circumstances, "the best approach is to take the time to create a new approach, one that does not represent any one culture completely."

To address talent development in a global context today, organizations need to know when to adapt, override, or integrate culturally diverse norms, practices, and perspectives. In a 2014 *Journal of World Business* study that examined nine South Korean multinational organizations,

GLOBAL CONSIDERATIONS

Here are just a few of the economic and political reasons that a global perspective is essential, not just desirable.

- There is distinct income inequality around the world. BBC News reported in 2012 that the worldwide average wage was just under \$18,000; the average wage in the United States that year was around \$44,322, per the Social Security Administration. Wage disparity alone incents employers to seek locations where they get the most value for their money. It consequently gives low-wage countries an advantage in attracting business and jobs.
- Each country's immigration laws affect the global race for talent. In her 2013 paper on immigration policy, researcher Yolande Pottie-Sherman noted that many European countries use a points-based system to evaluate applicants based on their level of education, language ability, age, occupation, and work experience. The United States, however, does not.
- Even within different countries, labor laws may vary. America comprises 50 states, each with slightly different laws affecting employment, environmental regulations, health and safety, and much more. To complicate matters further, cities and counties may have their own codes that differ from state or federal standards.
- Local infrastructure may affect an organization's decision to establish a location in that country:
 - Are the airports new?
 - How good are the educational institutions?
 - Are phone, water, sewer, and electricity lines reliable?
 - Are Internet lines fast, slow, or somewhere in between?
 - How safe is the nation for people from other cultures, and how often are they victims of crime?
 - How good are the healthcare facilities?
 - Is collective bargaining permitted?

researchers collected annual reports and company profile documents and interviewed 30 HR executives and senior managers responsible for international HR strategies. The findings indicated evidence of "hybridization through a blending of localization and global standardization." This study revealed the importance of cultural context and

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