

# Global Insights on Change & Project Management and the War for Talent

## A Review of Survey Findings

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## Agenda

- Introduction
  - Resources Global
  - Global HR Survey – Objectives & Process
- Key findings:
  - HR Maturity
  - HR Business Partnering
  - Change and Project Management
  - War for Talent
- Q & A

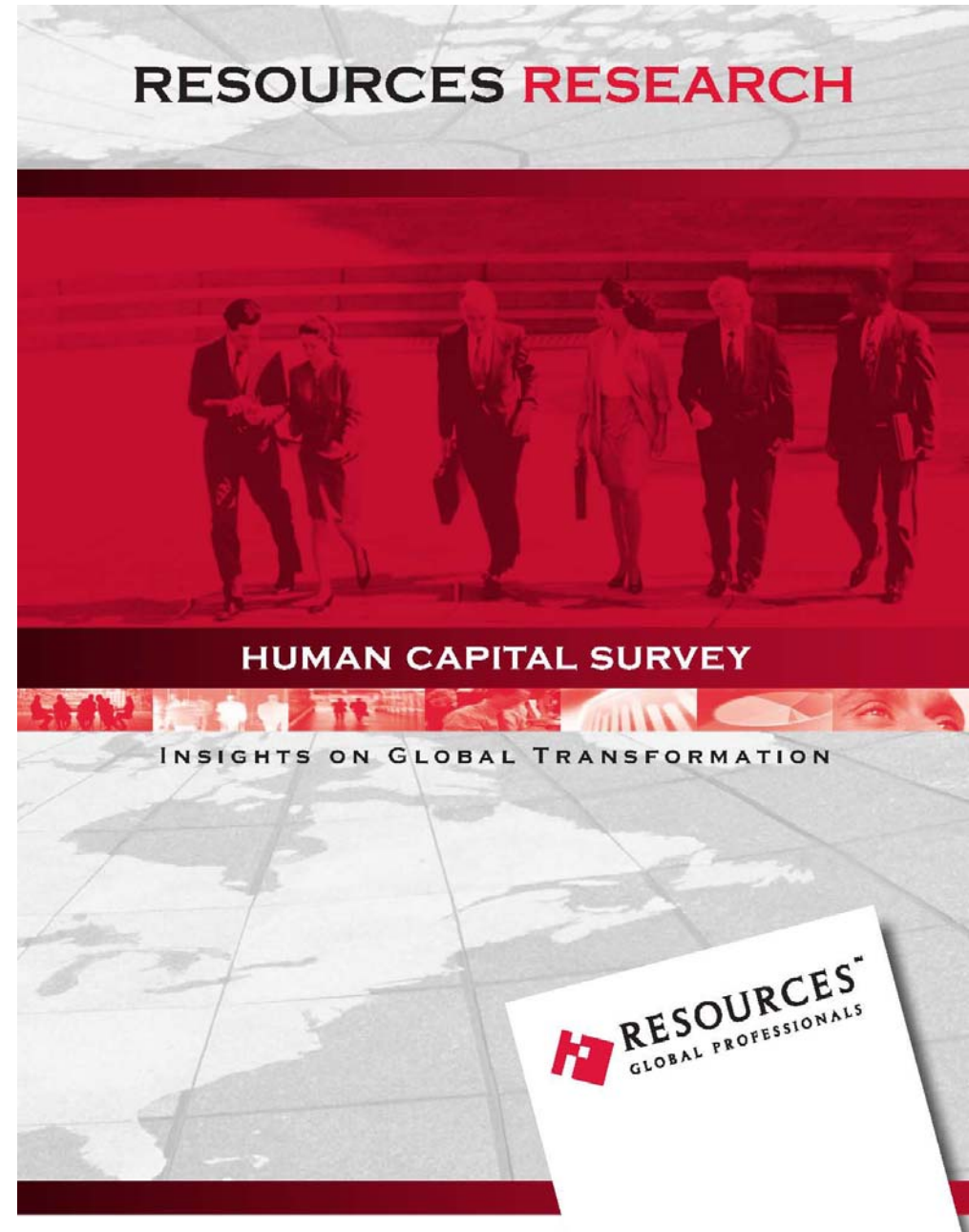
A new kind of professional service



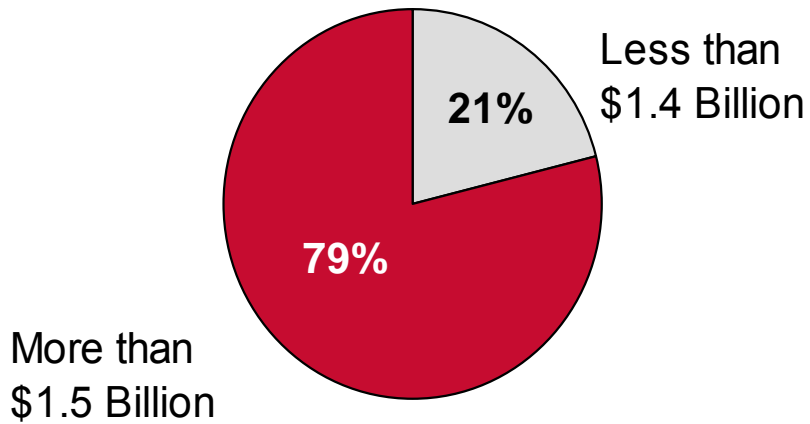
**In 2007 Resources conducted the Global Human Capital survey to discuss with HR leaders how corporations support the people side of change in the context of projects or change initiatives.**

The survey was designed into 4 sections:

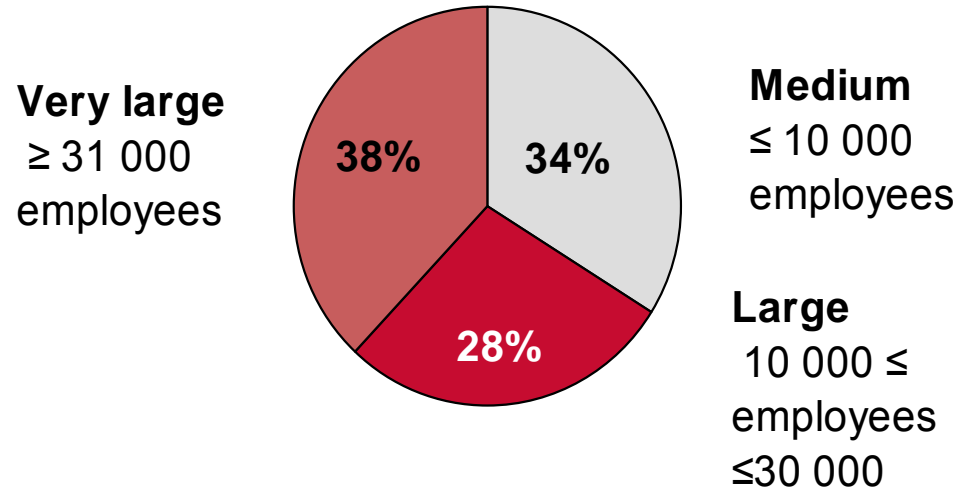
- **HR Maturity**
- **HR Business Partnering**
- **Change and Project Management**
- **War for Talent**



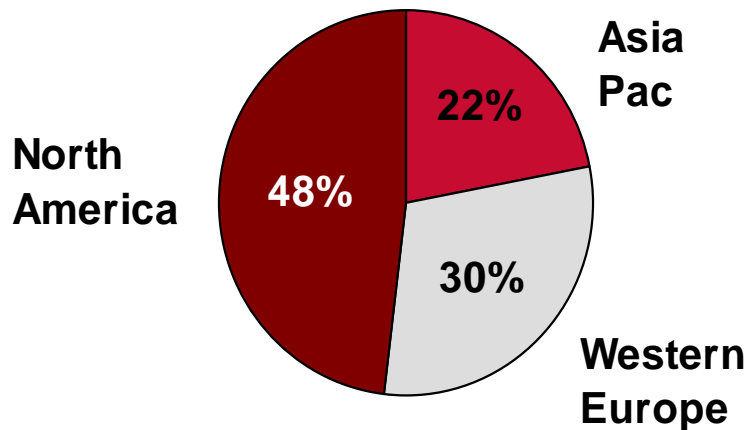
**Segmentation per company revenue**



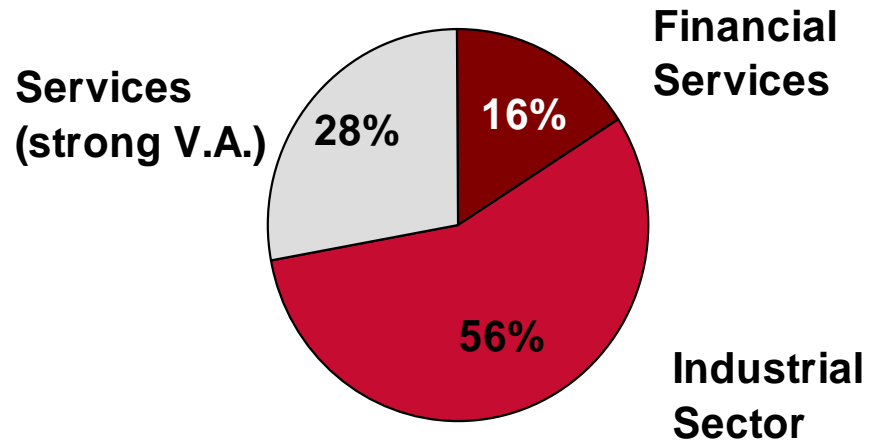
**Segmentation per Nber of Employees**



**Segmentation per country of interview**



**Segmentation per sector**



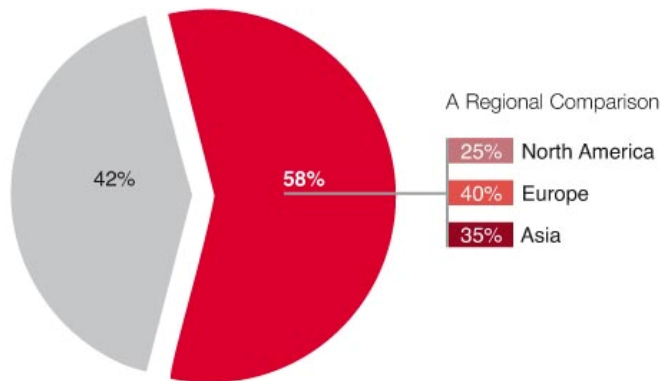


# Key Findings on HR Maturity and Business Partnering

# HR Influence in a Changing Environment

## HR LEADERS INFLUENCE IN THE SENIOR MANAGEMENT TEAM A Regional Comparison

- HR is an important member of the senior management team with strong influence in decision making
- HR is a member of the senior management team but with less influence than other members



## HR positioning

- 98% of the respondents say that HR is a member of the senior management team.
  - 40% is a member with less influence but they can influence decision making.
- Regional differences:  
EU HR leaders seem to have stronger influence ( 73% of all EU leaders see themselves as an important member, vs 63% in Asia and 45% in NA).

**“We don’t get involved in every decision but we do have a strong influence”**

*(HR leader from the HQ of a Global Technology corporation)*

- A small majority (57%) considers that culture influences HR positioning:

**“ The culture of a market is a big factor in how HR is viewed”**

*(An HR leader from an American financial services company based in Australia)*

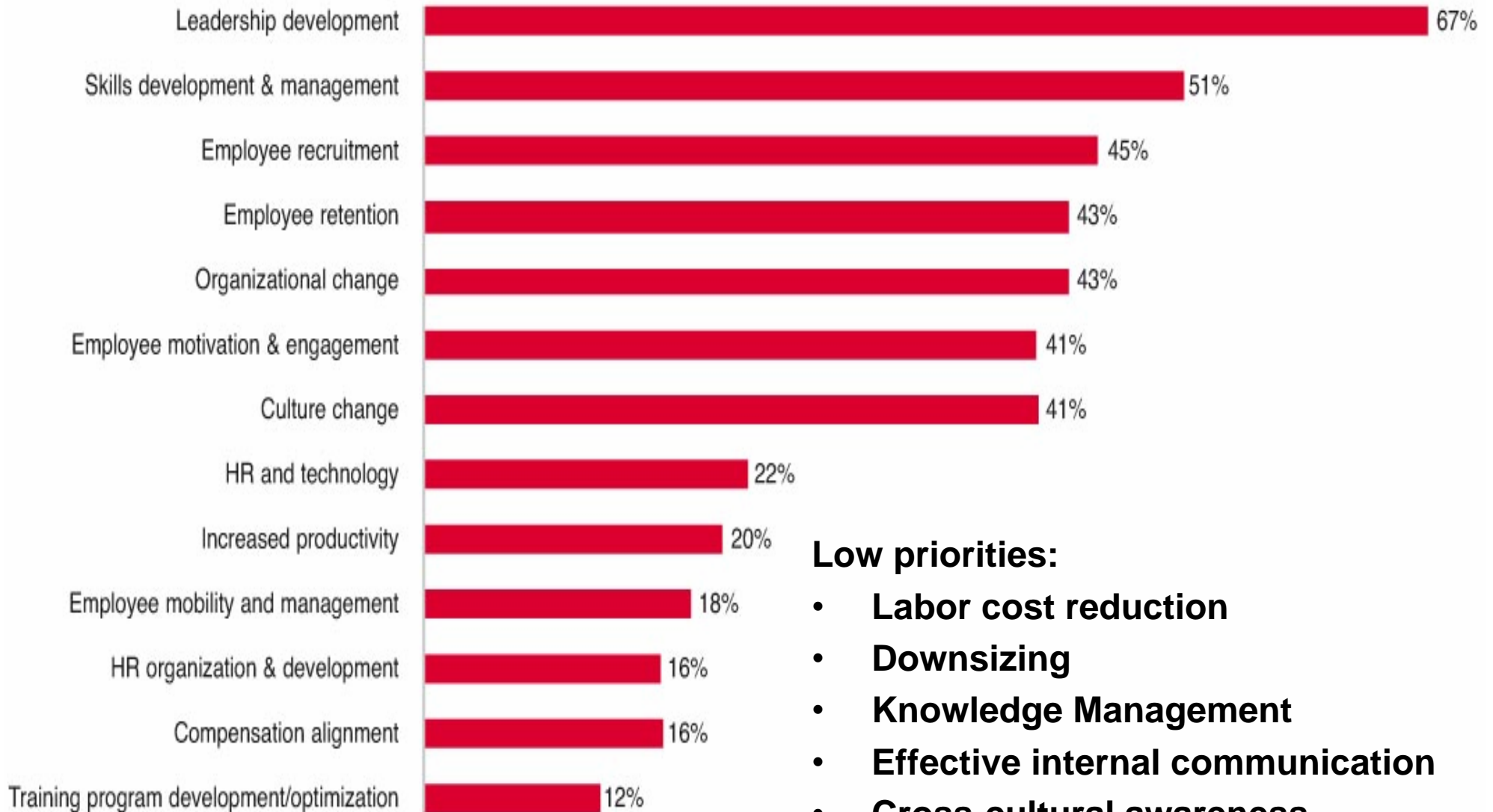
***“What are the top business and HR priorities within your company?”***

## CORPORATE AND HR PRIORITIES

Corporate Priorities		HR Priorities	
Growth	66%	Leadership development	67%
Cost reduction	44%	Skills development & management	51%
Globalization	44%	Recruitment	45%
Customer satisfaction	42%	Retention	43%
Strategic positioning	42%	Organizational change	43%

**Organizational Change is at the 5th position.**

## Top HR priorities are not supporting change and projects

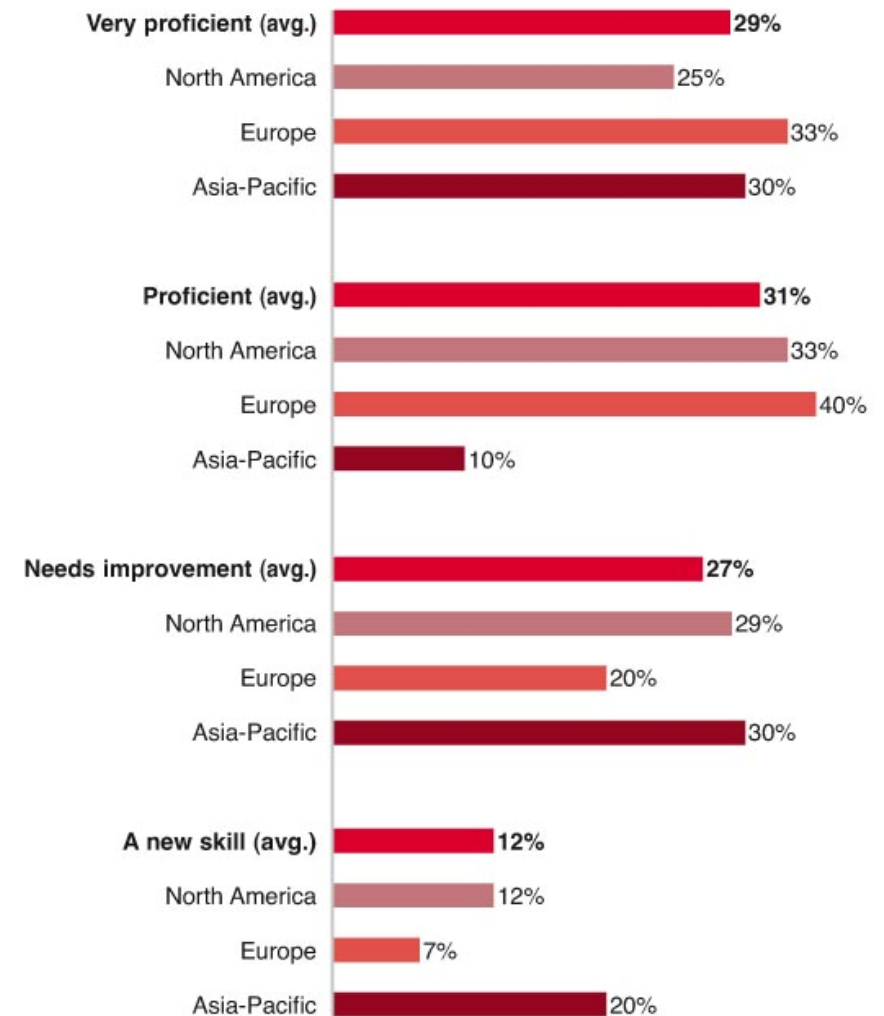


# Change and Project Management

## Proficiency at managing projects:

- Close to 2/3 of the companies described themselves as being very proficient or proficient in managing internal projects.
- More European leaders rated their organizations as proficient or very proficient
- European based companies tend to provide more training around project management than their North American or APAC counterparts.

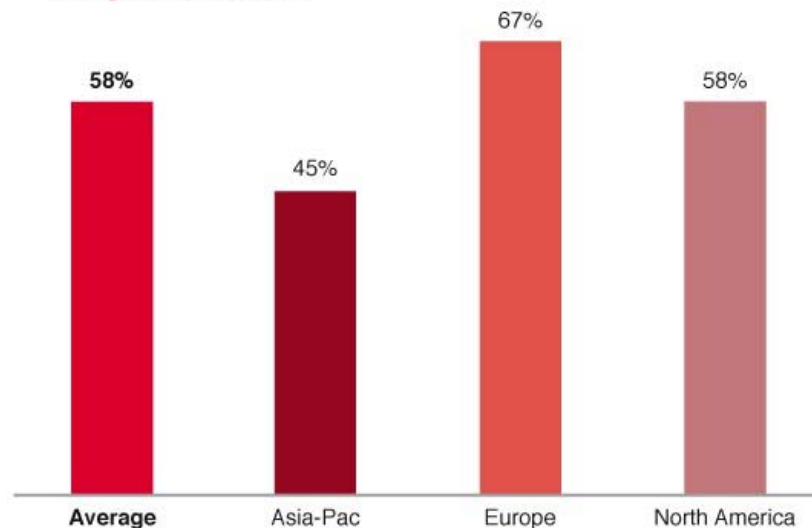
PROFICIENCY IN MANAGING PROJECTS - A Regional Comparison



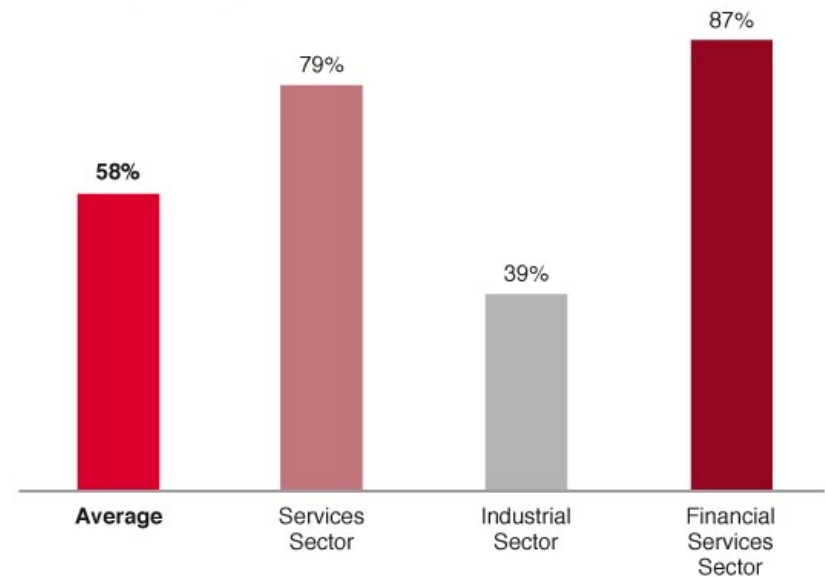
## Project Management Office

- A total of 58% of respondents have a PMO and of that group, 67% are based in Europe
- 87% of financial services companies have a PMO, vs 79% in Services

2. CORPORATIONS WITH INTERNAL PROJECT MANAGEMENT OFFICE  
A Regional Comparison



3. A Comparison by Sector



## How are projects staffed?

- Experienced and talented employees are positioned to participate in projects, nevertheless external assistance is required
- The main reasons cited for using outside assistance were:
  - execution (cited by almost half of the respondents)
  - methodology (a third of respondents).
  - project management, not surprisingly, was the least cited

Respondents utilize external project assistance for:		Respondents select staff for projects according to:	
1. Execution	46%	1. Skills and experience	59%
2. Methodology	37%	2. Talent development	27%
3. Expertise	18%	3. Availability/bandwidth	25%
4. Project management	9%	4. Knowledge/SME	14%
5. Benchmark/best practices	6%	5. Level within the organization	8%

## Companies still need external assistance

### External resources and project management assistance

- 75% of companies use outside assistance for project management
- Of the respondents answering that they did not use outside project management assistance, a full three-quarters have a NA HQ. By contrast, 93% of European based companies use outside assistance.

#### UTILIZATION OF EXTERNAL RESOURCES FOR PROJECT MANAGEMENT



# Transforming the Organization & Managing Change

## Change management approaches vary

- 25% have no formal process, with responsibility resting with the line manager or leader. These respondents tend to be in quickly changing industries (i.e. technology) where change management is part of the culture.

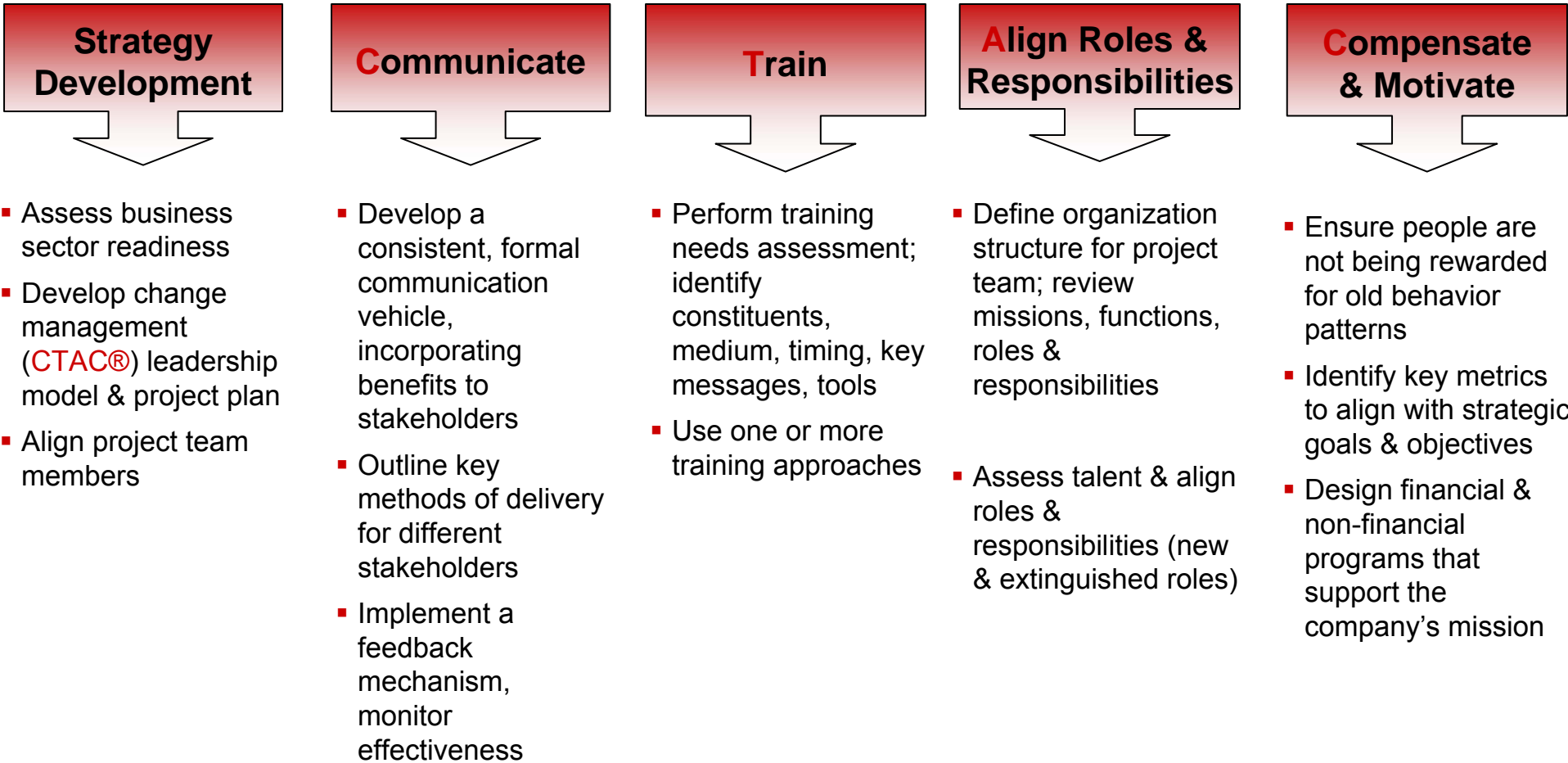
*“Change management is our core competency. Our product life cycle is very short so change is what we do best”.*

*(HR leader from a global high technology company)*

- Those with a formal process tend to be large, well established companies but almost half commented that the process needs to be improved. HR is a part of the process in many of these cases
- In smaller companies, the change management process tends to be imposed or led from above

# Our Change Management Approach

**CTAC®: The process, tools, & techniques to manage the people side of business change**



**“We need to focus on communicating WHY the change is happening and HOW it will affect the employees”**

*(HR leader from a major consumer goods company)*

- Communication strategy adapted to all stakeholders is more likely to be successful in managing organizational transformation and it cannot be done only by the Project Manager
- Majority identified this as an important element to transform the organization but only 4% of HR Leaders surveyed feel effective internal communication is a top priority

## Organizational effectiveness is important for long term benefits

**“HR addresses (change) by degree of impact on the team, then the organization, leaders and the company (...) This all ties to our HR performance management program.”**

*(HR Leader from a global energy corporation)*

- Alignment of roles & responsibilities requires involvement of several parties (managers from operation and HR) but it is not always the case
- Workforce planning is a method to identify skills development & recruitment needs globally according to tomorrow’s challenges. It has not been mentioned as a method systematically deployed

## Compensation

- 95% of respondents recognize the need to align compensation to support transformation and enhance new desired behavior

# The War for Talent



## Where does the “War for Talent” start?

- The world’s population aged 60 and older is expected to double by 2050, and it will represent 20% of the global population:
  - Europe has the oldest population in the world. In western economies, this percentage is expected to reach 20% to 30%
  - In the United States, 55 million people are over 55, and 34 million are over 65, figures which are expected to double by 2030
- Japan is expected to experience the greatest labor shortage and sooner than other industrialized countries
- China will be negatively impacted by its “one child per family” policy
- China, Southeast Asia and Africa are expected to experience shortages in skilled labor and a surplus in unskilled labor

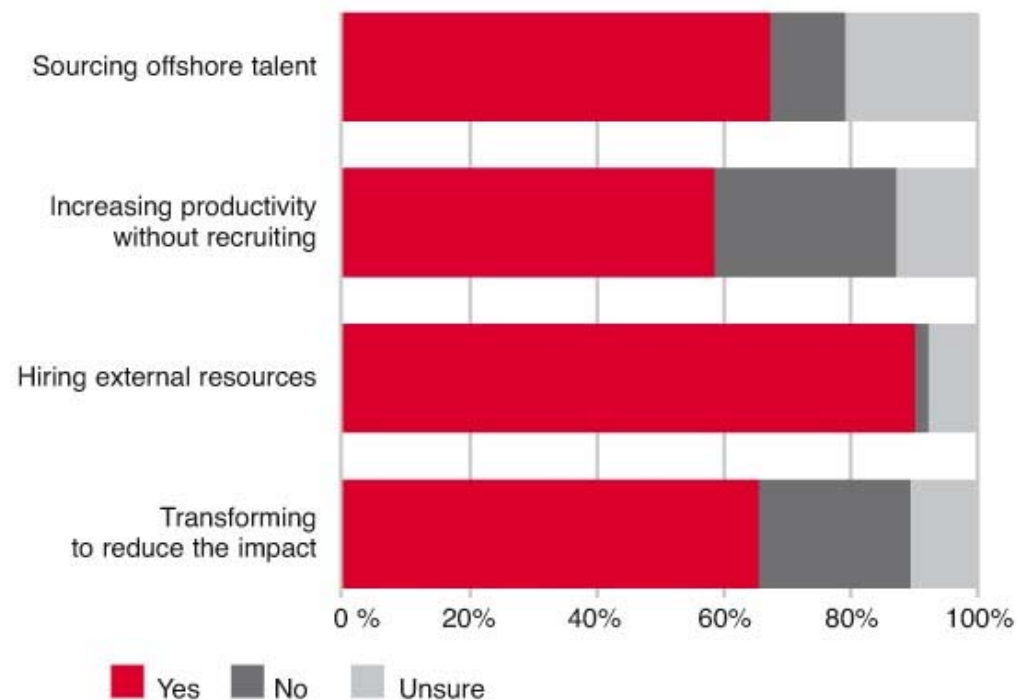
## The impact of the lack of talent / expertise over the next 10 years

- 82% of respondents think they will be impacted, nevertheless:
  - large companies consider themselves less exposed than medium and very large companies:
    - Medium size companies have weaker employment brands
    - Very large companies face their own internal obstacles (bureaucracy, silos)
- Of those who say they will not be impacted by the war for talent, 50% are HR Leaders based in Europe. Some considerations:
  - lower levels of economic growth and higher levels of unemployment experienced by European employers in the past few years can contribute to greater uncertainty when addressing war for talent issue
  - when interviewed in their own country of origin, companies are more confident in addressing the war for talent; in addition NA companies are more confident in Europe than European companies in NA

## Strategies in the 'War for Talent'

- A high percentage of companies feel they will be impacted by the “war for talent” but they do not have a clear strategy or a defined mix of actions

### STRATEGIES TO ADDRESS THE LACK OF TALENT



Two new solutions:

- 1) Sourcing offshore
- 2) Transformation

## Is Offshore Sourcing the Right Solution?

**To attract new talents from around the world companies have to be more creative and start “thinking out of the box”**

– **Hiring experienced people with different motivations:**

**“They (retirees) can be valuable resources in a tightening labor market. (...) highly experienced while being less ambitious (...) we have to develop challenges for them”**

*(HR Leader from a European based company in Financial Services)*

– **Company image is also crucial:**

**“In order to attract and retain talent we need to maintain our entrepreneurial culture and style”**

*(HR Leader from an Asian-Pac corporation)*

– **Changing the playing field for doing business:**

**“Networking globally and moving work around globally is important to us”**

*(an Australian based HR leader in a major manufacturing company)*

## Attracting Talent is Necessary but Retaining Them is Crucial

Some participants shared good practices which focus on retention of key competencies:

- Money is not sufficient to retain & attract talent:

**“Getting senior managers understand the possibility of not getting talent, regardless of money is a challenge”**

*(HR Leader from a large consumer products)*

- Having a comprehensive approach that recognizes not only managers but also experts and ‘potential’ throughout the organization

- Retaining talent is also about good managerial practices within the organization

**“Executive team performance is evaluated based on people development and retention”**

*(HR leader from a leading technology & electronics North American company)*

- Promoting career development and internal mobility:

**“We believe that talented employees should be rotated from division to division to broaden their skills, but a silo structure prevails”**

*(HR leader from a major North American-based technology company)*

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