

A Special Feature Presented by SMU Executive Development

The Race to Create Talent

Singapore Management University's Steve Wyatt explains how university support to corporate academies gives them the edge in the 'race to create talent'



Steve Wyatt

There is no war for talent.

The assertion may raise more than a few eyebrows. For nearly two decades organisations have been told by business gurus, journalists, and even academics that succeeding against global competitors requires a business to attract and retain talented employees.

Superficially, the idea makes perfect sense. But if we step back and look at the human capital challenges in ASEAN and Asia Pacific more broadly, there are huge numbers of people entering the middle class and looking for better opportunities who would not meet the standard of already being a highly talented professional ready to be attracted and retained.

The problem businesses face today is very different – it is a problem of developing talent. Many companies already recognise this developmental need and are investing heavily in corporate academies based here in Singapore. Unilever, BNP Paribas, AXA and UBS are just a few examples.

But before we look at what these corporate academies are doing, let us look more closely at why we are in a race to develop rather than attract talent.

Asia's Corporations Are Racing to Develop Talent

Major economic and demographic shifts currently underway are driving new people into the workforce. In close association with the region's increasing prosperity, the new employees are seeking better professional opportunities, new challenges, and better salaries. Just consider the following three statistics:

- According to a 2013 report from PwC, economic centres of gravity are moving south and east. To illustrate, in 2014 China became the world's largest economy, overtaking the United States.¹
- The same report predicts that by 2015 the middle class in Asia Pacific will be larger than that of Europe and North America combined. Many of these families are newly prosperous and entering the middle class for the first time.²
- Many markets – India, Vietnam and the Philippines are but a few examples – have what is called a "demographic dividend". They have large numbers of young people entering the workforce, and these workers are often keen to accept new challenges, learn and grow.³

Demographic and economic trends, however, are just one part of the equation. What about the nature of work?

Jobs Are Changing

According to Professors Erik Brynjolfsson and Andrew McAfee at MIT and authors of *The Second Machine Age* (2014), the world is currently undergoing a period of intense disruptive change. Like the industrial revolution, the adoption of robots and automation happening today "should deliver enormous benefits—but not without a period of disorienting and uncomfortable change."

What kind of change are companies and talented employees facing? Consider the following:

- *The Economist* reports that 47% of the world's job categories will be open to automation within the next two decades. This holds especially true for professional roles currently associated with high levels of education.
- 25% of the private sector jobs created since 2008 are on a contract basis (i.e. not expected to remain available over the long term).
- And when we look at the *Future of the Workplace* study, we learn that 91% of professional employees expect to remain in a job for less than 3 years.

Author and consultant Dorie Clark, who spoke last year at the Singapore Management University (SMU) Women and Leadership forum, offers the following advice to professionals grappling with the rapidly changing nature of work, "Jobs are changing so fast that the only way to know if it is a fit is trial and error."

It would appear that the nature of work is changing as rapidly, if not more so than the developing economic and demographic trends. Together, what these insights teach us is that there is no war for talent. The talent needed today often does not exist in the marketplace (or is of very limited supply), thus trying to attract and retain such talent will, in many cases, not yield the needed results.

Companies today should invest more in talent development.

The Rise of Corporate Academies as a Response

Many companies already recognise the need to develop talent, and with the support of Singapore's Economic Development Board, are establishing corporate academies. These in-house academies have the potential to be vibrant centres of learning, provide accelerated executive development, and equip professionals with on-target skills and knowledge. Additionally, being in-house, the academies often become custodians of the firm's values.

Those academies that succeed, and remain relevant, are those that make the greatest contribution to the race to develop talent. Thus, academies facilitate business unit success by developing executives who can tackle specific challenges. Such academies have a mind-set of enablement and empowerment, not of expediency and cost efficiency.

It follows then that academies must effectively partner with the business units. Talent development officers must understand the current business challenges, use the language of business leaders, and interpret business challenges into human capital needs as they design a talent development pipeline. Similarly, business unit leaders need to accept talent development officers as partners who enable their business success, not perceiving them as a cost centre.

The Risks of Corporate Academies

Despite high profile launches and initial success, the risk with in-house academies is that they can also easily become a budget-draining white elephant. Becoming under utilised over time, in worst cases, the academies can end up cajoling business unit directors into sending staff to attend programmes that do not fit the pressing needs.

Learning a few lessons from the cycle of growth and subsequent decline of corporate academies in Europe, successful academies incorporate three guiding principles. The first two have already been discussed – adopting a talent development mindset and partnering wisely with the business units.

The third essential ingredient is the ability to create holistic, integrated learning journeys. The executive development journey must combine training and education with practical application and experience building, personal coaching, feedback and assessment. These components must be seamlessly integrated and rooted in the corporate doctrine, culture and values.

Firms that have adopted these guiding principles include Unilever and GE, which have achieved outstanding reputations for talent development and business performance. However, all too often corporate academies do not achieve these standards; failing to integrate programmes with job assignments and performance assessment or being handicapped by talent officers that speak a language of competencies whilst business leaders speak about performance results, market context and operational ambiguity.

Building a corporate academy and keeping it relevant can be a costly exercise. In the absence of commitment and sound administration, an academy can steadily devolve into a warehouse of programmes that are poorly curated, lacking insight and decreasingly supported by the business units, limping along with compulsory attendance programmes and corporate subsidies.

In such a worst-case scenario, the corporate academy literally becomes that white elephant.

The Path Forward for Talent Development in APAC

As the search for competitive advantage becomes a race to create talent, corporations and their academies are building close partnerships with institutions that can assist with the design of integrated learning journeys and help the firm remain abreast of emerging trends and leading research insights. To this end, SMU has assembled a team of learning journey consultants and designers drawn from corporations, consultancies and business schools globally and locally; and our case-writing team has become one of the most active in Asia.

In my experience, the key to achieving a good return on investment for the corporate academy, is the result of accelerated on-target performance improvement through better-designed learning journeys, rather than seeking reduced financial investment. SMU supports talent development officers and corporate academies to achieve these results. Our support for corporate academies has grown significantly in recent years as the University partners with global and local corporations seeking to establish or revitalise their academies in the region (and more recently, we are also providing support in Europe).

This is where the longer-term benefits of a solid academy-university partnership can pay off. A well-structured portfolio of programmes addresses the talent needs of the business today and tomorrow, managing the connections between the programmes that an individual may participate in at different career stages – and ensuring content and learning journey designs are constantly assessed and refined to maintain relevance and impact.

The diversity of the faculty employed by the typical corporate academy can be a source of great strength. Internal corporate executives bring an understanding of the culture, context and business issues while professional services firms often bring a rich experience base that cuts across industries. University faculty typically bring a depth of content expertise and understanding of how to leverage that expertise. Each has their place for advancing the academy's objectives.

A final consideration will be academy accreditation. The accreditation process helps academies maintain a sound professional approach to education, enables them to develop relevant and effective programmes, and employ good governance procedures. Being accredited themselves, universities are ideal partners to support the academy through the accreditation process. "Specifically," says SMU Programme Director, Katharina Lange, "accreditation covers the operations of the academy itself, its systems, processes and resources; the kinds of courses and their delivery; the assessment and validation of the design of the learning journey and the control mechanisms to ensure consistent delivery; and the learning outcomes, including assessment of participants."

If relevance and delivery excellence are essential to the academy, a commitment to investment is not far behind.

"Academies require constant investment," says Katharina Lange. "Unfortunately some corporations seek to squeeze operating costs and this triggers a downward spiral for their academies." Lange speaks from experience, having spent many years in Europe observing first-hand the benefits and shortcomings of academies, some of which failed or were ultimately downsized significantly.

Building Tomorrow's Corporate Academy Today

Viewed holistically in the current "age of engagement", corporate academies provide targeted thought leadership and significantly enhance the performance of their firms and employees, with participants at all levels continuing to speak in glowing terms of their seminal experiences long after they have "graduated".

The first step is to ensure that your academy is optimal for supporting the race to develop talent. From there, a partner such as SMU can support you with one of the largest faculties in the region. It can immediately add bench strength in terms of programme design, delivery experience, content development and accreditation, as well as provide a partnership that can help secure the long-term viability of your academy.

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¹ "Megatrends: Shift in Global Economic Power," PwC, accessed 7 January 2015, <http://www.pwc.co.uk/issues/megatrends/issues/shift-in-global-economic-power.htm>
² Ibid
³ "Asia's Looming Demographic Dilemma," Asian Century Institute, accessed 7 January 2015, <http://asiancenturyinstitute.com/issue/58-asias-looming-demographic-dilemma>

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