The Talent Contest: Looking for an Edge With the Creative Class

Globalization and technology have created new options of working from anywhere, but that hasn't de-emphasized the importance of where a worker lives. Arguably, place is becoming more important.

In his recent book, "Who's Your City?" author Richard Florida makes the case that where someone lives is the most critical choice a person can make.

The Daily Journal and leaders at four global law firms had the opportunity to pose questions to Florida, author of "The Rise of the Creative Class" and the director of the Martin Prosperity Institute, University of Toronto. Here are the questions and Florida's written responses.

Regina M. Pisa
Goodwin Procter, chair and managing partner. Goodwin Procter has more than 850 attorneys in Boston, Los Angeles, New York, San Diego, San Francisco, Silicon Valley and Washington, D.C.

Regina Pisa: What are the most critical success factors in picking new locations to expand globally? Do the most successful law firms in those new markets share certain characteristics?

FLORIDA: Talent is the driving force behind innovation or any effective economic or business strategy. As the creative economy moves forward, talent will concentrate more than ever before. Talent is one of the most important criteria impacting potential corporate relocation and expansion decisions. Firms looking to expand or relocate must evaluate talent pools of target areas to determine whether there is a match between their needs and a community's strengths. In addition to talent, a region's amenities are important. Communities with thick amenities and offerings — restaurants, arts, public transportation, safe neighborhoods, etc. — will appeal to more creative talent, and in the long term be more competitive in the global battle for that talent.

Shane Byrne
Baker McKenzie, managing partner, San Francisco and Palo Alto. Baker McKenzie has more than 4,000 lawyers in 38 countries.

Shane Byrne: In the war for talent, law firms have been searching for ways to be more flexible in where their talent is located (e.g. remote workers). Given the importance of "place" that you have identified, are law firm resources better spent in concentrating their search for talent in key cities and in insisting that this talent work in these central locations?

FLORIDA: All creative workers are seeking places that are authentic, open and welcoming. The notion of quality of place is not a one-size model. Some may prefer a small community with a vibrant arts scene, while others may want a large metro that has access to the outdoors. In addition, workers at different stages in their lives may also want different types of communities and amenities. This is why my team and I comprised rankings for different size communities for each lifestyle. Companies, especially those who have the ability to have multiple operations, should consider having different options available for employees. This, perhaps, would be more effective than "remote" locations.

Keith C. Wetmore
Morrison & Foerster chair. MoFo has more than 1,000 lawyers in 17 offices in the United States, Europe and Asia.

Keith Wetmore: Morrison & Foerster recently implemented a global recruiting strategy that among other things emphasizes the common experiences of associates across the firm. Do you suggest that we would be more successful in attracting the talent and diversity we value by using a more geographically based recruiting model centered around the unique characteristics of the cities in which we have offices?

FLORIDA: Quality of place is the defining issue of the creative economy. Today's knowledge workers not only expect a diverse innovative working environment, but also a community that is aesthetically pleasing with rich opportunities. It's important to remember: The place creative workers choose to live is the most important decision we will make, largely because it influences and shapes all the others: from job opportunities and career options to our investments, the friends we make, the people we date, the mates we ultimately choose and the way we raise our families. Successful recruitment strategies will highlight both the firm's assets as well as those of the firm's location.

Ralph Baxter
Orrick, Herrington & Sutcliffe chair and chief executive officer. Orrick has more than 1,000 lawyers in 18 offices in the United States, Europe and Asia.

Ralph Baxter: Applying your ideas to the practice of law, representing global businesses and financial institutions, which are the three best cities in the world in which to base operations?

FLORIDA: London, New York, Tokyo, Singapore, and Chicago. Each of these regions score among my top mega-regions in the world for innovation, productivity and economic output.

The Daily Journal: Where do Web 2.0 collaborative capabilities — social media such as wikis, blogs, online networking — fit into the notion that proximity and the efficiency of real world human networking will cluster talent geographically?

FLORIDA: Collaboration is an essential element of creativity and innovation. I think it's important to underscore the importance of clustering AND human networking. Creative workers need to be around other thinkers, innovative and knowledge workers. Web capabilities can extend a creative worker's ability to cluster and network, but it cannot replace the importance of physical connectivity.

Where You Live May Be the Most Crucial Decision You Make

The following is excerpted from the book "Who's Your City?" by Richard Florida. Reprinted by arrangement with Basic Books (www.basicbooks.com), a member of the Perseus Books Group. Copyright 2008. www.whosyourcity.com

From Chapter 6, Where the Brains Are

The Means Migration

In 2006, I argued in The Atlantic that an even more significant demographic realignment is currently at work: the mass relocation of highly skilled, highly educated, and highly paid people to a relatively small number of metropolitan regions, and a corresponding exodus of traditional lower and middle classes from those same places. Such geographic sorting of people by economic potential, on this scale, is unprecedented. I call it the means migration, and refer to the regions capturing this demographic group as means metros.

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What's behind this phenomenon? It's not just that people prefer to live in means metros. To be sure, many of them are aesthetically pleasing — beautiful, energizing, and fun to live in — but others are cramped, dense, and expensive.

But there is a deeper, more fundamental reason, rooted in economics. Increasingly, the most talented and ambitious people need to live in the means metros in order to realize their full economic potential. The proximity of talented, highly educated people has a powerful effect on innovation and economic growth, as Chapter 4 has shown. Places that bring together diverse talent accelerate the local rate of economic evolution. When large numbers of entrepreneurs, financiers, engineers, designers, and other smart, creative people are constantly bumping into one another inside and outside of work, business ideas are formed, sharpened, executed, and — if successful — expanded. The more smart people, and the denser the connections among them, the faster it all goes. It is the multiplier effect of the clustering force at work.

In addition to the benefits of living near smart people and their creative ideas, the means metros have a larger and simpler advantage over other regions: a head start. For a variety of historical reasons—the presence of great universities is usually one — the means metros started off with a relatively high concentration of relatively talented people. And as more and more of such people are added, the multiplier effect on growth keeps increasing. That's not true just for growth in the aggregate but for individual incomes and opportunities as well.

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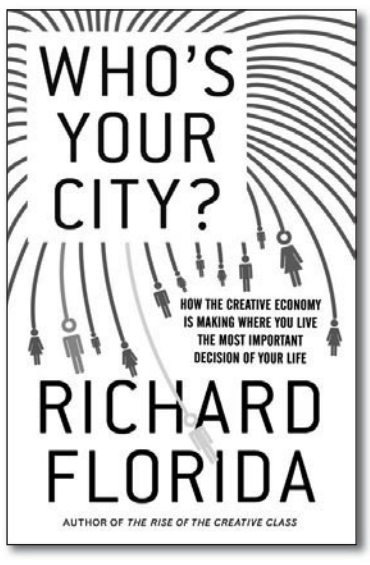
The means migration severs the long-held connection between population growth and economic development. Changing technology, increased trade, and the ability to outsource routine functions have made highly skilled people less reliant on colocation of the unskilled and moderately skilled.

What matters most today isn't where most people settle, but where the greatest number of the most skilled people locate. Because the returns from colocation among the ablest is so high, and because high-end incomes are rising so fast, it makes sense for these workers to continue to bid up the price of real estate (as I'll discuss in Chapter 8) and accept other costs that traditional middle-class workers and families cannot afford. As traditional middle-class families are displaced by smaller, higher-income households, population can decline even as economic growth continues. The most successful cities and regions in the United States and around the world may increasingly be inhabited by a core of wealthy and highly mobile workers leading highly privileged lives, catered to by an underclass of service workers living farther and farther away.



Based on more than 20 years of research, "Who's Your City?" argues that a new economic unit — the mega-region — is the driver of the global economy.

Putnam's ideas on the decline of tightly formed networks (the sort represented by 1950s bowling leagues) and the rise of a less caring society, more isolated individuals, and the decline of civic life have become incredibly popular. These networks are formed by two kinds of social capital: bonding and bridging. Bonding represents the close ties that exist within extended families or ethnic communities and is the phenomenon whose decline Putnam lamented.

Bridging reflects looser ties that extend across and connect different groups. For clustering, this second type is what matters. It "puts people in the flow of the many different thoughts and actions that reside in any one world," writes Andrew Hargadon, director of Technology Management programs at the University of California, Davis. At its heart, bridging, he continues, "changes the way people look at not just those different ideas they find in other worlds, it also changes the way they look at thoughts and actions that dominate their own. Bridging activities provide the conditions for creativity, for the Eureka moment when new possibilities suddenly become apparent."

In her study of the high-tech industry in Silicon Valley and on Route 128 outside Boston, Berkeley's AnnaLee Saxenian found that the resilience and superior performance of Silicon Valley companies during the 1990s turned on the adaptive capabilities of the region's decentralized but cooperative networks of entrepreneurs, venture capitalists, technologists, and newly minted university talent.

No matter what form it takes, networking reflects what Stanford University sociologist Mark Granovetter calls "the strength of weak ties," a remarkable phrase that captures the very essence of what's going on. In a widely influential study that examined how people actually find jobs, Granovetter concluded that it is our numerous weak ties, rather than our fewer strong ones, that really matter. The idea that proximity to total strangers is more important than connections to lifelong friends may seem strange, until you think about how networks function. The beauty of weak ties is that they bring us new information. Chances are, you and your friends travel in mostly the same circles. You know the same people, frequent the same places, and hear about the same opportunities. Weak ties are more numerous and take less effort to maintain. They introduce a bit of chaos into the equation, which more often than not is the key to identifying new opportunities and ideas.

While the venues in which we network undoubtedly differ depending on our occupation, the role and function of these activities are the same. In traditional office jobs, they may take the form of conversations around the water cooler or weekend games of golf. For investment bankers, it's power lunches and company retreats in the Hamptons. In high-tech fields, it's breakfast meetings, beer-bashes, or bicycle rides. One Silicon Valley venture capitalist drove this last point home when he said, "If you're not part of the peloton [the main pack of bicycles in a road race], you're not part of the deal." He wasn't being metaphorical.

Photo courtesy of Basic Books

Richard Florida is author of the best-selling book "The Rise of the Creative Class" and teaches and works at the University of Toronto.

From Chapter 7, Job-Shift

Making the Scene

The physical proximity inherent in clustering provides ample face-to-face communication, information-sharing, and teaming required to innovate and improve productivity. In contrast to highly standardized work of the industrial age, in which knowledge could be codified in and taught through standardized procedures and engineering diagrams, creative work relies heavily on innate knowledge—the kind that can be found only in—and, as I like to say, "in between"—people's heads.

Networks are the human connections that make it possible for people and firms to share this vital information, described in detail by Harvard political scientist Robert Putnam in his bestselling book Bowling Alone.

California Readies Its Own E-Rules

Continued from page 1

Assembly Bill 926, authored by Assemblywoman Noreen Evans (D-Santa Rosa), passed unanimously out of the Senate Judiciary Committee on June 24 and is on its way to the Senate floor.

If it passes there, it will go back to the Assembly for consideration before being sent to the governor by September. The Judicial Council says the legislation faces few obstacles on its way to the governor's desk.

All of this stems back to the federal rules of civil procedure that took effect in 2006 to guide requests for electronic information. Those rules spell out what to do when material is too burdensome to find and they offer safe harbors for information lost in good faith.

The federal rules have largely guided California, but the state thought it was time for guidelines of its own.

States are modernizing their rules, O'Donnell said. Attorneys need a more straightforward set of e-discovery rules for state court.

So legislation was drafted, with the support of the Consumer Attorneys of California and the California Defense Counsel.

Most of the provisions are similar, O'Donnell said. The main differences between the federal and state rules are the language and where the rules are found.

Federal Rules of Civil Procedure Rule 26 (b)(2) states that a party does not need to supply electronic information if it creates an unnecessary burden or cost. The party requesting the information must show that the request is reasonable.

"The federal rules front load the discovery process," said Mark Michels, senior litigation manager for Cisco Systems, meaning the burden rests on the initiator of e-discovery searches.

He and co-worker Neal Rubin, the company's vice president of litigation, say the possible incorporation of rules specific to California is a positive development. They say the rules vary only slightly from the federal rules.

But the California rules could increase the risk for a party responding to a request of inaccessible information — especially if that party must seek a protective order, said Eric Sinrod, a partner at Duane Morris in San Francisco and a writer on e-discovery.

It may be too soon, though, to know the effect the California rules will have on litigation.

"I'm not sure if there's enough data to say the changes the rule has made one way or the other," Rubin said.

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Correction

A story Friday, "Former Doctor Wins Suit Against Kaiser Lawyer," misstated medical regulations. There is no maximum age limit for doctors in California.

The Daily Journal regrets the error.

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