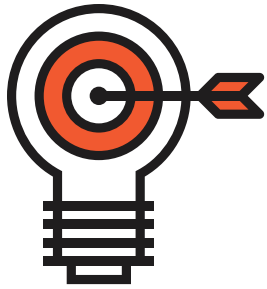# HCI Human Capital Institute

TALENT PULSE
PROPRIETARY RESEARCH FROM HCI

2020 Talent Pulse Priorities

MESSAGE FROM THE HEAD OF RESEARCH

Jenna Filipkowski, Ph.D.
Vice President of R&D
Human Capital Institute

This year, my family moved from America's midwest to its east coast. Moving is exhausting, emotional, and expensive. However, I (secretly) loved it, but not for the obvious reasons. Greater opportunity and closer proximity to my family made this move advantageous for us. But my favorite reason was our ability to downsize and get rid of stuff. Weeks before the moving trucks arrived, I critically evaluated everything we owned and then tossed or donated what we did not need or want. We arrived in our new home with absolute certainty and satisfaction that everything we have adds value and makes our life better. It felt good.

As we enter a new decade and officially live in the future (we can start writing those 2030 predictions and goals now), we are wise to evaluate what we want to take with us. What HR programs, processes, and practices serve our people? Which practices add value to the business? Which do not? In the coming months, we should analyze our projects and priorities to critically evaluate what to bring forward into 2020.

At HCI, we help you answer these questions. We develop your strategic capabilities so that you know the business, consult and collaborate with stakeholders, use data for insights, and create strategy-based solutions. When you engage with our certifications, conferences, webcasts, podcasts, and research, you learn how to translate strategy into results by *only* doing what matters most for your people. Knowing that your work is valuable and contributes to the success of your organization, you feel good, too.

This paper recaps the notable insights from this year's research reports and highlights what HCI is bringing to you in 2020. Enjoy this time of reflection and action!

Kindest regards,

Jenna
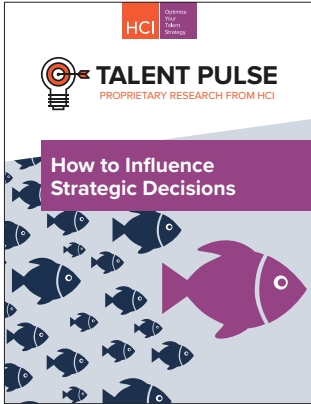
WHAT WE LEARNED IN 2019

Talent Pulse 6.1—How to Influence Strategic Decisions

✔ Strategic priorities should be distinct from the competition, incorporate the organization's internal and external constraints, and be communicated effectively to the workforce.

✔ Respondents from high-performing organizations (HPOs) are more confident in their senior leaders' ability to develop competitive, realistic strategic priorities and communicate those to the workforce via their managers.

✔ Without business and talent strategy alignment, people become a constraint rather than a driver of the ability to execute the organizational strategy. Respondents from HPOs report stronger alignment among their HR initiatives and strategic priorities (67% of HPOs agree versus 40% from all other organizations).

Talent Pulse 6.2—Beyond the Interview: Strategies and Tools for Making Better Hiring Decisions

✔ Slow process times, unclear hiring criteria, and the inability to predict new hire success are the top three challenges for hiring decisions.

✔ HPOs are more likely to have competency models that define successful job performance (89% of HPOs versus 45% of others). Because HPOs are more likely to rely on a competency model, they can use pre-hire assessments that align with the specific qualities they need for individual roles.

✔ Background checks, resumes, referrals, interviews, and references are the most popular methods for screening applicants. For decisions, HPOs evaluate both candidates' past experiences and potential opportunity for growth within a company.
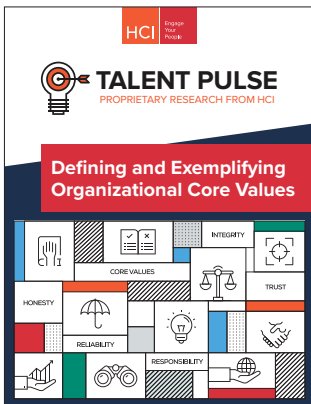
Talent Pulse 6.3—Defining and Exemplifying Organizational Core Values

✔ An organization's core values are those beliefs that guide actions, decisions, and behaviors. Core values contribute to the culture of an organization. Eighty-six percent of organizations have formal core values statements, but only 46% of respondents report that core values and behaviors are aligned.

✔ Senior leaders are either the owner (49%) or contributor (49%) to the process of defining core values. Eighty-two percent of HPOs agree that leaders consistently role model values compared to 49% of all other organizations.

✔ HPOs integrate core values with HR programs and talent initiatives such as recruitment, onboarding, development, and performance management.
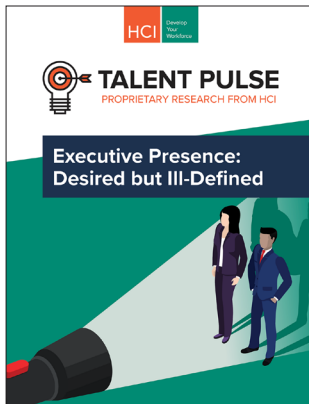
Talent Pulse 6.4—Executive Presence: Desired but Ill-Defined

- HPOs are more likely than all other organizations to have executive presence as a formal leadership competency. HPOs are also more likely to measure executive presence and develop it in their people.

- Respondents consider many personal attributes and competencies as parts of the executive presence construct. The most important ones are communication skills, integrity, delivers results, and relationship-building.

- Executive presence is developed through stretch assignments, 360-degree feedback surveys, and coaching.

How High Performing Organizations Compete for Talent: Evolving Strategies for Attracting and Hiring a Complex Workforce

- Fifty-three percent of organizations plan to make major changes to their talent acquisition strategy in the next two years. Forty-two percent of respondents anticipate managing an even more varied talent mix with more contingent/gig/freelance/contract workers expected to be hired.

- Increasing wages and bonuses and offering learning opportunities and access to training programs are popular ways to address skills gaps within organizations.

- HPOs are more likely to invest in workplace tools and technologies than their counterparts and to leverage those investments in their employer value proposition.
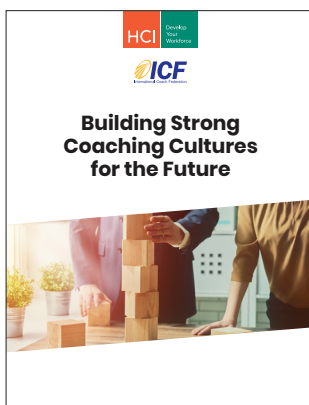
Building Strong Coaching Cultures for the Future

- More than four in five (83%) organizations plan to expand the scope of their managers/leaders using coaching skills during the next five years.

- The top three cited purposes for coaching were leadership development (55%), talent development (51%), and performance management conversations (49%).

- Most respondents say their organizations do not incorporate any evaluation methods or tools for coaching. This inability to measure coaching impact was considered one of the main obstacles to building a strong coaching culture.

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Drive Transformational Change Through Learning and Development
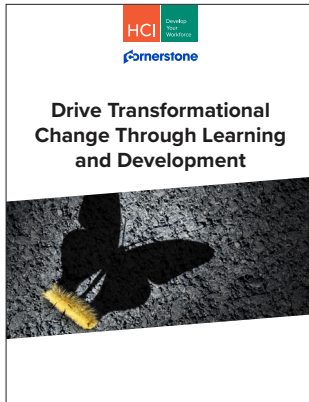
Drive Transformational Change Through Learning and Development

✔ Respondents from HPOs are more likely to agree that they drive change through people rather than people through change (57% of HPOs agree versus 44% from all other organizations). As a result, HPOs are much more likely to see HR programs as important in their change efforts.

✔ Effective leadership is vital to sustaining an organization through change. Most respondents recognize this and focus a considerable share of their development efforts on front-line managers (69%) and mid-level managers (62%).

✔ Most respondents (64%) agree that developing technical expertise and task proficiency is necessary for driving transformational change, but nearly all (90%) prioritize the development of so-called "soft" skills for this effort.

Developing Sustainable Leadership Pipelines
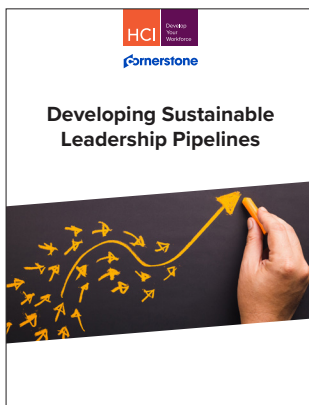
Developing Sustainable Leadership Pipelines

✔ HPOs are more likely to assess, identify, and track current and potential leaders at every level in the organization.

✔ Front-line and mid-level managers are offered more stretch assignments and web-based training, while directors and executives are offered more peer networking and coaching opportunities.

✔ HPOs are more likely than other organizations to focus on developing self-awareness, interpersonal and emotional intelligence, and business acumen in their leaders at every level.

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WHERE WILL WE GO IN 2020?

ORGANIZATIONAL PRIORITIES

Annually, HCI researchers survey our members to understand their current talent management and organizational priorities. We asked 462 leaders and practitioners in the functions of HR, talent management, talent acquisition, and learning and development to indicate the three concerns most likely to have the biggest impact on talent strategy. Skill shortages, industry competition, and baby boomer retirement are at the top of the list.

Which of the following will have a significant impact on your organization's talent strategy in the next 2-5 years?

	2017	2018	2019
Skills shortages in your industry	1	1	1
Increased competition in your industry	3	2	2
Baby boomer retirement/multi-generational workforce	2	4	3
Technological changes and digitalization	3	3	4
Diversity and inclusion in our workforce	5	5	5
Burnout in our workforce	N/A	N/A	6
Big Data/analytics	7	6	7
Automation and artificial intelligence	10	8	8
Opening of new markets	8	9	9
Regulation/compliance	6	7	10
Mergers and acquisition	N/A	N/A	11
Data security/IT security	8	10	12
Gig economy/on-demand labor	11	11	13
Global trade disruption	12	12	14
Climate change/access to environmental resources	12	13	15
Blockchain/distributed ledger technologies	N/A	N/A	16

TALENT STRATEGY PRIORITIES

How important are the following areas to your organization's success right now? *(Very Important ranking)*

	2017	2018	2019
Retention of high-performers	1	1	1
Sourcing and attracting candidates	5	4	2
Leadership development	2	3	3
Employee engagement and experience	3	2	4
Culture and values	7	5	5
Change management	6	9	6
Effective teams	4	6	7
Workforce planning	8	7	8
Candidate experience	10	10	9
Talent and organizational strategy alignment	N/A	N/A	10
Training and learning	9	8	11
Coaching and mentoring	11	11	12
Performance management	12	12	13
Diversity and inclusion	20	18	14
Onboarding	13	16	15
Succession planning	14	13	16
Legal compliance and policy	17	15	17
People analytics	15	17	18
Employment branding	16	14	19
Compensation and benefits	19	19	20
Rewards and recognition	18	20	21
Employee/labor relations	23	23	22
Assessments for selection and development	22	22	23
Internal talent mobility	21	21	24

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2020 *TALENT PULSE* RESEARCH REPORTS

TALENT PULSE
PROPRIETARY RESEARCH FROM HCI

Optimize Your Talent Strategy	**Q1** Cultivating (and Measuring) Inclusion, Belonging, and Equity at Work *Survey Open: January*
Acquire the Right Talent	**Q2** Opening the Gates in Hiring: Finding New or Overlooked Sources of Talent *Survey Open: April*
Engage Your People	**Q3** Reengage with Work: Predictors and Prescriptions for Burnout *Survey Open: June*
Develop Your Workforce	**Q4** Accurate and Accelerated: Next-Generation Succession Planning Methods and Tools *Survey Open: July*

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FOCUS AREAS

Based on the results of the member survey, customer interviews, and scans of the current literature and landscape, HCI will focus on the following content areas in our research reports, *Nine to Thrive HR* podcast, weekly webcasts, certifications, and conferences this year:

Optimize Your Talent Strategy

- Digitally Disrupted: Agile Workforce Strategies and Planning for Increased Industry Competition
- Afraid of the Machine? Job Displacement and the Future of AI at Work
- I Have Answers: Using Consulting and Influencing Skills for People Analytics Projects
- People Analytics and Change Management Indicators: How to Measure Readiness, Resistance, and Results

Acquire the Right Talent

- Don't Mind the Gap: Strategies for Employers and the Job Seekers Returning to Work
- The Compensation Conundrum: Salary Adjustments to Compete for New Hires and Existing Talent
- Improving the Talent Acquisition Tech Stack for Efficiency, Speed, and Quality of Hire
- Hiring for Today or Tomorrow? Strategic Workforce Planning and Talent Acquisition

Engage Your People

- Culture Transformation as a Business Strategy: How Leaders Connect Talent with Results
- Using Design Thinking for the Employee Experience
- On the Front Lines: Helping Managers Engage and Retain Their People
- Establishing Performance Expectations and Psychological Safety Within Remote Teams

Develop Your Workforce

- Everything's Different: Reskilling the Workforce for New Organizational Strategies
- Coachable: How to Foster Self-Awareness, Motivation, and Personal Transformation
- The Right Person, Time, and Content: Personalizing Leadership Development
- Undiscovered Leadership: Finding and Developing Leaders from New, Different Sources

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2020 HR CONFERENCES

People Analytics & Workforce Planning
2020 CONFERENCE

Strategic Alignment + Workforce Insights = Better Business Results

MIAMI
March 23-25

JW Marriott Turnberry

Inclusive Diversity
2020 CONFERENCE

Shaping Inclusive Workplaces Through Data, Influence, and Change Management

SAN FRANCISCO
April 27-28

Hyatt Regency

Strategic Talent Acquisition
2020 CONFERENCE

Rethink Analytics, Process, and Tech to Close Talent Gaps

BOSTON
June 22-24

Encore Boston Harbor
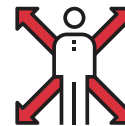
Employee Engagement
2020 CONFERENCE

Inventive Tools and Key Analytics to Help Managers Drive the Employee Experience

CHICAGO
July 27-29

Downtown Marriott

Learning & Leadership Development
2020 CONFERENCE

Fast Tracking the Leadership Pipeline: Data, Agility, Succession, and Retention

BOSTON
September 21-23

Encore Boston Harbor

Human Capital Institute

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