

EXECUTIVES WANTED

Despite record unemployment, recruiters are desperate for top-tier talent.

BY MAC MARGOLIS

PHOTOGRAPH BY DENIS BOURGE

IF THERE IS A SILVER LINING HIDDEN in the Great Recession, it ought to be found in corporate headhunting. While the recession has devastated industries and services across the map and crased 8.4 million jobs in the United States alone, it should also have created a vast reserve pool of idled managers and senior executives. Where better to look for bargain talent than in a torrent of pink slips?

But good luck trying to find such a bonanza. As they slowly recover from the last two bruising years, companies across the world are facing a massive shortage of top-tier management talent. Turnover is intense, and wages are spiking as rival employers prompt bidding wars. Yet corner offices remain empty. "Thirty percent of employers across the globe continue to struggle to fill positions available," Jeff Joerres, chief executive of the recruitment agency Manpower, told the World Economic Forum earlier this year.

Much of the demand, paradoxically, stems from the global downturn. After shedding workers in droves during the recession, many shrunken businesses find they are bereft of the qualified pro-

professionals needed to kick-start growth. The legion of graying baby boomers set to punch out is contributing to the problem. So is the meltdown in many classrooms, where plunging math and literacy scores and science-by-the-numbers are cheapening diplomas and

hobbling tomorrow's professionals.

But employers are also colliding with another reality that the economic slump simply masked—a sea change in the international economy that is challenging the way businesses organize themselves, create wealth, and shop their brands around the world. In the U.S., a lot of middle managers who used to work at mortgage companies are seeking work. But the rise of the Web and tech-based professions such as logistics, biotech, health services, and information technology has put a premium on top-tier scientists, engineers, and computer geeks, who are suddenly scarce and costly. And as emerging markets take off, soft skills that were previously seen as gloss on the CV—adaptability, foreign-language skills, ease in other cultures—have suddenly become part of the core job description of managers.

Despite the so-called *résumé tsunami*, employers looking for managers with all these skills are finding slim pickings. The problem is particularly acute in the rising economies of Asia, Latin America, the Middle East, and even Africa, where breakneck growth is pushing management to the limit. While China is forecast to need some 75,000 managers through 2020, only 5,000 are currently available on the domestic job market. So severe is the skills crunch that a wonky subgenre of doomsday literature, with titles like *Companies at a Crossroads* and *Winning the Global War for Talent*, has hit the

TENDANCE FLOUÏE



Continúa en siguiente hoja

business stacks.

Until recently, all major employers scouting for talent had to do was post an ad, and a reliable stream of able, eager applicants would follow—if not from home, then from abroad. The smartest professionals in developing countries desperately sought to move to the richest nations. But now, as wealth and power shift hands, it's no longer a buyer's market for the First World. And homegrown talent doesn't necessarily have the soft skills that multinationals require. It's no longer enough for local managers to master business tools like Oracle and Java. They also need global experience and the ability to lead multicultural teams, skills that are in "short supply," says Joerres.

The talent crunch is worst in emerging markets. Some 50,000 multinationals open for business in China every year, hoovering up most of the top talent. The same is true in India, where businesses are expanding at 30 percent a year, three times the pace of the economy. As giant U.S. firms downsize and restructure, developing-world multinationals like Tata (the Indian conglomerate), Lenovo (the Chinese computer giant), and Vale (the Brazilian steel firm) are on the rise. By 2015, the International Monetary Fund projects, the Asia-Pacific region will account for 45 percent of global GDP, compared with 20 percent for the U.S. and 17 percent for Western Europe. And the skills drain will only get more intense.

Throwing money at managers won't

necessarily solve the problem. But more long-term thinking might. Oil companies learned the hard way: after cutting back on staff, R&D, and prospecting when world energy demand slumped a decade ago, the entire industry is now scrambling for engineers and geologists. An exception was Brazil's Petrobras, which decided to buck the trend and pour money into training and recruiting when things were down. "When you cast the net into the sea you get soft-drink cans and old boots, but you also get lobster," says Mariângela Mundim, head of human resources at Petrobras. "Fortunately, there's a lot of lobster out there."

To fill their nets, businesses will ultimately have to rethink the way they recruit and steward talent. China has 1.3 million young engineers, but only 160,000 are skilled enough to be hired by multinationals, according to McKinsey & Company. "In India we have the

'stuffed duck' system," says Vijay Govindarajan of the Tuck School of Business at Dartmouth. "We are very good at filling our heads with facts and technical problems, but we lack theoretical skills, negotiation, political savvy, and the ability to work in teams. We still have to go the last mile." To do that, many of the biggest companies are trying to create the talent they lack. For outsourcing pioneer Infosys, the search begins on college campuses, where company recruiters made some 20,000 job offers to seniors graduating in 2009. Corporations as diverse as DHL and

Petrobras have founded their own universities to shape raw recruits into corporate leaders.

At the same time, the talent crunch is shaking up First World corporate culture. Although multinationals are no strangers to the developing world, in the past they mainly hurled up assembly plants and tapped low-cost labor. "They didn't need local talent," says Govindarajan. The globalized economy has changed everything. "Now India, China, and other emerging markets are becoming sources of innovation, and research and development are moving overseas." The days of managers parachuting into a foreign subsidiary with an interpreter are over. "We now need chief officers who are diplomats, know how to move across borders without alienating people," says John Wood, vice chairman of Heidrick & Struggles, an executive-search and consulting firm.

Companies now speak of the ideal manager as the perfect combination of East and West. In a world where talent must be found anywhere, that sounds just about right. □

THE PROBLEM IS PARTICULARLY ACUTE IN ASIA, LATIN AMERICA, AND THE MIDDLE EAST, WHERE BREAKNECK GROWTH IS PUSHING MANAGEMENT TO THE LIMIT.



A VAST
TALENT POOL
NEHRU PLACE,
NEW DELHI

TENDANCE FIDJIE

Continúa en siguiente hoja

