

Attracting and Keeping Your Top Talent

By Jaquelina Jimena *

"We are facing serious risks in the future. On one hand, most of our workers have significant experience, but we have difficulties when we want to replace them and hire new employees. On the other hand, sometimes we can not find talented people within our own country, and we have to seek outside help."

Certainly this confession from my friend, who works for a mining company is symptomatic of a worldwide problem: the number of skilled workers is decreasing.

Simply put, Europeans and North Americans are living longer and having fewer children. Without immigration, the population of the current 25 member-states of the European Union will drop from 450 million now to fewer than 400 million in 2050, according to UN Secretary General Kofi Annan. These ageing populations in the Europe and North America will mean changes in company personnel practices and assumptions about what staff can achieve physically and mentally at different ages.

Some businesses, including the pharmaceutical company Pfizer, are already encouraging employees to continue working beyond the formal age of retirement. Others are hiring older workers. Providing they have stayed fit and healthy, older workers can enjoy a more active lifestyle into old age than did previous generations.

Helping employees to "age healthy" by encouraging regular exercise, medical check-ups and a balanced diet will become an increasingly important dimension of the Corporate Social Responsibility (CSR) agenda, the business rationale being less absenteeism and higher productivity.

The second part of my friend's reflection relates to how to attract and retain top talent.

With a growing number of industries facing labour shortages, finding and keeping skilled workers is proving to be a challenge. In addition to good salaries and challenging work, many of today's younger job seekers are also paying close attention to the social and ethical behavior of potential employers. Recent corporate scandals in the United States and Europe have made this even more imperative in recent years. In an October 2002 report on "Graduate Recruitment" in the Financial Times authors from Ernest & Young suggested that "what we may be seeing is people becoming more wary about the standards and credentials of potential employers".

Similarly, among existing employees, there is a trend for workers to take a greater level of interest in their company's approach to social, ethical and environmental issues. Employers who ignore these concerns will find their staff, particularly their most talented workers, leaving for employer that can authentically demonstrate positive values.

At the most basic level, it's good for business when companies treat their employees "well" a state that inevitably has different interpretations. For instance, a survey prepared by PwC measured employee morale by looking at absenteeism rates among workers at more than 1,000 companies in 47 countries. It discovered that companies with lower absenteeism have markedly higher profit margins.

At the same time, companies can go beyond meeting the basic legal requirements to protect the health and safety of their employees. Here are some examples:

- The Great North East Railway, a British rail operator, applies what it calls the Service-Profit Chain, believing that from employee commitment comes customer satisfaction, which leads to customer loyalty and ultimately to better profits.
- The British United Provident Association, a U.K.-based health insurance provider, improved employee satisfaction levels by 20%, and contributed to a business turnover increase of 32% through a program that integrated ethical values into the business, helping to engage, motivate and inspire employees.

Clearly, business strategies that embrace good human resources practices and incorporate Corporate Social Responsibility can pay big dividends for both employees and employers.

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