NURTURING TALENT HUBS IN THE 21ST CENTURY

WENDY MCGUINNESS

'One hundred years ago, 2 out of every 10 people lived in an urban area. By 1990, less than 40% of the global population lived in a city, but as of 2010, more than half of all people live in an urban area. By 2030, 6 out of every 10 people will live in a city, and by 2050, this proportion will increase to 7 out of 10 people.'

– World Health Organization

Experts estimate that by the year 2050 two-thirds of the world's population will live in urban areas, a trend that is expected to be reflected in New Zealand. According to Statistics New Zealand, 71.8% of New Zealanders live in urban areas of 30,000 people or more.

It is little wonder then that we are seeing a worldwide resurgence in the interest in cities, what makes them tick and, more importantly, what makes them fail. In this essay we look at the current literature from the perspective of talent: redefining talent, why cities count, and how we might design urban environments so that they grow, retain, attract and connect talent?

Sir Paul's idea of creating *a place where talent wants to live*, emphasises the relationship between talent, live and place.
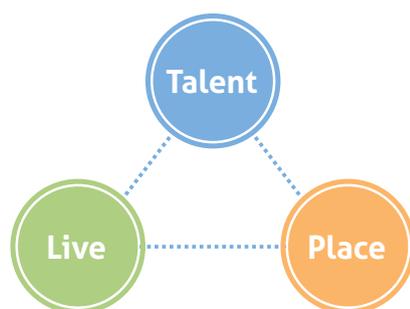

Talent, as emphasised in the interviews in part one, is best assessed in terms of three components: character (the key component), personality, and a commitment to learning and practicing skills (see diagram overleaf).

Live represents lifestyle; it is not about wealth per se, but about improving our living standards. Treasury's Living Standards framework provides a useful basis for considering the quality of how we live, assessing public policy in terms of five living standard dimensions: economic growth, sustainability, equity, social infrastructure, and risks.

Place is best understood in terms of the workplace and the marketplace: where we are inquiring, engaged and being productive. Sir Paul's vision, linking these three concepts, is a great platform from which to consider the development of our cities.

Talent – Redefining talent in the 21st century
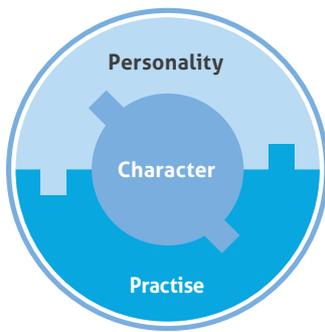
In a recent article in the Deloitte Review, *The open talent economy: Beyond corporate borders to talent ecosystems*, Jeff Schwartz explains how workers today are mobile, connected and manage their own careers, meaning that employers must redefine not only what it means to engage with talent but also what they offer talent. Extending this further, cities and countries should do the same.

The Deloitte article considers talent in terms of an 'open talent economy continuum' (see below).

where freelancers can go to work with a community of people who share similar interests; here you are likely to find good coffee, a desk to rent for the day, and access to a locker and meeting rooms. As an alternative to staying at home (which rarely works), these intermediate work spaces are attracting talent in droves. Given that we are moving further along the continuum, the challenge is to understand and embrace this new relationship between talent and the economy. The example above demonstrates how city environments can evolve to support new talent and ideas, hence managing cities well is becoming increasingly important.

Live – Why cities count

Chris Anderson, former editor of *WIRED* magazine, author of *The Long Tail*, and more recently *Makers: The New Industrial Revolution,* comments, 'a service economy is all well and good, but eliminate manufacturing and you're a nation of bankers, burger flippers, and tour guides'. In Anderson's opinion the economic growth in the long term will be about being small and global, arti-

with the best innovation model, not the cheapest labour. Societies that have embraced 'co-creation', or community based development, win. They are unbeatable for finding and harnessing the best talent and more motivated people in any domain'.

Edward Glaeser, professor of economics at Harvard University and author of *Triumph of the City*, draws similar parallels to Anderson. He observes that public policy and large-scale public works almost always fail in their objective of regenerating cities' fortunes. Most importantly, he introduces the idea that an urban government's job should be to care for its citizens, stressing that '... public policy should help poor people, not poor places ... [a] mayor who can better educate a city's children so that they can find an opportunity on the other side of the globe is succeeding, even if his city is getting smaller.'

In his recent book *Cities Are Good for You*, Leo Hollis discusses the need to redefine the meaning of community in our increasingly urban world. For

Open talent economy continuum

Balance Sheet   Partnership   Borrowed   Freelance   Open Source

In this continuum, the balance sheet talent is simply the traditional employer/employee contract model. From there they move to collaboration through partnership, then to borrowing talent under contracting arrangements, then to injecting missing capabilities into teams (freelancing talent), and finally to open source where people contribute their time for free. One of the fastest growing roles is the freelancer, which has led to the growth of freelance hubs in the United States. The idea is that buildings are themed by speciality (such as tech or designer)

sanal and innovative, high-tech and low-cost. It will be about creating the sorts of products that the world wants but doesn't yet know it wants, 'because those products don't fit neatly into the mass economics of the old model'.

Anderson believes that innovation, not labour costs, will decide the future centres of manufacturing. He says that although 'the spread and sophistication of automation will increasingly level the playing field between East and West ... the maker-movement tilts the balance toward the cultures

him, community goes beyond people who share a space; he believes '[i]t is an ecology that combines place, people and the way they interact'. Hollis further highlights the complex nature of cities, stating that although 'the idea of people coming together, sharing the same space and getting on with each other sounds simple, 7000 years of urban history disproves this.' He raises questions such as 'how can you prove you are who you say you are and how can you define humanity when people are on the move so much?' Questions like these underlie much of the debate

on how best to make cities work for people, not places.

Although city planning is not new, thinking about cities as living organisms is a relatively recent concept. The idea seems to have originated in a book by social scientist Jane Jacobs, *The Death and the Life of Great American Cities*, first published in 1961. In the book Jacobs outlines her key idea that to understand cities we have to deal outright with combinations or mixtures of uses, not separate uses, as the essential phenomena. 'The diversity, of whatever kind, that is generated by cities rests on the fact that in the cities so many people are close together, and among them contain so many different tastes, skills, needs, supplies and bees in their bonnets.'

Jacobs' book has had something of a resurgence in recent years. The UK government's chief scientific adviser, Sir Mark Walport, discussed Jacobs' observations at the opening of a new foresight project on the future of cities. *Foresight UK* is part of the Government Office for Science within the Department for Business, Innovation & Skills. It is headed by Walport, who reports directly to the prime minister and Cabinet. The project will take a long-term look at how cities in the UK can best contribute to economic growth over the coming decade, taking into consideration wellbeing, equity and social inclusion (see www.bis.gov.uk/foresight). Interestingly, the UK also has a city focus in Cabinet, with a designated Minister of Cities. See further discussion on page 109.

Walport noted that Jacobs had strongly criticised city planners who wanted to create neat and tidy zones that only met one function. In her view, a well-designed city should allow people to go outdoors at different times for different purposes, while also sharing many facilities. Her goal was to mix work and play, housing and services,

so that districts could serve more than one primary function. Specifically, she suggested block sizes should be short, creating frequent opportunities to turn corners. Jacobs was clearly an observer of humankind, who understood that cities are ecosystems, resources are finite and interaction is good for communities.

Smart cities are also a concept that has come of age. Jane Wakefield, a technology reporter for the BBC, recently identified smart cities as those that use technology to respond directly to the needs of the people. Wakefield cited London, Rio de Janeiro, Johannesburg and Singapore as examples. This is similar to the way Roger Dennis talks about Christchurch becoming a sensing city (see page 31). Cities that embrace technology and citizenship through improved forms of data infrastructure must, by their very nature, be more attractive to talent.

Wellington

The organisers of the annual *Future of Cities Forum*, held in Delhi, Dubai and most recently Hamburg, stated eloquently: 'Cities must go beyond sustainability to truly regenerative development: not only becoming resource-efficient and low carbon emitting, but positively enhancing rather than undermining the ecosystems on which they depend. Regenerative cities mimic nature's circular metabolism and operate in a closed-loop system that transforms waste outputs into inputs of value.' See www.futureofcitiesforum.com.

Place – Urban design

If demographers are telling us that cities are where most of us will live and economists are telling us that inventors are key to competing in the global economy, it is time to think hard about how cities might attract, retain, grow and connect talent. Using the analogy of an ecosystem, the question then becomes *what talent* should cities try and attract to pollinate the landscape and *how* might local councils go about creating such an environment?

In addition, serendipity plays a huge role in invention – whether it is in making a new product or creating a new talent hub. We do know, however, that the more we connect, the more likely new products will be invented and complex problems resolved. Essentially, we are social creatures; we enjoy spending time with people of similar interests and pursuing shared goals. Local authorities and governments that purposefully design places for people to connect and interrelate are more likely to develop cities that thrive.

Shaun Hendy (see page 101) shows that interaction and, in particular, sharing information is fundamental to invention, and therefore impacts positively on the economy. Hence the same phenomenon that Jacobs recognised in 1961 – that population density has a positive effect on wellbeing – is equally true when looking at talent: population density counts. Using Jacobs' observations, rather than focusing on creating neat and tidy zones that only meet one function, planners should prioritise optimising city areas, mixing houses and services so that 'talent' are able to mix, work and play.

Mark McGuinness, who runs the New Zealand property development company Willis Bond & Co., explained the link between talent and cities this way. Those with talent need an organic workspace and, depending on their degree of success and maturity, their

requirements will change over time. So in the early days they generally need small organic, gritty places which, in a way, are a badge of honour because they are humble and raw. Then, as people grow and prosper, their needs change. Exemplars of the 21st century include the headquarters of Facebook, Google and Microsoft. But there is another trend emerging: twenty years ago, talent wanted what Microsoft built – open park-like settings away from the hustle and bustle of the city.

Kirk Johnson and Nick Wingfield discussed this trend recently in *The New York Times*, noting that Amazon's decision to move into the centre of Seattle is a rejection of the suburban model typified by Microsoft. Johnson and Wingfield commented on the increasing tendency for technology companies to move their offices into city centres, citing Twitter and Dropbox in San Francisco, Tumblr and Etsy in New York, and Google in Paris and Pittsburgh as examples. They believe that '[a]n urban setting, with access to good restaurants, nightclubs and cultural attractions, has become as important a recruiting tool as salary or benefits for many companies.' See image of Amazon's proposed headquarters in downtown Seattle below.

McGuinness believes we are already seeing employers working hard to be responsive to the needs of emerging talent. Gen Y want a better work/life balance; they want a one-bedroom apartment they can lock and leave, a street below that is humming with cafes and food markets by day and pulsating street life at night. Down the road they want a place to hire a car (they don't want to own a car, a house or anything they cannot carry on their backs), a gym, a park and friends who share their passions. They want to work hard with others who are also talented and share their work interests; working in a prescriptive work environment or from home is not for them.

Further, McGuinness believes that people from Asia are going to be a big component of our cities in the future; many have been apartment-dwellers for three or four generations and seek out apartment-living on arrival in New Zealand. In many ways they started the trend. The fact that they have embraced this way of living is an important indicator that apartment living is here to stay.

Decisions made today by local authorities and central government matter; cities that embrace talent successfully will be the cities of the future. We question who in New Zealand is doing the research to understand how cities might grow, attract, retain and connect talent, and the thinking on how our major cities might develop and interact over time. Grace White provides some data overleaf to add to the dialogue.

Cities are clearly complex ecosystems, but they are systems nevertheless. We need to understand not only how to grow talent, but how to build environments in which talent want to live, work and play. Only by listening to what talent need and want, will we be able to stop them flying off to greener pastures or, if they do leave, tempt them home again. Our New Zealand cities have a lot to offer, we just need to connect the dots.

From the 30 interviews in part one, four key themes have become clear – New Zealand must work hard to grow, attract, retain and connect talent. Therefore how we manage our cities, and in particular our talent, will be critically important in the 21st century.

Global design firm NBBJ's rendering of Amazon's planned headquarters in Seattle, which is expected to draw thousands of workers.