Interview by Alistair Craven

Don Tapscott is an internationally sought authority, consultant and speaker on business strategy and organizational transformation. His clients include top executives of many of the world’s largest corporations and government leaders from many countries.

He is regarded as one of the world’s leading authorities on business strategy, with emphasis on how information technology changes business, government and society. He is the author or co-author of 13 widely read books, including Wikinomics, which was the best selling management book in the United States in 2007 and is now translated into 22 languages.

He is Chairman of nGenera Insight, a global business innovation company, headquartered in Austin, Texas with offices in the U.S, Canada, and the UK. Don directs several of nGenera Insight’s research and education programmes, which serve a marquee list of Global 2000 customers. Tapscott is also an adjunct Professor at the J.L. Rotman School of Business at the University of Toronto.

His latest book provides a comprehensive examination of the Net Generation, and based on a $4.5 million study, Tapscott’s Grown Up Digital offers valuable insight and concrete takeaways for leaders across all social institutions.

AC: Can you tell us about the background to your new book?

Don Tapscott:

It is a follow-up to a book I wrote more than ten years ago: Growing Up Digital. The first book was the end result of watching my own kids play with technologies like computers, videogames and VCRs, with seemingly no effort. By 1993, my son Alex, then 7, played complex games, typed class assignments on a Mac and sent an e-mail to Santa Claus at Christmas. That same year, my 10-year-old daughter Nicole figured out how to communicate with friends on computer chat lines. She was always pushing the envelope on technology in our home, even more than her brother. When the first browser, Mosaic, brought the World Wide Web onto the scene, they took to it like ducks to water, becoming more proficient surfers than either me or my wife Ana. When a new technology came into the house we would often turn to them to figure it out.

To find out what was going on, the company I founded, now called nGenera, launched a project to study the impact of the Internet on youth and understand this unique generation. I assembled a team to interview 300 young people up to 20 years old and I spent a lot of time trying to understand my own kids and their friends, how they interacted with technology and how that might change the way they learn, play, communicate and even think. I called them the “Net Generation.” Born between 1977 and 1997, these teenagers and young adults have grown up surrounded by digital devices and media. In 2008, the eldest of the generation turned 31. The youngest turned 12.

For the second book, I dramatically boosted the scope of the research, putting together a
$4 million research project that studied this generation in depth, and eight characteristics, or norms, describe the typical Net Gener and differentiate them from their parents. They prize freedom, and freedom of choice. They want to customize things, make them their own. They’re natural collaborators, who enjoy a conversation, not a lecture. They’ll scrutinize you, and your organization. They insist on integrity – being honest, considerate, and transparent, and living up to your commitments. They want to have fun – even at work and at school. Speed is just normal. Innovation is part of life.

AC: You say that “if you understand the Net Generation you will understand the future.” Can you elaborate?

Don Tapscott:

Around the world this generation is flooding into the workplace, marketplace, and every niche of society. These youth are bringing their demographic muscle, media smarts, purchasing power, new models of collaborating and parenting, entrepreneurship, and political power into the world.

They multitask, performing five activities at once. To them, e-mail is old-school. They use the phone to text incessantly, surf the Web, find directions, take pictures and make videos, and collaborate. They seem to be on Facebook every chance they get, including at work. Instant messaging or Skype is always running in the background. The typical adult middle-aged today grew up watching more than 22 hours of TV a week. They just watched, zoned out. When the Net Generation watches TV, they treat it as background Muzak while they hunt for information, play games and chat with friends online.

N-Geners pose a challenge for all institutions. For a government, N-Geners pose a challenge both as consumers of government services but also as citizens wanting to be involved in the democratic process. As consumers, they are much more demanding than their parents, and are accustomed to fast personalized service. As employees, their instincts run counter to many traditional workplace practices.

AC: In what ways is the Net Generation impacting on how organizations recruit and develop talent?

Don Tapscott:

Net Geners are savvy, confident, upbeat, open-minded, creative and independent, but they can be challenging to manage. To meet their demand for more learning opportunities, frequent feedback, greater work/life balance and stronger workplace relationships, organizations must alter their culture and management approaches, while continuing to respect the needs of older employees.

Compared to their parents at the same age, N-Geners have a much stronger sense of employee entitlement. A large number of N-Geners feel the job should be customized to fit their needs rather than the other way around. More than half, for example, say they want to work in places other than in an office. The perfect world for many N-Geners: replace job descriptions with work goals and give them the tools, latitude and guidance to get the job done.
N-Geners don't distinguish between being entertained, learning or working. Indeed, some 67 per cent of N-Geners we surveyed agreed that “working and having fun can and should be the same thing.” That means that making a workplace more attractive to the N-Gener means making it more fun. The old paradigm was that there was a time of day when one worked and a time of day when one had leisure and fun. But these two things have become the same activity because N-Geners believe in enjoying what they do for a living. N-Geners also entertain themselves at work to re-charge or eliminate boredom. Fun tool of choice: the Internet. Most visit social networking sites, catch up on news headlines, Google, IM with friends or watch videos on YouTube several times a day. Many perceive taking a ‘virtual coffee break’ for 10 minutes allows them to return to their work even more focused, they don't view such activity as abusing the system.

AC: You mention that this generation want to be “prosumers” instead of consumers, through co-innovation on products and services with producers, and the concept of a brand is “forever changing because of them.” Can you tell us more about this?

Don Tapscott:

A successful company today has a deeper understanding of its customers than its competitors. It constantly interacts with customers, harvests and analyses large amounts of data, and develops a knack for predicting great products.

In the new approach, customers can participate in the creation of products in an active and ongoing way. In other words, customers do more than customize or personalize; they add value throughout the product lifecycle, starting with design and extending to aftermarket opportunities for customer-driven commerce and innovation. Products – everything from software and games to cameras and cars – become smart and enriched with knowledge and services. There are endless opportunities to turn consumers into “prosumers” who are both consumers and producers of a company’s products and services.

This requires re-thinking everything in the customer experience value chain – from value creation and co-innovation, channel management, marketing programmes, customer engagement, new models of the brand, sales programmes, support and service and distribution platforms.

Preliminary research at nGenera suggests organizations that make meaningful improvements in their customers’ experience can realize bottom-line performance improvements of 10 per cent to 25 per cent. This comes from increased retention, additional sales, reduced customer acquisition costs, and strengthened price performance.

AC: You quote a survey in the UK which shows that – incredibly – 62 per cent of employers now check social networking postings of job applicants and that a quarter have rejected candidates as a result. What is your take on this and its implications for the recruitment process in general?

Don Tapscott:

I have long argued privacy is one of the most underestimated issues of our time. In 1995 I co-authored with privacy expert Ann Cavoukian the book *Who Knows: Safeguarding Your Privacy In a Networked World*. Our focus was on an individual’s privacy and best practices. We were alarmed how many individuals sacrificed nonchalantly their privacy in exchange for bonus products from a company or improved customer service. The approach some people have to privacy is: “who cares?” I still maintain that is their right to hold this belief, but individuals should make an informed choice and understand the potential costs of their decisions to forfeit their privacy. I fear that more often than not this isn’t the case.
In *Grown Up Digital* I discussed the enormous harm that could result from individuals, usually young people, posting online any thoughts and photos they can come up with, including last night’s keg party. This is reckless and wrong. Many companies check an applicant’s Facebook profile as standard procedure during the hiring process, and new stories arise daily of young people not being hired because of inappropriate material on the Internet. Companies aren’t going to stop checking potential applicants’ online personas. Indeed, smart companies are using tools such as Facebook to recruit potential employees.

AC: You suggest that today’s model of education “was designed for the Industrial Age” and needs radically re-vamping. What are your general thoughts on education and learning in the corporate environment?

**Don Tapscott:**

If school officials frozen 300 years ago came alive today and looked at the professions – a physician in an operating theater, a pilot in a cockpit, an engineer designing an automobile in cyberspace – they would marvel at how technologies had transformed work. But if they walked into most classrooms or lecture halls, they would no doubt be comforted that nothing was different.

Many teachers seem afraid of computers and the Internet, but they shouldn’t be. Used properly, these technologies make teaching an even more rewarding profession. By bringing the Net into the classroom, the teacher’s role is enhanced – challenging students, creating context, providing wisdom and structuring the learning experience.

I’m encouraged by the number of universities I see embracing a new education model. The new model shifts from teacher-centred to learner-centred education – centring the learning experience on the individual rather than on the transmitter. In the past, education has tended to focus on the teacher, not the student. This is especially true in post-secondary education where the specific interests and background of the teacher strongly influences the content. Much of the activity in the classroom involves the teacher speaking and the student listening.

By contrast, a learner-centred education begins with an evaluation of the abilities, learning style, social context, and other important factors of the student that affect learning. It makes extensive use of software programs that structure and tailor the learning experience. It is more active, with students discussing, debating, researching, and collaborating on projects. The new model emphasizes learning how to navigate and how to learn and think, rather than simply absorbing materials. The new model is also highly customized. It enables students to be treated as individuals, and have the learning experience shaped by their background, individual talents, age level, cognitive style, interpersonal preferences, and so-on.

AC: You don’t seem to be a big fan of traditional work training programmes, yet training in this format still appears to be one of the top areas of spend for many organizations. Are you calling for a paradigm shift in our approach to training?

**Don Tapscott:**

It’s bigger than that. Even with the current economic turndown, we’re on the brink of a
major war for talent, as many companies that rely on knowledge workers already know. The tables have turned. Twenty years ago, when college grads poured into the workforce, companies had their pick of the best and the brightest. Employers had the power to choose; employees were grateful to get a job and did what they could to keep it, and the last thing on their mind would be to suggest radical new ways of working and managing a company. But, in the next 10 years, as middle-aged and older employees retire, there won’t be enough Net Geners to fill up the management spots recently vacated.

To win the war for talent, companies will have to completely rethink the way they handle employees, from the first contact to after they leave the company. I call it Talent 2.0. The old model of employee development: recruit, train, supervise, and retain. The more appropriate employer-employee relationship for this generation is described as initiate, engage, collaborate and evolve. Here are some examples of what I mean:

- Re-think authority. Be a good leader (e.g., coach, mentor, facilitator, enabler), but understand that in some areas, you will be the student and the Net Gen employee will be the teacher. Net Geners need plenty of feedback, but recognition must be authentic. False praise doesn’t work.
- Rethink recruitment; initiate relationships. Don’t waste money on advertising for talent. Use social networks based on trust to influence young people about your company.
- Rethink training; engage for lifelong learning. Rather than traditional training programmes that are separate from work, look to strengthen the learning component of all jobs. To achieve this, encourage employees to blog.
- Don’t ban Facebook or other social networks. Figure out how to harness them. New tools like wikis, blogs, social networks, jams, telepresence, tags, collaborative filtering, RSS feeds can be the heart of the new high performance workplace. Re-think management processes and design jobs and work for collaboration. Give the Net Geners a chance to put collaborative tools to good use – by joining one of the company’s volunteering efforts.

AC: One of your seven guidelines for marketing professionals states that most TV, radio and print advertising is “a waste of time, energy, ink, money, and electrons.” Can you explain why?

Don Tapscott:

Because it is all broadcasting – sending one message to many people. That doesn’t work like it once did. It falls on deaf ears. Companies must build an ongoing relationship with their customers as I described in response to your question about prosumers.

AC: You mention that Net Geners are becoming “serial job hoppers.” What are the implications of this behaviour?

Don Tapscott:

In a knowledge-based economy, attracting the best employees is the organization’s primary competitive advantage. Unfortunately, where N-Geners are concerned, the attraction quickly fades. Today, fully one-third of new employees begin investigating alternative employment options within six months of being hired.

“To win the war for talent, companies will have to completely rethink the way they handle employees, from the first contact to after they leave the company.”
So organizations must somehow concurrently meet the imperative to reorganize themselves for greater flexibility, lower overhead and higher productivity, while providing a work environment that both attracts and retains N-Gen talent. This is an enormous challenge.

But even if an employee leaves, not all is necessarily lost. Indeed, there is much to be gained. Companies should think in terms of a longer-term, value-added, post-employment relationship. This requires thinking of employees as an alumni network with a web of contacts and a wealth of knowledge that has the opportunity to add value, even after they have left the company. Social networking, communities of practice and other Web 2.0 platforms allow an employee of any age to contribute, stay connected, and provide wisdom and contacts. N-Gen employees will embrace this kind of thinking as it reflects their way of interacting and contributing to their various communities through online communities such as Facebook and MySpace.

AC: One word in particular crops up a lot in your book: collaboration. Why is this word so important when discussing the Net Generation?
Don Tapscott:

In today’s working world, being able to collaborate is hugely important – and I don’t mean the kind of collaboration that equals endless meetings. Work has become more cognitively complex, more team-based and collaborative, more dependent on social skills, and more time pressured. Work is more reliant on technological competence, more mobile, and less dependent on geography. Thus growing numbers of firms are decentralizing their decision-making and embracing new technologies that link employees in teams around the world.

The new web – which allows you to not only hunt for information, but contribute – offers the technology to help us harness human skill, ingenuity, and intelligence more efficiently and effectively than anything we have witnessed previously. By mobilizing the collective knowledge, capability, and resources embodied within broad networks of participants, smart firms can accomplish great things. People throughout a firm, locked into traditional organizational structures, can be freed to share knowledge and ingenuity. Further, companies can reach outside their boundaries to tap into vast pools of labour available in the global economy. As I described in the book, whether designing an airplane, assembling a motorcycle, or analysing the human genome, the ability to integrate the talents of dispersed individuals and organizations is becoming the defining competency for managers and firms.

AC: A decade or so has passed between your writing of Growing Up Digital and Grown Up Digital. What kind of things do you think you will be writing about in another 10 years’ time?
Don Tapscott:

I don’t know. We’ve only just begun to see the impacts of technology on business and society. I like to quote the American inventor and author Ray Kurzweil. When it comes to microprocessor power, we are only just moving onto “the second half of the chessboard.” Kurzweil recalls a tale of the Emperor of China and the inventor of chess. The Emperor was so delighted by the game that he offered the inventor anything he wanted in the kingdom. The inventor asked for rice.
"I would like one grain of rice on the first square of the chessboard, two grains of rice on the second square, four grains of rice on the third square, and so on, all the way to the last square," he said. Thinking this would add up to a couple of bags of rice, the Emperor happily agreed. He was wrong. While the amounts of rice are small at the outset, they escalate to more than 2 billion grains halfway through the chessboard. The final square would require 9 billion billion grains of rice – enough to cover all of earth.

This is what’s happening to computers. The first microprocessor, produced in 1971, contained 2300 transistors. Roughly every 18 months since the number of transistors doubled. Today’s chips have billions. As microprocessor technology reaches its physical limits, the explosive growth on the second half of the board will be brought to us by nanotechnology. The microprocessor industry as we know it today will become obsolete in the next 15 years, replaced by a new generation of molecular electronics. Nanotechnology-based products are already here today, from high-performance oil refinery catalysts to stain-free khaki pants.

Computer companies are also focused on nanocomputing. The promise? Our concept of a computer will change to include something the size of a large bacteria. It won’t be on your palm – it will be in the fibre of your shirt. So even IT hardware has limitless boundaries, as far as we know. So it’s hard to speculate what I will be writing about in ten years.

AC: Are there any closing comments you wish to make?

Don Tapscott:

Read the book! It’s on many of the top book lists for 2008 and has received positive reviews on both sides of the Atlantic. And once you’ve read it, join the growing discussion on GrownUpDigital.com.

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Poised to transform every social institution, the Net Generation is reshaping the form and functions of school, work, and even democracy. Find out how in Grown Up Digital.

Visit http://www.grownupdigital.com for more information