

Time to look to adjacent industries for new talent—and new ways to keep it on board

Recruiting and retaining new talent: the 15-second download

- 5 Entertainment and media companies can no longer rely on their industry's 'cool' employer brand to win over and keep the talent they need.
- 10 The rising importance of data means they must now recruit and absorb new technical and analytics skillsets—people who are likely to have a different mindset and cultural expectations from their legacy colleagues.
- 15 To succeed, businesses need to look to adjacent industries not just for talent—but also for the right HR strategies and employee perks to keep that new talent happy, engaged and integrated.



As the industry's 'psychic income' erodes ...

For decades, entertainment and media companies have been able to base their approach to talent recruitment and retention on their employees' 'psychic income'—the term economists use for the non-monetary sense of wellbeing that people get from having a cool job that they can talk about at dinner parties. But no longer.

As the barriers between entertainment and media and formerly distinct sectors such as technology and communications continue to blur, the industry's former cool cachet in the employee marketplace is eroding. And this change is coinciding with a dramatic rise in the importance of digital technologies and data insights in industry business models, as consumers demand ever greater relevance and personalisation from the content services they consume.

... companies face two key talent challenges

These shifts mean businesses across the industry are facing two parallel and interrelated challenges. One is a need to recruit, integrate and retain new skillsets from adjacent industries—specifically top-end talent in data analytics, to enable them to make sense of a mass of customer and transactional data, and turn it into intelligence to enable more targeted and tailored services.

The rising demand for these same skills across an ever wider array of sectors—from financial services to technology to retail—means competition for them in the recruitment market is intense. Yet as digital migration gathers pace, attracting and keeping them on board is crucial to the success of entertainment and media companies.

The second challenge around talent is deeper and arguably harder to address: the embedded workplace culture of many entertainment and media companies. Partly because

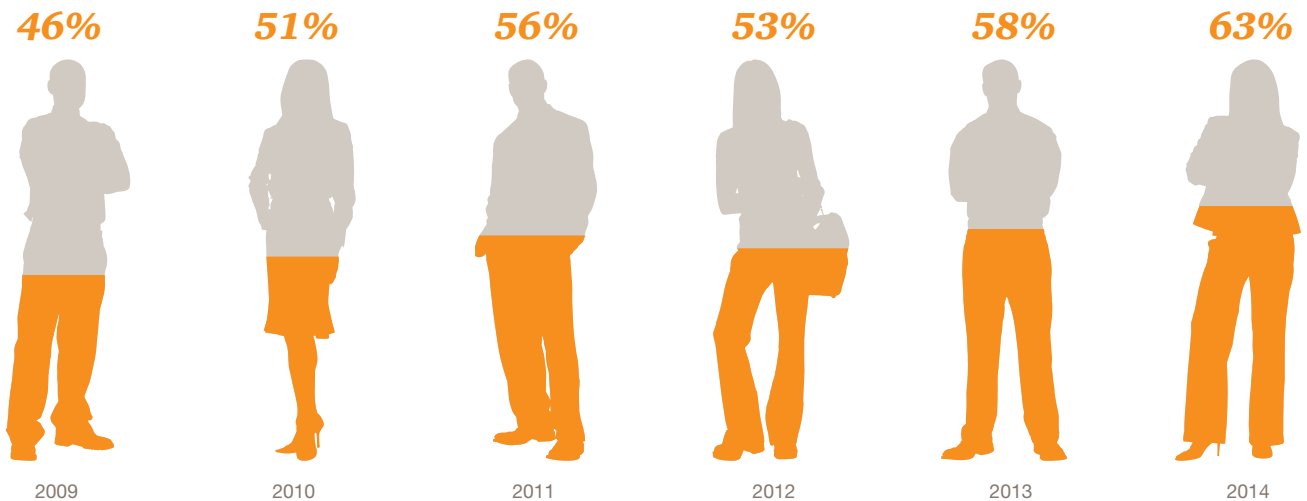
of the 'psychic income' they've previously offered, businesses in the sector have traditionally not had to invest as heavily in formal HR processes and retention strategies as their counterparts in other industries.

Recruitment and promotion decisions have too often been based on 'similarity attraction' among the existing workforce and management. This has resulted in a tendency to fill vacant posts either from within or from employees' own personal networks, thus building a 'me-too' workforce characterised by a single dominant culture and long tenures at senior levels.

The one area where entertainment and media companies have historically focused strongly on investing in talent retention is with high-profile stars. These individuals have commonly been regarded as irreplaceable—meaning companies have prioritised keeping them on board over attracting wider skillsets or fostering diversity.

Fig. 1: CEOs are becoming more worried about finding key skills

Percentage of CEOs concerned about the lack of availability of key skills



Base: All respondents (2014=1,344; 2013=1,330; 2012=1,258; 2011=1,201; 2010=1,198; 2009=1,124)
Source: PwC 17th Annual Global CEO Survey

Breaking the cultural mould

For success in the digital world, much of this has to change—and fast. In terms of recruiting technical and analytics skills, this new talent resembles any other strategic asset, in that companies have two options for acquiring it: grow it internally, or buy it in from outside. However, CEOs are increasingly worried about finding the right skills (see Fig. 1).

Either way, using informal networks to bring in people who fit the dominant culture will no longer work. Instead the business needs to undertake a formal benchmarking of its existing skills against the ongoing changes in the external market, to identify the gaps between its talent pool today and what it will need in the future.

Having conducted this analysis, the company can assess whether the required skills can be taught to existing members of the workforce—perhaps there are hidden pockets of talent that can be developed—or whether, if this potential doesn't exist, there's a need to buy in the skills from elsewhere.

Companies often find that the better option is to bring in technical talent from outside. A history of recruiting and promoting from within has left many businesses in the sector dominated by 'right-brained' people who are creative and intuitive. They now need to complement this creativity with 'left-brained' logical and analytical personalities. The newer digital media companies have a head-start in striking this balance—and the incumbents now need to catch up.

Retooling the business for an infusion of new talent

So, what steps should entertainment and media companies be considering to equip themselves both to gain the skills they'll need and also keep them on board? The answer lies in looking not only to acquire new talent from adjacent industries, but also to emulate some of their ways of managing that talent and keeping it happy.

This points to five specific actions:

The first is to **elevate the HR and Research functions** to a higher status in the organisation, with more resources, capabilities and influence. This will help provide a deeper understanding of how external changes are affecting skills requirements, together with the ability to meet those evolving requirements with the right talent at the right time from whatever source.

Second, companies should invest in the type of **social enterprise technology and collaboration tools** that younger and more technically skilled recruits now expect as the core of their workplace experience. Older and senior employees should also be actively encouraged to use these tools. This will not only increase productivity and escalate collaboration and innovation across individuals, business units and geographies, but will also boost employee engagement and the free flow of ideas and information at all levels.

Third, companies should ensure that their new 'left-brained' talent is not confined to the margins culturally and socially, but is **brought into the heart of the business**. Actions here might include co-locating new employees with older colleagues, while undertaking discrete social monitoring to ensure they are not 'ground down' by the incumbent culture. Companies might also emulate some of the widely reported aspects of technology companies' offer, such as areas for socialising, 'thinking' time, and lifestyle perks like food and transport.

The fourth—related—step is for the leadership of entertainment and media companies to **incentivise their talent—and themselves—in smarter ways** that are more tied to the business's outcomes than the traditional flat salary, bonus, or incentive plan. Innovations here could include having shorter contract lengths: imagine the effect if an executive was told that they would have a role for three years and no longer.

Finally, companies' talent management and development should take more fully into account the **growing power and importance of trust and integrity**. This is especially important in the media sector, where a number of scandals have resulted in breaches of trust and severe reputational damage. By setting the right tone from the top and embedding a culture of 'doing the right thing' at all levels, leaders can rebuild trust, boost employee engagement, and forge closer and more profitable business relationships.

In the digital world, entertainment companies need new digital talent. But to recruit and—more importantly—retain it, they'll also need a new culture. And that's the hard part.

Ten questions to ask:

1. *How does your business assess and identify the skills it will need in the future?*
2. *How clear a view does it have of the gap between its current and future talent needs?*
3. *How and where do you recruit people with technical skills such as data analytics?*
4. *What processes do you have in place to benchmark your skills needs against specific individuals, whether internal or external?*
5. *What induction and retention strategies do you use to help new people integrate socially into the workforce?*
6. *Is most of your recruitment and promotion currently from within or outside?*
7. *How strong an influence does your HR function have on who gets hired?*
8. *Do you actively foster a culture of 'doing the right thing' at all levels of the business?*
9. *What enterprise social networking tools do you provide to your employees?*
10. *Have you reconsidered how you reward and remunerate employees in light of the changes in your business priorities and talent needs?*

Outlook insights: an analysis of the Global entertainment and media outlook 2014–2018
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