Talent strategy for the digital age

What are organizations coping with digital transformation in terms of their talent strategy? We find out.

By Vikas Arora

Organizations are changing. Strategies are changing. Skill sets are evolving to adapt to it. Today businesses have become nimble and seamlessly adapt to the needs and demands of the digital environment and when - hiring workforce or reducing it as per its internal or external requirements. But one of the major aspects that businesses deal with in a digital world is accommodating to the everyday innovation and rapid technological advances that constantly seek to challenge the 'people' factor of any organization - whether in terms of acquiring talent or engineering the skills of the workforce for complying with this rapid transformation.

With a PwC report revealing that 73 percent of the CEOs believe that the availability of skill sets is a serious concern, and 81 percent of the CEOs look for a much broader range of skills when hiring; organizations today are vehemently formulating and tweaking their talent management strategies and are navigating through the challenges that are engendered in the process of technological transformation. The HR function is directly affected by this and thus becomes imperative to re-visit the talent strategy and align it with the future talent needs of the organization.

"It is the role of HR to gear up the organization for the current and upcoming change. The digital age will affect every aspect of HR (be it recruitment, skilling, or talent management)," says Rosita Rabilendra, Chief People Officer, NITT Technologies. The questions now revolve around how organizations are coping up with the challenges that digital transformation is posing in terms of talent - both current and upcoming. Planning takes the center-stage here and is predominantly about how a 'talent strategy' can be defined in the current digitally driven world.

Strategic Hiring

Organizations today are using multiple channels of hiring - from social to online, however, today there is also a conspicuous need to explore the potential of the talent to adapt to the digital age. One of the most prominent features of this is to integrate technology with hiring and recruiting strategies in organizations. In talent management and strategy, determining as to what roles will be automated and how can people and technology integrate and balance each other is one of the most important aspects that organizations need to consider.

In the wake of opportunities and threats darted by digital transformation, identifying talent with appropriate skill sets is at a crisis point. Businesses are increasingly looking to scale-up and increasing workforce, however, 73 percent of CEOs consider this skill-shortage crisis as a "threat to their businesses" according to the PwC report. Interestingly, the definition of 'appropriate skill' also has a new dimension of 'multi-skill' added to it, and people from different geographies, industries and/or demographic segments are sought for to fulfill the diverse roles (See Fig. 1).

Learning & Development

Another aspect that organizations are dealing with is to create or generate a workforce that can coherently adapt to the digitally evolving world, be innovative, and manage technology effectively. HR has to ensure that current employees are up-skilled and come to level with the demanding needs that arise with technological transformation. Investment in people in terms of training, learning and development is one element of the talent strategy that organizations need to devise to enable their workforce to work in tandem with technology.

People Matters in partnership with SAP and Atos conducted a roundtable conference to look for answers to such questions and uncover how HR can devise its talent strategy to align to a digital world.

Transparency and flexibility are pillars to building a culture in a digital world
According to the PwC report, 81 per cent of CEOs constantly seek to equip employees with new skills through continuous learning or mobility programs. However, it is observed that many organizations still adhere to the traditional ways of training which are usually out of sync. Aligning the digital strategy with the training efforts is the need of the hour.

Initiating training programs on digital tools, training programs on using and implementing digital platforms is a way to scale up digital skills in employees.

**Beyond skills**

Functional skills may define the framework of a talent strategy puzzle, but a vital piece of the jigsaw is leadership development and succession planning. Leadership development in the digital age resonates with the concept of mindset transformation. Leaders have to get the best out of the talent available, but the digital age does not complement the conventional ‘command and control’ leadership methods. What the digital age has facilitated is the notion of openness, dialogue and flexibility – something which is expected of leaders as well. Latika Gupta, Director Human Resources, Metro Global Business Services states that, “Transparency, flexibility and openness are pillars to building a culture in a digital world.”

The digital transformation is as much about behavioral training as it is about functional training; and leaders will have to initiate that cultural transformation.

A big part of the cultural transformation is integrating the digital experience in the routine people practices. According to a research by MIT Sloan Management Review and Deloitte, people from all ages want to work for digitally enabled organizations (See Fig. 2).

Evidently, employees expect and want a digital experience in their workplace routine (even as a part of HR initiatives). The ill-defined ‘soft’ HR functions (example engagement, recognition and rewards) play a major part in giving that experience to employees. Organizations need to go digital when dealing with talent management functions to match with the employees’ expectations. Currently, organizations aren’t doing enough to engage employees.

Gallup’s employee engagement survey reveals that more than 50 per cent of the employees are not engaged in work. The definition of digital in HR must be understood beyond HR operations and extended to a free and fast flow of information, along with the creating a conducive environment to initiate conversations and dialogues. Millennials will shape 50 per cent of the workforce in 2020, and organizations cannot (and should not) risk disengaging the future HiPers, HiPos, and leaders. Especially in the backdrop of the tendency of millennials to switch jobs – where 91 per cent expect to stay in a job for less than three years, according to a Future Workplace study. Thus, the HR will not only have to re-visit the talent strategy, but will also have to go digital to keep pace with the parent organization undergoing a digital transformation.

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The way forward

Technological transformation has altered the ways in which talent strategies are devised. For any organization, the single-most determinant that will be instrumental in providing competitive advantage will be how the organization, in the face of digital transformation, is able to recognize the talent it needs and develops a talent strategy around it. Digital skills requirements vary across organizations and extensively rely on the capacity of the organization to transform and gain digital maturity. One way for organizations is to identify the skill levels of the workforce and then compare it to the desired levels of skills required to succeed. Training and re-skilling thus will become a sub-set of the overall talent strategy of the organization, and leaders will have to drive that cultural transformation. ☢️

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