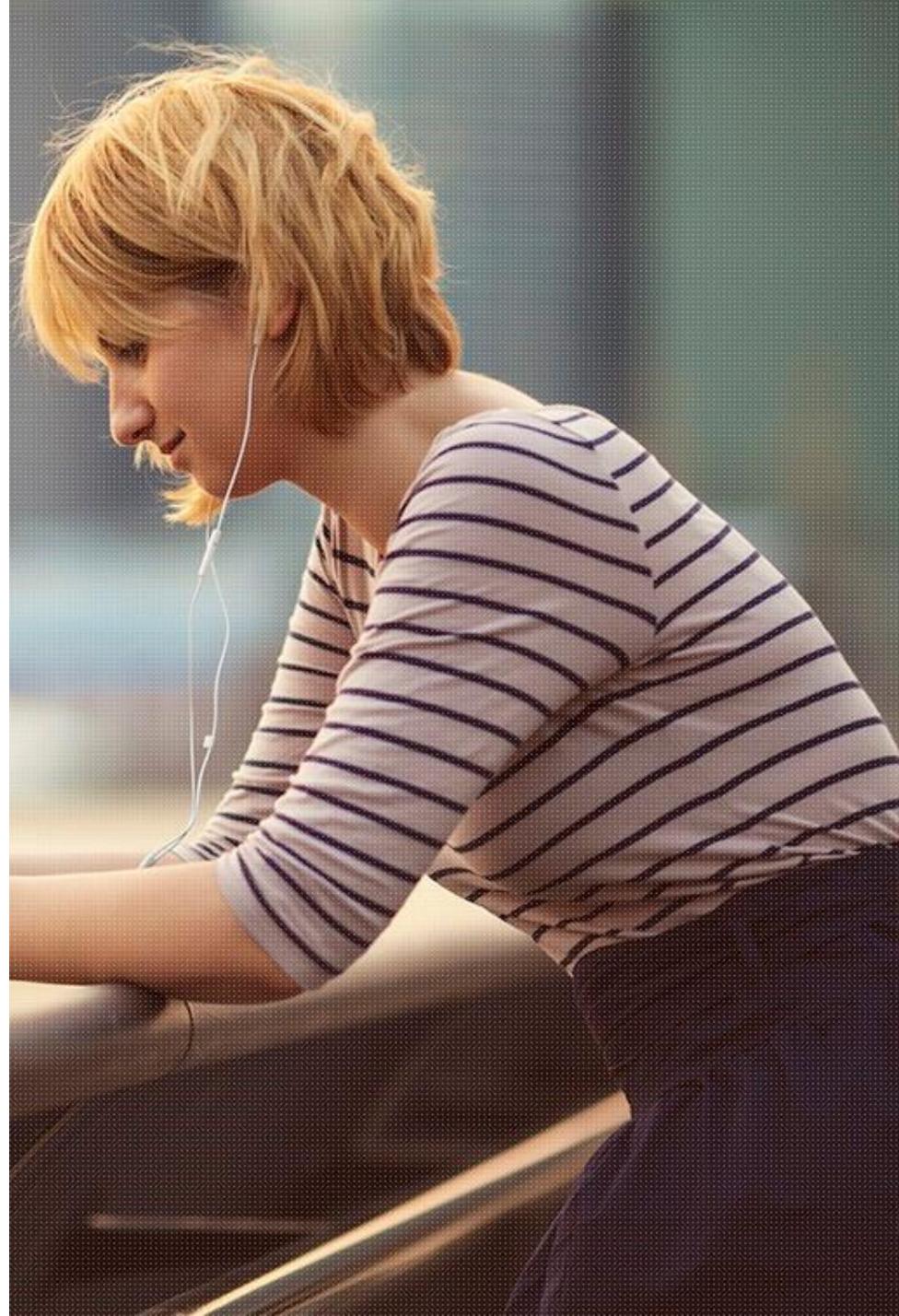




High Tech Competence Center

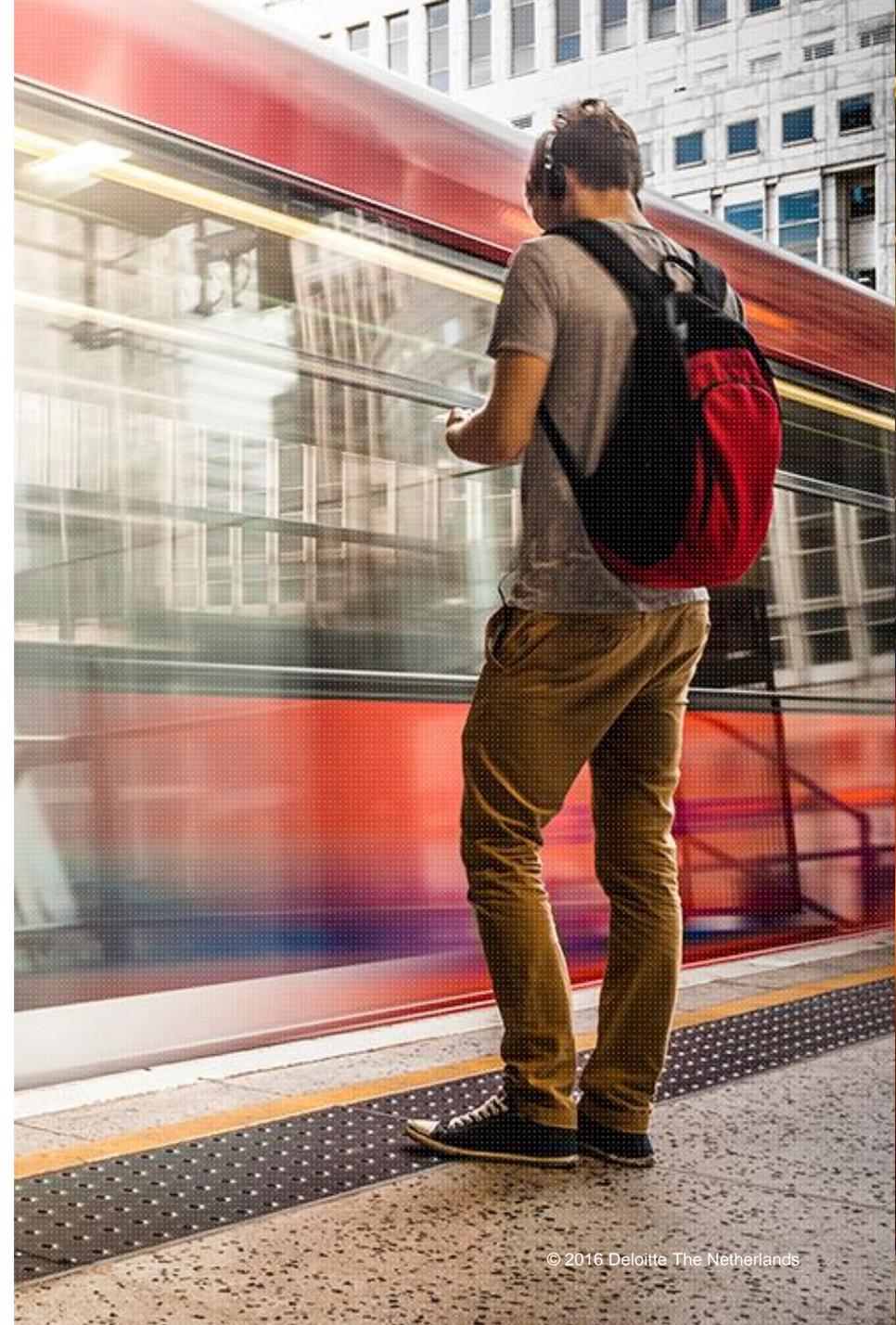
Strategic Talent Management in High Tech

Eindhoven, the Netherlands
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- Purposeful employment
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The world is rapidly changing and challenges in attracting and retaining High Tech talent are on the rise

Situation

- Forecasts and debate regarding **labor shortages** (e.g. demographics) and **labor competition** (e.g. through automation) in **OECD labor markets**
- Computers and **information knowledge** mean that **information workers** represent larger portions of the workforce (**more than 35% in US**) and the sector is growing 2x compared to the larger economy
- **Workforce costs** as a portion of business expenditure are rising due to automation and computerization, especially in knowledge intensive industries (High Tech, Education, etc.)
- Skilled trade workers, **engineers** and **technicians** are amongst the hardest jobs for employers to fill

Complication

- To compete globally, organizations need to be successful in **targeting, attract, select, motivate, develop** and **retain** talent
- **Talent** (e.g. motivation and human capital) **is a key influencer of organizational performance**
- Human capital is a source of competitive advantage and organizations need to understand employees to compete
- Current dynamics (e.g. generational differences, competition, globalization and regionalization) **have forced organizations to rethink their HR strategies and practices**

Question



Identifying, attracting and retaining skilled talent dominates many agendas. The key question is: **how can the talent be “harnessed” for High Tech companies?** It is especially relevant in light of recent business trends, as well as that traditional HR practices seem limited in attractiveness and global approach.

Shifting employee values, the rise of regions and increased pressure to stay competitive drive current High Tech labor market dynamics



Shifting employee expectations

Labor market dynamics, change in organizations and employer-employee collaboration over role design have created a new mindset impacting employee values and expectations.

Values are shifting based on generational differences and employers have to juggle different sets of expectations as more generations are in organizations than ever before. In particular, millennials expect a clear purpose and positive social impact.



Rise of regions and ecosystems

The importance of cities and regions is growing, in both economic terms and innovation.

The triple helix (including a strong startup scene) is linked to innovation, job creation and talent attraction. Their presence helps larger companies grow and their presence also influences employee expectations.



Increasing pace of change

Fierce global competition, non-core employee responsibilities, smaller – or restructured firms and new strategic directions are all challenges for many companies.

Companies are also grappling with organizational change – e.g. due to the compression of product lifecycles. As a result, there are new forms of employment and a demand for flexibility in employee and psychological contracts.



These changes especially impact High Tech, given the need for specific knowledge, the focus on R&D, and the scarcity of jobs

Deloitte takes a holistic view on solving the talent challenge, which addresses these important challenges

Drivers

Shifting employee values

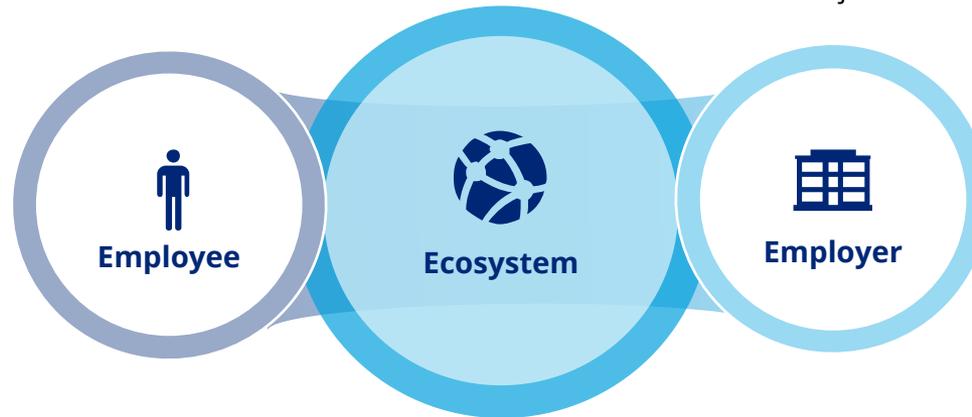
Increased competition for high tech competencies create global demand for talent; purpose, work-life balance and continuous learning are increasingly important in employee decision making. Each generation has different expectations.

Rise of regions and ecosystems

The rise of regions (parallel to globalization) and importance of the triple helix affect talent. Increased competition makes it appealing for regions to collaborate.

Increasing pace of change

The global competition is changing the business landscape and organizations. Increased mobility opens markets and digital transformation disrupts and enables growth altering market dynamics. A job is no longer a job for life.



Directions

Purposeful employment

A new generation of knowledge workers, with a new set of values and expectations, is pushing organizations to articulate a clear purpose that is core to their talent strategy. Psychological contracts are a new way of dealing with these changes.

High Tech ecosystem embeddedness

A classic talent approach that is confined by the boundaries of the organization, is increasingly becoming inadequate. Organizations need to balance cooperation and competition with those around them.

Organizational Agility & Employee Centricity

Classic one-size-fits-all HR-practices no longer fit the bill. Individual preferences and job flexibility with those in the ecosystem are powerful levers for talent management. Successful organizations will be more receptive to their employees.

Purposeful employment

A new generation of knowledge workers, with a new set of values and expectations, is pushing organizations to articulate a clear purpose that is core to their talent strategy. Psychological contracts are a new way of dealing with these changes.

Organizations that have an inclusive approach towards purpose are more successful, in business and harnessing talent

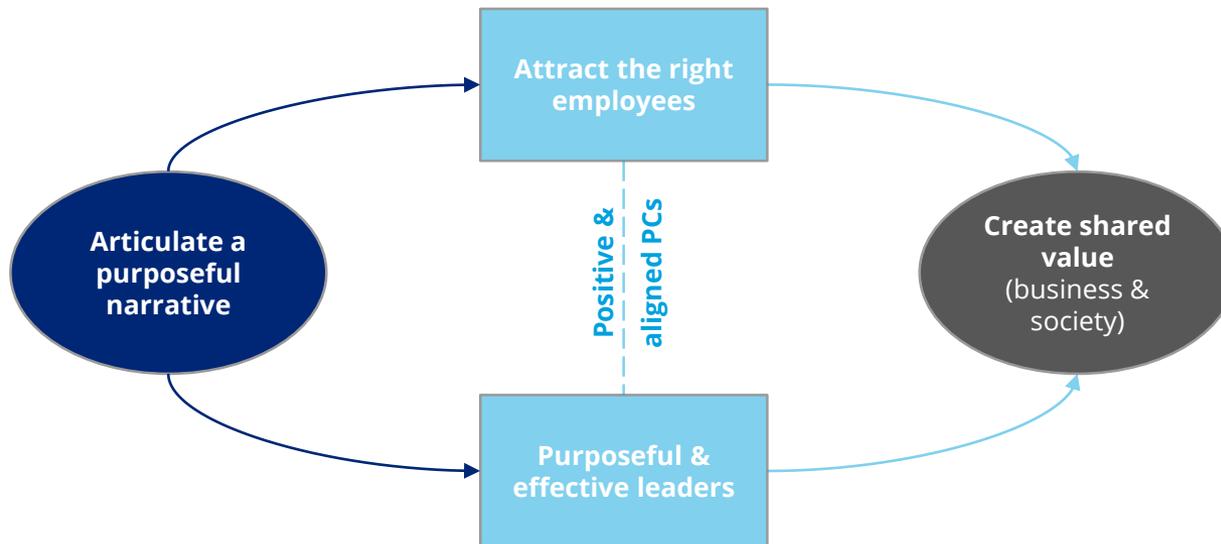


The importance of purpose

- Purpose is a human need. It is a reason to go to work each day and increasingly of influence in industry
- It also mobilizes people in a different way than profits. Companies with a clear purpose are found to have more engagement and positive psychological contracts

Organizations with purpose are more successful

- Organizations with a true purpose are more successful in harnessing talent
- It can lead to more engaged employees, while improving business performance
- Research shows that purposeful, value-driven companies outperform their competition by 12x in on the market*



The PC plays an important role in fulfilling a purpose and in creating positive and passionate employment contracts

What is a psychological contract (PC)?

An individual's belief regarding the terms and conditions of a reciprocal exchange agreement between the focal person and the other party.

Navigating the generational gap...

- Research shows **each generation has different values**. Younger generations are:
 - Decreasing emphasis on work and importance of rewards
 - Increasing importance of work-life balance, personal development, integrity and purpose
- These differences require a **multi-generation approach** (as more different generations are working together than before)

... can be supported by improved engagement

- **Addresses less visible issues** and can be applied to improve engagement
- Mutual promises are central, thus the PC **differentiates between the employee-employer perspective**
- Enables the employer to adjust to employee needs (e.g. purpose) and **define future desired relationships**, distinguishing between transactional and relational contracts

Embedding PC's as part of employee centricity

Individual deals (I-deals) as an example of employee engagement

- An I-Deal is a mutually beneficial labor agreement linked to the values and desires of the employer and employee - e.g. reduced work hours to do relevant charity or pro bono work
- Potentially incorporates job crafting, where the employee agrees upon their desired role and responsibilities, with the goal of creating a more sustainable relationship

Two cases: Unilever and Etsy

“To make sustainable living commonplace”

Unilever has operationalized this approach through the Unilever Sustainable Living Plan. In this plan, the priorities consist of:

- A better future for children
- A healthier future
- A more confident future
- A better future for the planet
- A better future for farming and farmers

Consumers increasingly want brands with purpose and commitment to sustainability. By building this purpose into all brands and all that they do, Unilever has created a compelling narrative.



“We’re more than a marketplace”

Etsy is a certified social benefit corporation (B-Corp) based in New York City. The company incorporated purpose into its company by:

- Collaborating with governments in Rockland, Illinois, as well as in New York to offer free entrepreneurship courses for underemployed and unemployed residents
- Though not mandatory, the course also includes assistance in setting up a store on Etsy’s platform

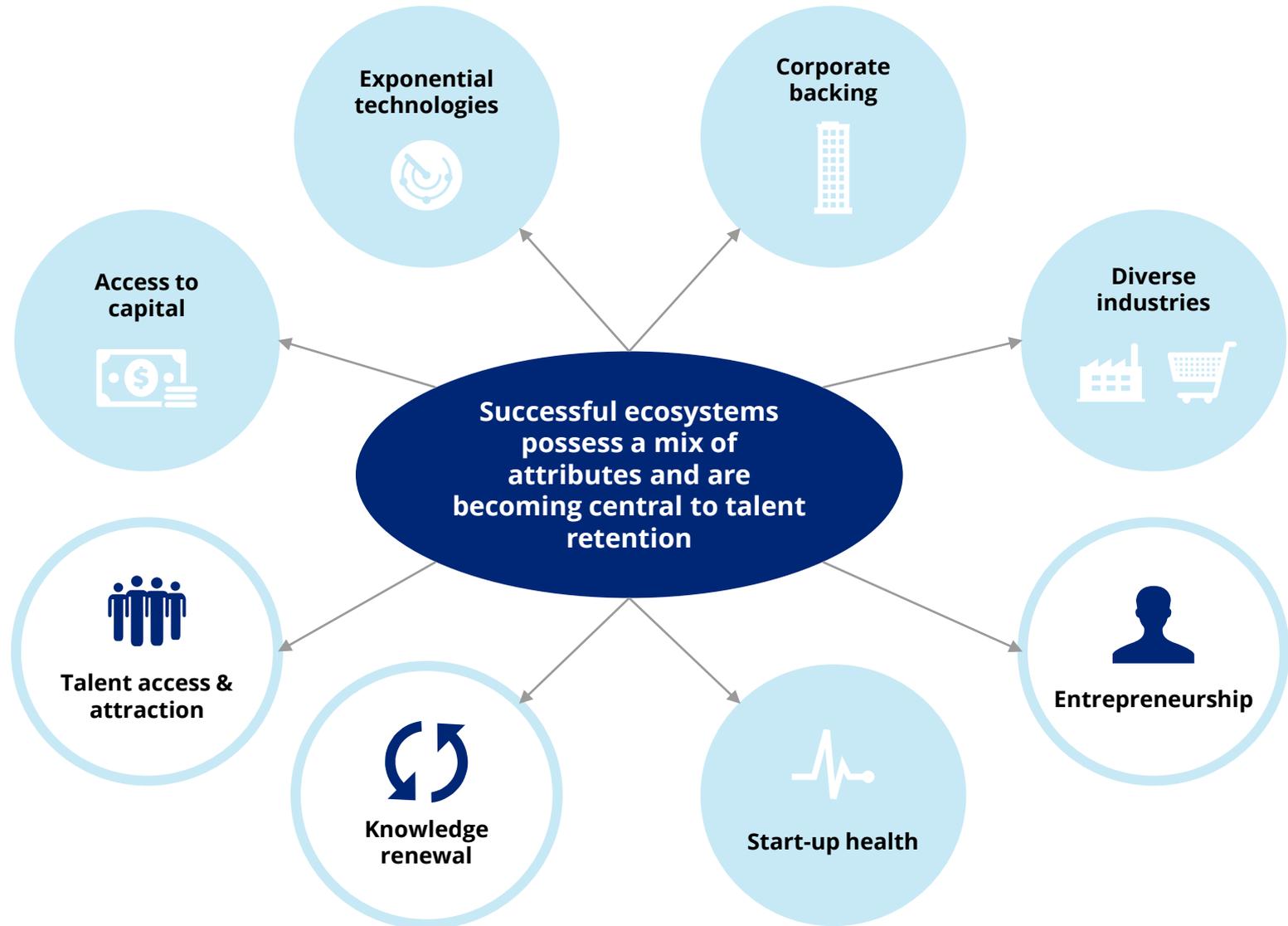
Etsy adds more artists and artisan sellers to its platform, while empowering underemployed and unemployed participants with the ability to generate supplemental income—or even a full-time job.



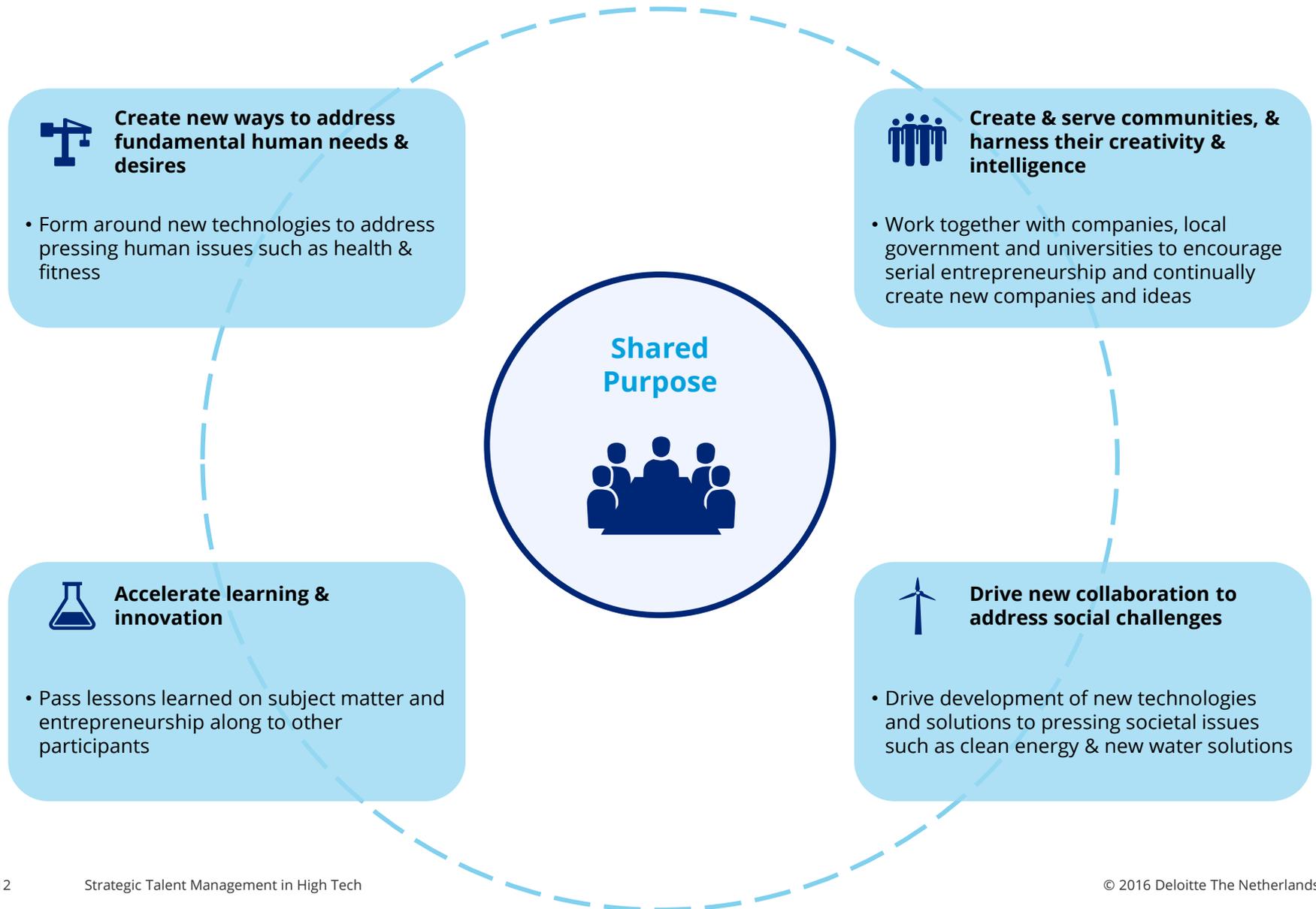
High Tech ecosystem embeddedness

A classic talent approach that is confined by the boundaries of the organization, is increasingly becoming inadequate. Organizations need to balance cooperation and competition with those around them.

An ecosystem is a network of multi-disciplinary organizations with a shared goal or purpose



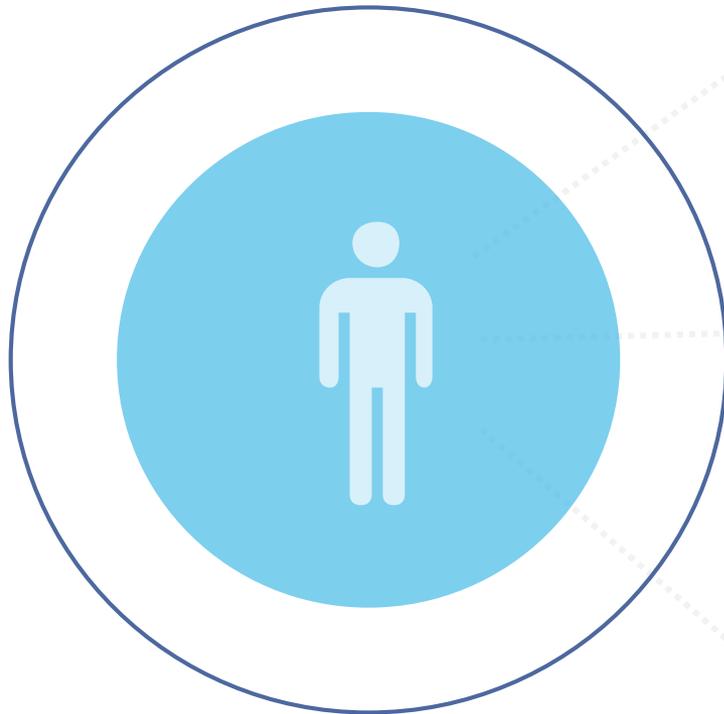
An ecosystem is a dynamic, co-evolving community of players that create and capture new value through collaboration & competition



Organizational Agility & Employee Centricity

Classic one-size-fits-all HR-practices no longer fit the bill. Individual preferences and job flexibility with those in the ecosystem are powerful levers for talent management. Successful organizations will be more receptive to their employees.

Forward thinking organizations act employee centric by implementing purpose - and motivation enhancing practices



Connected to a purpose

Organizations that have embraced a clear and common purpose, are hiring employees with shared values and a shared purpose in turn creating a work environment where purpose is part of the organization's DNA.



Tailored to the individual

In an increasingly self-interested society, the assumption of pre-existing employee loyalty is outdated. Organizations need to implement practices to earn loyalty, which may involve customizing terms of employment to the individual preferences (e.g. I-Deals).



Attuned to implicit expectations

Employee centricity requires organizations to manage and design the employee experience. Doing so can improve productivity by incorporating solutions that are compelling, enjoyable, and simple. Traditional HR practices need to be redesigned with those motivational aspects in mind.

An employee centric approach requires listening to employees, identifying behavioral patterns and applying the right HR interventions and practices



An employee centric approach

Employees, their desires, needs and values should be central in HR processes, tools and policies. Interactions with the organization and HR influence employees attitudes driving behavior and outcomes.

Defining relevant persona's and designing employee journeys are simple ways to better understand employee experiences. Listening, taking action and putting employees in the center are key steps. Analytics can identify patterns (e.g. employee engagement surveys).



Connecting the business and talent strategy

Talent strategy needs to be employee centric, while aligning to the business strategy. Linking the two helps companies make the right talent investments.

Business issues are the starting point in (re)designing talent processes and tools. Identifying critical workforce segments to drive business results are a first step to define desired psychological contracts. These contracts serve as design input for talent solutions.

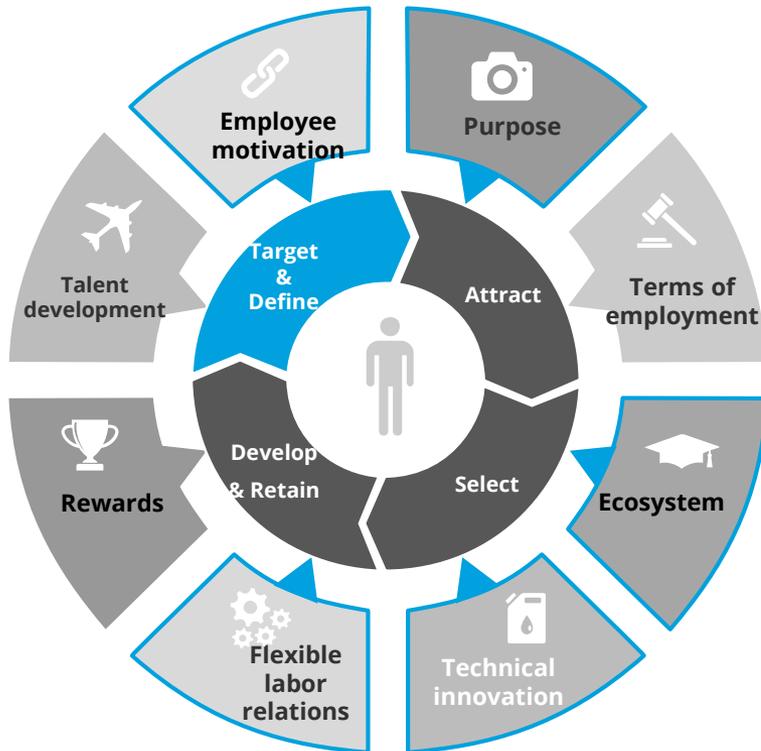


Improved results from business strategies and HR interventions, with an increase in both Human Capital and motivation

Leading practices & forward thinkers



Targeting the right talent requires a clear vision of a candidate's desired characteristics and a clear understanding of their needs



Forward thinkers

Leading practices

Employee motivation

Companies must think about the development opportunities, progression, exchange programs, etc. that they offer prospective employees; as well as develop a compelling pitch related to their role in society and the ecosystem.

Purpose

Companies are being forced to think beyond their organization, grappling with Millennial mindset, developing unique cultures and defining a clear social impact.

Ecosystem

To find new candidates, companies can work with universities to identify talent prior to graduation and provide experience through research.

Technical innovations

Increasingly, companies are examining new sources of information to find candidates and applying analytical capabilities to find the best fit.

Flexible labor relations

By providing candidates an active voice in job design (e.g. crafting, carving), companies can improve job satisfaction and improve retention.

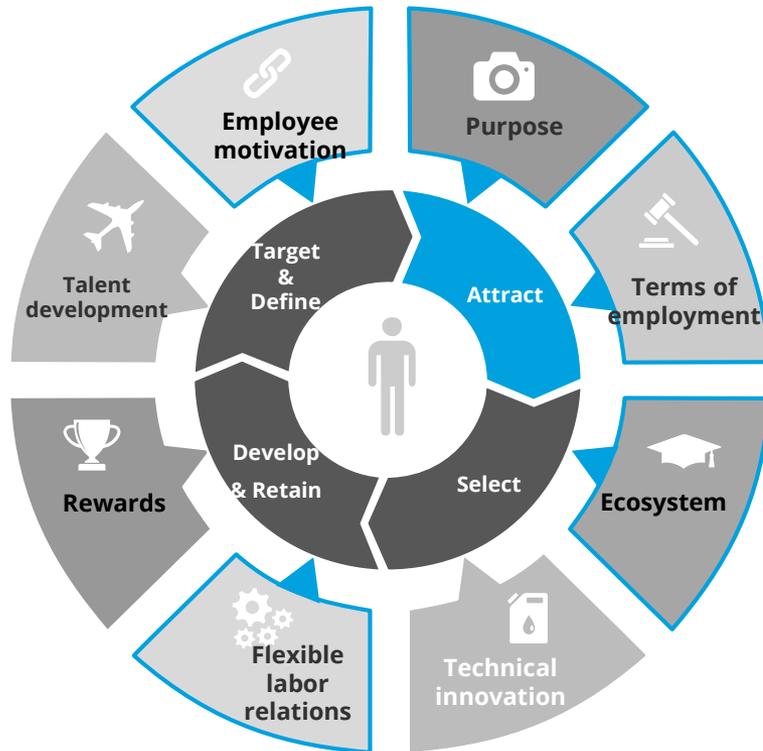


It's HR Strategy is built on hiring, rewarding and retaining only "A-level" adults to form HR policies based on clear expectations. This creates great teams and company culture.



IBM is offering academic courseware to faculty, researchers at accredited institutions, and IBM employees and contractors.

Attracting talent involves translating needs into desirable programs and incentive structures



Forward thinkers

Leading practices

Employee motivation

To attract talent, companies have to sell the experience with the organization (development opportunities, progression, exchange programs) and articulate their role in society and the ecosystem.

Rewards

Paying to secure the best talent no longer suffices. Companies are realizing that while money helps, Millennials are seeking non-financial rewards (i.e. social impact, culture, sustainability, etc.) and involvement in job design.

Ecosystem

One way to attract talent with ranging interests is to work with others in the ecosystem to offer rotational programs to give candidates a breath of experience.

Purpose

Companies are being forced to think beyond their organization, grappling with Millennial mindset, developing a unique culture and selling the organization's social impact are all new factors in HR Strategy.

Terms of employment

By providing candidates an active voice in job design (crafting, carving), companies can improve job satisfaction and improve retention.

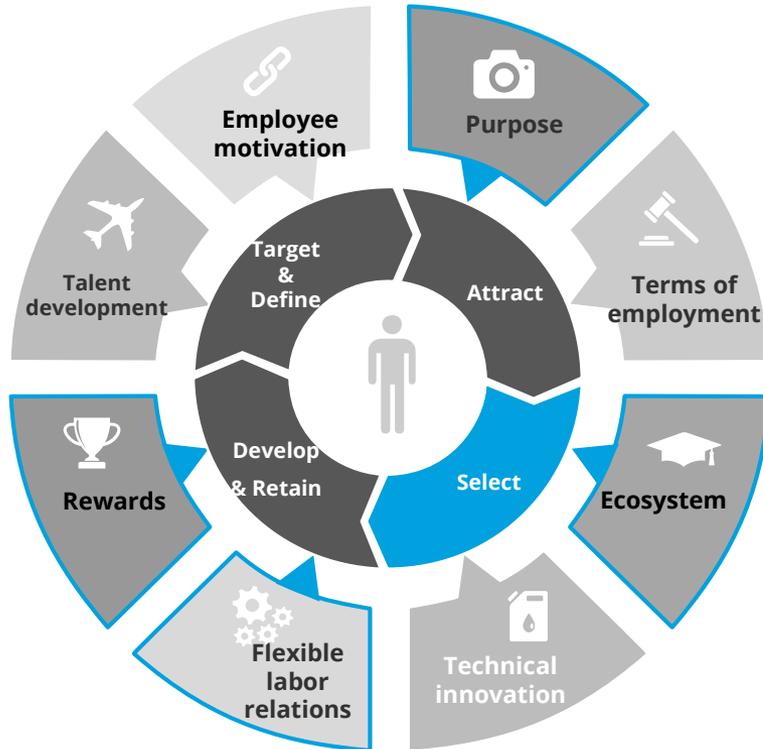


Does not require a college degree because its obviously successful CEO is a college dropout. Not requiring a completed degree gives it a chance to land top talent long before other firms, which must wait until after they graduate.



Offers an online workplace for where freelancers are actively guided in their professional development, based on trends in frequently demanded skills.

To secure desired candidates, organizations need to a compelling message along with appealing programs and incentives



Forward thinkers

Leading practices

Rewards

The old notion is that companies that pay the best will secure the best. While money helps, creating personalized incentive structures – both financial and non-financial – beyond performance are important. The organization's social impact and culture coupled with candidate involvement in job design increase the chances of 'winning'.

Purpose

Competition for talent is tough. As appropriate, recruiters should incorporate purpose to increase chances of success. From a selection perspective, they are more likely to select from their top choices, while they prepare for the reality that they sometimes lose out to competitors for highly qualified talent.

Flexible labor relations

Through job crafting, attractive job profiles can be composed to increase the appeal of the offer. Increased focus on custom labor contracts improves the appeal and quality of the candidate pool.

Ecosystem

To attract talent, offer opportunities to participate in cooperative programs with universities to continuously develop technical and leadership skills, and work with ecosystem partners in different businesses via exchange programs. In this sense, candidates do not have to pick just one organization so the combined strength of the organizations and the ecosystem serve improve the pool of talent to choose from.



AMD is using its CSR agenda and social media to engage with potential employees on the opportunity to make a social impact while working with the organization.



Adobe sees learning as key and offers the option of taking engineering and science courses on Stanford Instructional Television Network (SITN) to employees.

What Deloitte brings to the table

Deloitte.

Deloitte is a major player in serving the high tech industry, both in size as in innovations

Scale & geography in High Tech

- Deloitte provides High Tech capabilities in three global hubs – San Francisco, Tokyo, and Eindhoven
- Serving 9 of the 10 global largest semiconductor manufacturers worldwide



High Tech Competence Center (HTCC)

- Working together with the High Tech ecosystem in the Eindhoven region
- Facilitating strategic alliances and partnerships
- Developing High Tech specific knowledge, capabilities, and eminence



Leveraging our innovation and creativity

- **Center for the Edge** helps leaders see the fundamental changes shaping the world, navigating short-term challenges and identifying long-term opportunities
- **Deloitte Greenhouse** is an advanced, immersive environment designed to accelerate breakthroughs
- The **Highly Immersive Visual Environment (HIVE)**, combines behavioral methods, analytics, technology and facilitation to create a results-focused experience

Our thought leadership & eminence

- Deloitte creates annual eminence on topics ranging from...
- HTCC develops tailored approaches and eminence for the High Tech industry



Global Human Capital Trends 2016



HTCC POVs on Data Analytics, Innovation, MedTech, Strategic Alliances

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