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Employer Branding and Talent Management in the Digital Age

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Abstract. *In the digital age, organizations need to reinvent themselves at a structural level and to become agiler. Digital maturity of human resources management implies a shift from traditional paradigm on workplace towards engagement, learning and development of employees and search for talent. This paper focuses on identifying the major trends and strategies concerning talent management programs and development of digital skills for employees and managers. The study reveals that in an open talent economy, employer brand is very important in recruiting and retention of high potential employees and must be focused on learning & leadership development, mobility, rewards and competency systems. At present, in order to obtain a business value, one of the major challenges that HR needs to face is the development of digital skills for managers and employees.*

Keywords: *digital HR, Millennial, Generation Y, employer branding, talent management, digital skills.*

Introduction

The digital age is reshaping the way in which organization recruit, select and develop skills for a new generation of employees. At present, for improving organizational performance, HR is offering digitized solutions for business and employees, solutions that generate engagement and new experiences to employees. The study is structured upon the following dimensions: 1) *Relationship between employer brand – talent management programs – engagement* - talent management represents a strategic component of the business model that generates retention and engagement, product and marketing communication innovation, value for consumers and financial performance; 2) *Digital skills for managers and employees* - The new take on talent means development of core skills for increasing organizational performance: leadership, analytics, advanced skills in problem-solving, decision-making, and design-thinking.

In this process, managers become producers – creative content and storytelling; distributors of content through social media platforms; recipient – creating resonance and engagement via selective replies; analyst – monitor dynamics of social media industry; adviser – enable and support

360 degrees environment in social media usage; architect – leverage social media for key business functions (Deiser & Newton, 2013). CEOs and HR leaders are focused on understanding and creating a shared culture, designing a work environment that engages people, and constructing a new model of leadership and career development by embracing digital technologies (Deloitte, 2016, p.1)

Employer brand and talent management: it is all about digital

In the context of economic competitiveness and digitization, one of the major challenges for global corporations is represented by attracting and retaining top talent. On a long term, talent management represents a strategic component of the business model that generates product and marketing communication innovation, value for consumers and financial performance. Hence, the search for talents is a never ending story and investments in youngsters with high potential translates in minimizing operational costs, giving the opportunity of learning the business on a practical level, in concordance with the market dynamics.

According to the literature review in this field, employer brand comprises a series of dimensions characteristic to commercial branding: Employer branding creates two principal assets – brand associations - shape the employer image that in turn affects the attractiveness of the organization to potential employees; and brand loyalty - through organizational culture and brand identity (Backhaus & Tikoo, 2004, p.505); Employer branding represents an effective strategy for motivating employees to <live the brand> and it represents what makes an organization attractive to its current and future employees (Maxwell & Knox, 2009, p.1); Employer brand represents brand-led culture change and customer experience management: a robust mechanism for aligning employees 'brand experience with the desired customer brand experience, as a common platform for marketing and HR (Mosley, 2007, p.123). From HR perspective, *“employer branding, involves identifying the unique “employment experience” by considering the totality of tangible and intangible reward features that a particular organization offers to its employees”* (Edwards, 2010, p.7). This is often defined as *“employee value proposition”* and it comprises the functional and economic benefits such as salary & remuneration policy, working environment, career development, organizational learning and psychological benefits such as job satisfaction or reputation (App, Merk & Buttgen, 2012, p.269). Hence, employer branding has become a strategic instrument for HR in the battle for talent acquisition and retention, helping employees to internalize company values and organizational culture (Sathya & Indradevi, 2014, p.203).

At present, employer brand has become synonymous with employee engagement because the most important brand ambassadors are the employees and in the context of digitization, information about organizational culture, leadership, remuneration policy and career opportunities influences directly the desirable image of the company. The concept of employee engagement refers to the degree of attachment to the company, the internalization of organizational culture, the roles and the relationship with the colleagues and employer (KPMG, 2012). Engaged employees are dedicated to their profession and organization and they represent a strategic component for the company that generates intangible benefits (in terms of positive reputation and awareness – brand ambassadors for the company and promoters for products and services), but also tangible benefits – in terms of organizational performance, cutting costs through retention and recruitment; delivering concrete results consistent with the company's business objectives.

Nicholas Born and Seoung Kang (2015) identify the most important components that shape a strong employee brand: 1) *Assess & Shape an Authentic, Consistent Message of What Your Organization Values* – A strong employer brand must deliver to potential employees the value proposition of the brand. For example, Unilever defines employment in the company as the development of a career with growth opportunities, benefits and a work environment where diversity is appreciated. This implies that HR strategy must focus on learning in the workplace through training and coaching, mobility and promotion opportunities. 2) *Communicate the Message by Leveraging the Right Channels* – For potential employees, it is essential to know insights about the company – organizational culture, business objectives, training and professional development opportunities. In addition, talent management programs should be communicated to all stakeholders, including current employees. Social networks such as LinkedIn, Facebook or YouTube are very effective tools in strengthening employer brand – in this regard, the most active companies from Romania come from the financial industry and banking, IT or commerce (EY Romania, 2015). When discussing the impact of social networks on the employees' empowerment in Roman, the forum www.undelucram.ro provides positive or negative insights from different multinationals employees concerning the recruitment and selection process, salaries, organizational culture, personal life - work balance, career and promotion opportunities. 3) *Develop Employer Branding Metrics & Measure Their Effectiveness Against Talent Goals* - Metrics are very important in assessing employer brand and the costs involved in the recruitment and selection process. Examples of traditional metrics that have been used to measure

ROI on employer branding activities include cost per hire, time to fill, time to productivity, and candidate satisfaction rates.

For Millennial generation, employee brand is very important and their attachment to companies is impacted by a series of factors concerning organizational cultural and corporate environment: 1) Work/life balance – the perfect balance between professional and personal life – flexibility; 2) Engagement, personal and professional development, career opportunities – the tasks must be interesting and relevant to youngsters, learning through training/workshops/coaching, career succession plan; 4) Competitive salary – equal opportunities for promotion and rewards (PwC, 2011, p.10). For Generation Y, always looking for the next best thing and eager to advance rapidly to management positions, talent management programs represent a good opportunity for career development. The millennial choice on the employer must match their requirements and aspirations and is based on both pragmatic and emotional aspects. Catalyst Solutions Report – The most desired employers 2015 – indicates that Generation Y chooses its employer depending on the package of wages and benefits, the company's reputation, training and professional development programs. In this regard, the most desirable employers for Gen Y are multinationals such as Oracle, Google, Microsoft, IBM, HP, Vodafone, Renault Romania, Coca-Cola HBC, Orange, P&G, EY Romania, Accenture, Deloitte or KPMG (Catalyst Solutions, 2015).

William Rothwell (2008) indicates that in order to attract youngsters with high potential, talent management programs should comprise the following dimensions:

- 1) *Get commitment* on behalf of senior managers and employees – talent management implies employees with technical expertise - career double scale; dissemination of information and knowledge - management succession planning; mentoring for prospective successors;
- 2) *Analyze the Work and the People Now—and Determine What Talent Means* - Analyzing the work is accomplished through systematic work analysis, carried out to prepare current job descriptions that realistically summarize work requirements. Analyzing the people is carried out by competency modeling, which profiles successful performers at every level and/or in every department of the organization. Determining what talent means requires organizational leaders to establish criteria for talent - individuals who are doing a good job where they are and are also promotable are called high potentials (HiPos); individuals who are the most productive of anyone doing a job are high performers (HiPers); and individuals who are the most knowledgeable about a specific area of the organization's work are high professionals (HiPros).
- 3) *Recruit and Select Talent* - In a robust talent management program, recruiting and selecting talent from outside is full, seamlessly integrated

with developing talent from inside the organization. At present, the most important tools in recruiting focus on digital and employment branding;

4) *Evaluate Performance* - Employees must be evaluated based on the results they achieve (current productivity) and on the competencies and behaviors they demonstrate;

5) *Analyze the Work and People Needed in the Future* - organizational leaders take the time to forecast work requirements and the competencies that will be needed in the future if the talent management program is to align with the organization's strategic objectives. Indeed, an organization's strategic objectives imply the kind of work to be performed, the key performance indicators (KPIs) that will be required in the future, and the kind of personal characteristics (competencies) essential to success.

6) *Evaluate Potential*- Common ways to assess potential include supervisory nominations, 360-degree assessment based on the competencies required for higher levels of responsibility (not the current level), assessment centers, psychological tests, work assignments/rotation experiences.

7) *Develop People* - Potential assessment is carried out to assess individuals against future requirements at higher levels. Then, individual development plans (IDPs) are used to close developmental gaps by finding actionable strategies to build requisite competencies; organizations establish leadership development programs, action-learning programs, training programs, rotation experiences, mentoring programs, and other planned efforts to narrow gaps.

8) *Retain the Best People* - organizational leaders are well advised to start by interviewing employees about why they stay. It is particularly important to know why HiPos, HiPers, and HiPros stay, since awareness of their reasons for staying can shape themes for future recruitment. It can also suggest areas of focus improve retention efforts.

9) *Evaluate Program Results* - In short, the most important measures of success for talent programs may be these: How well is the program achieving the measurable objectives established for it? How many people are available, and ready to perform, when any vacancy occurs? How quickly can those qualified people be identified, selected, and oriented? What kind of people is available, and ready to perform, when any vacancy occurs? (Rothwell, 2008).

Currently, talent management has entered into a new stage of development: thus, HR has evolved from the traditional function of recruitment and selection to a strategic function of recruiting high potential youngsters, with a focus on creating a strong employer brand recruiting via social networks and developing digital skills. For example, companies such as LinkedIn, Facebook, Twitter or Google are investing in the development of online

talent communities for attracting new employees but also in aggressive marketing campaigns conducted in the academic field or at student job fairs. Companies such as Ford or General Motors have created blogs in order to attract fans of the auto industry or engineers that would like to work for them (Deloitte, 2014, pp.66-68). Garr, Atamanik, and Mallon (2015) defines a new approach to talent management building focusing on critical talent capabilities at lower levels of maturity, and transitions to building a systemic and inclusive relationship with talent at the highest levels of maturity. At the center of mature organizations we have a clear, targeted and communicated talent strategy that comprises integrated talent activities that heavily reinforce the importance of leader growth and a widespread learning culture. "Talent as an asset" means that organization should:

- 1) Put in place processes designed to enhance leaders' understanding of their employees from both a quantitative and qualitative perspective;
- 2) Develop talent processes that allow their organization to act on the greater insight;
- 3) Provide resources and opportunities to employees that enable them to develop a "conversation" with the organization;
- 4) In addition to simply indicating to employees that their diversity is welcomed, these organizations build both high-level strategies (e.g., aligning diversity and inclusion strategy to organizational objectives) and broad-based talent management practices (e.g., integration between diversity and inclusion, and learning and performance management), which help to reinforce the importance of bringing in people of diverse backgrounds and behaving in inclusive ways (Garr et al., 2015, p.2).



Figure 1. Talent Management Maturity Model (Garr et al., 2015)

What should the talent strategy for the digital age comprise in order to attract high potential youngsters:

- 1) Constantly looking to equip employees with *new skills* through continuous learning or mobility programs;
- 2) In the fast-paced digital world, *innovative thinking drives competitive advantage*; the fire of innovation, adaptability and creativity is fueled by diversity, when people with a wide range of perspectives work together; not just people of different ages and gender, but people who are different across every dimension – with different backgrounds, physical characteristics, life experiences and personalities;
- 3) *Getting leadership right* - The digital world requires a different form of leadership and management. The winning leadership capabilities of the future will include some of the traditional leadership traits of vision, courage, and humility, but increasingly an ability to drive a sense of purpose, build trust with internal and external stakeholders, adapt to change at warp speed, anticipate fierce competitors, and deal with significant and evolving risks
- 4) Use *data analytics* to provide better insight into how effectively skills are being deployed within the organization; 5) Use *multiple channels to find talent* including online platforms and social networks (PwC, 2015, pp.13-19).

The Mercer (2016, p.26) study - *Future proofing HR: bridging the gap between employers and employees* indicates that at this point many companies are at the beginning of the HR development journey and will have to address in the near future a series of challenges concerning management of diverse workforce in a period of rising skill shortages, rethinking talent infrastructure and day to day talent practices; in this regard, HR departments will need to deliver a new Talent imperative with five priority areas to consider:

- 1) *Building diverse talent pools* – expand the use of analytics to identify talent flow opportunities and pinpoint the drivers of change; build for tomorrow via experience-based development interventions focusing on diverse population pools and emerging competencies;
- 2) *Embrace the new work equation* – recognize “one size fits one” and build a growth culture that supports flexibility, development, and autonomy; create an environment where employees feel valued and have transparency around pay, feedback and progression; rethink how managers are incentivized for identifying, developing and exporting talent.
- 3) *Architect compelling careers* – design career frameworks to reconcile the succession needs of the organization with the expectations of the individual around career direction and velocity; stimulate talent movement in intentional and systemic ways through making careers fun and focusing on mobility and development programs.
- 4) *Simplify talent processes* – challenge existing talent management processes and technology to reduce duplication and be short and intuitive; align performance management fundamentals with the organization’s business model and rewards philosophy; reimagine employee interaction with HR processes to promote a positive employer brand.
- 5) *Redefine the value of HR* – reassess how the HR function delivers HR operations, strategic talent insights, and the employee experience; commit to investing in HR capability building, specifically around analytics, workforce planning, and strategic partnering skill; establishing the vital role of managers and executives in promoting a Talent-driven environment and sponsoring change.

In the new open talent economy as it is defined by Deloitte (2016) an organization’s talent strategy must account for the following lifecycle phases: plan & acquire - workforce planning; lead & develop - leadership development & succession; deploy & reward – employee rewards and performance management; engage & retain – employee engagement & retention. Companies must define their talent strategy by prioritizing investments in talent (people, process, program, and infrastructure) based on what is required to execute the business strategy. This includes work redesign, automation, technology, and leveraging talent beyond the walls of an organization with focus on innovation, growth, and profitability, in order

to obtain important talent outcomes such as critical talent retention, top talent acquisition and employee productivity (Deloitte, 2013, pp.8-9).

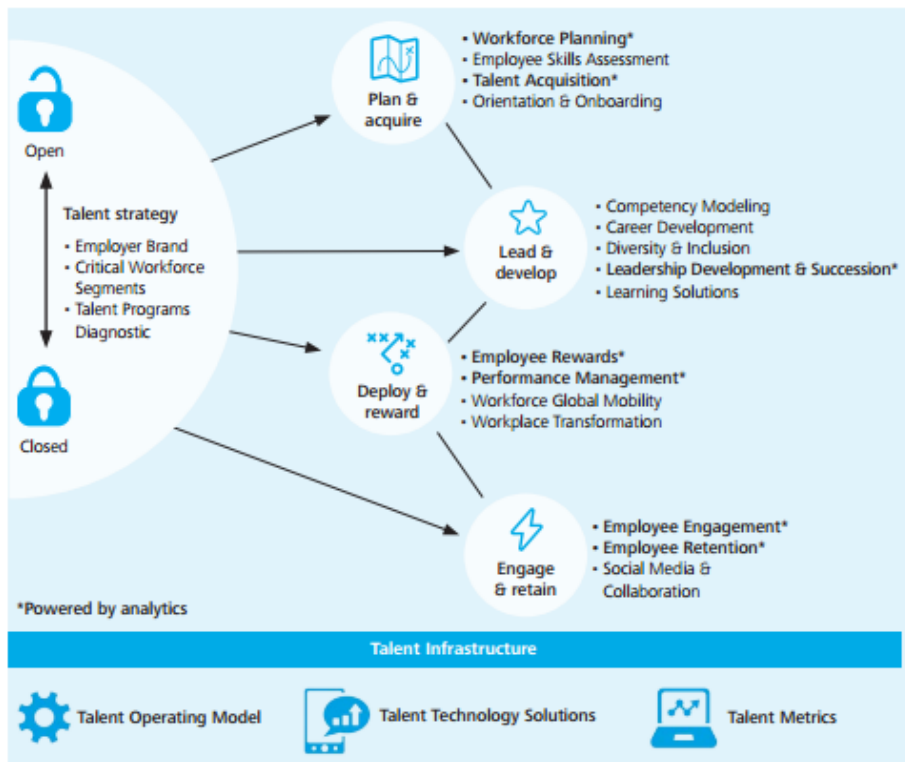


Figure 2. The talent lifecycle in the Open Talent Economy (Deloitte, 2013)

Digital skill for managers and employees

The new economy or digital economy implies usage by companies of new information and communication technology (ICT) in innovative and efficient means. The business environment is extremely competitive and the skills shortages of employees create a major problem in the labor market concerning all the economic sectors. What are the main factors that influence this trend? First, the use of mobile and analytical technologies implies the need for training and professional development of the existing employees. Secondly, in order to face the challenges in dynamic markets, companies need to reinvent themselves and to become agiler. A distinct problem is concerned with the fact that HR divisions of companies are not actively involved in the acquisition of digital skills of employees, resulting in a fierce battle for talents (Capgemini Consulting, 2013, pp.2-3). Social media offers a real opportunity for companies to identify, recruit and select talent

through digital tools. Digital platforms are effective in identifying high potential individuals for specific jobs, contribute to the development of digital skills and abilities, precisely planning for career development and development of a new generation of leaders. Currently, the digital platforms represent the link between Big Data analytics and improvement of organizational performance in IT field (De Smet, Lund & Schaninger, 2016).

The report of the European Commission (2014), *E-skills for jobs in Europe. Measuring progress and moving ahead*, synthesizes the most important trends that shape digital professionalization of European employees: 1) *Technological trends* – a) The Internet of Things (IoT) – it refers to the fact that the Internet includes ‘things’ or devices such as smartphones and smart appliances; b) Big data – including website postings and usage data, sensory data, user-generated content, GPS, and RFID. Big data is important because it provides insight into marketing departments, finance, operations, strategy, and for economies and societies as a whole. c) Cloud computing - Cloud computing or ‘cloud’ is perceived as highly important by most businesses to focus on transforming our business and not just our IT”. The benefits of cloud resonate particularly strongly with SMEs as they are able to exploit ICT possibilities, previously only available to large multinationals. d) Mobile technologies - are having a huge impact on business operations globally. IDC estimates that smart mobile devices will generate 57% of the IT industry’s overall growth worldwide. Technological trends are more likely to trigger in the near future the need for a specialist in cyber security, mobile technologies, cloud, big data, social entrepreneurship and consumerism (BYOD policy). 2) *Macroeconomic and societal trends* – a) Youth unemployment – The global landscape is defined by uncertainty due to lack of digital skills for entry-level workers. b) Global demand for skilled workers - talent shortages in a wide range of occupational clusters largely because populations are ageing rapidly and educational standards are insufficient; c) The digitalization of SMEs - Small and Medium Sized Enterprises (SMEs) are central to the European and world economy and the way that it adapts to ICT will have a significant impact on the need for e-Skills; d) The skills most likely to remain ‘onshore’: Information security skills; ICT supplier management skills; Enterprise architecture skills; Business Process Management skills; Digital Marketing skills; E-leadership skills; data visualization/data analysis, High-performance computing skills and User Experience (UX) Design skills; Legacy maintenance skills. e) The skills most likely to be offshored: Coding/ software engineering/ app building skills and software testing skills (European Commission, 2014).

Capgemini Consulting (2013) indicates that the development of digital skills implies a transformation of existing business models with a focus on training and compliance with the use of new technologies, innovative tools

for recruitment and selection of talents, public-private partnerships with universities and business incubators/ start-ups. Training programs for development of digital skills represent a strategic component for obtaining organizational performance: for example, the partnership between P&G and Google for the development of employee skill in digital marketing. A specific instrument for the professional development of Generation Y is represented by mentorship programs, successfully implemented by companies such as General Electric, L'Oréal or Cisco.

Concerning talent recruitment, it is very important for companies to understand that Generation Y is very selective when it comes to employer brand and prefer employers that recruit via social networks – for example, L'Oréal introduced the gamification component in recruitment through Reveal platform and offer site visitors the possibility to discuss with the company employees and to engage in virtual assessment centers. Another trend in the development of digital skills consists of fusions and strategic alliances between companies and start-ups specialized in different technologies – for example, Walmart has created several research labs focused on product development (Small Society) and SEO –Kosmix. The development of strategic partnerships helps companies in the development of digital expertise on R&D – for example, Boehringer Ingelheim company from the pharma industry, in partnership with Kaggle data analytics platform creates predictive models in clinical research. Development of digital literacy among employees increases the economic competitiveness of organizations and can also be obtained by sponsoring start-ups from different market niches – for example, Nike in collaboration with Techstarts incubator promotes innovation in product development through Nike+Digital Accelerator (Capgemini Consulting, 2013, pp.7-8).

Although Millennials have been labeled as digital natives, Kate Meyer (2016) indicates that in reality, Generation Z has proficiency in digital technologies. Not all members of Generation Y have a native ability to use digital devices and most of them do not know how to use in a practical way real business problems; also, in comparison to Generation X, their attention spam is very low and they are not very good at multitasking. Regardless of this, Generation Y members are focusing on obtaining jobs in digital marketing and mobile devices. Barbara Anne Combes (2009, p.38) defines Generation Y as <digital refugees>, due to the fact that in reality, “they have poor Internet literacy skills, rely on keyword searching, trust search engine results and, as a consequence, exhibit a high level of satisficing and snaffling behavior”. When discussing digital skills for Romanian youngsters, we can differentiate between three distinct profiles: 1) *The Enthusiasts* - are keen on using technology; they are always connected online, even when they

relax, they have chaotic work schedules, but they prove to be competent; 2) *Rebels* - are attracted by ITC and they are keen on using it, they are more independent than Enthusiasts and less interested in receiving feedback at work.; 3) *Pessimists* - are passive, disconnected from the ITC world, they do not understand technology well and they use it only superficially (Mitan, 2014; Pinzaru et al., 2016).

In the near future, under the pressure of the business environment, youngsters will have to specialize in performance and be able to use automation platforms or internally developed software. The research developed by Educational Testing Service (2015), *America's Skills Challenge: Millennials and the Future* indicates that Generation Y is struggling with a series of problems concerning digital technology: *Literacy; Numeracy; Problem solving using digital technology* (Biro, 2016).

When it comes to managers, Roland Deiser and Sylvain Newton (2013) identify six social media skills that every leader needs for shaping their enterprise 2.0 strategy: creativity, authentic communication, the ability to generate engaging multimedia content and the ability to develop social and technological infrastructure beyond geographical and physical boundaries. Within the organization, the leader does not fulfill only his leadership position, but also several roles related to digital literacy:

- 1) Creating compelling content – creative skills, ability to tell compelling stories that can be converted into media; digital skills – including multimedia production and editing videos. Effective leadership also means video communication and to incorporate video streams into blogs;
- 2) Leveraging dissemination dynamics – Business people are familiar with control and formal communication. Social media changes this standardized process and internal communication by encouraging employees to create content. In this context, leaders should implement efficient communication strategies that correlate traditional paradigm with the digital one. Managers should have the ability to create relevant content but also the ability to disseminate viral messages to employees- with the help of informal opinion leaders. For example, Lorraine Bolsinger, vice president and general manager of General Electric acquired these skills through experimentation: she has created a "360 blog" to encourage free dialog with employees about her reports and strategies;
- 3) Managing communication overflow – Efficient managers should have the ability to filter and prioritize information. Due to the fact that in social media information gets shared and commented on within seconds, managers must decide quickly on what messages to share with different publics and online communities. Bill Ruth (General Electric- Software & Analytics Center Director) states that "a leader has to develop empathy for the various channels and the way people consume information."

- 4) Driving strategic social-media utilization – Leaders should fulfill a proactive role as promoters of an organizational culture that encourages the development of digital skills (especially for Generation Y employees). At General Electric, customer relationship management is based upon informal teams developed through social media. Leaders must become community mentors, content curators, network analysts, and social entrepreneurs.
- 5) Creating an enabling organizational infrastructure – The digital infrastructure creates cohesion among employees by promoting a participatory organizational culture. For a better connection with customers, videos developed by employees concerning the company and its product and services can be promoted through social media.
- 6) Staying ahead of the curve – Leaders must be informed constantly on the latest trends on business models and Internet of Things. Thus, it is essential that companies become more agile and competitive through the implementation of innovative technological systems. Leadership Academy of General Electric is focused on training managers from Generation Y to be familiar with latest technologies and innovation management (Deiser & Newton, 2013).

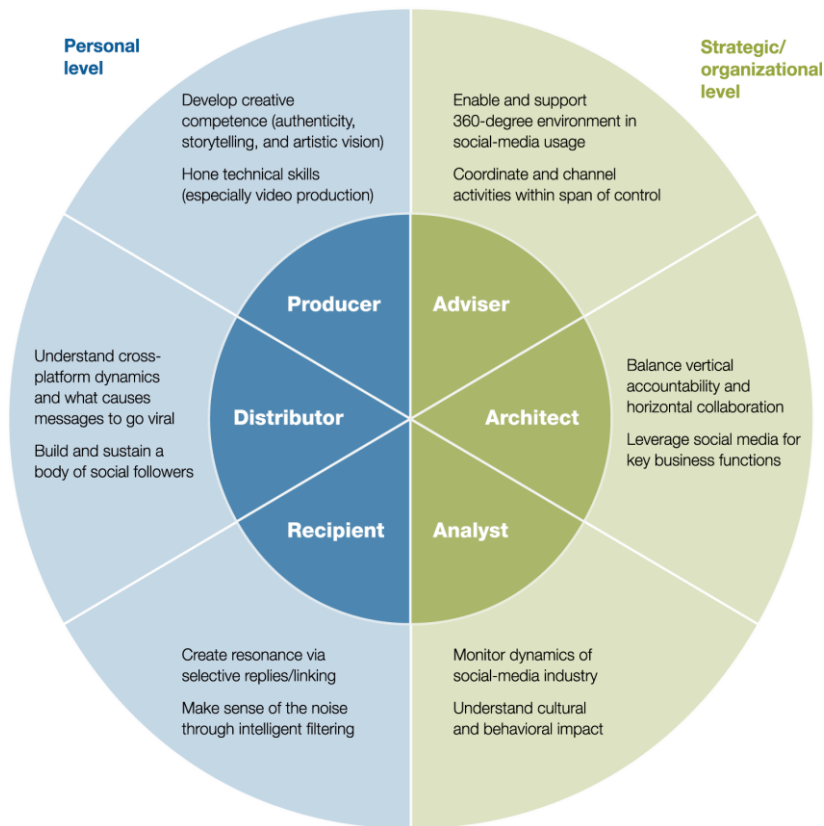


Figure 3. Six social media skills every leader needs (Deiser & Newton, 2013)

The report “*The Quest for Digital Skills. A multi-industry executive*” of the Economist Intelligence Unit (2016) outlines the dynamic development of digital skills in various economic sectors and the main challenges that managers need to face in this regard:

- 1) Companies from industries such as production or financial services face major deficiencies concerning digital skills;
- 2) At present, skills on cyber-security, mobile and web applications represent the most important skills required in the labor market; nonetheless, by 2018, skills on big data will become essential for the shift of companies towards 4.0 industry;
- 3) In comparison to Generation Y, Generation X is more reluctant towards digitization of processes and jobs;
- 4) Talents with digital skills choose creative industries, detrimental to production, retail or banking industries. The main solution for managers is to develop partnerships with business lab incubators and research labs;

5) Digital skills gap ranges according to digitization trends from different industries – retail companies are focused on the development of smart products, mobile and web applications, while companies from financial industry are more concerned with cyber security (Economist Intelligence Unit, 2016, pp.3-4).

Employees and implicitly managers need to adapt rapidly to the technological changes of business; this involves dynamism, interactivity, new tools of communication, a new perception of workplace and experiences. “The digital workplace gives employees the tools they need to improve their communication, collaboration, and connections with each other. Implemented effectively, it also allows organizations to mitigate common risks, adhere to their regulatory compliance mandates and ultimately realize enhanced business value” (Deloitte, 2012, p.14).

Conclusions

HR has entered into a new stage of evolution and effective organizations need to reinvent themselves at a structural level and this implies digitization of HR processes, new tools for communication and learning, new skills with a focus on people analytics and new organizational design. The digital age is reshaping the way in which organization recruit, select and develop skills for a new generation of employees. This new take on talent means development of core skills for increasing organizational performance: leadership, analytics, advanced skills in problem solving, decision-making, and design thinking. CEOs and HR leaders are focused on understanding and creating a shared culture, designing a work environment that engages people, and constructing a new model of leadership and career development; at the same time, becoming laser-focused on the external employment brand and embracing digital technologies to reinvent the workplace, focusing on diversity and inclusion as a business strategy (Deloitte, 2016, p.1). An important challenge for managers and implicitly, HR division, is represented by attracting and retention of Gen Y members in this case, employer brand value for career development and learning becomes an imperative for attracting high potential youngsters; the main challenge is to find the right balance and incentives to develop digital skills for Gen Y members that despite the fact that are professionally well equipped, they lack the ability to become real business problem solvers and to generate profit for companies (Pînzaru & Mitan, 2016).

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