

TALENT AND NEW ZEALAND'S ECONOMIC SUCCESS

In a world where kiwi talent can earn a significant premium by moving abroad, what moves can business make to counter this and retain talent

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Talent retention is a worldwide issue

One of the most pressing issues facing business

Executive talent in particular is scarce

Demographics compound the issue

Competition is fierce, and the 20-40 year old professional is in real demand

All economies face the pressure, its not just a New Zealand thing, but NZ faces particular issues...

New Zealand's story

Relatively low wage economy. Relatively low returns for skill

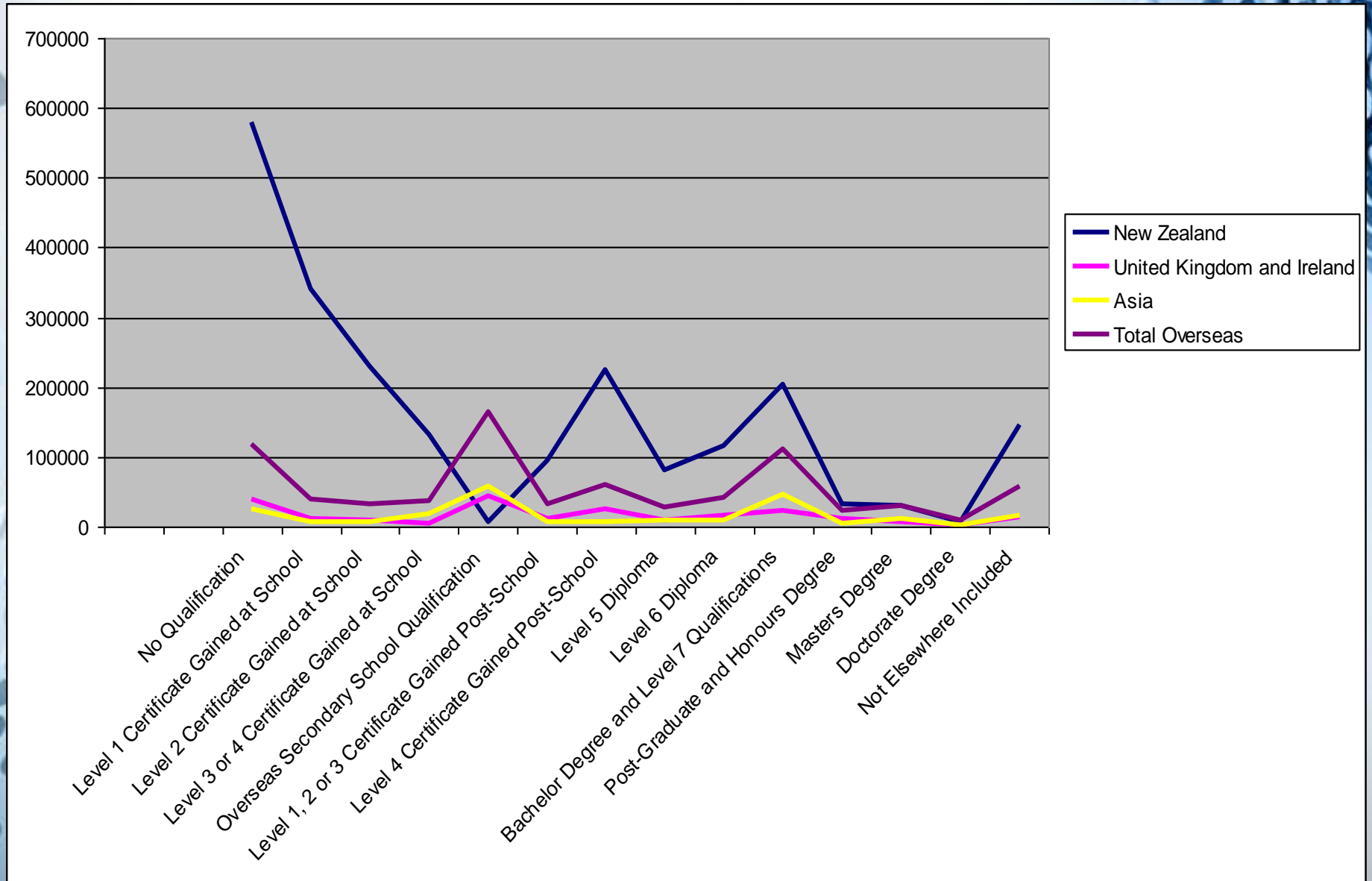
Generally poor management capability particularly when it comes to people and performance

Businesses are culturally homogeneous

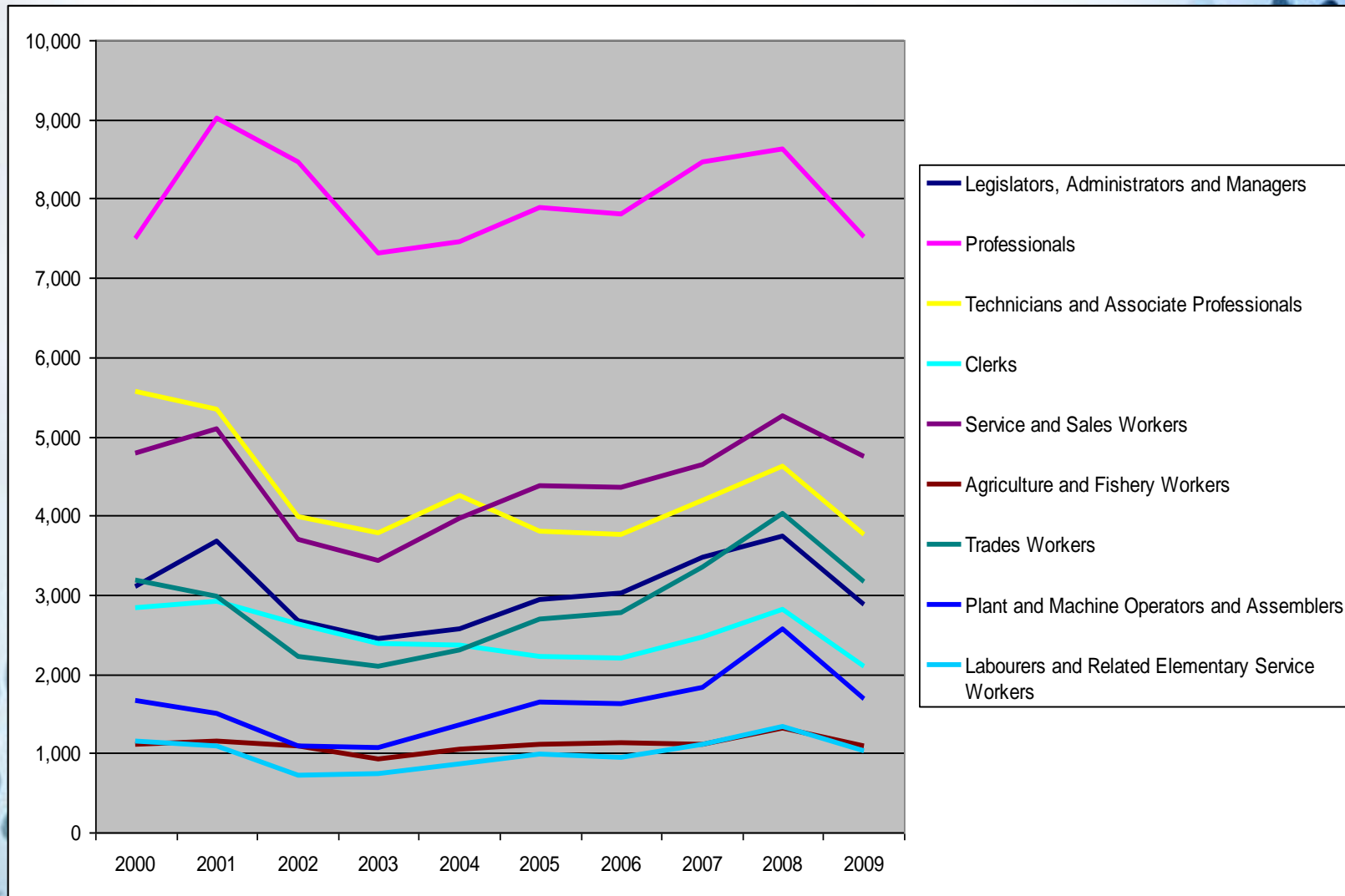
Very low cost of leisure – work life balance relatively easy to achieve (“satisficing”)

Strong social safety-net, low consequences for the poorly skilled

New Zealand qualifications (2006 Census)



Departing migrants, all destinations, by skill type (2000 – 2009)



Opportunities and comparative advantage

The recession has led to a lot of Kiwis returning home – easy pool to recruit from

It's an employer's market

Many potential employees value the Kiwi lifestyle, the mix of urban living and affordable, accessible outdoor leisure

Hiring key skills in offshore markets has never been easier

Risks and issues

Large wealthy market next door with free movement of labour

NZ has one of the most mobile labour forces on earth

“Balanced Lifestyle” only gets you so far. Talent is looking for:

- stimulation
- opportunities to grow and progress
- international opportunities
- flexibility, sabbaticals, training courses

Poor management practices, particularly around performance management stand out in OECD comparisons

Remuneration does matter – good hires have to be paid for, and for critical talent, it’s a global market

The “new” talent pool

Older workers, part time workers need to be part of the mix. They need to be managed differently, and have different preferences and needs

Migrants and people studying in New Zealand are under-represented in NZ businesses – but they bring real skills and great networks

Maori and Pacific Island communities – fastest growing population in New Zealand, but with a long tail of educational under-achievement – they are the workforce of the 21st century, how are businesses going to engage?

Firms are most likely to succeed if...

Understand the roles and competencies you require to be successful

Have a talent plan – and use it

Managers have to manage, not just perform well. Firms do best when the management role is professionalised

Reward performance – systematically

Deal with under-performance – fast and fairly

Grow people, and show that you are doing so

You mean it – dissonance between rhetoric and reality is a critical failing