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TALENT MANAGEMENT IN THE BUILT ENVIRONMENT: A Strategy for Competitive Advantage

By Olumide Aina

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Foreword



The Strategic and Tactical Action Group (STAG) of FM Consultants Council, has made great efforts to align its activities and service delivery to our members within the FMCC vision, which is 'to be the resource and voice for Facility Management Consultants Worldwide, to leverage our collective expertise to benefit IFMA members and the Facility Management Profession'.

The publication of 'White Papers' by FMCC members are one of the many activities promoted by STAG and the senior leadership team, and as part of this effort and campaign, we are delighted to publish this white paper.

By creating the platform for such white paper publications, we hope to encourage our members and offer them opportunities to express their view points and share knowledge with our membership and fellow consultants, and the wider FM fraternity around the world.

We appreciate that lot of time and effort goes into writing a white paper, the way of researching material on the topics chosen and would like to thank the author Olumide Aina for his efforts put towards writing this white paper and sharing this knowledge with us.

We also would like to thank you, the reader for taking the opportunity and your time to read this publication and I hope you will learn something new in the process.

Regards,

President

2015-2017



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Olumide is also a blogger at FM Ideas, (www.facilitiesideas.blogspot.com) where he writes passionately about Facilities Management and how it can be used as a strategic tool to develop the built environment. He can be reached at olumidea@fmlconsultant.com

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TALENT MANAGEMENT IN THE BUILT ENVIRONMENT: A Strategy for Competitive Advantage

I have always been an advocate for people (team) development, maturity, mentorship and retention in the workplace because it carries the highest cost in terms of salaries, remunerations etcetera, in the built environment. In the facilities management industry for instance, the people make up the 4P's (people, place, profit & planet) and the appropriate management of this determines the realization of the organizations' vision, mission, values and reputation.

I wish to recall the definition of facilities management as provided by International Facility Management Association (IFMA) and British Institute of Facilities Management (BIFM) to elaborate and drive home my points.

IFMA defines Facilities management as "a profession that encompasses multiple disciplines to ensure functionality of the built environment by integrating **people**, place, process and technology".

BIFM also explained that Facilities management is the "integration of processes within an organisation to maintain and develop the agreed services which support and improve the effectiveness of its primary activities".

Therefore, this brings me to provide my own simple definition of FM as the profession for the people (end users) with good processes and technologies executed by motivated **people**. It is people-centric because it always considers the provision of comfort for the workplace and occupants in order for them to realize their laid down strategies.

Conaty & Chavan¹ (2010) suggested that “if businesses managed the money as carelessly as they manage their people, most would be bankrupt”. They further explained that “the great majority of companies that control their finances masterfully don’t have any comparable process for developing their leaders or even pinpointing which ones to develop”. I quite agree with their thoughts because I have seen top management focus so much on their balance sheets, budgets, cash flow

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Conaty & Chavan

and profits with lots and lots of strategies without having a single strategy for workforce development, not to mention talent management. But they easily forget that it is still the same people that make the decisions and take actions that produce the numbers.

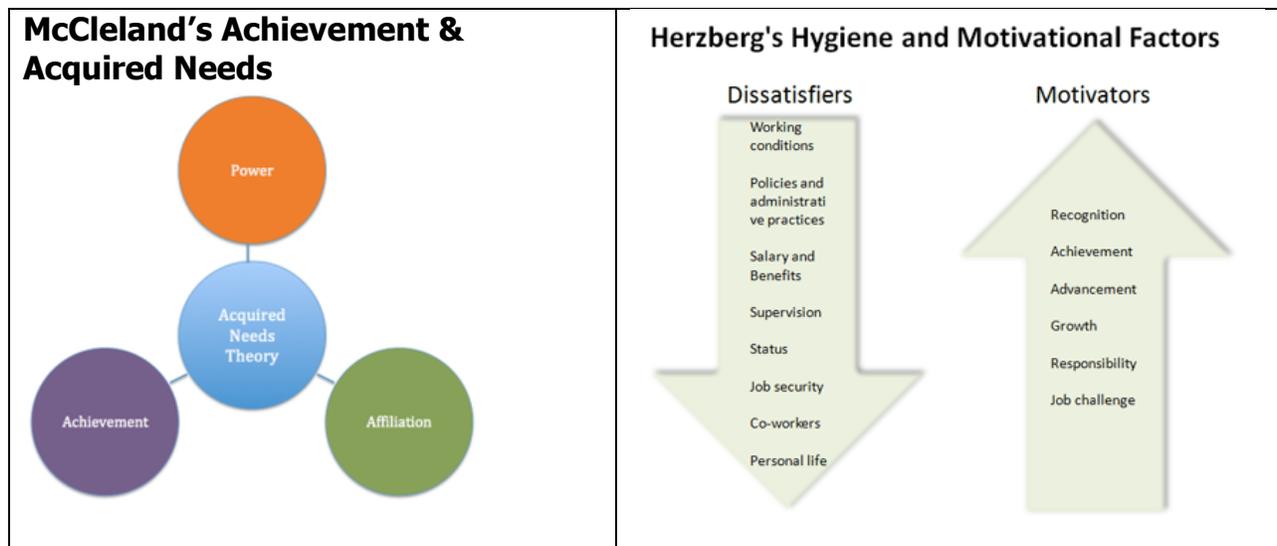
Now, we cannot discuss talent management and retention without explaining what motivation, reward, recognition, reinforcement and relationship can do for an organisation to retain the best brains in the system. Aubrey Daniels² (2000) explained that “few organisations are satisfied with their reward and recognition system and every change in these system results in someone else becoming unhappy. Most often, top management becomes cynical, because no matter what they try, nobody is satisfied”. Although, this may be true and realistic, it is still very important to have an effective and efficient reward and recognition system in place to keep the good hands in the organisation.

Recognition can be defined as a “symbolic way of showing appreciation for some accomplishment (including plaques, trophies and letters of commendation)” (Daniels², 2000). Reward is also defined as a tangible item, usually money or exchangeable for money, that is intended to influence behaviour in a particular direction. Daniels², (2000) further asserted that “because most rewards are not tailored to the person receiving them, it is not surprising that it does not motivate everyone”.

Another definition that is important is incentive and is explained to be an inducement to perform.

All the aforementioned definitions are key to the level of motivation received by the people driving the vision of the organisation to its realization. It is often much more than just receiving pay cheques or salaries at the end of the month. It is far beyond that and the hierarchy of needs is triggered whenever the mind of the people expands and they continually search for answers and solutions to them. In view of this, I would like to identify four models and explain only two which we will use to explain the reasons why top management need to have a strategy. This is not just for competitive advantages in terms of operational activities, cost advantages, technology leadership but a strategic approach for workforce development and talent retention. The models are:

- Maslow's Hierarchy of Needs** (discussed below),
- Vroom's Expectancy Theory** (discussed below),
- McClelland's Achievement & Acquired Needs,**
- Herzberg's Hygiene and Motivational Factors**



1. Maslow's Hierarchy of Needs.

Maslow's pyramid represents a hierarchy of needs that must be satisfied in a sequential order from bottom to top. Jim McGrath & Bob Bates ³ (2013) suggested that failing to satisfy a need at any level will prevent progression to the next level.

We can divide this pyramid into two categories. Basic Needs include physiological and safety. Growth needs include affiliation, esteem and self-fulfillment. Maslow argues that people die if their basic needs aren't satisfied and feel inferior and dissatisfied if their affiliation and esteem needs go unfulfilled and if they cannot achieve self-actualization.

Consider the practical application of this theory in the built environment as a facilities manager. My sole need has graduated from basic needs to a focus of self-fulfillment. Salaries, incentives, recognition, self-belief, reputation and respect are no longer the catalyst that motivates me in the workplace. I am not inferring that these things are not good or important, but their presence alone does not motivate me to continually add value in the workplace. There is more that I sincerely feel will do the magic. A smart and forward looking top management should have systems and strategies in place to periodically check the needs of their best hands and provide such for them so that they don't leave. Richard Branson said recently that employers should deliberately train their staffs so well that they'll be the best, but motivate them such that they wouldn't want to leave. This is talent management in its simplest form.



2. Vroom's Expectancy Theory

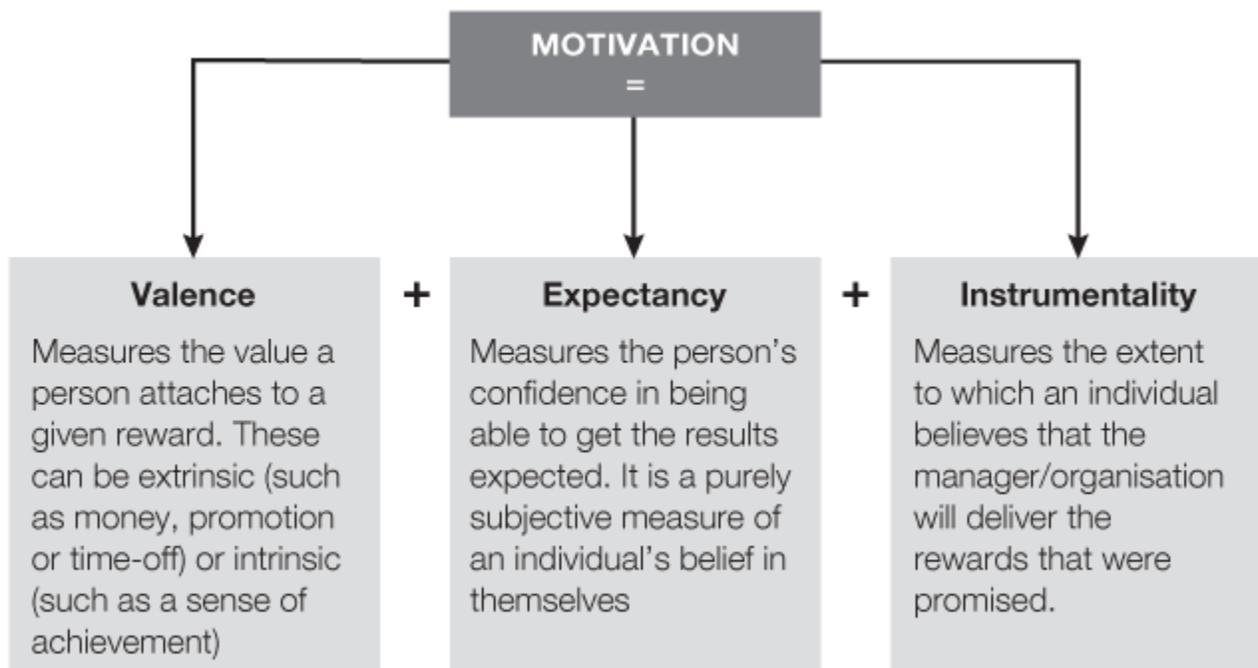
The other theory that I'll be considering here is Vroom's Expectancy Theory. Victor Vroom suggested that an individual will behave in a certain way based upon the belief (expectation) that a specific act will be followed by a desired reward (valence) once the act has been completed (instrumentality), (McGrath & Bates,2013)

He expressed his expectancy theory of motivation in terms of mathematical formula:

Motivation= Valence X Expectancy X Instrumentality.

If any one of the three factors is nil, the overall score will be zero, and there will be nil motivation. This means all the factors are dependent on each other to be able to achieve true motivation.

Please see diagram below;



This model assumes that it is possible for top management to score these factors when in reality they are subjective and may be different to assess in ourselves. However, we can see the basis of what Vroom is trying to bring into such as what do I want? How likely is it that I can get it, will the organisation delivers on its promises?

For the employers who want to consider this model, McGrath & Bates (2013) suggested that they should “forget about the scores, rather focus on what your employees want from their job and provide work that is economically beneficial and/or intrinsically motivating for them”. This will have the effect of creating rewards that they really want. In addition to this, McGrath & Bates (2013) suggested that if expectancy is all about effort and results, then make sure that you create an environment where effort is both encouraged and rewarded and employees have access to the resources, equipment and materials they need to get results. These can be classified as critical success factors. Also, strengthen the instrumentality link in the chain by keeping your promises and distancing yourself from those that do not.

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The two theories were important to provide a background about the expectations of the people and other motivating factors in the workplace. Following this thoughts, Conaty & Charan (2010) argued that talent is the leading indicator of whether a business is headed up or down. They further suggested that it is a company's most important resources and a spread sheet full of numbers is a lot easier to praise than the characteristics unique to a human being. In the same vein they explained vividly that talent management will be the big differentiator between companies

that succeed and those that don't. This also is in tandem to the result of the business confidence. Monitor research carried out in the UK and UAE in 2015 by BIFM, where they concluded that factors like financial stability and technology may be factors that will influence the FM market. But capability development with rare skills will be the differentiating factor that will create a competitive edge for most FM companies.

Sometimes I ask myself lots and lots of question about the fortune 500 companies and how they have managed to sustain value over the years and maintain their market share? Conaty & Charan (2010) gave a simple answer to my question by explaining that organisation that will win will be led by people who can adapt their organisation to change, make the right strategic bets, take calculated risks, conceive and execute new value - creating opportunities and build and rebuild competitive advantage.

For the facilities management market in Nigeria where there is no barrier to enter as a start-up FM business, the only differentiating factor is still the unique skills and capabilities owned by the workforce. And that can bring innovation and create a new market in the industry. More explanations revealed that the only one competency that lasts is the ability to create steady, self-renewing streams of leaders. As suggested by Conaty & Charan (2010) again is that money is just a commodity, talent supplies the edge.

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In relation to this, Ron Nersesian the head of Agilent Technologies Electronic Measurement Group explained that **“developing people’s talent is the whole of the company at the end of the day. Products are all time- perishable. The only thing that stays is the institutional learning and the development of the skills and the capabilities that we have in our people”**.

The background knowledge and explanations on motivation, incentive, and talents are important for clarity, but do not to lose focus on how retaining talent in the built environment can create competitive advantage for an organisation. We will continue to explore ideas that can be utilised in achieving this fit.

In the facilities management industry for example; quality, speed, reduced cost, efficiency and satisfied customers and an increased profit are the characteristics of a good, performing company.

The focus now should be on how to realize these and carve a niche for themselves. These criteria are good, but they will not happen without putting systems and structures in place in order to a achieve them.

The most important resource that will ensure they are achieved are the **"People"**. Owing to this premise, the question to ask is what can we do ensure our people are well endowed to continually measure to the ever changing needs of the customers? Lindell's CEO (Restaurant Business) explained that the only one thing he is serious about is creating a pipeline of future leaders. Therefore, top management should identify high-potential leaders early and give them experiences that will develop them to their fullest potential.



Consequently, we need to understand what we should be looking for in our people to even suggest that they have the small flame of rare skills and capabilities in them. Conaty & Charan (2010) opined that for one to know this as suggested above, we need to assess and express what each person is in reality, not against some predetermined checklist. They continue stating that insights can also be obtained through observing the person's actions, availability, and passion for excellence, decisions and behaviours. In addition to this, it is also important to get the core of the people/person's values, beliefs. This might seem like a lot of work and most top managers may not want to commit to this, but the return on this kind of investment is really huge. They explained and I agree more that it is like analyzing a business problem or opportunity: it requires drilling down to find the causes, understand the context, and assess options.

A word of advice to my colleagues out there is that, fat pay cheques are good as well as promotion from one department or level to the other with promises from employers that tomorrow will be better. This may sound good, but the most realistic thing to consider is to follow your passion especially if you have one for the built environment. In addition to this, learn rare skills that will help build and prepare you for the future challenges and position you for more opportunities and success.

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Footnotes

1. Bill Conaty and Ram Charan (2010) "The Talent Masters" Crown Publishing Group, USA.
2. Aubrey C. Daniels (2000), "Bringing out the best in People: How to Apply the Astonishing Power of Position Reinforcement". MacGraw-Hill, USA.
3. Jim McGrath and Bob Bates (2013),"The Little Book of Big Management Theories and How to Use Them". James, Pearson Education Limited, UK

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1. Bill Conaty and Ram Charan (2010) "The Talent Masters" Crown Publishing Group, USA.
2. Aubrey C. Daniels (2000), "Bringing out the best in People: How to Apply the Astonishing Power of Position Reinforcement". MacGraw-Hill, USA.
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4. Harvard Business Review (2011) "On Managing People", Harvard Business School Publishing Corporation USA
5. Michael E. Porter (1980)," Competitive Strategy" The free Press, USA.