

# Attracting talent: One of the Three Key Issues

- by Christer Nilsson
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Today, there are three questions that all boards and management must ask themselves. They are:

1. In what business are we?
2. Who are our new competitors?
3. How can we attract and retain talent?

I have in two previous blog posts addressed the first two questions. In this post, I share my views on the challenge of attracting and retaining creative talents.

The ability to attract creative and innovative employees today is as important as access to raw materials is to steelworks or paper mills, for example.

The commercial market battles will be determined by companies that can recruit and retain the very best people in all professional functions. Creativity and innovation are paramount to the success of a company. These companies develop superior and smarter products/services than competitors do.

In our traditional businesses, it is often difficult to create and nourish a culture of creativity and innovation. It is not a simple task to change an established culture with deep-rooted ways of thinking and ingrained values. It is businesses with hierarchical leadership and classical forms of employment closely linked to reward systems and career paths. Often, the entire company needs to change, which in turn means that everyone has to start by first changing themselves. In the worst case, it may take a whole generation, which, today, is too long.

A new company does not need to change an existing culture. It can directly from the start create an environment for creativity and innovation that attracts talented people. And therefore, among other things, a new business can start to capture market shares and grow rapidly.

## Creative environment and innovation

Creativity and innovation are to be two different things. A creative environment does not necessarily lead to innovation, but innovation needs creativity. I meet companies aiming to increase innovation in their businesses by imposing systems to stimulate and structure innovation. However, I believe that it is to start at the wrong end. If you want to build a profound and lasting change, you must first create an environment and a culture that allows and nourish creativity.

Note also that creativity, which hopefully leads to innovations, should not be limited only to R&D or the marketing department. It should permeate the entire business and be an inherent part of all functions of the business. The best companies are the best at everything. You can usually see already in the car park outside the reception, that it is a successful company you are going to visit.

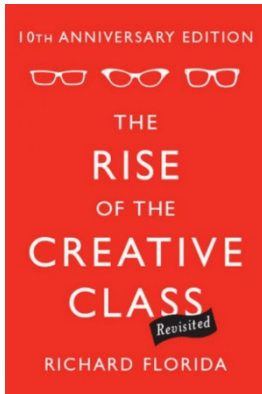
## 3T for growth

To create a business that attracts talent one basic requirement is to be in an attractive place. Establishing an innovative business in a dynamic region with growth is an advantage compared to be in a region with negative growth. In his book, "[The Creative Class \(1\)](#)," Richard Florida has defined what is needed to enable economic growth. Read the book if you want to be inspired and know more! His conclusion is that there is a need for 3T:

- Technology: IT, biotechnology, process technology, high-tech engineering, etc.
- Talent: A variety of knowledge, experience, entrepreneurship, etc.
- Tolerance: Diversity in areas such as specialty, knowledge, experience, culture, personality, gender, sexual orientation, etc.

Even though the bullets above essentially address regional growth, I believe they can also be seen as basic requisites to create growth in a business. If you want to create a growing, successful company, you will need tolerance, talent, and a high level of technology (technology can be broadened to cover, for example, tools, organization, and reporting structures, etc.).

## A creative class



Richard Florida's definition of the creative class includes people engaged in complex problem solving (1). To find a solution, you need a great deal of personal judgment, high levels of education and/or appropriate experience. You need to be open-minded and prepared to analyse and combine various – and sometimes disparate – types of data, materials, and perceptions. It may even be duties that involve a process first to find the problem before you can start to find a solution. Success requires an openness to new ideas, a free exchange of knowledge and experience in combination with passion, confidence, and respect.

To a certain degree, the creative class is a consequence of the post-industrial society. It is in many ways a contrast to the working class, where tasks traditionally consisted of predetermined, often time-specific, work tasks.

Richard Florida divides the creative class into two parts (1):

- A super-creative core: Includes classic creative occupations such as science, research, thought leadership, programming, research, arts, design, entertainment, and media.
- Creative professionals: Includes all knowledge-based occupations such as healthcare, finance, accounting, legal, consultancy, business management, and education. More and more jobs include creative duties, which means that it is a growing class expanding into a number of new areas. According to ILO-data, 35% of the workforce in the United States belongs to the creative class. The corresponding number for Sweden is 43%, and for my home town Stockholm 46% (the same level as in Silicon Valley).

However, it is important to note that Richard Florida, with his definition of the creative class, does not mean an elitist class. It is not a homogeneous, socially cohesive class, although its members share fundamental values such as the importance of quality of living and personal development. Florida argues that any job can become “certified” by establishing environments that bring out new ideas and the power of innovation that is in us all (1). Businesses need to build a creative environment to enable and tap the intellectual and social skills that every worker has. Innovation arises everywhere, anytime, and often it comes from small things. Florida also states that growth no longer should – or can – be defined as pure economic growth, *i.e.*, “dumb growth”. Instead, we need to focus on “smart growth” that will also provide prosperity and security for all citizens, enabled from growth in sustainable businesses.

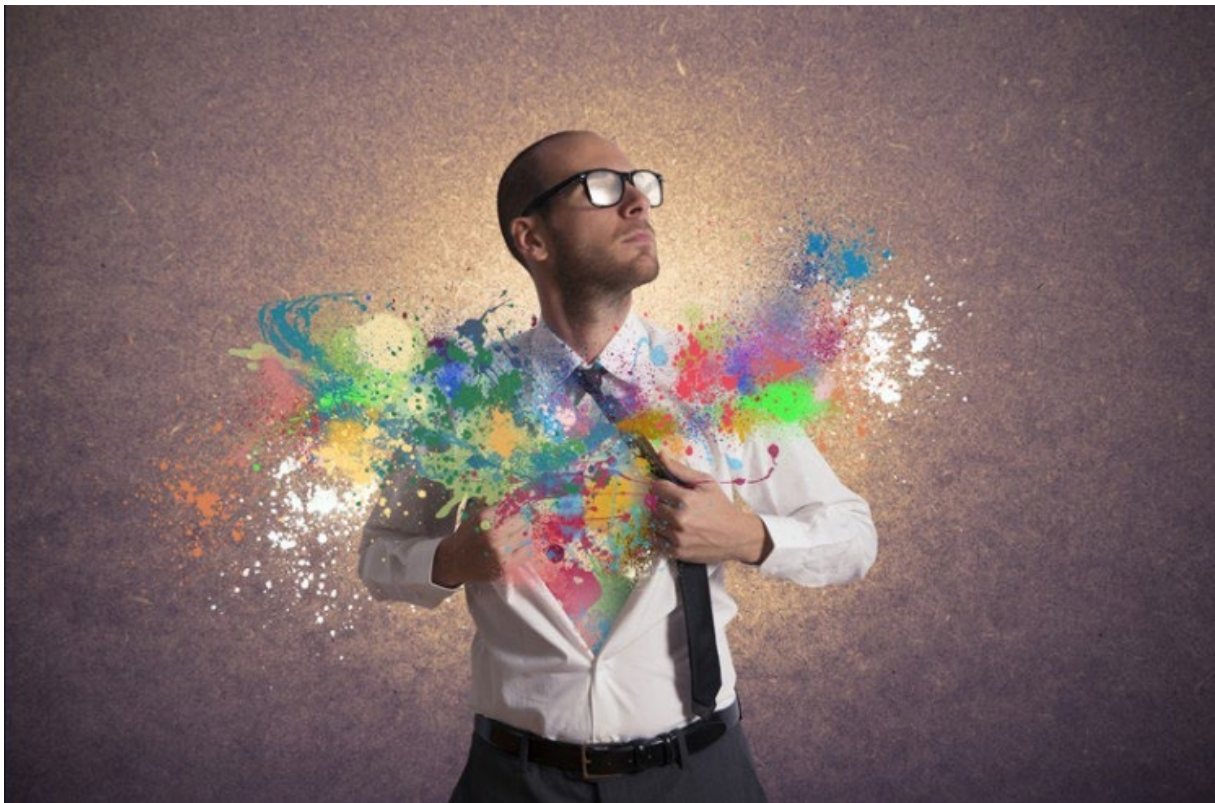
## How can we establish a creative environment?

How should we, as owners, the board of directors and managers, create an environment that nourishes creativity and innovation? It is obviously a complex issue that does not have a simple answer. However, the first step is to understand what the talented and creative

people need in order to be attracted and to thrive, develop, and exploit their talents. I summarize below – in three bullets – Richard Florida’s view of what is needed (1):

- The person.

Basically, a creative, talented person is powered by his/her personal development. Traditional careers ladders with powerful executive positions as a reward for dedication are not goals in themselves. A talented person prefers to get recognition and appreciation from achievements, *i.e.*, they thrive better in a meritocratic environment versus a classic hierarchical organization. Positive individualism is important – you need to be able to gain personal development but not at the expense of others. Teamwork is essential – you should succeed together. Personal style and dress code are important. A creative person wants to express his/her personality with his/her style, dress code, and adornment (tattoos, earrings, etc.). No suits, ties, and tie-neck blouses!



Creativity. Image: Shutterstock.

- The quality of place.

Creative people want to live where other creative people live, *i.e.*, places characterized by 3Te. It needs to be a dynamic place with diversity, tolerance for differences, and openness to new ideas. You should be able to express your personality and be respected for who you are. There should be space for different types of interests and a mix of cultural activities, cafes, small restaurants, sports clubs, etc. A creative person is seeking places for inspiration and wants to be active exercising one’s own activities rather than being a spectator watching TV or a sporting event. He or she prefers a local bistro in comparison to an expensive restaurant with fine dining, and they would rather visit a local jazz club than the big opera. Typically, these conditions are found in certain areas and neighborhoods in dynamic major cities.

- Company.

The company must provide diversity, tolerance, and openness to new impressions. There need to be obvious opportunities for professional and personal development. Creative people need exposure to complex problems with multifaceted solutions. The leadership must be informal, supporting learning and mutual sharing of knowledge and experience. Flexible working hours is a necessary requirement to allow a good balance between hours and your time with friends and family. The duties at work usually require total focus, and creative people want to be able to work very intensively when needed. But, equally important is to be able to recharge the batteries with sufficient pauses for reflection, learning, and personal activities. You may want to work hard up until lunch and go to the gym for a few hours to enable full concentration during intensive afternoon and evening work sessions.

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## Conclusions

To attract and retain creative, talented people, we must change our often too homogenous businesses and organizations. We need to create an environment that is heterogeneous with a spirit that is open to diversity, tolerance, cross-culture, and different personalities.

The management structure of our businesses must change from hieratic leadership to informal, team individualized leadership where creative people get the opportunity to develop and utilize their specific talents.

Working hours must be adapted to allow very intensive work hours and as well as breaks with breathing space and time for individual activities. Here, a freelancer contract may be an alternative to permanent employment.



Diversity. Image: Shutterstock.

Further, it is a severe challenge to attract talented people to our companies in smaller communities outside major cities that are not within commuting distance. One reason is that our talents wish to live in a dynamic place with diversity, openness, and tolerance for various individual needs. Hence, your business (or part of it) should preferably be located in a major dynamic city – or within commuting distance. If this condition is not met, you need to try to develop an environment and conditions that compensate for the site itself.

Last but not least, we see increasing demands on the development of sustainable businesses. Young creative talent wants to be part of “the good company” with a respected brand that he or she is proud to represent.

#### *References:*

1. Florida, Richard. (2012). *The Creative Class Revisited*. Basic Books, New York.

