



Client Spotlight

Spotlight, our regular Q&A with clients and colleagues, highlights leading viewpoints on trending topics in the world of human resources.

Photos from left

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Navigating Talent Challenges in the Digital European Market

The word volatile is not overused when discussing the current business landscape – it is volatile, sparking the need to reassess and, in many cases, adjust existing practices to ensure your firm is prepared for the future. This is true in Europe as it is in other parts of the world, with challenges from the COVID-19 pandemic pushing digital transformations to new heights and at record speeds. Put simply, every company is now a digital company to some degree – you can't exist without technology. You also can't exist without the right skills and people to meet these rising demands. While remote working is prevalent across Europe, the digital talent market leads the demand for flexible work, placing pressure on employers to determine optimal models for attracting and retaining this talent.

To discuss this further, Guy Pritchard, a partner in our human capital solutions practice, had the chance to sit down with Kevin Dickin, global compensation manager, covering the digital technology businesses for Boston Consulting Group (BCG), during our recent webcast on compensation trends in the European technology industry. Here is an edited transcript of their conversation.

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What is your experience with competitive pressures for technology roles? Do you see variations per market in Europe?

There is a recent report from BCG that states roughly 40% of talent in the marketplace right now is technology-based and just under 75% of that talent is looking to move businesses in next two to three years. This level of movement is creating immense pressures. Every company needs a certain level of digital skills to function, which only furthers this pressure, as businesses seek to find the best talent, skill sets and right people for the job. In terms of variation per market, I think it depends on how developed the markets are. The German market, for example, is not as tech savvy nor into online banking. We are also seeing a wave of changes in the market, with larger companies thinking about relocating to places like Poland. However, while originally a lower cost location, compensation packages continue to increase. London and Amsterdam are two very hot markets to keep your eye on for technology talent right now as well, with candidates enjoying all that these locations have to offer.

What has been your experience of attrition and turnover of technology roles?

There has been an uptick in attrition, though, not at alarming rates. I think we were expecting this to a point. The year 2020 was very different from 2021. It was all about the pandemic and scrambling to wrap our heads around what was happening and the uncertainty of the future, while in 2021, we knew where we were headed — the way forward was technology. Now we are speeding into 2022 with almost no break. Keep in mind, there's a long year ahead, so be careful and creative in terms of attracting and retaining talent. There's now a lot more than just the bottom-line base salary to consider.

What are the hottest roles in the market right now?

I would say the top three roles are: artificial intelligence, machine learning and engineering. But besides digital skills, it's also important to be mindful of agile skills, development opportunities and experiences. What can an individual bring to the table that will support the future business? The idea of agile work hasn't been around for very long, so it's likely that a candidate or employee may not have 20 years of agile experience. But they may have the skill sets needed to be agile in the future. Companies no longer require just one specific skill — they are seeking broader experience, broader understanding, and certain skill sets that support continued growth. Don't box your employees in. Let their individual abilities and experiences bring them beyond what their titles dictate.

What do you think is the optimal value proposition for technology roles?

It's about opportunity. Every organization needs to clearly articulate these opportunities and how each employee can make an impact. Always start by establishing expectations from both parties. We make a strong effort to confirm we are finding the right fit when it comes to our culture, values and specific roles. This is more challenging now, since we are asking employees to be well-versed in more than just one skill. It's therefore important to be very clear and thoughtful and listen to your people — they are in the driver's seat. To summarize, I would say that we focus on building our value proposition around our candidates — what is in it for them? Understand their end goal and offer the roadmap they must follow to get there.

How do you view the competitiveness of the market right now? What is your recommendation for the future?

We've all read the headlines — wherever you look, inflation is up and this certainly will have an impact on salary budgets. Markets are also moving at such a rapid pace right now, forcing us to constantly review our plans. Understanding what the markets are doing and which skills and roles are hot, coupled with what candidates want, is key. We remain proactive and constantly reassess the market. Studying the market and truly listening to the wants and sentiments of your employees are two critical aspects of the process, as demand for technology talent continues to surge. Also, don't forget that it's not just about base salary anymore. Culture and creating meaningful workplaces are gaining prominence. For example, how has your organization supported its people over the last 18 months? While an increase in salary could have a short-term impact, thinking beyond pay is what will ultimately benefit your firm most down the road.

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