



THE IMPORTANCE OF TALENT MANAGEMENT A RECRUITER'S VIEW

(Article in OSC Magazine Dec/Jan 2009)

Jim Roach is owner of ARV Solutions, the leading Recruitment Consultancy specialising in the offsite construction sector.

We have challenging times ahead; though out of challenge comes opportunity. This is when evolution gets going – the survival of the fittest! Retaining talent now is important to survival, and

crucial for offsite's future.

Business evolution advances through innovating, creating change, being flexible to adapt and take best advantage in changing markets and new environments; people are at the heart of this.

There will always be a market for building and construction – and there are major workloads in many areas despite reports from the media. Attracting the best talent, and retaining staff, are key elements to getting ahead of the competition to ensure your company's share. Businesses need to be lean and fit to achieve success; however caution is advised to not irreversibly lose the talent to make it happen.

I've worked in recruitment supplying staff to construction, manufacturing and engineering for nearly 20 years; the last three specialising in these genuinely fascinating and innovative areas covering offsite and MMC. Current conditions, whilst exceptionally challenging, could clearly bring major advancement for this sector. It will require strong management – and in particular a good understanding of the people issues – the talent.

Board rooms have two opposite themes currently; retrench, or advance!

Staff are key to both – to advance needs the best strategies, products and solutions and highly effective people. Retrenching inevitably generates discussions on redundancies. In some cases this will be unavoidable.

Here's what I see and hear as a recruiter, from candidates: your previous, current or future talent base! Some candidates that were laid off and many that weren't!

- Skills shortage

Though easing from the recent acute shortages technical and management skills are still in short supply. Across manufacturing, construction, and more particularly within offsite and MMC, experienced staff with relevant skills are scarce. Design staff, construction & commercial managers, and lean manufacturing professionals in particular are rare. Also people who understand how to sell innovative solutions to a conservative construction market. Essential too, are those who understand how to bridge the gap successfully between the ordered manufacturing environment and traditional construction.

- Redundancy costs

Remember when considering redundancies, the cost of recruiting those staff, and the effects from waiting to attract them – and redoing it in future! What was spent on training and development? Will you be able to afford all this again? (I'm advised it costs up to £10,000 to replace a member of staff, and a similar amount for the average redundancy cost) Let's not forget, crucially, these people are fathers, mothers, sons and daughters with hopes, dreams and responsibilities. The wider psychological, emotional and financial issues ripple out.

Redundancies may be a necessary reality but must be a last resort – and must be visibly demonstrated as being a last resort. Redeploy, and retrain rather than losing people you will need in future.

- Retain your best talent

Some of our best candidates approach us despite having been spared redundancy. This is usually through insecurity, reduced perception of opportunity, and from seeing former colleagues succeed elsewhere, the key talent you keep can easily follow, leaving glaring skills gaps. Competitors will be keen to get your best people, and there are increasing opportunities abroad too. Are you keeping staff close and letting them know they're valued? If not they will certainly move on when things improve. The CIPD quote training and development as being the most important factor in retaining staff and employee motivation –as well as boosting performance.

- Best asset

It is people that research and design the better and lower cost product; find ways to speed up and reduce costs in production; win contracts and negotiate variations that create and maintain your margins. They are the key element to improving business for survival and success. If redundancies need to happen then demonstrating it's a last resort is essential. People need to clearly see that this is being done, only once all other steps are taken such as refinancing, seeking new funding, selling off non essential assets etc.

- Opportunity

My thoughts were reaffirmed by John Philpott, Chief Economist of the CIPD, whilst researching for this piece, who told me "We are seeing record numbers of our immigrant workforce leave, coupled with stricter controls on new immigration. This spells severe skills shortages as soon as there is a recovery." The housing sector has already rapidly cut its workforce – will it attract enough traditional skills back, or need to look at new ways of building? Offsite providers can take advantage, only if they have the talent.

Clients tell us there are still good markets out there. A prime example is pod manufacturer Elements Europe: their new Chief Darren Richards states "We are driving forward with R&D, streamlining production ready for expansion, marketing like mad and as a result picking up stacks of enquiries and winning major new contracts." There are many more like this.

It's not all doom and gloom, and for those advancing, there's never been a better time to attract talent.

www.arvsolutions.co.uk

www.oscmagazine.com