



THE BOSTON CONSULTING GROUP

A Study of Employment and Talent in the Digital Economy (Part II)

Year 2035: Talent War in the Digital Age

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Year 2035: Talent War in the Digital Age

1. Workforce Trends in the Digital Age

In the digital economy, human qualities that can't be replaced by technology are becoming more prominent. There's a structural shortage of people who are talented in these areas, and it's becoming a bottleneck for many growing Chinese enterprises. A war for talent, along with discussions on how to manage these people, is intensifying. Companies are especially eager to hire those who can work both within and across digital fields. Moreover, in the digital economy, the later Millennial Generation — people born in the 1990s, will be the main force in the workplace. Their distinct characteristics, employment culture and values pose challenges to traditional talent management models.

1.1 Macro Level: The Shortage of High-quality Talent in the Labor Market

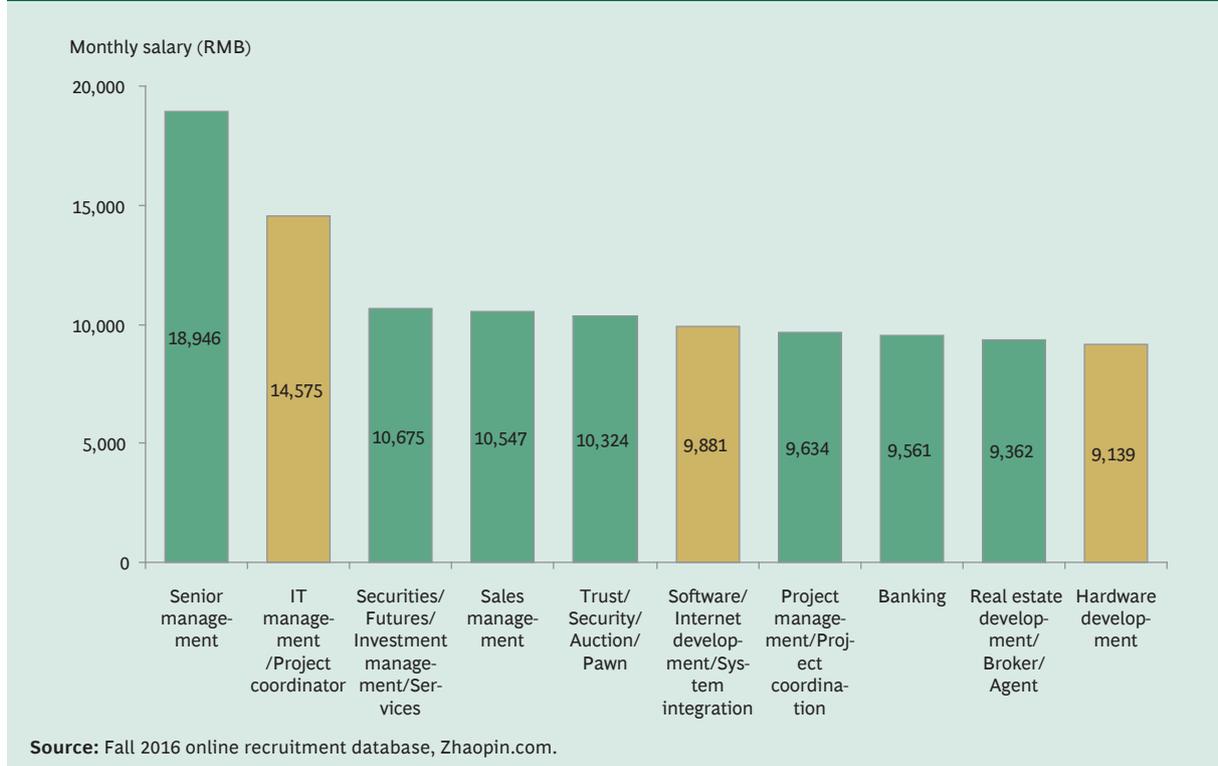
High-tech professionals account for only 4% of the overall Chinese labor market, while general skilled personnel account for 20% and unskilled laborers are the majority.¹ In fall 2016 talent market those professionals, such as IT management/project coordinators, software/Internet development/system integrators, and hardware developers, occupied three seats among the ten best-paying jobs. (See Exhibit 1.)

This shortage of digital professionals will only grow, at least in the short term. With the aging population, China's overall labor force will continue to decline: from 911 million in 2015 to 830 million in 2030 and 700 million in 2050.² College graduates account for half of the annual entrants to the labor force, but higher education is not yet forward and practical enough to satisfy the business demand for people skilled in digitization.

1.2 Meso Level: The Talent War Intensified by Organizations' Digital Transformation

Digital technology has profoundly changed the business practices of many industries,

Exhibit 1. Among the Ten Highest Paying Jobs, Three Relate to Digital Technology



fostering a huge demand for talent in this area (see *A Study of Employment and Talent in the Digital Economy, Part I*). Especially in demand are people with cross-field talent who can apply digital technology to the vertical industry — they have both the digital expertise and business acumen for the specific industry. For example, the digital transformation of banking generates a big demand for people trained in digitizing content, designing user experiences, managing social media, setting up the mobile interface, and establishing digital payment. Another example is the upgrading of production to intelligent manufacturing. Companies need to recruit people such as industrial data scientists, who possess programming skills and in-depth understanding of manufacturing processes and corporate IT systems, while following the industry’s latest methodologies in applying industrial data. Likewise the integration of online and offline retail channels make retailers who understand omni-channel operations highly popular with companies.

Likewise the chief digital officer, distinct from general technical professionals, is a hybrid talent much sought after by major companies. This position requires a top talent with complex skill sets: someone not only specialized in digital technology skills, but also with insight into industry and business demands so as to develop the overall direction for technical solutions. It calls for someone one who cannot just set up and lead a digital team,

but also drive digitization within or outside the organization; someone who advocates for digital revolution and leads the staff, especially important opinion leaders, to achieve consensus on the digital business system. That last responsibility may involve reforming the complex and intricate systems and culturally forbidden areas within the organization that even the current leaders may not be able to alter.

Another major talent demand comes from the digital services sector itself. Currently, three out of the ten Chinese industries with the biggest talent demand are highly digital: internet commerce, computer software, and IT services (system/data/maintenance). When it comes to the positions most in demand, among the ten highest are software/internet development/system integration, and internet products/operation management. (See Exhibit 2.) Some of the latter demand comes from the internet players, but a good deal is driven by the digital transformation of conventional organizations. Traditional industries have joined technology companies in the battle for the top digital talents, and the battle extends even to universities: Uber recruited 40% of its scientists from the Robotic Technology Lab of Carnegie Mellon University in 2015. GE Digital is offering tempting compensation packages in order to compete with Cisco, SAP, IBM, and other digital companies

Exhibit 2. Heavy Talent Demands from Digital-related Industries and Professions

Fall 2016 top ten industries with the highest talent demand		Fall 2016 top ten functions with the highest talent demand	
Rank	Industry	Rank	Profession
1	Internet/E-commerce	1	Sales
2	Fund/Securities/Futures/Investments	2	Administrative/Logistics/Secretarial
3	Real Estate/Construction/Building materials/Engineering	3	Software/Internet development/System integration
4	Education/Training/Universities and research institutes	4	Sales management
5	Computer software	5	Finance/Audit/Tax
6	Professional services/Consulting	6	Customer service/Pre-sale/After-sale technical support
7	Trading/Import & export	7	Education/Training
8	FMCG	8	Human resources
9	Media/Publishing/Television/Culture communication	9	Marketing
10	IT services (System/Data/Maintenance)	10	Internet product/Operations management

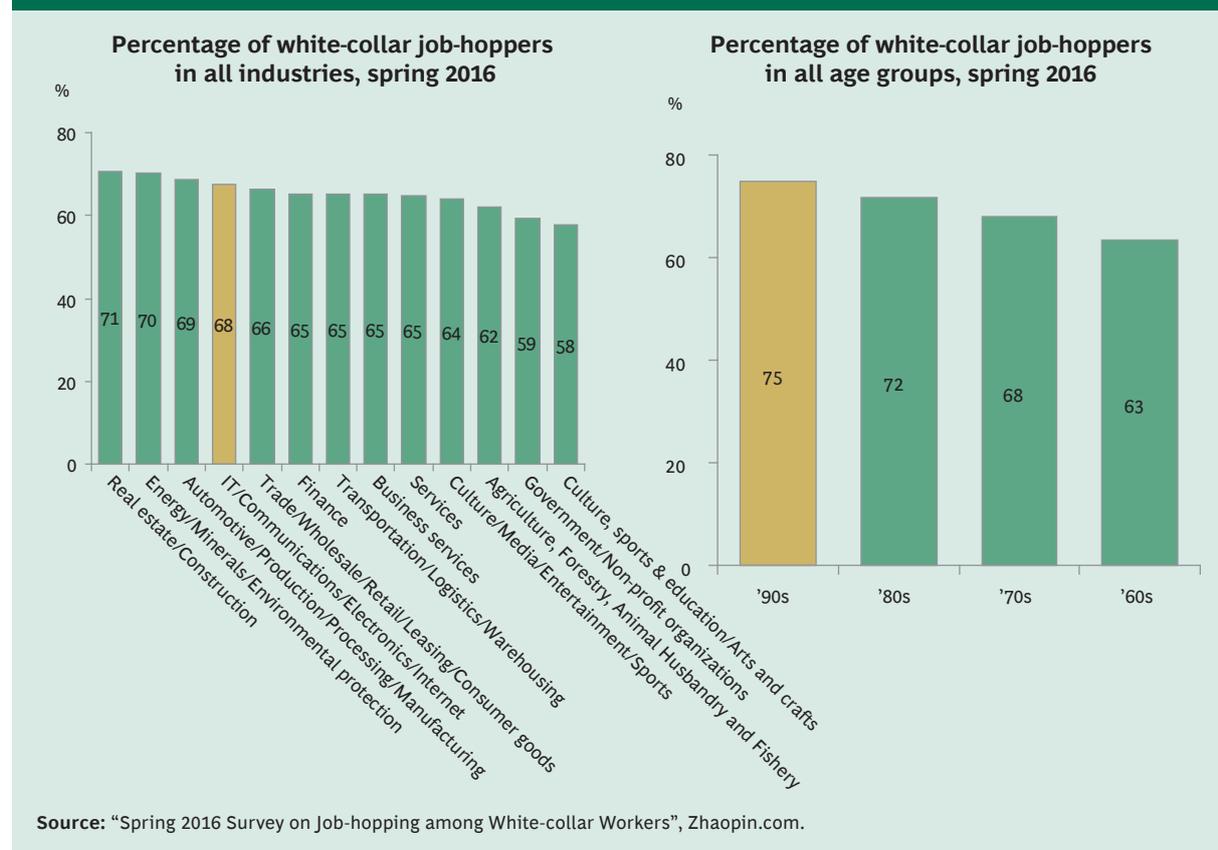
Source: "Fall 2016 Employment Demand and White Collar Talent Supply in China", Zhaopin.com.

recruiting people with tempting compensation. CNNPolitics just hired top technical staff from news aggregation site BuzzFeed.

1.3 Micro Level: The Characteristics of the Digital and the Millennial Workforce

As the main workforce of the emerging economy, digital natives and others in the Millennial generation will likely increase the overall job mobility. A study of mobility in spring 2016 suggested greater job-hopping among Millennials. Also, white-collar workers in digital industries were slightly more inclined to move on than counterparts in most other industries, likely due to the shortage of digital talent. (See Exhibit 3.) For Millennials and digital talent, mobility is also driven by the change-and challenge-seeking traits of the digital era. When they realize their job will limit their further development, and they lack the incentive or self-motivation for it, they often look elsewhere. Especially for some high-level

Exhibit 3. Greater Job-hopping Among Millennials and White-collar Workers in IT Industries



el digital talent, who have largely achieved financial freedom, material incentives will no longer be the primary consideration in choosing their career. They are more eager to create personal values on the new platform or attain breakthrough in new areas, and give their family a stable and happy life.

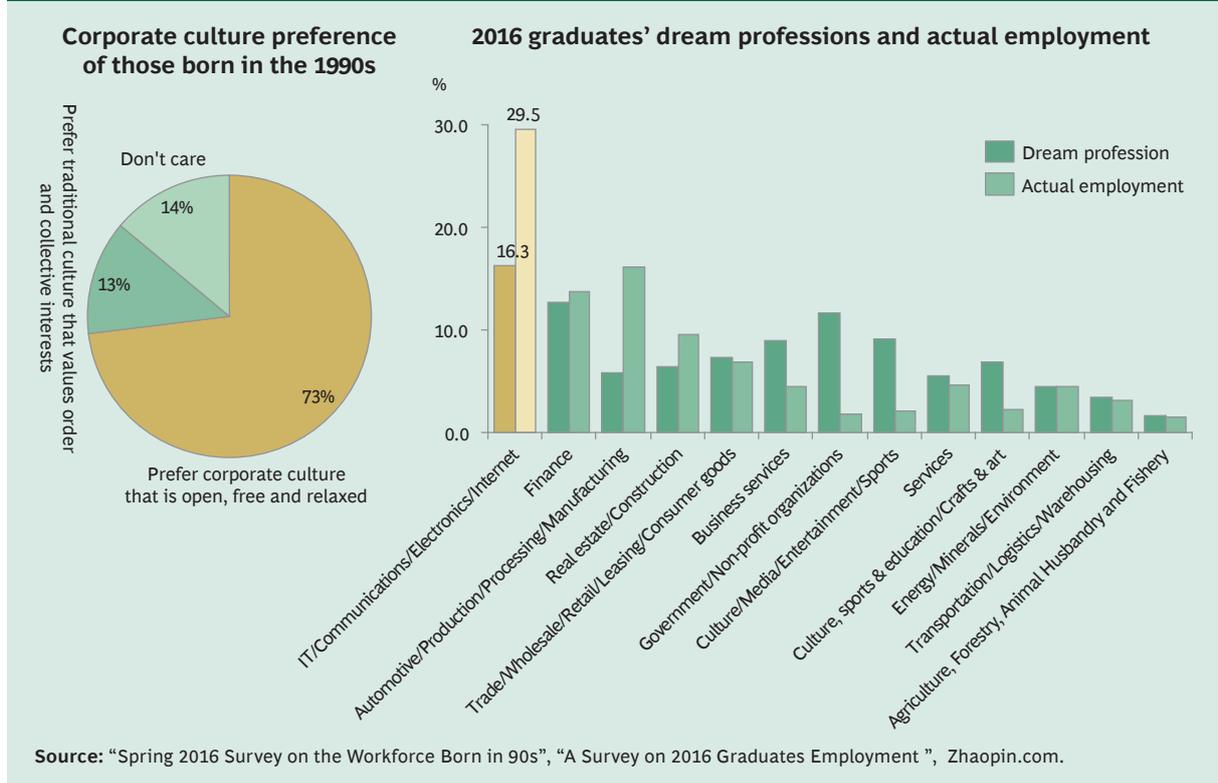
Second, the traditional employment model is less attractive for Millennials. Platform employment, entrepreneurship, part-time jobs and other new work patterns are attracting many “slash youths”. A survey of Chinese freelancers indicated that young people accounted for the vast majority of freelancers — over 70% were born after 1985.³ A survey of college graduates born after 1990 also shows that all employment models are the same for them as long as the jobs meet their own interests and aspirations: either employment or entrepreneurship, the intrinsic motivation is self-fulfillment and self-realization. (See Exhibit 4.)

Even when employed, Millennials are keen to pursue an open, liberal, and relatively relaxed corporate culture. They prefer to work under a flexible system, in a comfortable and fashionable office space that stimulates creativity, and they would rather work remotely than in a dull workplace or on a fixed schedule. So they favor internet companies that feature an egalitarian, innovative, and flexible spirit and culture (see exhibit 5) — which

Exhibit 4. In Both Employment and Entrepreneurship, Millennials Are Motivated by Self-fulfillment



Exhibit 5. Millennials Favor Open, Free, Relaxed Corporate Cultures and Prefer Internet Companies



suggests traditional industries can learn from these companies and improve the organizational environment.

2. The Pain Points of Talent Management in the Digital Economy

As mentioned above, the changing demand is focused on digitally-skilled professionals. With the Millennial generation as a whole, they are the focus of the emerging talent battle. We believe that Chinese enterprises face the following challenges in managing these two groups of employees.

2.1 The Three Challenges in Managing the Top Talent

Many companies employ high-level talent as leading figures and key experts in digital transformation. These people bring deep professional experience, a strong career record,

and enthusiasm for their new enterprise. The hiring companies have high expectations for their influence on the existing culture, organizational transformation and business value.

Yet these prized hires often struggle to adapt to their organization, demonstrate business impact, and carry on their entrepreneurial passion. That's because their mentality, ability and values play an important role in their survival and development in the new organization. Many people who are good at building up in a mature organizational environment have difficulties starting from scratch in a fresh operation. New roles often require a great deal of resilience, entrepreneurial and innovative spirits, revolutionary leadership, and a sharp sensitivity to organizational culture.

More importantly, regardless of the recruit's individual traits, many companies fail to provide them with adequate environmental, institutional, and instrumental support — just as, without the magic *Jingubang*, the Monkey King is reduced to a nobody “*Bimawen*”. Specifically, in managing this talent, most enterprises encounter these three challenges:

- **Survival: Ensuring that recruits quickly gain a foothold in the organization and deliver business value**

In terms of empowerment, the organization's veterans often doubt the talent's ability to lead the transformation even after hiring. The company's structures fail to grant the new talent enough power in decision-making or resource-allocation — insisting, for example, on approvals at multiple levels for his or her decisions.

Second, the organization fails to tolerate the inevitable mistakes in digital transformation. Any new business experiment and new technology breakthroughs inevitably requires much trial and error. Many companies know this rule of innovation well but neglect to adapt performance appraisals accordingly. With a limited tolerance for failure, the new recruit and his or her colleagues are overwhelmed by concerns over their mistakes and are intimidated from further innovation. They find themselves quickly assimilated into the more conservative culture.

- **Integration: Helping recruits develop a sense of belonging and identification with the organization so as to have a smooth transition**

Organizations often overlook the need to build a small and culturally cohesive team for these high-level recruits. As a result, these talented leaders inevitably encounter differences and estrangement in working with colleagues or subordinates with different work ethics and cultural background. They end up working alone without much support, and it is hard for them to develop a sense of belonging to the organization.

In addition to the work team, these recruits inevitably need to establish contacts with other departments within the organization for support and coordination. But the reality is that many traditional departments do not sync with the idea of transformation, and they fail to support the new talents and their teams due to poor capability and willingness. So these teams are often frustrated when they seek organizational cooperation.

Finally, some companies still continue with traditional management systems that offer fairness, simplicity and ease of implementation — at the cost of what new generations are looking for. One financial group recruited a chief digital officer from an internet company, but its strict and conservative culture and systems didn't allow the flexible work patterns, open office space, and open network environment that might make the new recruit and her team feel comfortable. The company is now considering changes in order to retain this newly established digital team.

- **Development: Initiating recognition and responsibility to maintain recruits' entrepreneurial passion**

Material incentives are not the key factor driving high-level talent to join a new organization. They are more concerned with their organizational and personal development. Will they gain major responsibilities over time? Are the long-term career development structures and the job responsibilities within the organization clear and ready to meet individual expectations? Will their performance and personal values be widely recognized? Will they be core members of the organization in decision-making, or serve merely as digital experts? Can the products and technologies from their research and development be put into commercial application? These are the key factors to sustain and stimulate these recruits passion for innovation and entrepreneurship, but they are not a major concern of many organizations so far.

At the same time, top talents are particularly concerned about the negative impacts of their mobility on family members, such as children's education or medical care. Yet many companies are neither aware of nor providing assistance in these areas.

2.2 The Four Challenges in Managing Millennial Talent

In our interviews with business managers, they praise Millennials' facility with digital technology, openness to innovation and diversity, greater creativity and willingness to experiment with challenges and new ideas; greater independence in decision-making and willingness to share their views without fear of authority; and their sociability and skill at

building “circles” for interpersonal interaction. These are key attributes a company building human capital in the digital economy.

To maximize these talents, companies need to overcome these challenges:

- **Motivation: Encouraging a new Millennial to take responsibility and stretch personal limits**

Millennials’ talents tend to promote personal interests, fresh experiences, and ideals (even whims), and are often indifferent to their organization’s goals. Once their jobs exceed or deviate from their interest, they usually lack the drive to undertake new challenges — and often seem to lack a sense of responsibility. Moreover, Millennials find it relatively easy to feel satisfied about themselves, as their desire for achievement and their spirit of dedication are relatively weak compared with the older generations. Dwelling in the comfort zone, they tend to lack the drive to reach upward—seemingly missing the entrepreneurial spirit.

Unfortunately many organizations fall short in understanding the generational differences in motivation. They continue to use traditional, rigid incentives and management styles to spur on these young professionals. Their orders and controls often prove ineffective.

- **Capability: Establishing a pool of potential leaders with professional expertise in a short time**

With the urgency of digital transformation, organizations often expect Millennial employees to grow rapidly. Yet “Rome wasn’t built in a day”. Millennials often encounter bottlenecks in their professional development, especially the movement from individual contributors to team leaders — a process full of challenges.

Most organizations need visionary planning in building the young talents’ capabilities, as “we only realize what is needed when we need it”. They also need to provide sufficient guidance, such as a daily capacity review and performance feedback, and systematic training as a platform for building long-term capabilities.

- **Empowerment: Balancing business risk while challenging Millennials**

Many organizations realize that practice is the best development, and therefore speed up the promotion and deployment of high-potential talent. They put these young professionals in real challenges, accelerated trials to develop and foster their competence.

Yet with these inexperienced young talents, premature promotion often leads to risks for the business and distrust from other groups in the organization.

In the context above, the companies struggle to set the criteria and timing of promotion or empowerment in a sound and balanced manner. They end up with either intensified business risk due to over-empowerment, or a talent shortage due to these young professionals getting too little experience.

- **Dedication: Reinforcing the new generation's commitment to their organization and their team**

Millennials favor variation and have an active mind, which can lead to inadequate commitment to their organization. They excel at socializing in a virtual world and managing human-computer interaction. But in the real workplace, they often fall short in team spirit and collaboration.

The reality is that some traditional organizations are still employing old ideas here. Rather than figuring out how to foster Millennials' commitment, they rely on team spirit and corporate vision. Some companies even adopt a laissez faire attitude, seeing these employees thriving or failing with no need for intervention.

3. The Way to Managing Talent in the Digital Economy

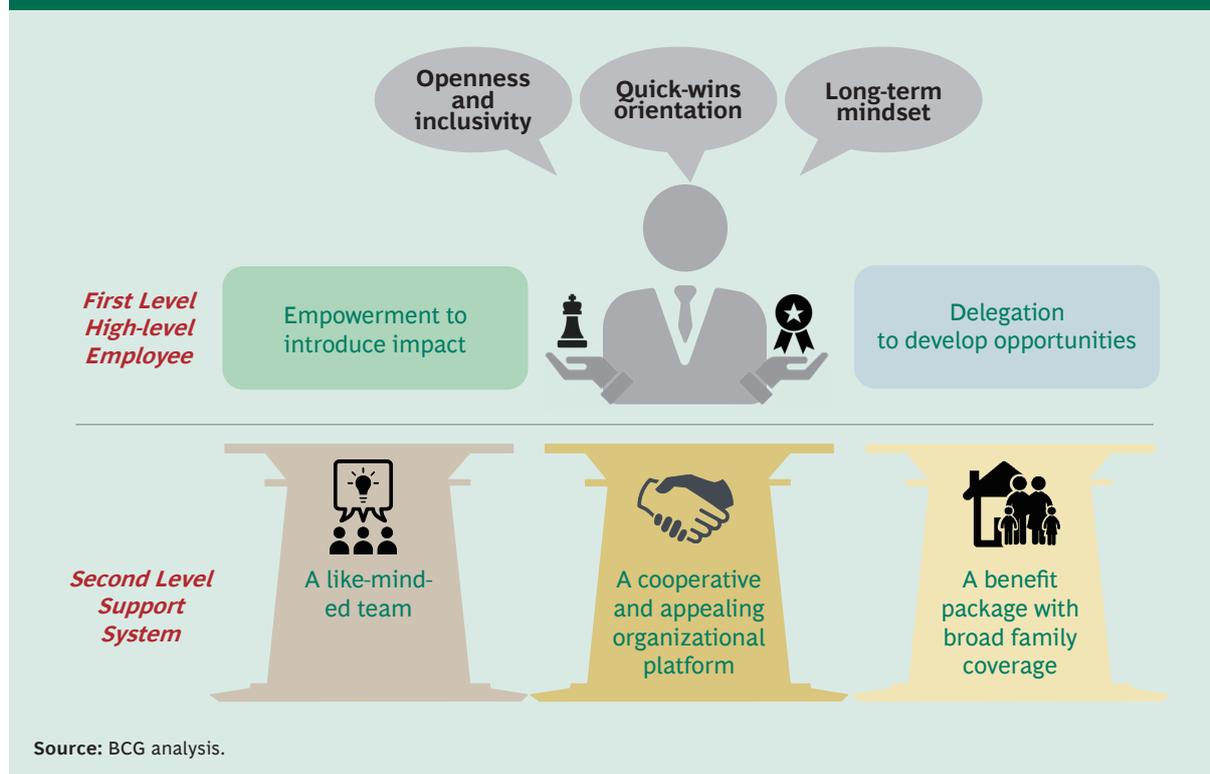
BCG proposes the following solutions for enterprises to cope with the challenges of talent employment in the digital economy.

3.1 BCG Perspectives on Managing the Top Talent

For high-level employees, BCG urges companies to focus on a few key areas of concern, especially around the driving force of their contribution to the organization. Companies can work on the individual level, supporting people with tailored career planning, development opportunities, and channels for them to demonstrate their influence with immediate empowerment. Institutionally, they can provide a like-minded team, a cooperative and appealing organizational platform, and a benefit package with broad family coverage. (See Exhibit 6.) In the context of the battle for talent, enterprises that do this will serve those professionals trying to settle in, blend in and contribute.

- **First level: Empowerment and delegation**

Exhibit 6. Managing High-level Professionals Requires Empowerment and Development Space Combined with a Support System



First, organizations need to provide resources to these professionals, including the ability and space to display their talents, and a trusting, accommodating shelter under which they and their teams can develop sub-ecosystems suitable for their work in accord with the overall direction of business and principles of management. In terms of the organizational structure, an independent business unit, internal business incubators and innovative workshops, among others, can be created and separated from traditional working units in the early stages of development. In terms of job responsibility, high-end talents can be regarded as core members of the executive group in order to lead new business and transformation. They can be given ample power in decisions concerning the business, personnel and financial management within their teams. In terms of performance management, companies can replace frequent detailed reports with a milestone check. It's important that they accommodate a certain degree of trial and error and flexibility. In personnel management, any format deemed appropriate yet different from the traditional system can be implemented, such as telecommuting and loft-style office space, to accommodate their work culture and habits.

Second, organizations need to allocate resources for high-level talents' professional development. They can offer tailored career planning that gradually introduces broader and more profound influence, and actualize personal growth that matches their expectations. For example, in many tech companies, it has become a common practice to open up specialist career paths for those scientists and technologists uninterested in management positions. The compensation of these senior specialists can be equivalent to executives at the same level, and their achievements and contribution in technology applications and patent awards can be widely recognized and accounted for in promotions.

- **Second level: Strengthening the support system centering on the team, organization, and family**

First, a like-minded team for the high-level talent is to be established. Birds of a feather flock together, and teams that are like-minded with similar identification will help these professionals achieve business goals effectively. Many companies adopt talent acquisition during a transition period. While procuring small startups, companies not only obtain technical assets of the top technology but also acquire the core talent resources, of which the original culture and core spirit are retained. BBVA adopted this approach when acquiring Spring Studio, a top customer experience firm, and secured its core design team.

Second, an organizational platform can be created to facilitate cooperation and understanding between the high-level new talent and the traditional employees. One approach is immersion programs to boost traditional talent's capabilities in key leadership competencies for the digital age (see the sidebar). For example, Alibaba offers staff weekly elective courses on the latest digital technology, covering artificial intelligence, virtual reality and other cutting-edge topics. It also holds annual or semi-annual intensive three-day training programs for executives to take on corporate ideologies and values. Ant Financial provides its traditional technical personnel with training courses in finance, such as asset management, risk control, and credit approval.

The other approach is to create a communal work setting for new and established talent. ING, after establishing its digital team, re-organized its digital, business and IT staff into an agile modular structure. On its annual global Hackday, Wal-Mart has business and technical staff spontaneously form temporary project teams to identify real business challenges or opportunities and design corresponding digital technology solutions in two weeks. The best-judged project eventually enters the actual development process. Alibaba's "Strategy Building" is a cross-group, cross-unit program, bringing together different business unit personnel to interact and develop strategic

Leadership Competency Model in the Digital Age

Balance professional and digital skills

- **Develop a strategic vision based on customer insights:** extensively collect customer insights, point out key customer trends and the impact on future business in a forward-looking way, and based on that input, make plans.
- **Commitment to a consistent digital culture:** be a loyal fan of the digital strategy. Offer a clear and concise digital vision and action plan for top management that shows employees the significance and implications of digital technology to the organization, and promotes the digital strategy as a shared responsibility.

Collaborate across the organization and the team

- **Construct collaborative platforms and mechanisms within the ecosystem:** collaborate extensively with customers, suppliers, and other partners to build a complementary resource-sharing network and mechanism for jointly creating greater value.
- **Demonstrate and stimulate cross-group collaboration within the organization:** inspire employees from different departments and backgrounds (especially the digital team and the core business team), and even the flexible workforce, to agree on the strategic agenda, carry out regular and constructive dialogue and cooperation, and become models of collaboration.

Show ongoing passion and adaptability

- **Drive Millennial teams with personal charisma and shared culture:** demonstrate inspiring leadership in driving the team's continual performance improvement, and create an inclusive, high-commitment organizational culture.
- **Foster innovation:** show humility, offer empowerment, establish accommodation and mechanisms for trial and error, and nurture creative genes and supporting systems in the organization.

new business directions and action plans at any time. The employees need not worry whether their superiors have issued a directive on cross-sector cooperation or whether their work goes beyond the scope of their duties. Some organizations also promote cross-sector mobility through short-term rotation programs that promote mutual understanding and recognition.

BGI: Lessons in Managing Senior Talents

BGI (Beijing Genomics Institute) defines itself as an organization rather than a company. In its “blue rainbow” incubator, BGI has created a number of related innovation groups by opening up the data resources, instrument platform, reagent platform and other basic platform resources and interfaces, and by providing technology services, financing referrals, project counseling, team forming and other services. So far, BGI has successfully released eight products, including applications in medicine, healthcare, agriculture, food and others. In vigorously developing business, BGI also creates a platform that brings together high-level talent.

For these top talents, BGI provides a ladder of career development: translator – advisor – business leader, guiding people to step onto the business stage to play an increasingly influential role. As a translator, these high-level talents leverage their understanding of the policy and business environment and demonstrate their value in shaping the external influence. Then as an advisor, they begin to understand the internal pain points and put forward practical recommendations before they eventually become a business leader.

BGI follows the 3P organizational values: “Paper, Profit, and Population Health.” It has formulated the criteria of “good health, good study and good work” for talent recruitment. In addition to the physical examination, candidates are required to take a genetic test, and only those who meet the criteria are hired. This will lead the staff to consistently explore the values of the life sciences for the benefit of themselves, their families and all human beings. BGI offers its employees customized nutrition and fitness programs to establish a comprehensive care system.

Third, the company can offer extensive care to people close to the high-level talent, such as their family and friends, so they can fully devote themselves to work. Facebook, for example, offers a four-month paid vacation together with a \$4,000 “baby gift” for employees with new children. In Google, when an employee passes away, the surviving spouse is entitled to the vested stocks and will receive half of the deceased’s salary for the next 10 years. There’s also an additional \$12,000 living allowance for surviving children under 19 years of age. Adobe even offers employees pet insurance free of charge.

It should be noted that when optimizing the employment and management of high-level talent, companies should view these new mechanisms as a long-term, institutional and capacity-building project, rather than a one-time introduction for a particular type of talent. In developing management policies, the companies should proceed with careful deliberation and consideration followed by continual improvement. They should hold off on expecting the new talent’s rapid growth on the new platform, and should not let short-

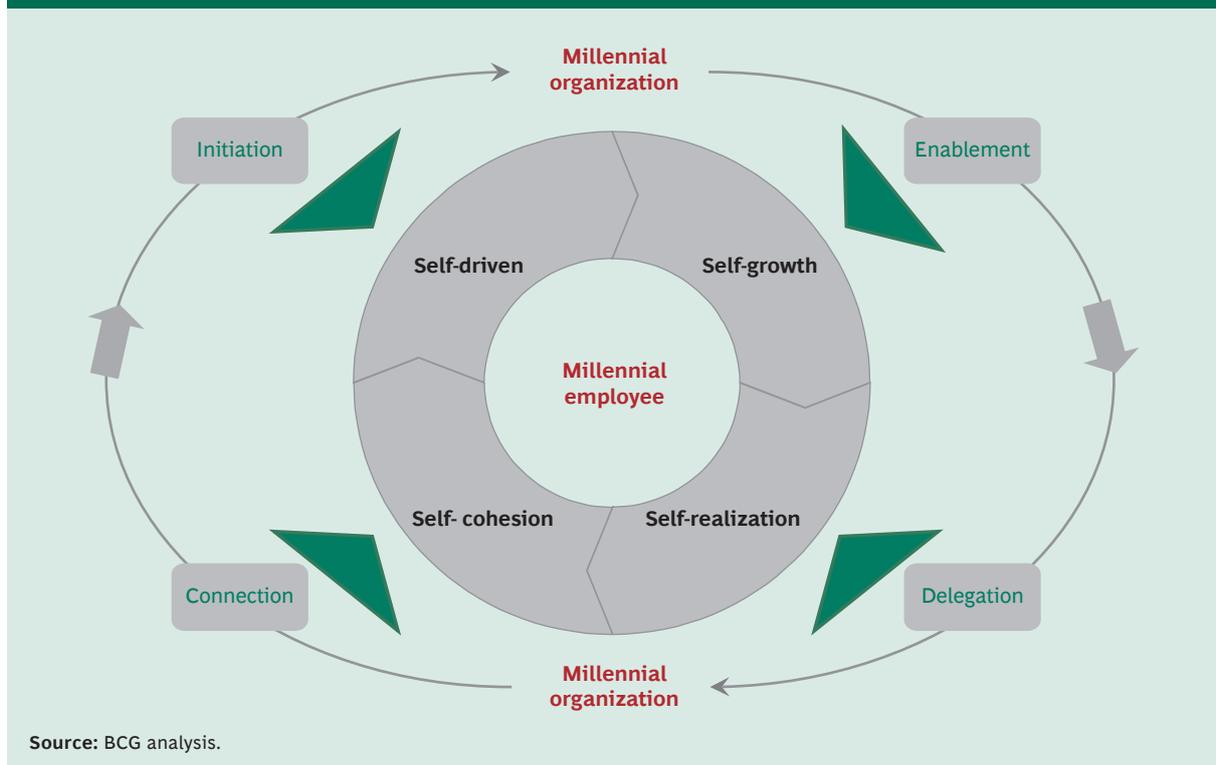
term business goals lead to management conservatism when it comes to these recruits.

At the same time the high-level talent, having chosen to start in a new environment, should have an open and inclusive mindset and not be fixed by their success elsewhere. Second, they should find a quick way to increase their value in the new organization and offer substantial achievements. Third, they should plan for both quick wins and mid-to long-term self investment in order to achieve sustainable development.

3.2 BCG Perspectives on Managing Millennials

In the digital economy, the traditional organization-centered management philosophy must be modified to accommodate Millennials. It must take on a framework that is employee-centered and follows a sequence of four steps: initiation – enablement – delegation – connection, aiming to create a positive cycle of self-motivation, self-growth, self-realization and cohesion among young employees. (See Exhibit 7.)

Exhibit 7. For Millennials, Organizations Can Encourage Self-motivation, Growth, Realization, and Cohesion



First, the organization prompts Millennials to be self-driven. Compared to passive management and tight control, Millennials prefer to be self-driven and self-motivated. All the organization needs to do is understand, acknowledge, inspire, introduce, and ultimately mobilize them to explore the unknown and take responsibility.

But before doing this, companies need to fully grasp the individual needs, such as the reason for seeking employment, personal goals, expected reward, and areas of interest or dislike.

After that, companies need to give their employees freedom to choose their path of development so that they devote their efforts to areas that they regard as worthy and feel passionate about. Zappos.com, for example, removes the management level and implements self-management: employees and their peers discuss and set the direction of work. Companies just have to guide Millennials to set and continually surmount challenging goals. Netflix has no formal performance evaluation but encourages every employee to give informal feedback to colleague at any time. Performance is improved and driven by constructive challenges from team members and the upper and lower levels. Companies can also provide challenging scenarios where employees explore new possibilities or discover their weakness. Members in a project team may not be given a specific role, so they can expand their boundaries of interest. Taikang Insurance actively encourages young employees to participate in major projects so they discover points of interest in career development and identify areas for self-improvement.

The last part of self-motivation rests in reward systems that include a sharing mechanism, one established with clear and transparent standards and principles recognized by all staff members and related to personal goals.

Second, the organization enables Millennials' self-growth. Here the organization provides tools, resources, guidance and enrichment mechanisms, and it publicizes value-added effect brought to the organizational platform by personal growth. The employee still drives this growth and is the ultimate owner as well as the value holder of the outcome.

Specifically, companies need to translate the organization's future planning and business objectives into the key required competencies for Millennial employees. They should assess each employee's current status and identify key professional breakthroughs in light of individual career development plan; construct a long-term platform for the employees to enhance key capabilities and professional skills; adopt enablement methods that are entertaining, digital and appealing to the new generation; and construct a work setting

that facilitates peer learning and sharing. One global bank, when setting up a digital office in the Middle East, discovered that business analysts, channel commissioners and other junior employees were able to acquire new skills in a short time and to easily take on digital roles. After quickly screening them for talent and building their capabilities, the bank encouraged them to take up responsibilities as data analysts and digital channel commissioners. They helped the office achieve rapid development with practical applications.

In this process of enablement, front-line leaders and HR shoulder great responsibilities. They need to grasp the art of timely feedback, constantly strengthen the right trajectory of talent development, and tend the personal counseling embedded in daily work. All of these require solid professionals with sound business skills as well as effective leadership and coaching skills. At the organizational level, these indicators of capability development should be included in performance management. These two aspects can go a long way to securing the needed enablement result.

Third, the organization delegates so Millennials can have greater self-realization. By letting go and allowing the younger generation to uncover the pain points and opportunities neglected by their elders, companies will spur on the same daring and boldness that earlier brought forth such innovations as Gmail, Starbucks' Frappuccino, and 3M's Post-It Notes. But in encouraging this freedom, organizations need to clarify the tasks, set priorities, and assess the talent's ability realistically.

Prior to delegation, companies can analyze the importance and risk levels of each task and initially entrust low-risk and non-essential tasks. After careful reviews of the employee's psychological maturity and readiness when undertaking the task, the company can then match the tasks with the ability and mental state of the employees. In the delegation process, enterprises need to delineate the borderline of risk and give adequate space for trial and error (for example, to clarify that the young employees' superiors still hold control responsibilities). As tasks are successfully carried out, the young employees can be given greater authority and tasks of greater difficulty and importance step-by-step. The organizations should actively provide supporting resources, as well as acknowledge in an institutional way the leaders granting this delegation. Finally, companies should closely follow the progress of the task and promote young employees flexibly and rapidly as their experience and skills meet the standards. Promotion should be based more on contributions and experience than qualification.

For example, Taikang Insurance selects employees under 35 years of age with outstanding performance and innovative tendencies and builds the "middle youth class" — a reserve team that will serve as the backbone of the organization and potential leaders in the next

ten years. Taikang also implements a comprehensive development plan, following the concept that engagement is the best kind of training. It creates a stage for this young talent, and provides rapid promotion of the best from the excellent. To promote its overall business transformation, the company works to stimulate the transformation potential of its employees. Taikang promotes a flat management structure, gives young people the right to express their views, encourages them to attend executive meetings, and establishes regular communication with executives through outside channels such as WeChat as well as internal lines.

Huace Media empowers its Millennial employees by giving them significant duties in the firm's many large-scale films and television shows. In this process the company closely observes and evaluates employees with high potential. As they meet the established criteria, they are given management opportunities. The company also honors the leaders of these Millennial producers with a delegation award, to encourage more leaders to put aside their personal power for achievements and create development opportunities for young talent.

Fourth, the organization helps Millennials connect so they can find their own group. Connectivity is the most significant attribute of the digital age, as the new technologies shorten the distance between the customer, the organization and the individual. It has the same effect on interactions within organizations.

Connectivity starts with improving the fit between the values of the new generation and those of the overall organization. The better the fit, the more likely that Millennials will feel connected and become a cohesive part of the organization. Second, as Millennials are eager to balance work and entertainment, and likely to integrate digital media, social media and entertainment into daily work, organizations can create internal cohesion by praising and encouraging these virtual connected communities and talent circles. Organizational cohesion can then be established from the influence and bonding of these virtual communities and talent circles. Third, the leaders of Millennial employees need to be assertive yet approachable, taking the initiative to mingle with different circles and even to “friend” employees — to bond emotionally with them on a common ground.

For example, Alibaba has a new standard in hiring Millennials. It looks for “extraordinary people with a humble mind for extraordinary tasks,” especially those who are smart, optimistic, resilient, and self-reflective. The recruitment process filters out applications by identifying “people” like us and the specific “smell” of the applicants. Alibaba also organizes training and work circles made up of various types of talent, such as Engine 49, a key technical force that includes high-level representatives, and the Knights, who are front-

Vanke: Talent Acquisition and Management

To rapidly develop its real estate business, the Vanke Group recruited a great deal of cross-sectoral, cross-disciplinary talent. In groups such as “007 Plan” and “Lead Horse Action”, these recruits work with internal partners to support the business while pursuing their own personal development and achievement.

Vanke’s success in recruiting and realizing their employees’ potential can be attributed to three factors. First are the heightened criteria for selection: Vanke screens for people whose values and ability meet the company’s requirements so they can quickly blend into the team without culture shock and industry estrangement. Second are the HR strategies recognizing that talent is Vanke’s only capital. The firm is well aware that these employees need to be convinced culturally and institutionally to stay with the company. Besides monetary incentives and performance assessment, Vanke cares about their health and professional development. Its leaders strongly promote sports, include the employee’s physical evaluation in annual bonus-linked performance assessment, and offer awards for excellence there. These measures are not strict regulations, but they publicize the company’s intentions in order to win voluntary support and eventually form a strong and cohesive corporate culture. Finally, Vanke promotes empowerment by giving recruits sufficient power in important positions. It shows openness, respect, and a sense of equality, and provides them multiple opportunities to demonstrate their personal strength.

Vanke’s experience also shows the importance of long-term care and development of employees. If “bulls” are recruited for only short-term solution, they seldom demonstrate their full potential or stay long in the company. The leadership mentality is also important. Leaders must get away from the idea of developing these recruits with the methods used for traditional talent. Instead they should create appropriate institutional mechanisms and ways of enablement — the soil in which this young talent can grow. With high-level recruits from consulting firms, for example, Vanke helps them quickly grasp the full picture of the industry and the company by rotating them among various positions.

Vanke is a persistent and exemplary veteran in campus recruitment. It has successfully organized 18 editions of Vanke New Power, which introduces recruits to the company and the industry on multiple dimensions. Each new hire gains a mentor to help with personnel stability and continuity of corporate culture. The flexible organizational structure, with first-line empowerment and the “business partner system”, enables new hires to participate in important projects, which accelerates their growth and development. New hires also receive a unique cultural orientation, including a wide range of clubs to strengthen ties to the company, and sports-related training programs in which the senior leadership personally participates. Each year the CEO not only attends the New Power mountain climbing event, but also poses for photos with every new employee, exemplifying Vanke’s unique partnership culture.

line managers. These efforts help to form an energy field where people help and coach one another within the circles. Alibaba also encourages employees, especially younger ones, to pursue their dreams while enjoying their work. It asks the leadership to create “high” moments for the team.

From studying the best practices of many organizations, we find three main avenues for building a positive cycle of self-management in young talent: balancing needs, constructing a platform for developing, and giving feedback. First, the company must balance the needs of individual employees with the interests of the overall organization, both to align personal with organizational expectations, and reconcile the individual desires of greater responsibility to the institutional goals on empowerment. Second, the company can set up platforms to give individuals a stage for self-governance and self-development. This will foster the individual’s self-motivation while ensuring accountability to the larger organization. The organization should make sure to first set up the rules and boundaries for the autonomous platform to achieve smooth and orderly operation while providing the most freedom. The platform should include not just learning opportunities but also a satisfactory level of compensation and benefits as earned by the employee. Finally, the organization needs to give feedback, with older employees sharing with these recruits their experience and lessons learned. The goal is for the organization and the talent to move beyond a relationship of employment into one that features collaboration, cooperation, support and enablement.

Conclusion

With fierce competition for talent in the digital age, companies must do more than step up their recruiting. They must also help these recruits continually grow and foster their personal value. All of this will maximize the organization's investment in human capital. Companies must therefore optimize or even overthrow the existing framework of human resources management, to create an environment, mechanisms, and tools geared toward the preferences of these professionals, while tying them to the community’s characteristics and the business reality. Only in this way will we realize mutual benefits for the individual employee and the organization.

Notes:

1. 2016 Annual Conference of Chinese Association for Labor Economics.
2. Ministry of Human Resources and Social Security of China.
3. LinkedIn 2015 Status Report on Chinese Freelancers.

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