



Talent Development in the Transportation Industry

A White Paper from the International Road Federation

White Paper

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IRF WHITE PAPER 16/01

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Printed in the United States of America

IRF expresses its gratitude to the Saudi Binladin Group for underwriting the costs associated to this seminar

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INTRODUCTION

Strategic approaches to workforce management and talent development are essential to respond effectively to the changing needs of an increasingly diversified transportation industry. A well-educated, multidisciplinary workforce that is capable of acquiring new skills is an important asset for transportation solutions providers eyeing new markets and, in many cases, part of their legacy in emerging markets.

On September 15, 2015, IRF organized a half-day global leadership seminar aimed at examining common talent-related challenges faced by transportation industry actors across the markets where they operate. It addressed these questions on a global basis with a twin focus on corporate workforce management and capacity strengthening programs in emerging markets.

MAIN FINDINGS

- Talent development remains a relatively under-explored field with mixed results and poor tracking of success metrics, particularly in the context of corporate change management programs. Despite complexifying industry career paths in recent years, companies and individuals do not always invest the necessary time and resources to increase or remain current on their professional skills.
- In many cases, an important hurdle to change remains linked to cultural components. Major transportation actors operate with a diversified workforce comprised of multiple nationalities, educational backgrounds and work experience. Corporate leaders often need to identify and implement a common language which affirms core values, articulates work processes, and rewards performance.
- Employees are increasingly empowered to direct and strengthen their career choices. Human resource managers need to have the information systems in place to help trigger mobility requests and design tailored support and incentive packages.
- Road builders form part of a wider community comprised of diverse stakeholders and with impacts that extend well beyond the physical assets they leave behind. Investing in legacy talent development programs is a virtuous circle benefiting these actors and giving space for other investments to come.
- Bringing the local workforce up to speed on modern project management techniques has proved challenging. One approach successfully tested across different environments has been to develop longer-term ties with faculties, notably through internship programs and by sponsoring graduate studies for budding transportation professionals, which enhance the image of the sector, encourage the development of leadership qualities and create a longer term pool of high potential employees, as well as governmental counterparts.

DEFINING TALENT DEVELOPMENT

Talent management can broadly be defined as improving professional skills to perform assigned work to the level of global best practices with vision and commitment.

For corporate actors, talent development is an integrated model which addresses the following activities:

- Attracting, developing and engaging employees by providing the education, coaching and mentoring to deliver a culture of high performance, challenging employees with new assignments and nurturing leadership potential.
- Providing a platform enabling efficiency and high performance in the workplace through business initiatives, support programs and a career planning structure stretching from new employee onboarding to succession planning.
- Delivering a competitive rewards system that drives supports employee performance and retention targets.

Although the individual components are almost always present throughout corporate human resource programs, companies at different scales and stages of development will typically adjust the respective weighting of these activities to their business priorities.



CHALLENGES TO TALENT DEVELOPMENT

While the overarching principles that support talent development programs receive broad consensus, implementing effective approaches need to factor a changing environment faced by most international transportation sector actors.

The globalization of the corporate workforce is a reality for larger scale actors who operate with multiple sites, nationalities, educational backgrounds, work experience and formal standards (such as building codes). Sometimes egged on by national employment laws, many companies have taken on the task of fostering the local workforce in those countries they are investing in and want to have long term commitment with.

In recent years, the sector has also been characterized by the emergence of megaprojects, with large scale investments in a relatively short time frame. These typically require the availability of human and technical assets in large quantities, and present specific transition challenges once the project winds down.



Lastly, individual career paths themselves have complexified, transitioning from ladder to “lattice” models where employees need to chart their own development program across operational and leadership roles, which remaining on top of opportunities to transition to new roles. Systematic information resources and continuing education programs need to be in place to accompany this process.

These structural trends require a periodic re-evaluation of corporate tenets through corporate change management programs that accept trade-offs and recognize the role of psychological factors and the underlying biases present in the workforce. Despite recent advances in understanding the drivers of workforce behavior, it is estimated that approximately 70% of change management programs fail on one or more key metric.

ARTICULATING A VISION FOR TALENT DEVELOPMENT

With the exception of the largest industry actors, few companies have a unified HR policy covering all facets of talent management on a global basis, but all workplaces no matter their size can adopt proactive approaches that embed talent in corporate culture and instill a mindset where talent development is

recognized as a full-fledged component of a firm's global business strategy. This approach in turn defines recruitment, performance management, recognition/compensation and workforce retention processes that consistently reward high performance and potential.

Making time for workforce development practices - coaching, feedback, acquiring new knowledge - is an essential ingredient for success, and corporate leaders need to arbitrate on the tradeoff between time allocations. Many companies have included these as part of their employees' annual goals, a target made easier to reach by the development of in-house e-learning tools, project knowledge repositories and on the job training, sometimes brought together as part of corporate 'universities'.



Employees need to be empowered to take advantage of corporate and international mobility opportunities in a more systematic way. Companies need to be similarly flexible when devising the associated incentive and support packages, based on the reasons

behind each individual move. In both cases, information is key: the announcement of a new project launch on the company intranet may trigger spontaneous expressions of interest from candidates seeking an internal move. For firms operating globally, semi-formalized thematic networks encourage exchanges among peers or subject matter experts leading to better prepared staffing decisions.

For high-growth companies in the sector, institutionalized practices aren't always in place, and managers often find themselves having to deviate from standard practices. Typically, feedback sessions will be more frequent, and the acceptance threshold of failure much higher, as youthful companies endeavor to generate new leads and find their market niche. The evaluation process is then adjusted so that the volume and quality of bids are weighted as high as their success rate.

GROWING TALENT IN THE COMMUNITY

Companies in the sector have long realized that they are part of a community comprised of diverse stakeholders, including government agencies, contractors, suppliers and local universities to name a few. As an activity, road building lends itself well to a more comprehensive reflection on working with these stakeholders: even when construction work stops, the road triggers downstream needs (for instance, a quarry going into operation) making local skills developed through the project available for other employers.

The availability of knowledge transfer programs and a lasting legacy of trained workers thus contribute to the overall socio-economic benefits of new road projects. As a result, governments in fast-transitioning economies increasingly want more than just the project delivered on time and to budget, with a number of them resorting to local



hire quota targets.

In post-conflict or post-disaster environments, the need to actively engage with the local community on questions related to skill development proves even more pressing in a context where lives have been upheaved and local contractors fragilized. Foreign companies operating in these challenging environments often identify "star" engineers early in the project phase for enhanced training and faster promotion opportunities to supervisory roles.

However, bringing the local workforce up to speed on modern project management techniques has proved much more challenging. One approach successfully tested across different environments has been to develop longer-term ties with faculties, through internship programs and by sponsoring graduate studies for budding transportation professionals, which enhance the image of the sector, encourage the development of leadership qualities and create a longer term pool of high potential employees and governmental counterparts.

APPENDIX I – IRF GLOBAL LEADERSHIP SEMINAR AGENDA

September 15, 2015

12:30 Introduction by Chair

Dr. Essam Radwan, Chairman of the International Road Educational Foundation (IREF)

12:40 Ensuring successful talent management in large scale organizations

Can Kendi, Partner, McKinsey & Company

13:00 Talent development at the Saudi Binladin Group

Dr. Fuad Rihani, Senior Advisor, Saudi Binladin Group (SBG)

13:20 Workforce management: the Louis Berger approach

Sofia Berger, Vice-President, Louis Berger International

13:40 Workforce & talent management practices at IL&FS

Deep Sen, IL&FS Transportation Network

14:00 Coffee break

14:15 How to “Skill Up” the Workforce, the Bechtel Experience

Chris Jennions, Project Manager, Bechtel International

14:35 Building Capacity in Afghanistan’s road sector

Eric Cook, Manchester Consulting.

14:55 Concluding remarks by Chair

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February 2016

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