



The Big “Whoops!” The Delta between Top Talent Challenges and Companies’ Readiness to Address Them

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Global leaders may not agree on a lot of things — but they do tend to agree on the top talent challenges they are facing today. Deloitte surveyed 3,300 business and HR leaders in 106 countries on the importance of various talent challenges and how they perceived their preparedness in addressing them. Globally, the issues were remarkably similar. Alas, so was the lack of readiness to address those challenges.

Here we have the big “Whoops.”

The Deloitte Global Human Capital Trends 2015 report¹ (<http://marketing.bersin.com/hc-trends.html>) discusses the delta between perceived importance of human capital areas and the organizations’ view of their ability to address them — and that delta is often large. Here are the top ten of those talent areas, shown by perceived importance to respondents, along with their assessment of their company’s readiness to address that issue (see Figure 1). We are going to talk about just a couple of these “whoopsies” in this Back Story.

Culture Matters

A company’s culture appears to be closely tied to its ability to engage its employees: in this report, culture and engagement emerged as the #1 global talent issue — with 50 percent of respondents saying it is “very important” to them and their organizations — twice the number responding so in 2014. The challenge here is not just job fit but the ability to create meaningful work with adequate recognition of the employee’s contributions to the company’s successes. And how is this different from the past? Rarely was the HR practitioner asked to consider the nature of the work that an employee was asked to perform nor the attention he or she received for performing it. When we

evaluate culture and engagement, it is that task — the activity that is work — that tends to sit solidly in the middle of culture and engagement.

Culture matters in multiple ways. HR members often become brand ambassadors for the whole company — responsible for first ascertaining, and then marketing the authentic culture of the company to potential job candidates. Evaluating a company’s employment brand, as this is called, is a relatively new concept, different that the idea of the corporate brand, and may well be an activity that is new to the HR practitioner. Why is it important? Because the misrepresentation of the employment brand to a prospective new employee can mean the difference between a job fit and a misfit — a potentially costly mistake to make.

Canadian companies participating in the survey were more comfortable with the culture and engagement challenge (leadership gaps were their first ranked issue; culture and engagement was second). Among the Canadian respondents, 89 percent felt they are ready to take on culture and engagement, 75 percent believe they understand their current workplace culture, and fully 71 percent report that they frequently monitor employee engagement.

The Leadership Whoops

Leadership was deemed second in importance globally (it was rated first in importance by Canadian companies that participated in the survey), and here is the single largest gap between perceived readiness to address the

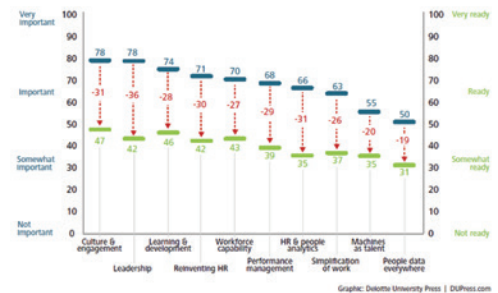


Figure 1. Talent Trends: Global Importance vs. Readiness.

issue. Why the head-in-the-sand stance on leadership? Let's take a minute to consider some possibilities: during the past recession, monies spent on development often dried up – the attention to promising potential leaders for the future likely waned. While acquisition of succession planning software is ticking upwards, most is fairly recent – perhaps HR practitioners didn't previously have the tools at their fingertips to better identify their future leadership. Or perhaps we just don't like to acknowledge that current executives or those employees in pivotal positions on which the company relies might leave our companies. This is a “whoops” HR should address and address today.

Can You Build What You Cannot Buy? (But do you know what you can buy?)

Both learning and development and workforce capability are “whoops” issues, as shown in Figure 1, but in the U.S., for example, new programs created in response to the Workforce Innovation and Opportunity Act (WIOA)

Last year, Congress passed WIOA, the first legislative reform of the public workforce system in more than 15 years, by a wide bipartisan majority. It is intended to help job seekers and workers access employment, education, training, and support services so that they can better succeed in the labor market, and also to match employers with the skilled workers they need to compete in the global economy.²

are rolling out to help skill and reskill job seekers. And speaking of readiness, WIOA went into effect as of July 1, 2015. Are you preparing to take advantage of these workers?

What changes

might this bring to your candidate pool, particularly those of you with large hourly workforces? WIOA authorizes programs for: specific vulnerable populations, Indian and Native Americans, and migrant and seasonal farm-worker programs, and; training and employment services for adult, dislocated and disabled workers through literacy and vocational rehabilitation and supports Job Corps and YouthBuild.³ Are you targeting these trainees in your diversity and inclusion efforts? Are you working with your local agencies to provide onramps to jobs for these populations?

Underperforming in Performance

Performance management didn't make

the top five globally, but surveyed companies across the globe felt only “somewhat ready” to address this challenge. This is an area of talent that is in flux, as many HR environments are just beginning to adopt programs (and software) that replaces one-time annual reviews and ratings with reiterative performance conversations and feedback. It will be interesting to see if companies perceive that they have shrunk that gap in next year's survey.

Likewise, interest in the integration of HR decision support via analytics into the talent arena has been growing in the recent past, but most practitioners have a long way to go. Data science has impacted HR such that analytics about talent abound; increasingly, science has become ingrained in practices that look at a candidate's “fit” within an organization, his or her degrees of engagement, likelihood of leaving the company, and even the likelihood of becoming a high performer in the future. Predictive analytics can become an effective aid in helping managers better help their team members achieve the career aspirations they seek. But while this study showed that three in four companies surveyed (75 percent) believe that using analytics in HR is “important,” just eight percent believe their organization is “strong” in this area. One of the top challenges to building an effective analytics capability is a lack of skills in HR for gathering, analyzing, and interpreting data. HR teams need dedicated staff for these activities, and these roles tend to involve new and different skillsets. So, despite a great deal of media attention and high-profile uses of analytics, we see another area of “whoops.”

Big Picture HR

Some conceptual areas that attracted attention to the 33,000 respondents were big picture endeavors: reinventing HR, the increasingly disparate workforce, simplification of work, and the integration of machines at work. None of these are challenges that have a singular formula for addressing. Perhaps the good news is that these participating companies recognize that their human capital practices need addressing and that the workforce of yesterday is definitely not the workforce of tomorrow. Technology that was supposed to make life easier may have inadvertently made aspects of the 24/7 work world overly complex or at least

overwhelming for some workers. And be they drones or self-driving vehicles, increasingly sophisticated technologies are entering the workplace and very likely to change aspects of the nature of work. These will all likely require HR scrutiny: wearable computing “garments” and devices can alleviate repetitive mundane actions; robotics – no longer looking like renegades from science fiction movies – can augment human workers in what might be tedious recurring or potentially dangerous tasks. While robotics have been almost universally used in discrete manufacturing, untethered robots have seen little consumer or office place adoption other than for floor-cleaning.

Marching Orders

The status of global human capital management today is rather like that old commercial: “You’ve come a long way, baby – but you still have a long ways to go.” Many HR teams have made nascent strides in redesigning performance management and in upskilling staff on analytic skills. Some of our “whoops” areas involve careful investigation and planning – like changing a toxic culture – but some need HR’s immediate attention, such as addressing the pending leadership crisis. The delta between the top ten global areas of concern and a company’s ability to address them is likely the delta between a struggling or status quo company of tomorrow and those that rise to the top of the “best places to work” food chain. For far more details, please check out the Deloitte Global Human Capital Trends 2015 report.

Endnotes

- 1 Global Human Capital Trends 2015: Leading in the New World of Work. Deloitte University Press. 2015.
- 2 Workforce Innovation and Opportunity Act Overview. U.S. Department of Labor. July 22, 2014.
- 3 Ibid.

About the Author



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