JEITOSA GROUP international

HR*insights* by JEITOSA

a thought leadership publication for the modern, global HR professional

ISSUE 14

REGIONAL UPDATE: EUROPE

A recovering economy and the war for talents

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Germany's economy, one of the largest in Europe, is going to grow by 3.4% in 2010. Unemployment currently stands at less than 7%, which is the lowest in the last 20 years. And Germany is not alone. A large number of European countries are on the same path and their growth is higher than projected earlier this year.

Only a few countries, like Ireland and Greece, are struggling to get back to a healthy growth level. This growth, combined to demographic factors have restarted the "war for talents" in Europe.

All predictions and signs are indicating a lack of qualified employees in virtually all areas over the next years. This lack of talent will be an issue, especially in mid-sized German companies, where the economy depends heavily on the export of goods.

So, the talent management market in Europe, and especially in Germany, has a bright future. Companies must be prepared to search for new talent inside and outside their organizations in much more effective and efficient ways. One way to do that is to implement or purchase smart recruiting solutions, to support existing recruiting processes. Recruiting solutions, including Recruiting Process Outsourcing (RPO) or Software as a Service (SaaS) solutions are topics that everyone in the HR area is discussing but, believe it or not, only a small minority in Germany are currently using. Mid-sized companies in Germany (500 to 5,000 employees), which represent a large portion of the German market, tend not to have a structured recruiting process and solution in place.

There is no time to delay further; now is the time to immediately start re-designing the recruiting process and to search for a solution that fits the organization's needs and culture.

However, recruiting new and appropriate talent, however, is only one side of the coin. The other side is to identify and keep that talent, which already exists in the organization. This is an area where there is an even higher priority to taking action. There are hundreds, if not thousands, of companies in Germany that still have not properly defined their key competencies or job profiles, which are fundamental for identifying key positions and talents. In addition, performance management is very

often paper or spreadsheet-based, which limits the ability to consolidate and evaluate the data in a timely manner. The time has clearly come to begin serious efforts to hire, retain and develop key talent by using smart processes and supporting solutions.

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