Evolving Talent Strategies for Professional Services

HOW LEADERS CAN START TO RETHINK THEIR APPROACH TO WINNING — AND KEEPING — TOP TALENT

By Frances O'Neill

Employers across U.S. sectors continue to bear the burden of mass resignations and financial uncertainty due to economic conditions.

Vacancy figures underscore the need for workers. Job openings in the U.S. top 11 million according to the Labor Department's Job Openings and Labor Turnover Survey (JOLTS), and quit rates remain high as workers voluntarily leave their jobs.

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While the stability of the economy and the job market will continue to fluctuate, the tipping point has already occurred for businesses to start rethinking the talent strategies that will take them into the future. Deeper collaboration in the C-suite is driving a change in who is responsible for the organization's workforce growth and development. At the center of it all is the need for operational and cultural transformation, supported by technology to attract and retain the talent necessary to thrive.

The Impact on Professional Services

For professional services organizations whose most valuable asset is their people, there is heightened urgency to mitigate talent woes before they lose more ground.

Talent shortages and frequent turnover are hitting professional services businesses hard with deficits in the following areas:

Current and future client relationships: Creating a positive customer experience is paramount for professional services firms. Not having the right people for a project, or experiencing turnover on a project, can threaten the quality of services and deliverables. This damage has a compounding effect as poor customer experience diminishes the referenceability that is a mainstay of business development in the professional services sector.

Missed revenue: Amid talent shortages, professional services organizations are forgoing client-requested work and requests for proposals. Without the right people to deliver their services successfully, organizations are not only experiencing a reduction in revenue but hindered growth that might occur through service expansion with current clients.

Margin erosion: Increases in operational costs to hire talent, demand for higher salaries and bonuses to drive retention, and write-offs due to service or performance issues are shrinking margins across industries. The fallout of margin erosion will undoubtedly include hampered growth as organizations pull back on large-scale transformation projects to stabilize financially.

Looking Ahead: A Mindset Shift in the C-Suite

In traditional business models, talent recruitment, selection, and retention have primarily been the role of the office of the chief human resources officer (CHRO).

In today's competitive market, the level of transformation to mitigate talent woes requires insights and strengths across multiple domains, including strategy, finance, marketing, and technology.

This shift is emphasized in professional services sectors where the workforce's talent is the organization's product. C-suites in this sector have a natural and necessary opportunity to formalize a more collaborative approach to talent that pulls from the strengths of the chief information officer (CIO), chief financial officer (CFO), and chief operating officer (COO), with the CHRO providing leadership across functions related to talent strategy.

Cloud technology and data — made relevant and actionable through enterprisewide cloud platforms — will continue to enable agile and efficient operations.

"Leaders need a reliable data-driven view of an organization's total demand and supply — pipeline, backlog, current and past projects — to understand the gaps in how work will be delivered to clients," says Patrice Cappello, Workday's global head of professional and business services go-to-market strategy. "From there, organizations can build deeper strategies for how they will fill talent gaps."

This level of tech-enabled transformation calls for deeper alignment, leadership, and collaboration from C-suites across culture, talent philosophies, and business operations. To problem-solve collaboratively, C-suites need a full view of the organization driven by data insights at the department and enterprise levels.

Talent Strategy: Evolving the C-Suite Roles				
GOAL	CHRO	CFO	COO	CIO OR CTO
Develop, align, and promote culture and employee engagement strategies	Defines the employee journey to include development, performance, and coaching practices; helps shape workplace culture and identifies local and regional community engagement opportunities that support the business goals	Establishes and manages funds related to community initiatives, training, and upskilling opportunities for employees and facilities and home office environment improvement while evaluating how decisions will affect employee satisfaction	Operationalizes employee engagement, training, and upskilling strategies; shapes policies and new ways of working that match employee preferences and improve employee engagement	Ensures the organization's digital infrastructure supports collaboration, efficiency, and security when people work from anywhere; ensures the ease of use of applications and learning management systems that offer personalized training

Talent Strategy: Evolving the C-Suite Roles cont.				
GOAL	**CHRO**	**CFO**	**COO**	**CIO OR CTO**
Establish DEI targets with organizationwide support	Incorporates DEI goals into culture and employee engagement strategies while actively monitoring and managing the progress toward these goals	Creates and manages budgets to support reaching DEI targets while assessing and uncovering the return on investment (ROI) of diversity in the workplace	Weaves DEI into the organizational structure and works to improve overall employee satisfaction while reviewing and analyzing data and progress	Ensures the organization has the technology infrastructure and data visibility to monitor and track DEI progress effectively

Achieve technology-enabled business transformation	Clear and aligned goals are developed that support the advancement of an organization's people and culture; C-level leaders champion and contribute meaningfully to this transformation by streamlining processes, resulting in sustainability, appealing culture, and a more engaged workforce.

Culture + Employee Engagement

At its core, the talent crisis is an engagement crisis. People who feel invested in their work and cared about as individuals are less likely to leave their jobs and more likely to go above and beyond to deliver exceptional customer experiences. Moreover, employees that feel stressed or burned out at work are more likely to leave their jobs. This is particularly alarming in an environment where more than half of people report experiencing burnout at work while simultaneously having more choices for where they work.

"Shrinking talent pools are driven by several factors including mass resignations and fewer graduates in certain fields. The most powerful strategy organizations can focus on is reducing regrettable turnover or the loss of employees it planned to retain," notes Cappello.

Cappello adds that two areas where organizations can focus on combating talent shortages are building more intentional career paths to drive employee engagement and developing more formal contingent worker strategies and programs. The goal is to ensure top performers have exceptional experiences that drive them to continue choosing you as their employer.

Another critical component is the explosive growth of virtual and hybrid workforces that are here to stay. When anyone can work anywhere, competition for workers will only increase, and employees are seeking flexibility in the workplace. Building work-life balance into your business culture can stave off burnout and bolster engagement, leading to better performance and employee retention.

"To keep their fingers on the pulse of the business, organizations need to be able to measure performance and productivity in addition to worker sentiment or engagement," explains Cappello. "Those data elements together reveal who critical workers are for the organization and who might be at risk for leaving."

From compensation to benefits to emotional support, leading organizations are investing more in technology-enabled employee engagement

programs focused on their increasingly geographically dispersed workforce. Employee analytics helps leaders proactively gain insight into employee needs and concerns in real time, ultimately measuring their engagement and predicting future departures.

The company's culture has never been more important as people look for more meaning and value in what they do. Calculating the ROI on employee initiatives to understand what's working well and to identify where programs have issues such as poor adoption is part of a modern approach to building buy-in for an employer's vision and values.

Diversity, Equity, Inclusion, and Belonging

The war for talent heightened awareness of the need for more diversity, equity, inclusion, and belonging in business. Culturally and socially, organizations are responsible for promoting inclusion in the workforce. For the organization, these efforts uncover previously untapped talent and strengthen its capabilities.

While DEI+B programs are already on the agenda for leading businesses, data is essential to how leaders create an honest assessment of where they are in terms of diversity and set ambitious targets for where they want to be. To build alignment, top leaders need a single source of data to help them accurately measure and track how core metrics such as new hires, promotions, and attrition are stacking up against their goals for each key population or demographic.

Transformation of Business Operations

Technology-centered improvement is foundational in business success today. In terms of talent strategies, this will mean streamlined, end-to-end business processes from recruiting to hiring to project assignments — and the ability to analyze

multiple data sources instantly to provide feasible business solutions. Metrics such as the utilization of employees are critical in professional services. Visibility of meaningful, real-time information such as talent demand, skills, and availability should drive decisions about which projects will be most profitable for the organizations and reveal the need for cross-training or new hires.

"There is a lot of power in having all of the resources of a business on a single platform," says Cappello. "With that view, not only can organizations forecast demand, it drives innovation when employees can use data to see the potential for how people and resources can be utilized more efficiently or in entirely new ways."

Cost benefits will result from streamlined operations, but business leaders should also consider opportunities, such as new delivery models and automation, that will change the types of workers and jobs they need. Organizations will also have to consider there may not be enough people with the exact experience required and begin to look for translatable skills from other industries.

While the war for talent has placed an excessive burden on professional services organizations' operations and profits, businesses in the sector are also well positioned to transform. An "all hands on deck" collaboration in the C-suite, driven by alignment and leadership on a technology-led approach, will be the foundation of a winning strategy.

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