

**Submission:** *Reform of Australian Government Administration: Building the 'Worlds Best' Public Service*

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**Title:** *The New War of Talent: Enabling the Australian Public Sector to Compete for the Global Supply of Knowledge Workers*

'The War of Talent' has become somewhat of a catch phrase for the modern Human Resource (HR) profession. The concept has been born out of concern regarding a lack of labour supply in countries such as America, Great Britain and Australia due to demographic issues related to age distribution and the quality and/or volume of qualifications among other varying influences (SHRM Workplace Forecast, 2008). These shortfalls, it has been stated, require organisations to combat one another in their ability to acquire and develop talent for a competitive edge (Watkin, 2009). In more recent times however, some writers have suggested that the War of Talent is over, or in some cases, that it never really occurred with one particularly opinionated Human HR journalist attributing any perceived war of talent to a lack of capability or failure in an organisations HR Department to deliver top quality talent to their organisation (Ruettimann, 2009). Further literature however, still points to a competition of sorts; not simply for a sustainable supply of talent but for organisations to have 'top-line talent' in increasingly competitive global markets (Beulen, 2008).

These perspectives point to a broader issue than a lack of supply within developed countries. A combination of globalisation, booming populations and economic development in Brazil, Russia, India and China (BRIC) has seen a shift in the nature of work and capabilities of workforce in these countries (SHRM Workplace Forecast, 2008 & Sachs, 2008). Where traditionally, countries like India and China produced much of the low skilled labour force to service the world's requirements there has now been a shift to work more orientated toward problem solving, communication, information technology and specialist expertise; summarised as knowledge based work (Lewin et al, 2009). The new supply of knowledge workers has increased the base supply of workforce in many fields (when viewed from a global standpoint) (Beulen, 2008) and challenges organisations to become creative about how they ensure they have a talent pool that does in fact provide them with a competitive edge (Boudreau & Ramstad, 2005).

But what does all this mean for the Public Sector? As Australia continues to develop it will require a sustainable talent base to ensure our public services provide the outputs that can support the countries requirements and remain globally competitive (Sachs, 2008). With this in mind, leaders within the public sector must become creative in the talent management systems they deploy if they hope to compete with well established, and often more lucrative, private markets (Franzel, 2009). This emerging issue of public organisations being required to competitively attain and sustain the international supply of knowledge workers will be coined by this paper as 'The New War of Talent'.

### ***The Attraction of International Workers to the Australian Public Sector***

The first hurdle will be attracting the right kind of talent. The acquisition of international workers will pose some risks for the public sector that are often not as apparent in the private sector, namely considerations of information security and the migration of individuals who oppose Australia's government and/or cultural ideologies (Ku et al, 2009 & Lim, 2007). Furthermore, a quality assurance process will need to take place to validate international qualifications and experience for the purposes of Australian on the job performance (Spence & Petrick, 2000). The Australian Public Service Act 1999 provides that agency heads are able to dictate the prerequisites for entry into their agency provided they communicated to candidates at the time of recruitment. The onus will be on leaders of each agency to develop human resource (HR) policies and processes that account for the types of compliance checks that will be specifically required by their agency. These policies will need to be considered in conjunction with, and strategically aligned to, recruitment and selection practices that are feasible for international application (Anderson, 2005).

Outside of the establishment of quality internal recruitment and selection processes will be the organisations ability to be viewed as an attractive place to work. Indeed, to use another catchphrase, Australian public sector agencies must strive to become 'employers of choice' regardless of the varying needs and values of their potential talent markets (Branham, 2005). Where the public sector may not be able to match the levels of compensation provided by the private sector they must work to provide cost effective attraction mechanisms most likely in the form of competitive working conditions, the incentive of meaningful engagement in work and the opportunity to meet self efficacy needs associated with providing outcomes for communities and public good (Franzel, 2009).

While these initiatives provide a baseline for the attraction of international talent they must be considered with in light of the fact that these talent pools are likely to have diverse motivations for engaging in public sector work. Karacay-Aydin (2009), points out that Talent Management strategies are not a 'one size fits all' scenario and require scope and flexibility to meet individual needs. An understanding of cultural values and motivations of particular talent markets/ segments will need to be developed in order to maximise value.

The challenges for HR Professionals may run even deeper than cultural values of potential talent pools. Talented internationals may have a number of factors inhibiting their ability to engage in work outside their national borders. Strong family ties for instance, can combine with spousal preferences for living to restrict any intent to take up positions within the Australian public sector (Konopaske et al, 2005). Thus, talent attraction strategies must look beyond the individual to their personal conditions; family, religion, culture and ability to assimilate and remain flexible in the capacity to cater to these needs.

### ***The Retention of Quality International Talent***

The issues associated with accounting for the family unit, among other personal considerations, will also translate into the next phase of the challenge for Australia's public services; retaining quality international talent once they have been attracted to take up work in the country.

Individual satisfaction associated with where the family (if applicable) is able to reside, and their ability to assimilate into the community, will play a role in the decision of international workers to stay (Richardson et al, 2008). It is therefore important for Australian public sector agencies to plan ahead at the time of recruitment and adopt a holistic perspective regarding retention of their key talent acquisitions.

In the first instance, public organisations must target their induction and orientation activities towards enabling the worker to feel integrated with their operations as well as for the family to feel embedded within the community (Konopaske et al, 2005). Strategies to achieve this will include the opportunity to reside in communities that are culturally aligned to the families (or workers) values and provide opportunities for schooling, community engagement and activities as well as meet expected standards for living conditions (Richardson et al, 2008). An

ability to promote feelings of embeddedness of both the talent in the organisation and the person/ family in the community will greatly influence their decision to remain working in the organisation/ country (Mitchell et al, 2001).

The next phase will require HR professionals to ensure their systems and processes, post induction and orientation, are flexible and adaptable to individual needs related to varying cultural and value considerations. Items in this category include appropriate job design, performance appraisal, learning and development opportunities and positive working conditions (Wood et al, 2006). Furthermore, working policies that remain flexible with regard to time and working location (perhaps through the enabling use of information communication technologies) will need to be provided in order to avoid feelings of isolation from the family with regard to their family member who is engaged in work within the public sector (Beulen, 2008).

The capabilities of the organisations leadership will also play a role in determining whether international workers choose to remain employed in Australia's public sector. It is important to remember that leadership styles must also reflect the individual needs of workers (Wood et al, 2006). It has been consistently found that culture plays a role in the perception of successful leadership and therefore the impact certain styles are likely to have in any given situation (Casmir & Waldman, 2007). Public sector agencies must strive to account for leadership contingencies for international workers as well as work with international leaders in developing their ability to lead effectively in an Australian context.

Those responsible for engaging international talent must also look towards providing career prospects for their acquisitions should they desire to retain them in the longer term (Suutari & Tornikoski, 2001). Efforts in this area will also contribute to the agency remaining an 'employer of choice' given the increased perception by international talent markets that the public sector will provide opportunities for advancement (Branham, 2005). There will be a challenge in keeping highly qualified/ experienced knowledge workers engaged longer when there may be a bottleneck for managerial positions (Watkin, 2009). Strategically, this can be addressed through cross service collaboration between agencies to enable the appropriate flow of talent once individuals have been enticed to take up public sector work on Australian shores. It should be noted that this type of collaboration could prove the greatest challenge, given historically there has seemed to be an inability to foster horizontal and

vertical relationships in the Australian public sector (i.e. horizontally between departments and agencies and vertically through federal, state and local government).

### ***Further Implications and Considerations for Australia's Public Sector***

As stated above there are some considerable challenges for the translation of the idea's presented in this paper to application.

In Prime Minister Kevin Rudd's address to the Australia New Zealand School of Government Annual Conference (2009) he referred consistently to the workforce issues facing public service organisations:

*"It is the view of the Government and the heads of the APS (Australian Public Service) that only by hiring and promoting the best people can we solve the great challenges of our time".*

These sentiments reflect a genuine desire to foster and sustain a competitive workforce and promote the effective attraction and management of talent. Yet despite the rhetoric, it seems much of the public sector has failed to deliver on initiatives of this nature in recent times (Ridoutt & Wise, 2005). In order to gain traction, the issues addressed by this paper will need to be strategically aligned with integrated approaches to workforce planning thus ensuring that changing scenarios in demographics, types of work, workforce capabilities and other trends are planned for in advance (Hanson, 2008). The ability to achieve this will enable Australia's public sector to not only attain and retain international talent but sustain a competitive advantage as the talent base for knowledge workers increases on a world scale (Ridoutt & Wise, 2005).

Efficiency will also be an issue for public organisations. Like the private sector, public services will be looking for the greatest outcomes from their talent management efforts with the least amount of expenditure (Ulrich & Smallwood, 2005). The situation will become somewhat heightened given expenditure will be of public monies. Demand based interventions to address supply gaps may therefore prove more viable when considering workforce planning and talent acquisition strategies for the public sector (Boudreau & Ramstad, 2005). The evaluation and re-evaluation of talent management strategies will provide opportunities to illustrate return on investment (Ulrich & Smallwood, 2005). Mapping links between talent initiatives and the on the job performance

of international acquisitions may also prove a valuable exercise for HR professionals looking to gauge the success and viability of their talent interventions (Boudreau & Ramstad, 2005).

Despite the challenge in measuring and justifying expenditure, competing for the international supply of knowledge workers will become more and more necessary for Australia's public sector. In the same speech Prime Minister Rudd called for innovation and notes:

*"...the 2007-08 State of the Service Report showed that the APS is still far from having a culture of innovation".*

Emerging research does point to the vast supply of talented individuals and potential for innovation becoming accessible to the rest of the world through increases in knowledge work from developing economies (Lewin et al, 2009 & Sachs, 2008). That said, it must be stated that the Australian Public Service has not as yet launched any great effort to acquire top line talent on an international scale. Perhaps this is a reflection of our societies beliefs about migration; holding the view that international talent will some how be 'taking our jobs' and a cautiousness of on behalf of government given the risks associated with national and information security discussed earlier in this paper.

Thomas Bechet (2000) calls for organisations to adopt non-traditional approaches to staffing strategies if they desire to be effective in their workforce planning initiatives. Perhaps the acquisition of international talent via tapping the newly forming supplies of knowledge workers is an avenue that needs to be explored and/ or better utilised if Australia is serious about having innovation as a corner stone of its public services.

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