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THE COMPETITION FOR
PROJECT MANAGERS IS
HEATING UP—FORCING
ORGANIZATIONS TO RETHINK
HOW THEY **RECRUIT AND**
RETAIN TOP PLAYERS.

BY TOM SULLIVAN // PHOTO BY MOHAMED SALEH ALSHABEEB

THE GREAT **TALENT** SHORTAGE

Project managers are a hot commodity these days. And that has organizations scrambling to attract—and hold on to—the best candidates.

Traditional recruitment methods just aren't working, as increasingly mobile project managers are lured away by better opportunities at home and abroad.

"There's a shortage of people with real qualified experience and it's extremely difficult to entice them when there are other attractive offers throughout the world," says Yahya Khader, CEO of Clough Zuhair Fayed Partnership, an oil and gas engineering consultancy in Al Khobar, Saudi Arabia.

That intense competition is driving up salaries, squeezing bottom lines and forcing companies to adopt new strategies to fill vacancies, he says.

"With the present market, we're having to rely heavily on recruitment agencies,

whereas in the past we used to go by word of mouth," Mr. Khader says.

The Middle East has traditionally attracted highly experienced project professionals by offering almost double the compensation paid elsewhere. But with salaries rising globally, the region no longer has a lock on the talent market.

That means poaching has become an essential survival tool.

"Call it sharing, stealing, enticing—we all have to go to the same pool to get people," Mr. Khader says. "You have to raid your competition, and they do the same."

In Canada, record employment levels are having a similar effect, prompting companies to aggressively compete for talent.

"A project manager was lured away from a construction company here. He was making CAD\$90,000, and an oil and gas company offered him CAD\$300,000," says Sam Shaw, president and CEO of NAIT, an Edmonton, Alberta, Canada-based technical training provider.

IN TRAINING

To survive that kind of cut-throat competition, many organizations are turning

EMPTY SPACE IN THE EXECUTIVE SUITE?

Senior-level project officers are in short supply. To lure them in, companies may need a fresh approach. Here's one hint: It's not all about the money.

Financial incentives alone won't win the battle for the best executives, says George Merguerian, senior partner and managing director Europe at Business Management Consultants.

"This year there is a shortage of senior staff, particularly in engineering, and there's always a lot of poaching going on," he says.

"But it's not only about remuneration, because senior project managers can do very well [as consultants]," Mr. Merguerian says. "It's more the opportunities you can offer for professional development with challenging projects and a strong business network."

Companies in more remote regions are using lifestyle enticements to fill the executive ranks.

"Our senior project executives are attracted away to other parts of the world where they have access to bigger equity schemes with global companies and often better taxation arrangements," says Paul Bell, Faselow Bell, Nelson, New Zealand.

"But the key attraction here is work-life balance, the prospect of living in a green healthy place and being able to balance recreation and family life with professional development."



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—GAVIN OH, PMP, BUSINESS MANAGEMENT CONSULTANTS, SINGAPORE

to training in the hopes of growing their very own talent pool.

"In-house training of staff to take on project management tasks is a clear strategy for a growing number of Canadian companies," Mr. Shaw says, adding that corporations such as Albian Sands Energy and Syncrude Canada have contracted his organization to train staff in project management.

Sometimes that means starting from scratch.

"We're finding ourselves putting much more emphasis on training. Not advanced specialty training—we're talking about taking people from ground zero up because there's no other choice," Mr. Khader says.

Another option is to recruit from other roles. But that doesn't always work in fast-growing emerging markets.

Indonesia, for example, will face a shortfall of about 12,000 project managers in oil and gas, mining, IT and telecommunications industries over the next five years, according to a preliminary report on major infrastructure and engineering projects in the pipeline.

"We have serious shortages not only

of project managers but also of engineering and technical managers in general," says Peter Frans, PMP, managing partner at Trimitra Consultants, the Jakarta, Indonesia-based management consultancy firm that conducted the report. "If companies start switching engineering managers to project management roles they will have a similar difficulty filling the engineering posts."

For some organizations, it comes down to industry expertise. The task of training someone without that insider knowledge is seen as a time-consuming luxury they can ill afford.

"No matter how smart a person is, he [or she] still has to go through the ups and downs of handling projects and difficulties in order to build experience. It's like learning a language—it doesn't happen overnight," Mr. Khader says. "You need industry-specific experience. It's not quite true to say that if you're a project manager you can manage any project."

Cross-industry hiring isn't viewed as a viable choice for tackling shortages in Asia, either, because the preference in the region is to hire consultants for the duration of a project.

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“Often they’re running against time, so the more the project manager understands the industry, the faster he [or she] can be on the job and complete the project,” says Gavin Oh, PMP, managing director at Business Management Consultants, a global project management consultancy in Singapore.

DON'T BELIEVE THE HYPE?

That reluctance to offer on-the-job training or hire from other industries only serves to escalate the talent shortage, says Uma Gupta, Ph.D., PMP, senior advisor to the provost at the State University of New York, Buffalo, New York, USA.

“There is a certain unwillingness to invest in people and provide mentoring or training to candidates who might not fit the job perfectly, but who have the right charisma, intellect and attitude to grow into the job,” she says. “Nobody has the time. They want someone to jump in and run with a project and get out of their way as quickly as possible.”

The true shortage lies “in people and systems that recognize, recruit and retain talent. There is an attitude that if I’m looking for someone and I can’t

find them, then they cannot be out there,” Dr. Gupta says. “It’s just feeding into the hype and frenzy. Talent doesn’t just appear out of the blue.”

Organizations should be taking the time to look beyond all the usual spots.

“It’s extremely important to hire a certain proportion of new project managers from outside your industry. It’s the only way you can get fresh thinking and a new look at how you do business,” she says. “Yet human resource departments tend to always advertise in the same place and look for the same characteristics as the previous employee.”

Eventually, it can damage companies’ competitiveness. “It affects their bottom lines as they’re paying higher salaries for the same talent without bringing anything new to the table,” Dr. Gupta adds.

SHAKE THINGS UP

All of this is certainly beneficial to the people job-hopping their way to a bigger paycheck. But it doesn’t always have to come down to cold, hard cash. Some companies that can’t afford to fork over the higher rates are offering quality-of-life

incentives, such as four-day work weeks or double vacation periods.

New Zealand currently has one of the lowest unemployment rates in its history, and project managers are in short supply outside of the country’s main urban centers, says Paul Bell, managing director at Fanselow Bell, a recruiting agency in Nelson, New Zealand.

The ensuing battle for talent is leading companies to place greater emphasis on improving the work environment. “Organizations are being more responsive to offering longer leave periods, better parental-leave provisions and a far greater proportion of performance-based payments,” he says. “Measuring workplace satisfaction is becoming more common, with companies looking at their main employment brand attributes and developing programs to address gaps through benefits, mentoring, or training and development.”

The situation is also forcing companies to be “a lot more innovative in the way they recruit staff,” Mr. Bell says. After losing talent to offshore competition from the United States and Europe, for example, some New Zealand companies are “going to job fairs overseas and trying to capture New Zealanders thinking of moving back,” he says.

Prospective employers should display the same qualities they expect from job candidates—creativity, innovation and professionalism—in their approach to recruitment, Dr. Gupta says. “For example, many companies pay lip service to talent acquisition but make it very difficult for people to bring their talents to the company,” she says.

Failing to respond to résumés is commonplace and reflects a general attitude among human resources managers that prospective applicants have short memories and can be shortchanged in the recruiting cycle, Dr. Gupta says.

But the shortage could herald a shake-up of old-fashioned human resource management practices. Traditional recruitment methods such as placing advertisements in national newspapers or tapping local databases are outdated, says Steve Rattray, managing director at Executives Online Australia, an international executive recruitment company headquartered in Sydney, Australia.

“Project managers are incredibly mobile and internet savvy now,” he says. Taking the search online provides instant access to talent around the globe. “With the current growth in Asian markets, companies are much keener to find people with experience from other parts of the world to step in and run projects,” Mr. Rattray says.

More companies may want to look at contracting project managers for the duration of a project instead of



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making them part of the staff, he says.

“Project managers who are taken on full time in mid-sized corporations might be fantastic at start-up and conceptualization and/or perhaps even the initial commercialization of the product. However, once you get past that stage, they may be unsuitable to manage the ongoing aspects of the organization,” he says. “Often you're better off taking on one project manager for the initial phase and then another with a different set of skills later on.”

Of course, along with all this new-found popularity comes the danger of project management becoming a victim of its own success, Mr. Oh says.

“Over the last two years we've been working with more and more companies in Asia that have project management as a core competence,” he says.

But not everyone necessarily has what it takes.

“The challenge,” Mr. Oh says, “will be to maintain quality.” **PM**