

**Talent Attraction and  
Retention in a Global  
Economy  
White Paper**

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## **The People Factor**

“A supply chain is not an abstract network driven by processes and machines, but a real network driven by people. Good supply chains run on good people. Supply Chain Success will be impossible without the right talent, which is becoming rarer every day thanks to the global talent war. Any organization that does not have a good process in place to identify necessary skills, evaluate organizational gaps, and identify, recruit, develop, and maintain talent is doomed to become a second class citizen in the emerging international market.”

Succeeding in a Dynamic World: Supply Management in the Decade Ahead  
Joint Report by ISM, CAPS and A.T. Kearney  
2007

## **I Can't Hear What You Are Saying Because Your Actions Are Speaking Too Loud!**

Like a politician stumping for votes, proclamations by senior executives (and many industry pundits) that “people” and “not technology” are what is “important” rarely translates from the realm of oratory pontification into meaningful real-world application.

This is due in large part to the fact that outside of the framework of political correctness, communication as Bill McAneny offered in his book *Frankenstein's Manager – Leadership's Missing Links*, is actually a desire and not a skill. A skill that is in short supply according to his findings. In fact, second only to the ubiquitous lack of people skills complaint, ineffective communication said McAneny is the most common charge leveled at an organization's leadership.

As a result, observations such as those made in reports like the ISM, CAPS and A.T. Kearney collaboration (*Succeeding in a Dynamic World: Supply Management in the Decade Ahead - Appendix A*) are in reality hollow expressions of an ideal that few actually pursue. A pursuit, which interestingly enough is undermined by some of the other recommendations contained within the very same report. A contradiction I would add, that has not eluded the consciousness of most procurement professionals.

In reality, talent attraction and retention begins and ends with the pre-existence of firmly established core values and a clearly defined strategy. In other words, attracting and retaining talent is not an exercise in and of itself but is the by-product of a sound procurement strategy and practice.

Or to take a page from the world of sports, good players want to be part of a good (re: winning) team.

Where the majority of companies drop the ball so to speak, is that they fail to establish a strong organizational foundation of understanding through effective avenues of communication. Therefore, the very same risks associated with looking to external consultants for direction exists when recruiting outside talent.

As a result, pursuing and introducing a new recruit into an environment that is found wanting in this critical area regardless of his or her individual skill level, will result in frustration and ultimate failure for both the company and the individual.

## **Are You a Doom Loop Company?**

In his book *Good to Great*, Jim Collins made reference to the Doom Loop and Flywheel concepts.

In the former, corporate leadership builds their strategy based on misinformation and therefore lack a clear understanding of the real challenges their organizations' face. They then attempt to implement an initiative which after failing to solicit feedback from key stakeholders does not receive the required buy-in. The initiative then flounders in a state of unrealized promise and misunderstood intentions failing to gain the necessary traction to drive positive results. Before you know it, the company is back at square one (or worse).

Conversely, the "good to great" companies (the majority of whom ironically promote from within their corporate ranks – a practice we will discuss in greater detail later in this paper), relied on a down-to-earth, pragmatic, committed-to-excellence process or framework. This kept each company, its leaders and its people on track and collectively working toward a well defined goal that was readily understood and embraced by key stakeholders.

This Collins asserted demonstrated the "triumph of the Flywheel Effect over the Doom Loop." (I would strongly recommend Collins' book as required reading for any procurement professional.)

Using the above as a point of reference, there are a number of critical questions for which answers are required prior to entering the competition for talent fray. These include:

1. Has my organization established the necessary channels of communication with all of its key stakeholders?
2. Has my organization firmly established a solid foundation of understanding in terms of its current procurement practice (including of course areas of potential improvement)?
3. Has my organization clearly identified a course of action that is capable of achieving its stated objectives?
4. Has my organization received the necessary stakeholder buy-in to systematically achieve *graduated and quantifiable results* on a *consistent* basis?

If these questions cannot be answered with a confident “yes,” the organization is not ready to bring in a seasoned veteran, let alone a talented, young prospect.

Unfortunately, the majority of organizations do not go through the exercise of taking this kind of litmus test, choosing instead to introduce over-arching strategies with catchy monikers such as the Way Forward. In reality, these myopic undertakings usually fill the interactive vacuum with an over reliance on technological promise and external consultant “expertise” to define their practice.

This is the reason why the ISM, CAPS and A.T. Kearney report (and those like it) are problematic - even dangerous. Under the auspices of expert research, they throw out superlatives such as multi-pronged strategies and competency maps and highlight the importance of leadership's ability to manage and motivate individuals across functions, geographies, cultures and generations.

In reality, the prognostications associated with most industry studies are more representative of long-held beliefs upon which careers, reputations and businesses have been built. This is one of the reasons that Colin Powell (in one of his more famous speeches) made the comment that "while it is important to seek the input of experts," one should not lose sight of the fact that "they may have reached their peak" in terms of current day relevancy.

Or to take another page out of Jim Collins' book, in which he highlighted a number of corporate myths, "Companies that make the change from good to great have no name for their transformation – and absolutely no program. They neither rant nor rave about a crisis – and they don't manufacture one where none exists. *They don't motivate people – their people are self-motivated.* There's no evidence of a connection between money and change mastery. And fear doesn't drive change – but it does perpetuate mediocrity."

Note the differences between the findings from Collins' research – a unique juxtaposition of hard scientific outcome reflecting decades of research data and a Will Rogers kind of homespun logic – with those from the ISM report. One reflects a kind of practical, down to earth fatherly advice that comes through years of real-world experience, while the other reads like a chemistry formula or a high-octane advertising campaign.

In the end Collins ultimately concluded that "dramatic results do not come from dramatic process – not if you want them to last anyway." In fact, "a serious revolution, one that feels like a revolution to those who are going through it, is highly unlikely to bring about a sustainable leap from being good to great." Makes one wonder how ISM defines "*a second class citizen in the emerging international market?*"

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