SHL

Digital Talent:
Myth or Reality?

Myths and truths about what matters and what works in a digitally driven business environment

To thrive in an increasingly digital world, organizations need employees and leaders who are digitally proficient. It's time to challenge conventional wisdom about what digital proficiency means and how to assess for it.

Digital Talent: Myths or Reality?

What matters and what works in a digitally driven business environment

The 60-second view

The future of work is now. Digital technologies such as artificial intelligence, Internet of Things and smart everything have reshaped how business gets done in every industry.

People are still central to success. While digitalization is about technology – leading to an undue focus on technical skills – success in digital work environments is still very much about people.

Assumptions skew talent decisions. Myths related to the implications of the new work environment and what good digital talent looks like abound – and could lead to bad talent.

People insight points the way. To get beyond the myths, organizations need objective, science-based insights to inform talent decisions and focus in on the real drivers of digital proficiency.

The hard part is complete. SHL identified the competencies that matter most for success in digital environments.

Transformation is a shift, not an overhaul. The process of building a digitally-proficient workforce is not new, just based applying existing competencies to new, digital work contexts.

Talent in the Digital Era

The future of work is now - shaping tomorrow's workforce

The age of digital business brings unprecedented change – new business models that were unimaginable even a few years ago.

Technologies such as **artificial intelligence, Internet of Things** and **smart everything** have reshaped how business gets done in every industry. The future of work is now and it's rooted in a tidal wave of digitalization.
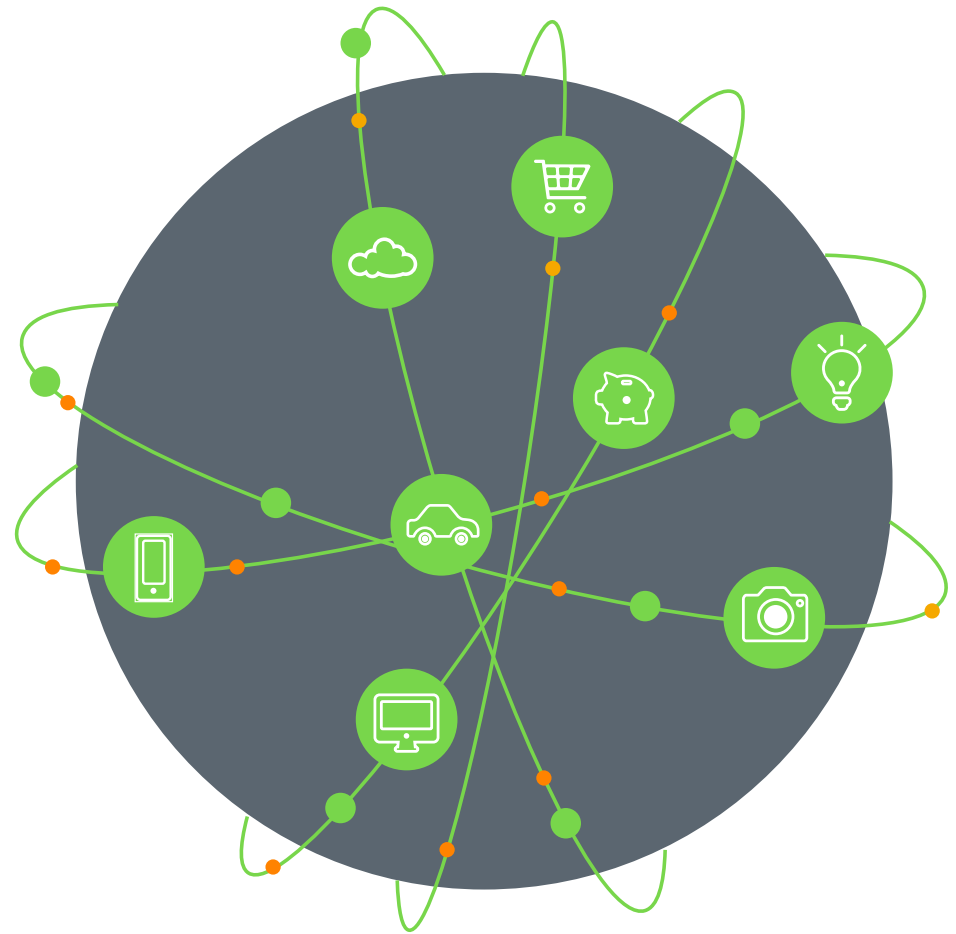
87% of business executives agree digitalization is a priority for their company.

67% of executives believe their organizations must become more digital to remain competitive.

Digital Environments

Four attributes of a digital business environment

High degree of change
Strategies and offerings – yours and those of suppliers and competitors – are constantly changing.

Intensive use of technology
Enhancements and new developments open up new market opportunities.

New business models
Technology redefines how the business creates or captures value in the market.

Waves of new ideas
Innovation for better processes or products is an ongoing business imperative.

**Underlying these four characteristics is an undisputable truth:** While digitalization is all about technology, making it work is all about people. And myths related to what the new work environment means for talent management abound.

In the digital economy, work is far less structured and predictable and far more collaborative and customer-centric than ever.

Source: Gartner, Leadership in the Digital Age, 2017

Three myths related to digital talent

The workplace looks radically different in the digital era, but is the "right" talent fundamentally different?

66%
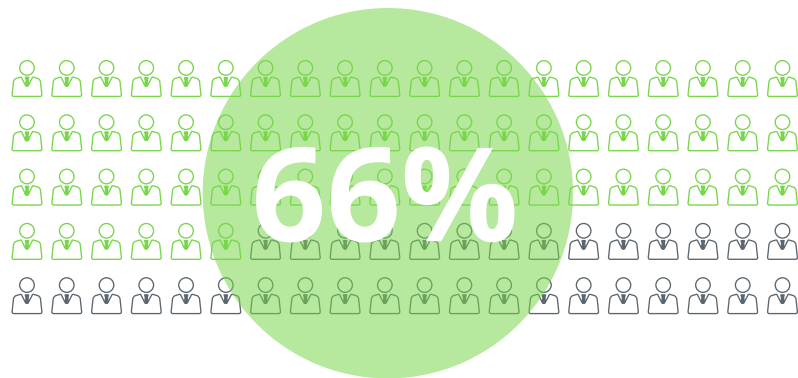
of HR leaders report their organizations are taking a hard look at what digitalization means for attracting, developing and retaining the talent they need. But some of that self-examination may be leading them astray.

Myth 1

The most essential employee attribute is agility

Prevailing view: Agile employees and leaders will be effective in any role using any technology in any situation. The ability and willingness to learn rapidly and adapt are seen as key to unlocking all other competencies.

Reality: Ability to adapt to ambiguity and change is important, but it's more important to have flexible and agile programs than flexible and adaptable leaders. Furthermore, how rapidly employees learn matters far less than how well they apply what they learn.

Myth 2

We need a new type of leader and therefore a new high potential model

Prevailing view: Digital processes and business models require a different type of leader, which calls for a different way of selecting and developing high potentials

Reality: Core competencies of successful leaders have not changed. What has changed is the way those competencies are applied in highly digital contexts.

Myth 3

Technical skills are paramount

Prevailing view: Technical skills are the most important determinant of success in a digital business environment and most employees cannot keep up with the rapid pace of technology change.

Reality: Most employees (70%) consider themselves to be fully proficient or experts with their work-supplied digital technology and most required competencies are actually not technical skills but interpersonal skills.

> **To get beyond the myths, it's more important than ever to have objective, science-based people insights to inform talent decisions and focus on the essential elements of digital proficiency.**

Technology experts, futurists and leading consulting firms agree we are seeing massive structural shifts in nearly every labor market. However, there is little evidence these shifts call for distinctly different skills and competencies.

What does "digital proficiency" really mean?

What matters most in a digital business environment

It is more than being skilled with technology and developing deep competence with new technologies. It's about the behaviors that develop new ideas, advance new inventions and embrace a shared future with technology.

What does that talent profile look like?

Digitally proficient talent profile

Critical competencies for a digital workforce

Continuous learning and innovation

A digitally proficient employee acquires new knowledge and skills efficiently, works well in uncertain environments, embraces and adapts to change and thinks strategically to spark positive change.

Data fluency

A digitally proficient employee can differentiate between relevant and irrelevant data points, identify meaningful relationships, causes and effects and combine information to form conclusions and compelling stories.

Collaboration and influence

While people skills are the most overlooked success factor in the digital business environment, research shows digitalization actually places a premium on the performance of networks of people – and becomes exponentially more important with the number of connected people and processes.

Get-it-done mentality

Digital environments are dynamic, ambiguous, information-dense and interconnected. These realities call for employees and leaders who can remain driven, decisive, pragmatic and efficient in the face of those challenges.

Four steps to a digitally proficient talent pool

Select the right talent for your organization's digital context and avoid costly missteps

The key to making the best decisions to develop a digitally proficient workforce is to evolve from human judgment and intuition (and the myths on which they're often based) to objective, science-based people insight.

STEP 1

Analyze the contexts of your digital business environment

What are your core offerings and the supporting roles that drive them? What is your business strategy? How does the business use technology to make that happen?

Once you have a clear view of the digital contexts in which employees and leaders need to perform, you gain clarity into what performance excellence will look like.

STEP 2

Determine the competency requirements for your digital contexts

What's important? Develop relevant job analyses for a given role, function and geography. What's new is basing this job analysis on a competency model that is research-proven to apply to digital work contexts and roles.

STEP 3

Identify, assess, select, develop and accelerate your digital talent

Invest in talent solutions that are nimble and flexible to help your people be successful. Talent strategies must support objective and holistic assessments of each person while constantly adapting to a changing work environment.

STEP 4

Measure and demonstrate the business impact

Think beyond static views of key metrics, trouble spots and year-over-year comparisons. Analytic methods can help you see exactly where and when to focus efforts. Then, translate the results into narratives that connect business strategies to real decisions, actions and outcomes.

How **SHL** can help

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At SHL, we are powering the future of business by combining our proven assessment methodologies and benchmark data with new online, mobile, big data and cloud capabilities.

We conduct more than 45 million talent assessments a year, which gives us a unique and up-to-date perspective on the global workforce and talent science.

SHL is a trusted technology partner to more than 10,000 companies worldwide. We work with companies of all sizes in every industry across more than 150 countries, including 50% of the Fortune Global 500 and 80% of the FTSE 100.

Find out how SHL can help you win. At a time of unprecedented change, we provide deep people insights to predict and drive performance.

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