QVARTZ

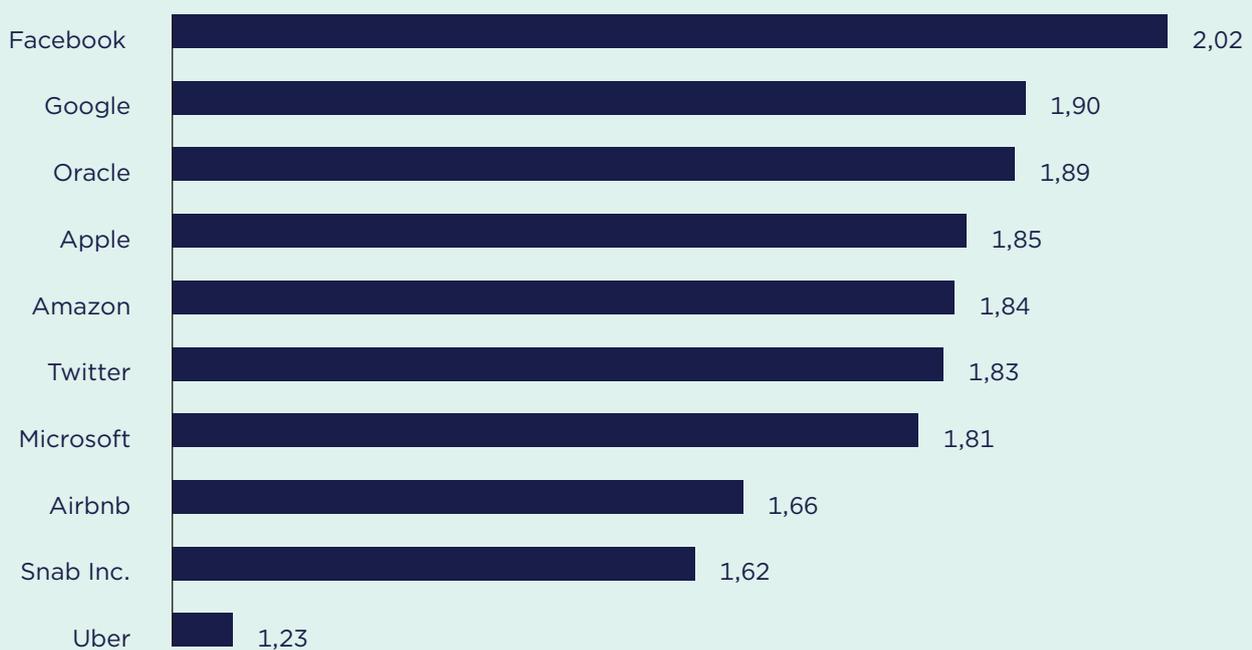# Talent management in the digital renaissance
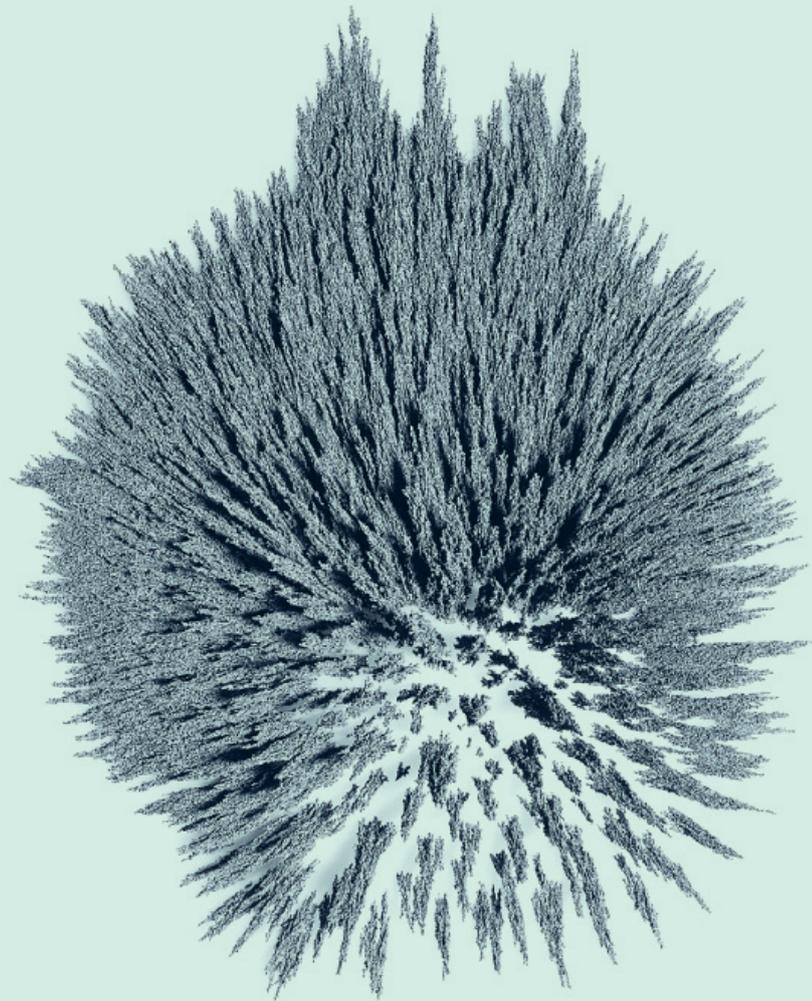
Introduction

The first renaissance lasted approximately three hundred years from the 14th to the 17th century, when the foundation of the western world as we know it today was established. The second renaissance has just started, and while the first one took three hundred years, the second one, *the digital renaissance*, will be much shorter, much faster and ultimately a radical game changer to how companies are managed today.

Companies that do not prepare themselves for this game changer do not understand (or try to understand) the magnitude of change that is happening as we speak. A number of measures can be brought into play to navigate through ground-breaking technologies, but only one measure is truly critical to long-term survival and the realisation of profit within and after the digital renaissance: talent management. That is how to attract and retain talent in a world that is becoming smaller and smaller, and where the opportunities for the most talented are endless.

From paysa.com[1] we know that retention rates for the tech disrupters and tech titans are alarmingly low. See exhibit 1 below.

1 https://www.paysa.com/blog/wp-content/uploads/2017/07/ DisruptorsA8.png

Exhibit 1

Company	Value
Facebook	2,02
Google	1,90
Oracle	1,89
Apple	1,85
Amazon	1,84
Twitter	1,83
Microsoft	1,81
Airbnb	1,66
Snab Inc.	1,62
Uber	1,23

We certainly do not suggest that other corporations should mimic these tech icons approach to talent management, but companies should indeed learn from their ability to capture value from talent despite a fairly narrow window for doing this.

We believe that the observed retention periods are not the result of company strategies or initiatives. As a matter of fact, we believe that their strategies and core businesses are built on the implications of the following factors:

- The movability of talent and thus the acceptance of the fact that talented people have global and cross-sector possibilities evidently makes talents move faster from one job to another. Talent strive to become renaissance men where a multi-disciplinary mindset enforces organization and management agility.

- Motivational factors have also changed quite a bit. Young talents are to a higher degree than before looking to add value by finding a purpose in doing what they do. Their job is extensively becoming a major part of their identity, and this must be acknowledged by employers in order for them to succeed throughout the digital renaissance.

- There is a mismatch between the present educational environment at universities and business schools in the western world and the rigid set-ups and hierarchies that are still dominant in many large companies, where the career path from being a graduate to making any significant decisions goes through too many layers. This is counter-productive; companies simply do not gain sufficient value from the hired talents as the talents get bored and leave the company in their search for better opportunities to match their educational level, skills and mindset.

So, back to the key question: how do companies attract, retain and almost instantly capture value from their hired talents when preparing for and navigating through the digital renaissance?

We have made six observations which should be considered and incorporated into *talent management standards* for companies to stay attractive and hopefully retain the right talents for a sufficient period of time to survive throughout and after the digital renaissance.

Below, we have formulated the observations as six concrete initiatives which can be actively explored individually or as a batch of actions.

1. Involve young talent in high-level discussions

It is important to recognise that the biggest distance between management and employees is closed management meetings with unofficial agendas. Management agendas should be as open as possible so that everyone can express their perspective on management focus areas. This increases transparency and motivation and thus the likelihood of employee satisfaction. This also holds true for fairly controversial agenda topics such as customer segmentation, organisational changes and resource allocation (among others), where input should be met with fairness and discussed for the purpose of involvement and feedback. Involvement is the key word when levelling out the hierarchy is crucial to digital agility – otherwise, too many good ideas drown in the bureaucracy.

2. Leverage from immediate value

Extensive graduate programmes are outdated. They should be kept as short as possible while still allowing time for the company to recognise the competences and value that a young talent brings to the company. Tasks and responsibilities should instantly be delegated to bring the young talent out of the role of being junior to other employees. This brings down barriers and allows new employees to fail faster. Obviously, the concept of *failing* must be re-addressed (or re-articulated) as *learning*. Keeping the young talent in a closed and safe (graduate) environment for too long is a disservice as well as stigmatising.

3. Facilitate C-Suite interaction

Frequent interactions between new talents and C-Suite members is beneficial for both parties, and turning the dialogue upside down so that the CXO takes notes and reflects on feedback from employees (new talents) is a crucial an effective commitment, which also facilitates employee motivation. CXOs cannot meet with all employees in one-on-ones, and therefore this becomes a very delicate task where the governance structure around it must be handled with carefulness and a deep understanding of organisational mechanisms.

4. Be outspoken about the best carrier opportunities inside and outside the company

Managing talent is all about integrity and being genuine. Realising together with talents that opportunities exist outside the company – perhaps even better suited opportunities and carrier paths – and positively addressing this topic as a regular part of follow-up meetings shows that the company has the open and modern approach necessary to capitalising on the digital revolution emerging around us. Hence, accepting that people do move around and helping them to do so instead of neglecting this fact brings much more value to both parties and makes the relationship last longer – and beyond the first job.

5. Vocalise how to facilitate the digital renaissance

One of the most radical changes that will emerge is "how we work": moving towards project-based thinking reflects a digital mindset where routines are replaced with digital substitutes leaving room for creativity and non-repetitive development. Accepting that any repetitive routine and process must be redesigned into an efficient digital format is emphasising that energy and resources must be allocated to constant development and transformation of products and services while the operation is optimised. Work methods similar to sprints – where roles and expected outcomes are clearly defined, timelines are well described, and everything is done within a few weeks or months – will become the standard, and companies should therefore build their infrastructure to cater to this regime. Obviously, this supports the digital renaissance where talent moves freely between jobs and companies – and projects and cultures rather than ranks are what keep talented people around.

6. Frequent one-on-ones

The once-a-year personal development dialogue cannot stand alone; time simply moves too fast. One-on-ones must take place frequently with an agenda that allows for both professional and personal dialogue. Instant feedback and dialogue must be understood as a prerequisite for mutual success. Hence, the dialogue should be two-fold where both parties give feedback and bring various topics to the table. This kind of relationship brings down barriers, but it also creates an environment where fails and mistakes are discovered faster, which certainly brings commercial value to the company.

Conclusion

To put it into perspective: If we were able to ask a person from the 14th century about her predictions for the 17th century European, what would her answer be? She would not even be remotely close. And obviously, we are not remotely close to being able to predict how the next 25-50 years of digital renaissance will change our lives, but we should at least try to prepare for it and secure our attractiveness towards talents.

The six reflections above certainly address the changes companies must make in how to manage talent. We do believe that most companies are doing some of this already – or at least they are trying to. Putting it all into place is not trivial (despite that fact that it might sound trivial), and it takes time. All parties involved have to prioritise and develop their way of applying these initiatives, and we therefore highly recommend that companies start to develop these standards and bring them into play.

For further discussion on the topic, contact:

Tim Madsen
tim.madsen@qvartz.com
+45 61 22 42 69

Jens Friis Hjortegaard
jens.friis.hjortegaard@qvartz.com
+45 29 69 69 22