

The War for Talent



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Background & Challenge

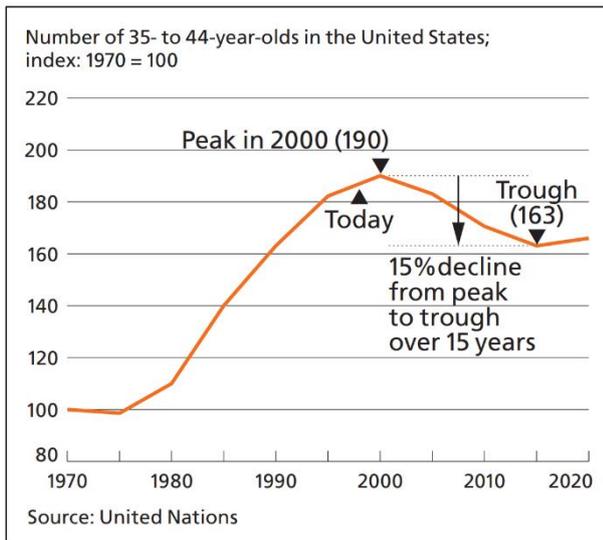


The War for Talent: Background & Challenge

The term “War for Talent” was first discussed by the authors of the article “*The War for Talent*” in McKinsey Quarterly, January 1998. In the article the authors refer to the increasingly fierce competition to attract and retain talented employees at a time when too few workers were available to replace the baby boomers now departing the workforce.

The focus of the article was on the increasing competition for senior executive talent that would be harder to attract and retain over the next decades.

Declining supply of future executives



War for Talent - THE MCKINSEY QUARTERLY 1998 NUMBER 3

The article identified a pattern of a decrease of people in the age of 35-44 years resulting in a shortage of people to choose from when companies wanted to attract and retain people to executive roles.

The interesting thing is that the article worried about the decline starting in year 2000 but a closer look at the graph shows that the trough of the graph would appear in year 2015 which is about 6 years ago meaning the problem is at its peak right now as the shortage has existed for some time now and is starting to show its real impact.

In 2016 the “Failure to attract and retain top talent” was the number-one issue in the Conference Board’s 2016 survey of global CEOs.

Another challenge rising was a high increase in small and medium sized companies emerging, also looking to attract and retain talents as part of entrepreneur and start-up companies which had a new profile compared to the classic big American companies like Walmart and GE. This issue further increased the challenge, because on the top of the shortage of available talents, more companies were fighting for a decreasing number of talents.

To deal with the challenge companies started to focus more on how to build and maintain a company brand and a reputation strong enough to attract and retain talents from the competitors. This new focus tried to find a balance on how to attract new talent but also making sure the existing talent in the company did not leave in the same or at a faster pace as new talent where hired.

The attract and retain balance started a new type of talent strategy where focus on the company employee value proposition became a critical point for your Talent Attract vs. Retain Roadmap.

The talent focus challenge: Attract vs. Retain

As companies start to build their employee value proposition the approach to balance attraction vs. retention becomes a critical question. When we look at attraction, most companies are not clear



about what kind of people to attract. In “War for Talent” four different types of employee profiles are listed as possible focus areas to attract:

- **Go with the winner:** Focusing on the best companies. Attracted by growth and advancement. Wants to be among the best.
- **Big risk, Big reward:** Focusing on opportunities and compensation as main drivers. Development and career is set higher than company success.
- **Save the world:** Focusing on a mission, values and challenges more than career and compensation.
- **Lifestyle:** Focusing on flexibility, lifestyle opportunities and relationships more than career and compensation.

A great point from the article is that no one can be everything to everybody and therefore an important part of your attraction strategy is creating focus on the specific talent profiles your company brand should attract. As we look at the retaining part it becomes a bit more complex as we are looking into the whole lifecycle of an employee in a new perspective. During and after the pandemic the idea of the hybrid workplace is becoming the norm. As the hybrid workplace is not depended on a specific location you could ask yourself what is preventing companies from attracting and retaining talent from any location?

This does set things in a new perspective. How do you retain talent and manage their lifecycle if you don't see them in the office and your product and services are based on an operating model suited for office and in person-based delivery?

Many companies are now in a situation where they need to rethink how employees must be engaged and supported in the new normal. In the hybrid workplace flexibility and mobility becomes the critical elements in how you can retain your talent as they require an operating model that makes employees independent of time and space.

How can digital products & services help retain your talent?

The attraction focus is an important part of the talent focus but at Experience Design we are focused on the digital products and services that makes it easy for employees to focus on what they are hired to do. The outcome of this focus should be that employees are not using valuable time to request and follow up on what we call Employee Experience (EX) products and services.

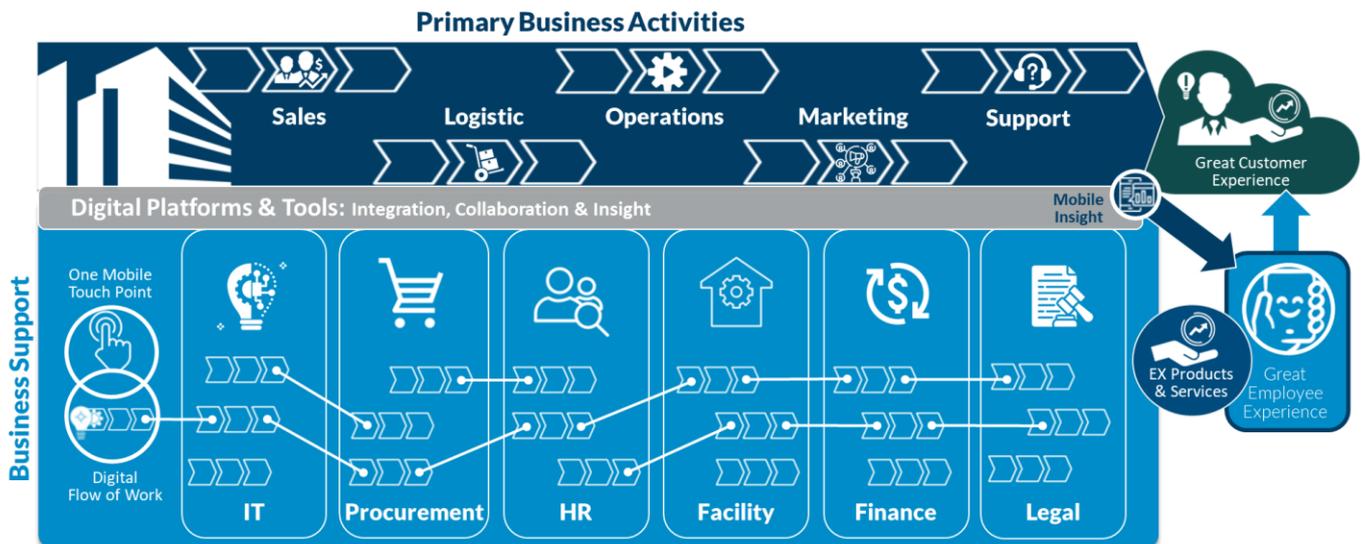
For the excellent Employee Experience to become real we need to start looking at the business support functions and how they can collaborate around the employee product and service delivery.

Many companies are focusing on how the business support functions can be more transparent and efficient in how they deliver products and services but often this is done in silos with focus on the individual business support function like HR, IT or Facility.

To enable a more digital approach to talent retention we need to focus more on the following initiatives:

- Data and information quality to support the Employee Experience
- A mobile platform to support a multi-channel access to EX product & services
- Digital value streams & collaboration (Digital Flow of Work) across the support functions





Employees are looking for simple and easy to access products and services where coordination, collaboration and updates are covered from an end-to-end delivery approach. It needs to be easy for the employee to follow progress, updates and expected delivery date from a mobile device.

Products and services needs to be available from any type of device while providing an unified experience no matter the formfactor (Omni-Experience).

As the unified experience becomes the employee expectation for products and services there is also a great opportunity to ensure seamless access to critical information in the business core platforms.

Most companies are using a lot of different Apps, functionalities and design themes making it difficult to create a shared mobile strategy where employees can navigate a companywide UX standard for mobile design and functionality.

Initiating Omni-Experience Products & Services

It can seem a bit complex to get started with multi-experience products & services and we recommend to focus on the following actions to get a the focus and mindset initiated:

- Identify the primary stakeholders to engage for purpose, objectives and priority
- Select a digital platform to support the omni-experience journey
- Identify the critical information to support the journey and ensure ownership and maintenance
- Specify a roadmap for the EX products and services to initiate and drive your journey
- Map the low hanging fruits to establish quick and high value digital EX products & services and make them easy available through the omni-experience platform
- Ensure governance and frequent review of the digital EX roadmap as priorities changes
- Build internal capabilities to drive and improve the omni-experience and EX journey
- Work on a simple Omni-Experience strategy to unify how themes and functionality is designed and developed for all devices and platforms

For more information about Digital Employee Experience follow us on LinkedIn: <https://www.linkedin.com/company/expdesign>

