

# Attracting Talent

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# Regional Development & Attractiveness



The “traditional paradigm”:

Regional Dev't & Attractiveness

=

Attracting Firms

=

Tax Breaks, Incentives, Infrastructures,  
Transports, Access to Natural Resources, etc.



# Theory Background



Traditional Perspective based on certain assumptions:

- Jobs and people follow Firms
- Most critical factors for production & profits are:
  - ❖ Physical capital,
  - ❖ Land costs and associated costs,
  - ❖ Access & proximity to natural resources,
  - ❖ Logistics, transportation & infrastructures



# Something has changed...



Transportation costs ↓↓

Information & Communication Technologies →  
proximity less important, possible to coordinate  
processes from very different places

Global Economy → easier to leverage the advantages  
offered from many different locations

“Knowledge economy” → Physical Capital & Natural  
resources less important



# The obvious question....



## Is Location still Important?

The Death of Distance, *The Economist*, 1998;

How distance is dying, *Fortune*, 1998;

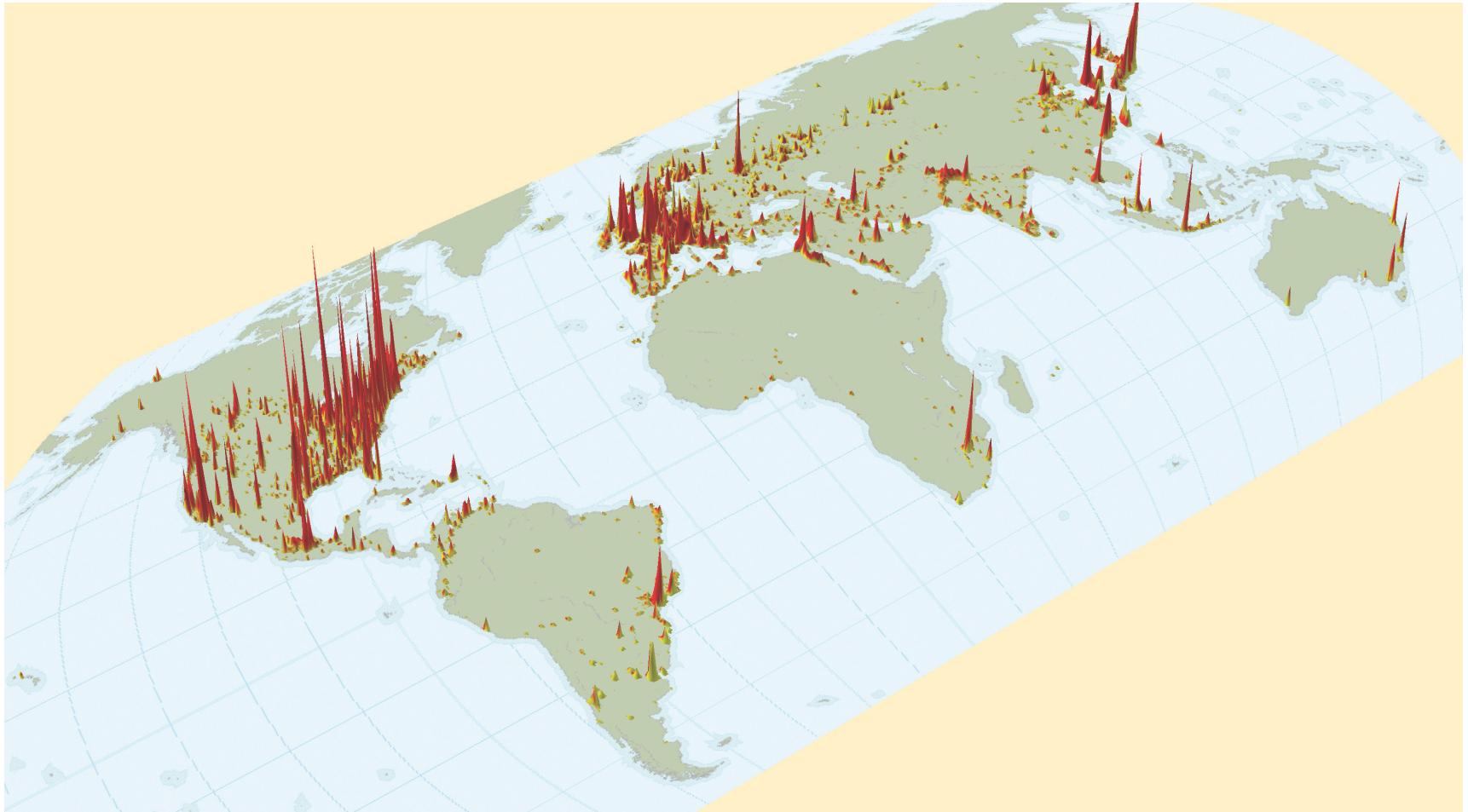
Distances fade away, *Wired*, 1999

....

The World is Flat, 2005



....YES!....



Source: R. Florida, *The World is Spiky*, Atlantic Monthly, 2006

# Few Examples....



Lycos

Logitech Therapeutics Inc.

Prada

**WHY?**



# The new role of Location



- Place Still Matters, but in different ways...
- It's not about land price, raw material, or simple infrastructure...
- It's about **human creativity** and highly skilled human resources. It's about **TALENT!**
- Jim Goodnight: “95% of SAS assets walk out the front gate every evening”



# Talents: Who are they?



- Highly skilled
- Mobile
- Internationally oriented
- Hunted by companies → they can *choose*
- Different notion of careers and values (i.e. personal growth, lifestyle, etc.)



**TALENTS:  
HOW TO  
ATTRACT THEM?**

# Group-Exercise



You are offered 3 jobs in 3 different places

Salaries and positions are comparable

How do you make the decision?

Prepare a list of criteria that you will use in making your choice of place.



# Traditional Theories on Human Location Decisions

- Housing & Land costs;
- Local taxes;
- Services: health care services, public schools, transports, etc.;
- Commuting times & Traffic.



# New Theories on Human Location Decisions

- Social Amenities: bars, restaurants, clubs, etc;
- Social Climate: openness & tolerance, acceptance of diversities
- Cultural Amenities: theaters, concerts, museums;
- Aesthetics & Outdoors: beauty, architecture, parks, bike trials, etc.



# Comparing Approaches & Results



<i>Traditional Approach</i>	<i>New Approach</i>
House & Land costs	Social Amenities
Local Taxes	Social Climate
Services: Health Care, Public Schools, etc.	Cultural Amenities
Commuting, traffic, etc.	Outdoors & Aesthetics

# Implications



- **for Regional Policies** new role of city centers, aesthetics, integration of economic and social values & policies, diversity & social climate.
- **for Firms' Policies** new location strategies  
*“Keep your tax incentives and highway interchanges, we will go where the highly-skilled people are” (Carly Fiorina, HP)*



# **TWO CRITICAL QUESTIONS**

# Q1: Talent vs. Firms' Attraction?



Not necessarily opposite strategies!

As firms depend more and more on Talent:

Attracting talents = Attracting Firms

Moreover:

1. Firms' Owners & CEOs are people too...
2. Today's Talents = tomorrow's entrepreneurs



## Q2: Talent Attraction as the only and universal recipe?



Not always.

It applies to specific contexts and industries

It depends on the region/city features

It depends on a firms' activities

Example: “The two souls of Google”



**OTHER  
QUESTIONS?**

**THANKS** 😊

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