



REBUILDING CAPACITY

“Yes, but do you have capacity” – this seems to be one of the most common questions I hear today.

As consultants, we are in the people business. When we talk about capacity it is in relation to spread of skills and experience across our organisations. Capacity is therefore the optimum level of capability deployed to the right location for a defined duration to accomplish a specified task. It gives us the ability to deliver a quality service within specified time and budget constraints. It enables the responsiveness our clients demand and is how we build our reputations. Reputations that form the foundations of long-term sustainable business.

With net immigration declining since about 2009 and with unemployment sitting at 3.5% we are clearly running out of capacity. But this is not the end of the story – with pandemic stimulus investment still running hot through local markets everyone is feeling the pinch. In a recent Hays salary guide 77% of employers surveyed expected business activity to increase. Staffing demand is high with over 61% of employers intending to increase headcount and 91% experiencing skills shortages.

So how do we plug this capacity gap? There are clearly areas where government policy and investment would help. These include more favourable federal policy settings around skilled migration, childcare support to free up larger parts of the workforce – particularly women, investment in education and training to address skill shortages and investment in strategic sectors where we can build comparative advantage such as a renewables and associated support industries.

So that’s the government, what are the strategies we as businesses can employ to build and rebuild capacity?

Externally - M&A might be an option but in a small market like Australia aren’t we just rearranging the deck chairs? Likewise, partnering and JV’ing to provide a broader solution marrying up complementary service offerings.

“We also need to remember that capacity building is not something that is simply done and then it is finished. It is an ongoing process of building and then rebuilding that we must constantly refine as we adjust and adapt to the ever-changing nature of the world we live in.”

Internally – you must understand where you want to get to and have a plan to get there...

Step 1

Clearly define your vision, purpose and values and communicate this to the business. People like to know where the business is going, they want to be a part of something bigger than themselves and have a common purpose. This cannot just be lip service, it needs to be something the organisation lives, breathes and believes in at all levels.

Step 2

Identify your core services, what do you do well, what makes your organisation unique and focus your energy on those areas.

Step 3

Clarify and refine your business models and strategy, recognising the current state and what is required to achieve targets.

Step 4

Articulate a talent acquisition and retention plan. This should at the very minimum cover the key areas of succession, training and development, incentives, staff engagement and work life balance. It should be measurable and incorporate mechanisms for feedback. Flexibility is the key. Be prepared to change if it's not working.

Step 5

In times of high staff turnover knowledge capture becomes even more important. Processes and systems need to be put in place to retain and transfer know how.

Step 6

Stay on top of current events, particularly in the context of the markets you operate in, identifying risks and opportunities and the potential impact on capacity.

Step 7

Embrace diversity in all its forms because we are better together.



Ultimately, we spend approximately a third of our waking hours every week at work, whether that be in an office or WFH. As human beings most of us want to work for a company where we feel there is opportunity to learn, develop and progress in our careers. We want to be appreciated and rewarded for our efforts and more recently be given the flexibility to have a better work life balance, but probably most of all, work for an organisation that reflects our own personal values and beliefs.

If we are to build capacity, then we need to recognise these drivers and create the environments that attract and retain the talent we need to be successful, sustainable businesses. We also need to remember that capacity building is not something that is simply done and then it is finished. It is an ongoing process of building and then rebuilding that we must constantly refine as we adjust and adapt to the ever-changing nature of the world we live in.



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