



## Talent, Loyalty & The Future

In a world of uncertainty and instability, one of the few things we know for sure is the future is coming, whether we are ready or not. As a result, we should all be concerned about the changing nature of the employment contract and the fundamental reshaping of the human capital market. It is only reasonable to predict the type of talent required on the other side of the current economic doldrums will be very different from what we see today.

The changing economic context, increased globalization, continuing demographic shifts, unrelenting invasion of technology and the networking phenomenon of social media will all combine to create an environment quite unlike anything we have ever seen.

We have witnessed a significant change in consumer behaviour in recent years as shoppers become more green-sensitive, more value conscious and more brand aware. This has caused them to become more thoughtful, more demanding and less loyal. The same types of fundamental changes have already begun to take place in the talent market as well. The likely result will be a continuing shift in the employment power base, with talented employees, at all levels, becoming far more discriminating, considerably more judicious and far more demanding when it comes to what they consider to be the choice jobs.

We can expect the talent market will splinter, and we will see the divide between the haves and the have nots widen. In other words, those who have developed their creative side, their distinctive and varied experience repertoire, and their unique personal brand and value proposition will have a huge advantage over those who are merely skill dependent. As if this were not enough to worry about, there will be a continuation of other trends we have seen for the past ten years.

This will include less employee loyalty and less permanence on one hand, exactly the trend Daniel Pink spoke of in his book *Free Agent Nation*. On the other hand, there will also be much higher expectations from employees, and a premium will be placed by them on the quality of the employment experience and not just the pay cheque or pension plan.

The nature of work inside the modern organization has altered in recent years, and most experts agree it will continue to do so. The changing global marketplace, the silver tsunami of aging baby boomers and ongoing economic discontinuity are all part of the puzzle, but they are only the obvious and most visible changes. There is, in fact, something even more profound taking place just beneath the surface that is significantly affecting the world of employment.

Changes in the nature of employment can be seen in the shifting relationship between employers and employees. It can be seen in the changing attitudes toward the pursuit of professional careers in large organizations versus the advantages of choosing a more independent, entrepreneurial path. We can see it in the professional services markets amongst young lawyers and accountants, as well as dentists and doctors. We can see it in the manufacturing sector amongst young engineers, technicians and quality control specialists. We can see it in the retail sector amongst buyers, store managers and marketing professionals. We can see it in the young journalists, reporters and bloggers in the increasingly digitally oriented mediascape.

There are fundamental, long-term structural changes taking place that alter the opportunity landscape for young professionals. As a result, they present real challenges, both economic and social, for our businesses, our communities and our country. While current high unemployment levels seem to attract the majority of attention from educated observers (and represent a legitimate concern in the short term), the more concerning problem runs much deeper and has an even greater long-term impact, both social and economic. While the problem has many tentacles, which reach into many different corners of society and the business world, the underlying problems are the deterioration of the trust we place in our business and political leaders and the decline in hope we see in the more disadvantaged parts of society, including the whole spectrum of youth employment opportunities.

The speed of professional development, growth and promotion through the ranks of most organizations has slowed when compared to the 1970-1990 period, and the trajectory has flattened out. Paradoxically, we also find ourselves with a better educated, more confident and more worldly pool of young professionals than we have ever seen before. They believed, not so unreasonably, they were entitled to enjoy a seat on the same comfortable professional gravy train their parents enjoyed. Instead, they find themselves seriously disappointed and severely disillusioned, and they have every right to ask the tough questions about why this has happened, who is responsible and what it means for them going forward.

The extreme pressure being applied from both ends of the employment market vise creates a deeply worrying dilemma. The traditional apprenticeship pool has been so compressed that we will have a talent and experience vacuum well out into the future. In turn, this presents a variety of other hidden risks and challenges, which most organizations are simply not prepared for. These range from a simple shortage of talent to a much deeper concern about the cost of attracting that talent. To make matters worse, there is a very good chance that even when supply and demand come back into balance, the pool of fully apprenticed individuals will simply not be there to draw upon.