



A FoW REPORT ON FUTURE TALENT



A report prepared by the Future of Work Research Consortium, January 2013
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About FoW

Led by Professor Lynda Gratton and Dr. Julia Goga-Cooke, the FoW Institute is an emerging thought leader in the field of future-proofed organisations. Over the last three years, the team has worked with over 60 multinational companies from Europe, the USA and Asia to build a deep understanding of the external forces that are shaping the context of work; the internal organisational responses to these forces; and the manner in which future-oriented practices can be identified, embedded and scaled. The FoW Institute has compiled data on the current practices of these companies, as well as over 60 future-proofed case studies, and written thought pieces on a wide range of organisational issues.

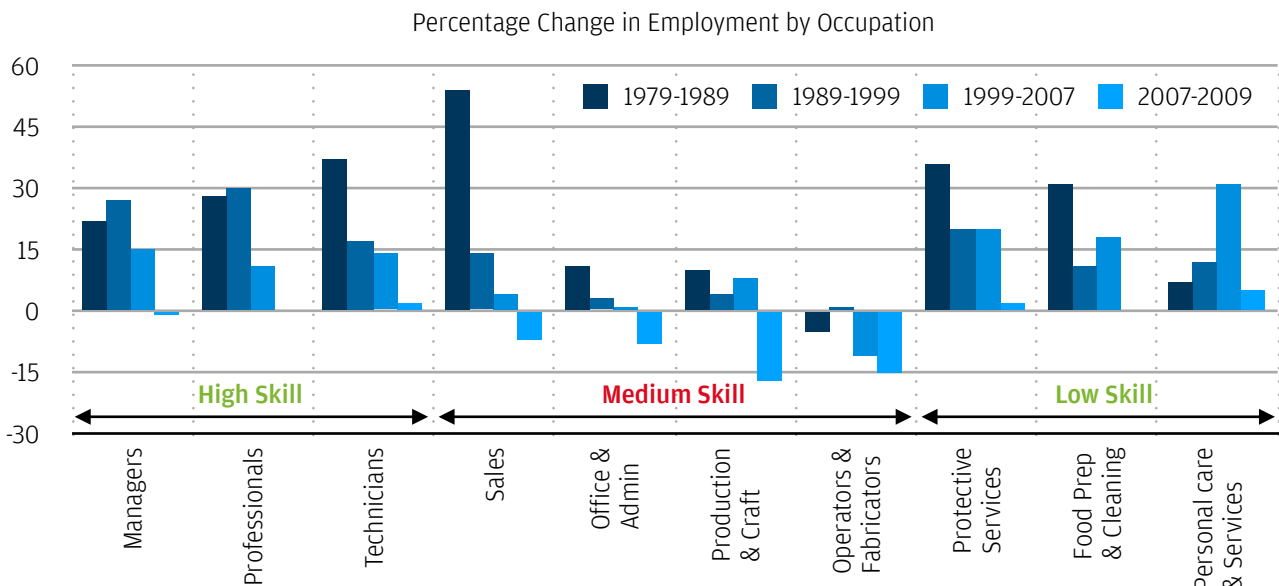
The core of the Institute’s research capability is ‘collective intelligence’. Using a combination of technological platforms, including tailored portals, 48-hour FoWlab jams and sophisticated surveys, the team is able to rapidly assimilate the knowledge of communities drawn from both within and outside of organisations.

Introduction

The talent landscape of the future will be shaped by four forces: technological advances, demographic shifts, globalisation, and societal pressures. In combination, these create both challenges and opportunities for organisations over the coming decades.

Technology - The automation of middle-skill roles and the hollowing out of work

Advances in technology have automated many of the routine tasks that defined work over the last century. This trend is set to continue as technology becomes more sophisticated, and as its power is applied across a broader spectrum of business functions. As a result, many middle-skill jobs will begin to come under threat over the coming decade. This new wave of labour arbitrage, in which transactional tasks are becoming standardised, programmed and automated, is already putting pressure on medium-skilled positions.



Source: David Autor, MIT

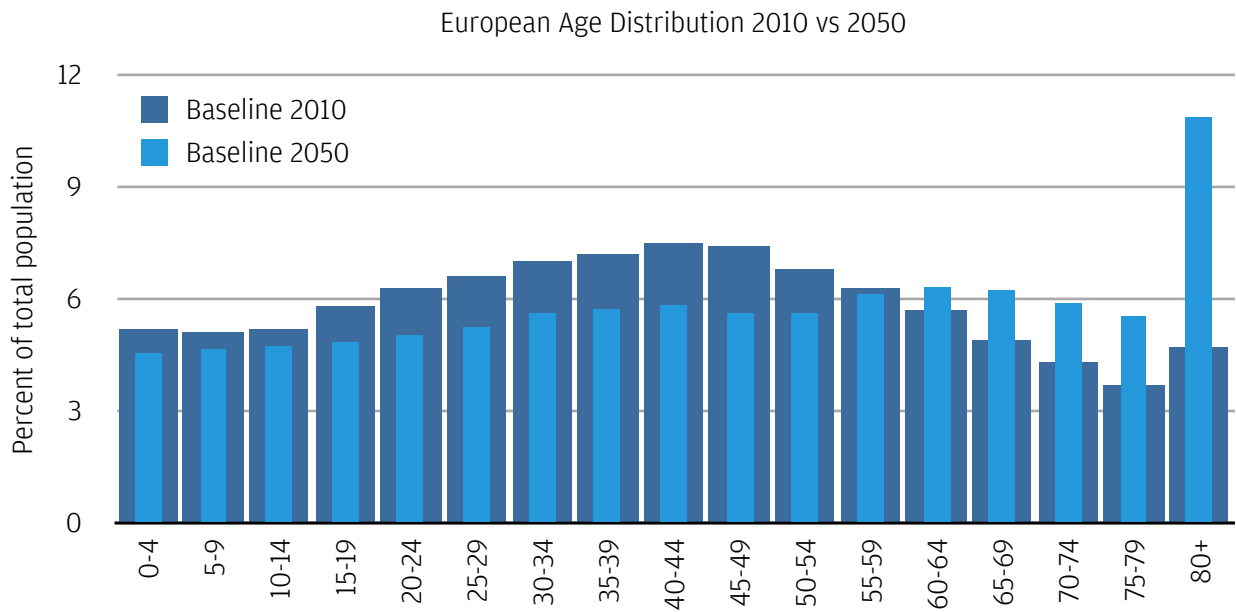
Technology is not only facilitating the automation of medium-skilled roles, but it is also creating more robust pipelines for packaging and distributing these roles to low-wage locations. The rise of online platforms to distribute routine micro tasks around the world has further exposed medium-skilled talent to international competition, with 22% of American firms expecting to outsource more routine work over the next five years.¹



At the same time, the demand for high-skilled roles that are intrinsically difficult to automate or standardise, particularly those of a non-routine and abstract nature, will continue to grow. The ability of technology to simultaneously replace medium-skilled roles and augment high-skilled roles is putting increasing pressure on talent to become more highly skilled in non-routine functions, and will create a growing need for medium-skilled talent to retrain and upskill in order to remain employed.

Demography - Ageing Western talent and the youth of emerging markets

The working population of the most advanced economies is ageing rapidly. In Europe, the median age stands at 39.9, but could rise to 52.3 by 2050.² In the United States, one in four workers will be over the age of 55 by 2030, with 70% planning to remain in the workforce beyond 65.

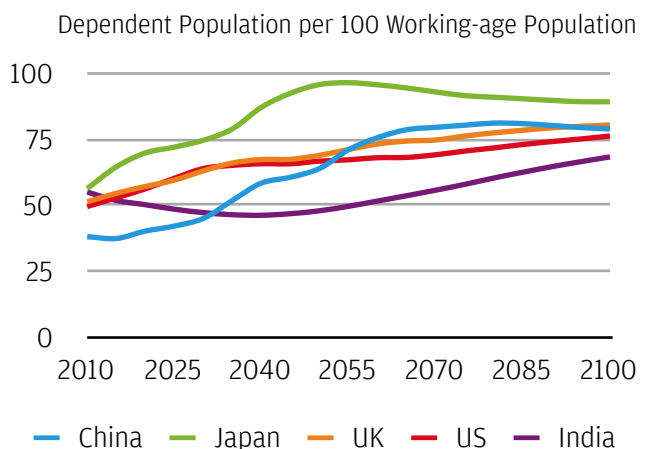


Source: Randstad / Eurostat

In addition to life expectancy growing year-on-year, fertility rates are falling. Developed economies are seeing their dependency ratios (the ratio of non-working-age to working-age population) increase rapidly. For example, in Japan today, each dependent is supported by two working people, but by 2050, each dependent will rely on the contributions of just one working person.

For many developing economies, however, constant or increasing rates of fertility are fuelling a youthful workforce. At the head of the pack is India, which will overtake China in 2030 as having the largest working-age population in the world.

The Middle East and Africa are also set to become major sources of young talent, with a median age of just 25, and with 45% of the population being even younger.³ At a time when the West will be adapting to an ageing workforce, these economies will be experiencing sustained growth on the back of a young labour force.



Source: UN World Population Prospects

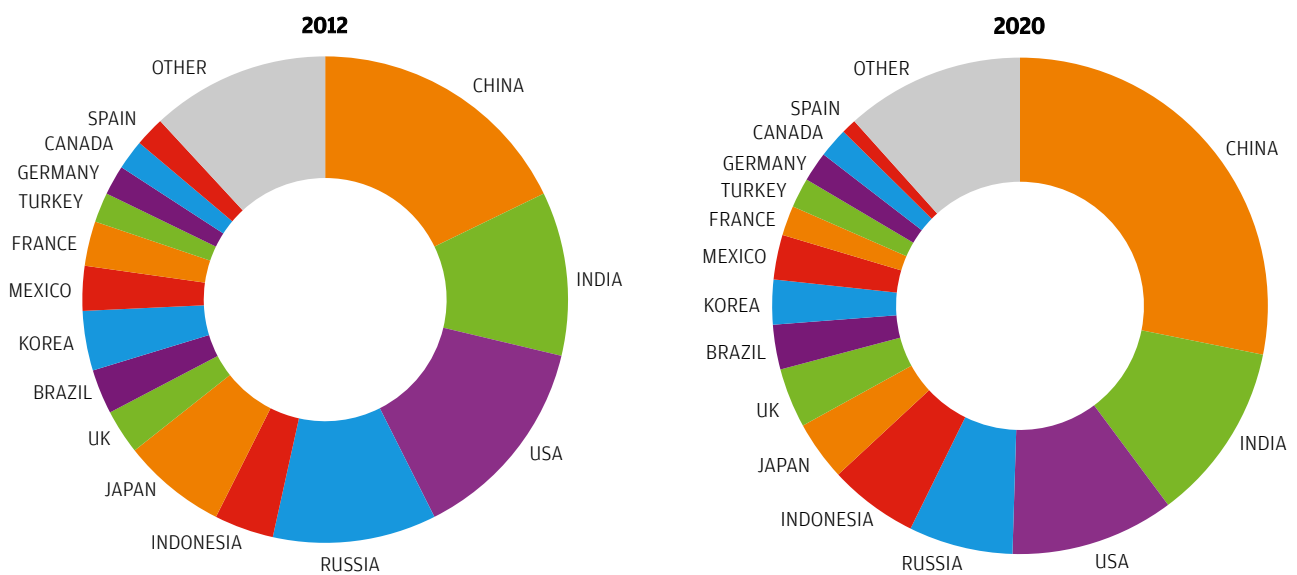


Globalisation - Geographically diffuse talent

Technological and demographic trends have combined with and promoted globalisation to produce a more distributed talent landscape. Talent, and indeed corporations, are no longer concentrated in the West. Between 2000 and 2012, the number of Fortune 500 companies has increased in Brazil, India, China and South Korea, and fallen in the UK, France, Germany, Japan and the United States.⁴

At the same time, the educational infrastructure in emerging markets is beginning to produce talent at scale. Though the quality of emerging-market education is often in need of improvement, 2011 was the first year in which there were more 25-34 year olds with higher education in non-OECD G20 countries than there were in OECD countries (see graph below). By 2020, China aims for 20% of its citizens to have higher education degrees. This would be 195 million people, equal to the entire combined 2020 populations of the United Kingdom, France and Italy.⁵

Share of 25-34 year-olds with a Tertiary Degree in OECD and G20 Countries



Source: OECD

Society - The failure of stakeholder signalling

The three forces outlined above are combining to create a talent crisis in many Western societies: technological advances are beginning to reduce the demand for medium-skill roles while creating a need for ever more complex skills; demographic shifts are creating an ageing population with a high dependency ratio; and globalisation is exposing young talent to increasingly qualified competition from emerging markets.

Combined with the global financial crisis, these forces are creating wide-spread youth unemployment, with the EU rate growing from 15% to 21% over the last four years. At the same time, organisations are struggling to fill vacancies: by 2020, McKinsey predicts that there will be a global deficit of 40 million high-skilled workers in advanced economies, whereas there will be a surplus of 90 million low-skilled workers.⁶

This growing skills gap can largely be attributed to the failure of stakeholders within each society to coordinate. The vitality of the talent landscape depends on collaboration between education systems, employers, governments and individuals in order to ensure that the skills in demand are projected throughout society. At present, it is clear that these stakeholders are not only failing to keep pace with external change, but are also failing to signal which skills will create a future-proofed talent pool.



FoW Insights on Future Talent

The objective of this Future of Work theme is to discuss how organisations can create new ways of sourcing, attracting and developing talent given the nature of the business environment outlined above. In this document, we summarise the key emerging insights from the Future Talent Masterclass, the 48-hour online FoWlab jam, the FoW Future Talent survey, and findings from initial academic research. In total, more than 300 people from over 30 organisations across the world participated in the conversation, which centred on the four Provocations below. Quotes throughout this report are taken from the FoWlab jam, which took place between 28 - 30 November 2012. Cases can be found in our online library, which is open to all FoW members.

Finding Talent (Page 5)

What will define future talent, and where will these future sources of talent be developed?

Rapid increases in technological innovation have created a greater need for high-skilled labour while simultaneously replacing routine tasks carried out by medium- and low-skilled labour. Meanwhile, many of those jobs that cannot be mechanised are being outsourced to emerging markets, carried out at a fraction of the cost. Confounded by the largest global recession in nearly a century, these developments have fed into a climbing rate of unemployment. The reserve army of the unemployed has grown to unprecedented levels, yet companies are still finding it difficult to identify suitable talent in this growing pool. It is no longer enough to attempt to find talent; organisations must create talent, through internal and external investment in training.

Attracting Talent (Page 7)

How can organisations ensure that their employee value propositions appeal to future talent pools?

Attracting talent from emerging markets will be crucial to sustaining a global business. As the economic centre of gravity shifts from developed to emerging markets, companies will have to ensure that their brands appeal to emerging-market high potentials. In order to compete in this war for talent, organisations will have to appeal to a diverse set of aspirations while maintaining an overall brand message. While the attraction of talent is becoming a more global operation, it is also being redefined by the unique demands of Generation Y, the largest cohort since the Baby Boomers. With an emphasis on collaboration and meaningful work, attracting members of this generation requires a more innovative approach.

Developing and Retaining Talent (Page 9)

How can organisations design roles that encourage retention and confront increasingly complex tasks?

The ability to provide talent with constant development is crucial in ensuring retention. Though organisations are quick to focus on identifying, attracting and recruiting, the ability to retain high-value individuals eases the struggle of fighting a continuous war for talent. However, younger generations are starting to expect more from their work, both in terms of the quality of their experiences and the meaning and purpose of their roles. Organisations that can provide learning opportunities can not only benefit from higher retention, but can also create an environment of personal development and engagement.

New Talent Ecosystems (Page 12)

How can organisations leverage new ecosystems of talent?

Recent technological developments have enabled new and more sophisticated organisational structures. Yet just as technology has increased the capacity of organisations to foster business ecosystems, so too has it empowered new ecosystems of talent. The rise of powerful online platforms that enable individuals to coordinate, and to feed into larger organisations on a more transient basis, has matched the increasing desire for professional flexibility. These platforms can simultaneously offer the opportunity for individuals to exchange insights, build industry contacts, establish a reputation and develop an online portfolio of work, while also providing employment opportunities by linking these communities of experts with organisations looking for specialist knowledge. Future talent can be expected to develop more loyalty to their professional ecosystem than any particular organisation, something that organisations need to understand and leverage.

Finding Talent

Finding talent is becoming more difficult than ever. Though unemployment is rife, suitable skills for the most complex and in-demand jobs are scarce. The ability to leverage new technologies to help identify talent was a point that emerged during the FoWlab jam, with a number of participants commenting on how much has changed in the last few years.

Social Media: Most important was the ability to leverage social media to quickly and accurately identify or assemble a suitable talent pool, while the resilience of employee referral schemes was also noted:

“ Job portals, which used to be considered an easy and sure way of reaching out to prospective employers and employees, have now been pushed to the side within our organisation. Social media has become the norm, with a strong emphasis also placed on things such as employee referrals and online advertising campaigns.

- Anonymous

“ It has to be social media. Systems such as LinkedIn now allow you to build your own talent pools. Though we don't bother with Facebook, as our current roles don't fit, it's also a great place for interacting with Generation Y. Currently we are experimenting with a Pinterest page, which will display our culture, values and 'feel' rather than specific vacancies.

- Gemma Reucroft, Head of HR, KCOM Group Plc

“ Our organisation hires about 25,000 people every year and clearly, a combination of different tools works in different regions. There has been a steady increase in the use of social media to source talent for key roles. We have also seen a continued reliance on job portals and direct recruitment for large-scale hiring. And finally, a strong employee referral scheme is also a tool that has been leveraged.

- Vinayak Jakati, General Manager - Global Talent Development, Aditya Birla Group

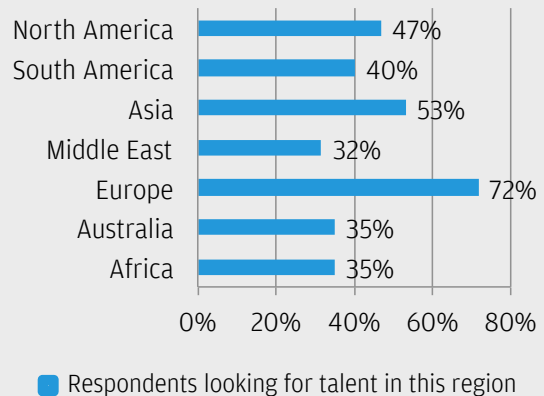
Identifying Talent: Other jammers considered how the process of identifying talent may look in 2020, with many touching on the ability of technology to not only create new opportunities for traditional recruitment, but to provide an alternative to the contemporary notion of the workforce:


“ I think the identification of talent in 2020 will be ever-more web based. But rather than being through electronic advertising, it will be more through online community word of mouth. This will not be in the form of LinkedIn, but perhaps more in the form of the e-platform guilds where like-minded professionals congregate.

- Cathy Fitzgibbon, Head of International HR, British Red Cross

Where are we looking for talent?

As part of our FoW Future Talent Survey, we asked where in the world our consortium companies were looking for talent. Though the results partly reflect the regional makeup of our membership, it is still interesting to note the lack of attention to the Middle East, Africa and Australia.





“ I think technology has only just started to help look for talent. I think technology can help us expand our notion of what work means and how to connect. It is about building teams across the world to solve problems rather than constant structure. The idea is like liquid workforces that form and reform around issues in order to solve them.

- Heidi Sundin, Director, KPMG

Creating Talent: As long as there are weak signals between stakeholders, the right skills will not naturally appear in the labour market, and it will not be enough to simply attempt to identify talent. The future vitality of talent pools will depend on the ability for organisations to invest in and signal to talent before they enter employment. This was something that many jammers have already started to acknowledge and address:

“ One approach that can be used more often is to engage the talent at an early stage, collaborate in their education and teaching before they are ready for the job.

- Anil Agarwal, Vice President HR, Aditya Birla Group

“ If organisations work together in shaping the talent as per the projected skill needs, that would give that much more impetus to growing talent from the ground up. Something that the National Association of Software Services Companies (NASSCOM) in India has been doing for some time now.

- Anonymous

“ We need to ensure we give young talent a chance to gain relevant experience. It is ironic that organisations want to recruit and then mention that we need to recruit someone with experience. How will the youth of today get any experience in such circumstances? At TCS, we look at our employees as a whole, and help them build their competencies through developmental programmes. We believe that everybody has talent!

- Anshoo Kapoor, Lead - Talent Management, Tata Consultancy Services

Academic Insight: Labour Market Makers

I propose that we take a cue from other types of markets and create a Labor Market Maker - a team that proactively manages supply and demand. The Labor Market Maker would be responsible for identifying the skills employers need - now and in the future - and signaling that information to individuals, so they can plan their careers, and schools, so they can plan their curricula.

The Labor Market Maker could tap into the established labor ecosystem - government labor reports, private-sector hiring reports, education and industry data, and so forth - to deeply analyze both evolving employer needs and the talent pipeline at the local, regional, and national levels.

Tammy Johns, The Market that Needs a Market Maker, HBR Blog Network.

Case Study: ExploreWork at Randstad

The exploreWork program is a Randstad USA initiative designed to prepare high school students for successful entry into the workforce. The objective of the program is for students to provide students with an opportunity to reflect on their personal goals, consider future opportunities, and get equipped with tools and resources for entry into college, trade school, military, or the working world. There are also efforts to increase vocational training and better align school curricula with employer needs. The program, targeted at 16-24 year-olds, consists of seven activity-based modules that build upon one another in sequence. Each hour-long module consists of development activities and requires the creative application of what is learned in the session.

exploreWork is an opportunity to provide every Randstad employee with a chance to give back to their local community and make a difference in the lives of students. This strategy also offers Randstad USA the opportunity to utilize their skills, resources and management capabilities to lead social progress in ways that many governmental and social sector organisations would fail to match.

Attracting Talent

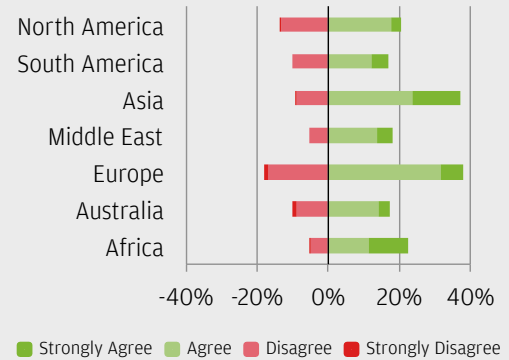
In the context of an escalating war for high-skilled talent, the ability to create a powerful employee value proposition is crucial. 70% of our consortium members claimed that talent has become more difficult to attract in the past decade. But creating an effective and powerful message that appeals to the demands of an increasingly diverse and global talent pool requires more nuance than ever. Throughout the jam, participants focused on how more flexible models of recruitment could address this:

“ I think that tailoring the talent proposition will have to increasingly go beyond appealing to simple cultural or regional differences; it will definitely take generational aspects as well as personality and profile into account. We will definitely need to look for more flexible value propositions instead of the one size fits all approach, which companies traditionally offer.

- Nisrine Labcir, Consumer & Market Intelligence Manager, MasterCard

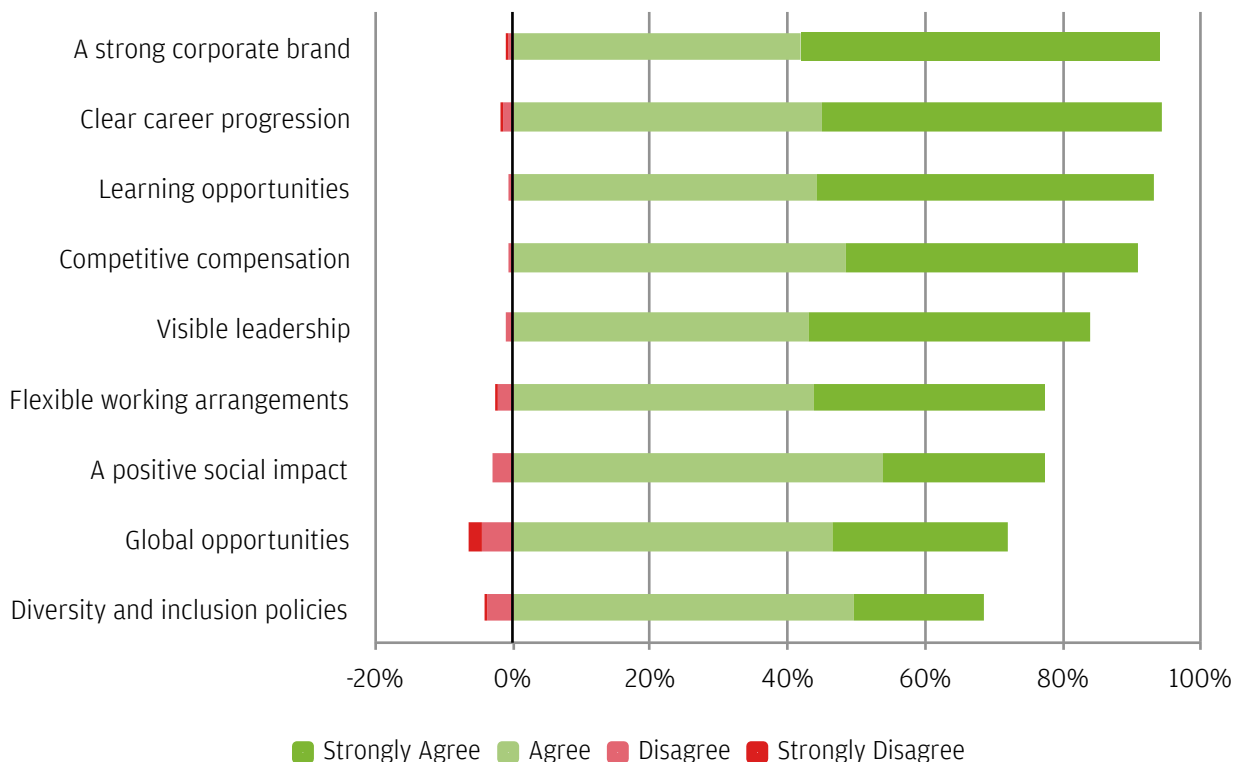
Where is talent proving difficult to recruit?

Our FoW Future Talent Survey revealed that consortium companies are currently finding it most difficult to attract talent in Asia and Europe, while talent in North America and Australia is proving less difficult to attract.



As part of our FoW Future Talent Survey, we asked our consortium members to identify the most important elements of a competitive Employee Value Proposition (EVP). The results revealed that, though competitive compensation and a strong brand are still considered important, providing the ability to learn and progress is a fundamental means of attracting today's talent.

“I See The Following as Crucial in Attracting Talent”





Learning Opportunities: This emphasis on learning is partly a result of the demands of Generation Y, and should become the foundation of any future-proofed EVP. As a consequence of growing up in a time of increasing technological sophistication, this generation is accustomed to rapid change and development, and many expect work to be a continually enriching experience. During the jam, participants suggested that this has meant that the demands for work-life balance have been replaced by a demand for work-life integration:

“ For Generation Y, work is a key part of life, and provides the opportunity to make new friends, learn new skills, and connect to a larger purpose. Work-life balance thus becomes a "work-life blur" that isn't confined to the four walls of an office.

- Rajkamal B, Vice President - Global Learning, Measurement & Rewards, Aditya Birla Group

A strong focus on career progression and learning opportunities could therefore allow organisations to stop competing on the basis of compensation, and instead invest in creating deeper and more experiential learning environments in order to secure top talent:

“ You have to pay enough to get the issue of money off the table, but you don't have to over-compensate, as intrinsic drivers will enable greater attraction as long as you keep your remuneration above that threshold.

- Fiona Michel, Executive General Manager - People, Community & Alliances, IAG

“ I think talent is now looking for a mix of things. A compensation package will always be important, but training and development possibilities, as well as work-life integration, are becoming more critical.

- Benoit Maloir, Customer Delivery Manager, MasterCard

Role Models: Another factor in successful attraction is the ability to provide powerful and diverse role models. Given the increasingly diverse makeup of talent pools throughout the world, it is important for organisations to be able to provide aspirational examples to potential employees. At BT Global Services for example, its 16 board members represent 11 different nationalities. However, not all organisations are currently able to exhibit diversity in order to appeal to young talent, let alone claim to be inclusive:

“ One of the biggest challenges we face is that most organisations define 'talent' in their own image. The ingredients needed to make it to the top according to how the people currently at the top made it there themselves.

- Eleanor Winton, Manager - Foresight and Innovation, KPMG

“ A key challenge for many organisations is that leaders all come from one dominant group and it is a threat to their power position if they would embrace diversity.

- Jennifer Stanzl, Learning and Development, Tata Consultancy Services

Academic Insight: Role Models in Emerging Markets

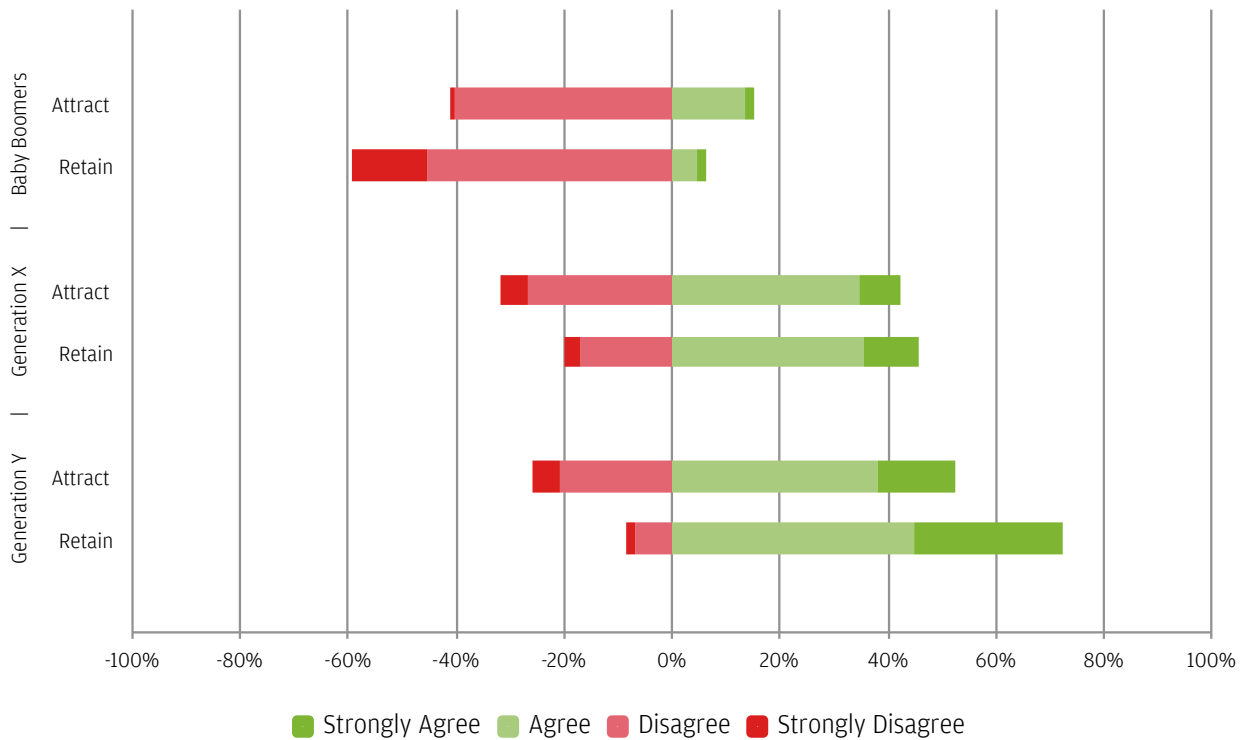
A small number of executives, in fact, have moved from leading positions in emerging markets to a global-leadership role. But big global companies need a lot more role models like these if they are to persuade highly talented local people to join and stay. In the United States, less than 10 percent of directors of the largest 200 companies are non-US nationals, up from 6 percent in 2005 but still low considering the global interests of such companies. Western ones can start working on these numbers by refining their approach to developing top talent in emerging markets. Many also need to rethink their brands to win in a fast-changing talent marketplace.

Martin Dewhurst, How Multinationals Can Attract the Talent They Need, McKinsey Quarterly.

Developing and Retaining Talent

Given the growing skills gap, the pressure to retain the best employees is extremely high. And yet many organisations are struggling to hold onto top talent. Our FoW Future Talent Survey indicated that of the three largest generations at work (Baby Boomers, born 1945-64; Generation X, 1965-79; Generation Y, 1980-94), Generation X and Y are proving difficult to retain. In fact, it is more difficult to retain members of Generation Y than it is to attract them in the first place:

“The Following Generations are Proving Difficult to Attract / Retain”




Development: The survey results show that there is little issue with the retention of Baby Boomers, and many of the jam discussions focused on how to increase retention rates among the younger cohorts, particularly Generation Y employees. The consensus was that retention was strongly linked to development. Continual investment in development shows a long-term commitment to young employees, most of whom place a strong emphasis on learning opportunities and career development as reasons for remaining within an organisation. This can often require a more proactive approach:

“ Generation Y has been closely supported through almost every major decision in their lives by parents, teachers, and coaches. Some call this the most cared-for generation to enter the workforce! Thus, members of Generation Y expect their managers to be directly responsible for planning their careers. They also thrive on feedback, and see it as a primary enabler of development. This explains the rise of coaching, mentoring and other social-media related development solutions.

- Rajkamal B, Vice President - Global Learning, Measurement & Rewards, Aditya Birla Group

“ We cannot ignore the fact that many members of Generation Y were raised with very different classrooms and technology. The lecture style one-way data dump is just not tolerated. More than ever, an interactive classroom with true learning facilitation is demanded. Fortunately, all adults prefer this!

- Joanne McInnerney, VP - Global Talent Management, Aditya Birla Group



Participants discussed a number of initiatives that have so far proved effective, with many examples involving experiential learning environments, whether through simulation or placements.

“ We have a very successful graduate programme which starts with positioning the organisation at universities, a thorough selection process with line involvement and then an 8 month structured period of training, which includes business simulation exercises. We get excellent feedback given that we rotate all the graduates through the main parts of the business and then we finally place them into one of the areas at the end of the rotation.

- Kim Blom, HR Executive, Standard Bank

“ For anything that has a behavioural element, we’re increasingly finding that experiential learning is key to making learning stick. Actually feeling what it’s like to behave differently and understanding why people respond differently.

- Eleanor Winton, Manager - Foresight and Innovation, KPMG

“ There is now a real convergence between modern simulations and games. Short, engaging games-like but relevant simulations have proved very successful with a number of graduate programmes. However, there is great potential to deploy more collaborative and competitive games virtually, which help people both learn and build their community network.

- Jonathan Knight, CEO, Ososim

“ We have found that pure simulation based models, where employees run an operation for 3 days or run a company for 1 day, provide a very effective learning environment.

- Rajkamal B, Vice President - Global Learning, Measurement & Rewards, Aditya Birla Group

Career Customisation: Other jam participants highlighted the importance of career customisation in increasing retention. By providing talent with the ability to determine their own development experiences, and with longer-term aspirational goals, organisations create a sense of purpose, empowerment and trust:


“ At KPMG, we launched a Career Paths portal last year to help individuals explore a wide range of internal and external career destinations via a careers lattice. We provided career conversations masterclasses for performance managers, and materials to help staff have robust discussions about their career aspirations and to receive feedback on the organisation’s expectations. This has prompted a focus on the shared responsibility for career and talent development between the firm, the individual and their manager or sponsor.

- Garcia Williamson, Head of Talent, Learning & Development, KPMG

Academic Insight: A Lack of Choice

Unfortunately, few of today’s big companies are set up to encourage or even allow talented workers to tinker with their work practices, or to collaborate with other workers across the boundaries of the enterprise. Operations manuals explicitly discourage deviation from standardized practices and processes. All too often, organizations have great people but fail to manage or support them correctly. People are stifled by systems and processes that restrict experimentation, limit learning, hinder the transfer of knowledge, fail to motivate, and suppress innovation.

John Seely Brown, Talent is Everything, The Conference Board Review.



“ At TCS, the employees own their careers. We have a system called iCALMS and we have a case study on the portal on it as well. This system helps employees tag a higher role or an aspirational role. It then shows the employees their current gaps regarding that role, and outlines how they can close the gaps through various developmental programmes. Mentoring becomes key, and so does on-the-job training, where employees get a feel of the role and readiness to move to the higher role when possible. The employee needs to give the information of their current level of work, and training they have attended in the past is automatically recorded through our L&D team. This helps them plan their career and journey at TCS!

- Anshoo Kapoor, Lead - Talent Management, Tata Consultancy Services

Mentoring: This last comment hints at the fact that, though Generation Y thrive on freedom and choice, their parallel desire for feedback and support means that any autonomy must also be underpinned by guidance and advice where necessary. A shift from monitoring to mentoring will be vital, and a number of jammers raised the value of mentoring and coaching in ensuring commitment from younger employees:

“ If you consider that a reasonable return on investment should be at least 3 times the cost of that effort, we seriously question whether performance management is delivering. Instead, we need to educate managers and employees on how to truly coach and be coached. The use of short term incentives such as reward and recognition "in the moment" at managers discretion.

Fiona Michel, Executive General Manager - People, Community & Alliances, IAG

Case Study: Group Mentoring at BT

BT initiated their "Dare2Share" group mentoring platform to provide career help and professional guidance to their employees in a way that was effective, resource-light and responded to the unique needs of Generation Y.

Group mentoring is centred around an online platform where employees can interact, either within their own peer group, or with senior executives, in order to gauge feedback on their own performance, or to glean information that they feel is relevant to their career path within the organisation. Using tools such as podcasts, RSS feeds and discussion forums, employees can access the sort of tailored advice that they need to build the fulfilling careers they seek.

A lack of guidance and mentoring can otherwise result in a disengaged workforce and high attrition among members of Generation Y, as some of our jam participants highlighted:

“ What we do know from our existing data, when we compare them against all other age groups in our organisation, is that they have higher absence, higher turnover and have lower average performance management scores. Their overall engagement and motivation scores are also lower by comparison.

- Gemma Reucroft, Head of HR, KCOM Group Plc

Beyond Retention: Finally, though development is a means of ensuring retention, a person's development could be limited if they remain within a single organisation. This suggests that retention measurements and goals should factor in the increasing transience of employee-employer relations:

“ There are several people who have been with us for a long time and who, over the years, the business has worked hard to retain. However, it would have been infinitely more valuable both to the individual and the organisation if we'd have encouraged them to find an opportunity externally that would develop them but with the intention of hiring them back at a later point. I would much rather someone leave our business, go and gain experience elsewhere for a few years and come back at a later point more 'worldly wise' with new and different perspectives, than simply try and hold on to talent and keep them within the business to rise through the ranks.

- Anonymous



New Talent Ecosystems

The ability to identify, attract, retain and develop talent is important for any future-proofed organisation. But even today, new talent ecosystems are arising which may defy traditional talent management pipelines. Advances in technology have empowered specialised virtual workers, who prefer to work with rather than within organisations. For individuals, this provides flexibility in how, when and where they work. For organisations, it means that talent can now be tapped into at any time and at relatively low cost.

Virtual Labour Markets: Well-established virtual labour markets such as ODesk and Elance empower more flexible, hyperspecialist work, and help organisations access what jam participants termed ‘floating talent’. However, this is still a nascent industry:

“ The impact of the new labour markets will definitely be huge on emerging ‘knowledge worker’ type roles. As aspects like crowd sourcing gain momentum and work gets reconfigured more and more, these markets will get bigger. Of the million-odd jobs posted on these platforms, there is little or no representation of manufacturing industries, healthcare, public services, education etc. all of which are major employing categories worldwide. So, will it take some more time for these sectors to kick in or do these sectors have a fundamental disconnect with the model?

- Vinayak Jakati, General Manager - Global Talent Development, Aditya Birla Group

Virtual Guilds: Though virtual labour markets are the most significant of the new talent ecosystems, a number of organisations are also beginning to understand the power of virtual guilds. Distinct from virtual labour markets, these communities bring people from certain professions together to build networks, reputations and portfolios that transcend individual organisations. For example, Sermo provides a platform for medical professionals to network, exchange ideas and share career opportunities. Some of our consortium companies are already investing in their own internal guilds in order to create more powerful professional networks:


“ In our organisation, we have internal guilds, called Business Resource Groups (BRGs). I am part of the Young Professionals (YoPros) BRG, which aims at developing young professionals (people with less than 10 years of experience) within the organisation, and allows them to have a concrete/direct impact on the business.

- Benoit Maloir, Customer Delivery Manager, MasterCard

Crowdsourcing: Once organisations become comfortable with sourcing talent on an ad-hoc basis, another benefit of these new talent ecosystems can be realised: combination at scale. Crowdsourcing platforms differ from virtual labour markets and virtual guilds in that they combine the intellectual and creative power of thousands of people from across the world to help address a problem, work on a project, or create new ideas. This is something that a number of organisations are already doing through platforms such as InnoCentive and Amazon’s Mechanical Turk. But some jammers pointed out the current limitations of this approach:

“ Many large organisations buy the expertise of large consulting firms because they’re buying the brand as much as the solution/recommendation. With crowd-sourcing they need to get past the perception that the best ideas and solutions may come from nameless, faceless contributors. That’s a little scary for risk-averse organisations, hung up over their reputation.

- Fiona Michel, Executive General Manager - People, Community & Alliances, IAG



To help solve this initial hesitation, one jammer suggested running small-scale internal pilots to help create awareness, familiarity and comfort with the idea of opening up to a wider crowd of innovators:

“ Perhaps an organisation needs "crowd-sourcing training wheels" to see the power and impact it can have. Perhaps the way to do that is to start an internal crowd-sourcing approach first, in a somewhat "safer environment".

Something KPMG has done recently is to post client problems in an online campaign to leverage ideas and solutions across the entire organisation, rather than traditionally relying on the engagement team to solve it alone. The campaigns from my understanding have been a huge success.

Maybe the internal approach is a way to build comfort within organisations of what crowdsourcing is, and the value it can really create for itself and its clients and customers.

- Nicky Cameron, Team Leader, KPMG

Case Study: Innovation Ecosystems at Singtel

The business world is shifting towards a bipolar structure of micro-entrepreneurs and mega-companies. As technological advances provide hundreds of thousands of small businesses with the tools to bring their ideas to market at low cost, big organisations are no longer the primary sources of innovation. In order to maintain their competitive advantage, these more traditional businesses will have to use their scale to create valuable ecosystems of innovation, in which they can foster and support the growing number of independent talent. Since 2008, SingTel has developed a number of collaborative platforms to help bring in new ideas to the company. When combined, the Idea Factory, SingTel Innov8 and SingTel Innovation Exchange (SiX) constitute a powerful innovation ecosystem that ensures that the organisation is at the cutting edge of the technology market.

One platform, the Idea Factory, is headed by a team of scouts who have established partnerships with more than 40 universities, startups, and venture capital firms around the world in order to foster innovation and bring ideas to market. Another platform, SingTel Innovation Exchange (SiX) provides external developers with a stable co-creational space to experiment with new ideas. These two platforms, alongside other broader initiatives, constitute a powerful talent ecosystem that ensures the organisation and its products remain at the cutting edge.

Rather than going through existing talent platforms, such as ODesk and InnoCentive, Singtel has created its own series of global talent ecosystems. Combined, these give Singtel the ability to access the growing pool of floating talent, as well as create strong links with micro-entrepreneurs.



Conclusion

New virtual labour markets and crowdsourcing platforms are beginning to grant organisations access to talent on an ad-hoc basis and at relatively low cost. At the same time, virtual guilds are providing talent with a space to create networks and reputations beyond the walls of a single organisation. When combined with the opinions expressed by many jammers about the inherent limitations of retention, it seems that the future of talent will be defined by the flexibility and diversity of talent. Organisations will have to adapt to these new forms of talent management in order to remain competitive.

For more traditional employment arrangements, loyalty can best be guaranteed by providing the ability for talent to define their own career paths while ensuring that support mechanisms such as mentoring and feedback are in place. At the same time, fighting the growing skills deficit will require investment beyond internal talent pools, and will depend on the ability for organisations to signal to other stakeholders around high-demand skills.

12 Key Insights on Future Talent

1. **Social Media:** using social media for recruitment provides an opportunity to build your own talent pools.
2. **Identifying Talent:** technology is transforming how talent is assembled, producing a more fluid workforce.
3. **Creating Talent:** organisations must invest in and empower individuals before they enter the organisation.
4. **Learning Opportunities:** the importance of development, particularly to Gen Y, makes it a must in any EVP.
5. **Role Models:** an organisation must provide a diverse range of aspirational cases to potential employees.
6. **Development:** initiatives work best when they are experiential, with simulations proving very popular.
7. **Career Customisation:** the ability to build your own path provides a sense of trust and empowerment.
8. **Mentoring:** Gen Y like to feel supported, but also demand autonomy. Mentoring provides a good balance.
9. **Beyond Retention:** employee-employer relations are increasingly transient, and this isn't a bad thing.
10. **Virtual Labour Markets:** online platforms are providing 'floating talent' with new streams of work.
11. **Virtual Guilds:** companies are investing in creating internal networks to support groups of professionals.
12. **Crowdsourcing:** still an underdeveloped capacity, crowdsourcing is something worth experimenting with.



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