

Human talent: The basis for sustainable competitiveness

Bogotá, Colombia – A few years ago, Professor Michael Porter was invited to Colombia by the Social Foundation to celebrate their centennial. He was asked in an interview why competitiveness is important, and he explained that competitiveness, if properly understood, is the root of prosperity. The main idea of competitiveness is productivity; every place and every nation has certain geographical resources, including the people who live there. The way in which we take advantage of those resources determines the salaries and jobs available. Competitiveness is the true path to prosperity.

Colombia is currently prospering (e.g. the Treaty with Canada, the FTA with the United States and the ratification of the European Community Treaty) and so competitiveness must be a common goal across all business sectors. According to the GCI (Global Competitiveness Index), Colombia has risen five positions and is now in 67th place (out of 133).

To understand the full meaning of competitiveness, it is necessary to consider the GCI, because this index allows us to understand how a country prospers in the long term. The index shows that competitive countries are those that are not affected in difficult economic environments because the factors that make them competitive assure prosperity in the long term, guaranteeing present and future prosperity regardless of the economic cycle.

The World Economic Forum sets out twelve pillars of competitiveness:

- Institutions
- Infrastructure
- Macroeconomic Stability
- Health and Primary Education
- Higher Education and Training
- Efficiency in the Goods Market
- Efficiency in the Labor Market
- Sophistication in the Financial Market
- Technological Readiness
- Market Size
- Business Sophistication
- Innovation

But what does all this have to do with companies, and more specifically, with human resources? Are these pillars applicable to an individual company?

Country	Company
• Institutions	• Administrative Policies, Legal Regulations
• Infrastructure	• Physical structures: offices network, stores, etc.
• Macroeconomic Stability	• Economic environment of the market where the company is located
• Health and Primary Education	• Social benefits and basic education for work positions
• Higher Education and Training	• Career plans, training programs
• Efficiency in the Goods Market	• Appropriate marketing strategy
• Efficiency in the Labor Market	• HR strategy aligned with business strategy
• Sophistication in the Financial Market	• Sound financial structure
• Technological readiness	• Systems and technology structure
• Market size	• Market share
• Business sophistication	• Efficient business model
• Innovation	• Administrative Policies, Legal Regulations

Figure 1. Comparative table: GCI – Company. Own source

In the table above, we see how each pillar corresponds to a key area for the operation of any company. The twelve pillars of competitiveness can thus also be considered the cornerstones of an organisation and how it is managed. In the end, they represent the way a country is managed; consequently, the leaders who run it and the people who work in it are the paving stones of the road to competitiveness.

Companies need to take a critical role in the development of leaders. In other words, they must be active in the training of qualified individuals who are able to create competitive advantages from their human talent. To better understand the relationship between competitiveness and Human Resources, we must analyze the way in which training affects human development.

As we know, education is the process in which an individual develops his own physical or intellectual capacity, becoming suitable to positively confront a particular social environment, and subsequently to join it. As an individual’s personality matures, s/he will have the opportunity to demonstrate her/his skills and obtained abilities; adapting to changes and development, using knowledge, learning to learn and above all, learning to undertake. This last word “undertake” is the direct link to the concept of competitiveness, mainly because of the need for individuals to adapt to the constantly changing modern world and engage in continuous improvement over time.

Education is considered the most important variable in the development of a country and its competitiveness. There are three main aspects to education as a means for nurturing competitiveness:

- Education and human capital as a production input.
- Education and learning through best practices.
- Education and mutual interrelations with other elements.

Countries, organisations and especially businesses need to understand that the responsibility for developing human talent goes beyond the management and internal structure of an organisation.

Strong human talent in a company can help create and sustain a competitive advantage, because these people are scarce resources that generate value, and are inimitable and irreplaceable. Talented employees are carriers of intangible know-how assets; they are able to solve problems and they have management skills and the ability to adapt.

While talented individuals are impossible to reproduce and imitate by competitors, they are also difficult to replace. Companies must create the right mechanisms to retain talent. A qualified, motivated and integrated network of employees, properly adjusted to the culture of the company, is an asset that cannot be easily imitated.

Colombia will only be able to develop the required level of competitiveness if our companies are prepared to work to retain talent. We are already witnessing a wave of Colombian talent returning to the country because of the exciting conditions and opportunities that are being generated. This dynamism creates an atmosphere of widespread motivation, which will allow us to build a prosperous and sustainable country together over time.



[Fernanda Garcia](#) is the Country Manager for Colombia at [Pedersen & Partners](#). Before joining the firm, Ms. Garcia was the Country Manager for Colombia for another international Executive Search firm, where she was responsible for the business development of the client portfolio in industries such as Telecommunications, IT, Consumer Goods, Finance, Oil & Gas and Services. She has extensive experience in consulting and project management in Europe and Latin America with strong knowledge of human resources, change management and business processes. Before moving to the Executive Search industry, Ms. Garcia was a Senior Account Manager for a well-known human consulting firm based in Madrid, Spain. She has also gained experience as a Change Management Consultant at Ernst & Young, where she developed the practice for Colombia, Perú and Costa Rica.

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If you want to conduct an interview with a representative of Pedersen & Partners or have other media-related requests, please contact: Diana Danu, Marketing & Communications Manager: diana.danu@pedersenandpartners.com