



Talent Management:
is your workforce
equipped to perform?

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Insights from a landmark survey of more than 3,100 HR professionals worldwide

The changing nature of work is having profound effects on talent management strategy, yet only about 50% of organizations have the information they need to make good people decisions, and 61% don't understand the workforce's potential to deliver business results.



What causes organizational productivity to stall?

Most companies face one or more of these strategic business issues. Yet, few firms know how well-equipped their workforce is to respond, adapt and perform.



Organizations lack people insight:



39%

make business decisions without objective talent data



52%

lack the right information to make good people decisions



61%

don't understand their workforce's potential

Traditional practices are not measuring up

HR professionals told us what they're seeing and the implications for managing talent.

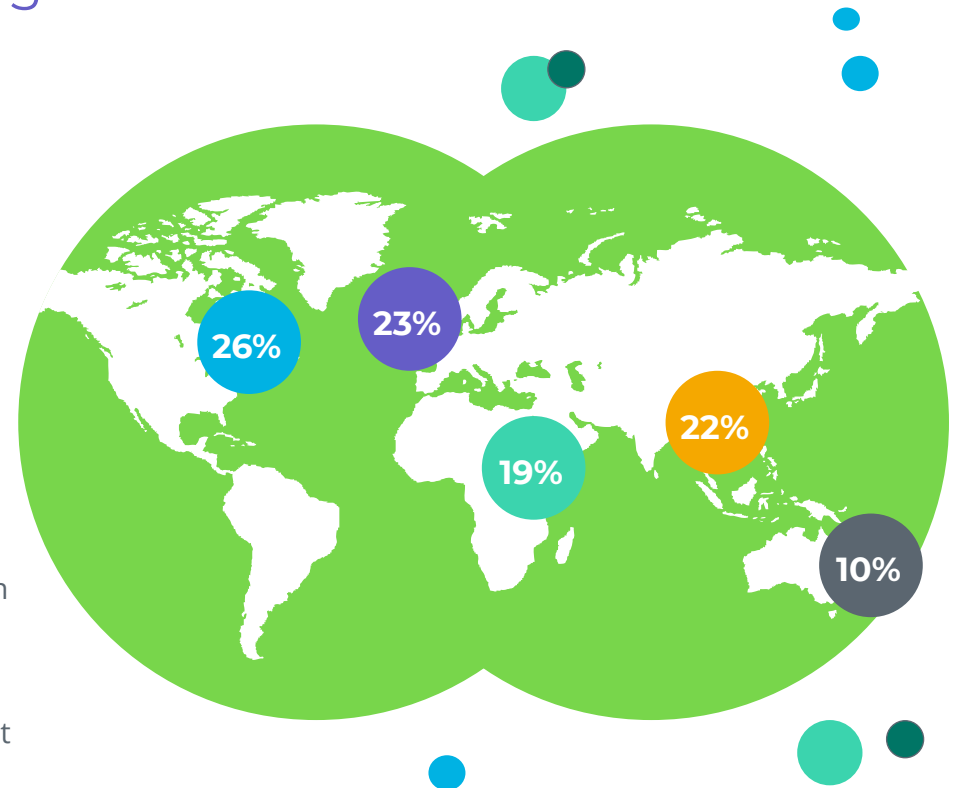
SHL's 2018 Global Assessment Trends Report is based on data from an online survey administered to 3,135 HR professionals in November 2017.

Respondents work for organizations of a variety of sizes and industries, headquartered in these geographies:

- The Americas
- Middle East and Africa
- Europe
- Australia and New Zealand
- Asia

Most respondents report into an HR function within their organizations and represent a variety of roles. The largest portion of respondents reported to be in HR leadership (39%).

The most surprising finding: In a dramatically different work paradigm, there's still a lot of allegiance to legacy approaches that don't work, and a lot of hesitation about new advances that do.



Top trends for managing talent

How post-hire assessment strategies are adapting to deliver better business results



The 60-second view

ONE Assessment reach extends into internal talent programs.

HR is prioritizing initiatives that focus on key talent segments.

TWO There's more (but not enough) focus on tying assessments to business impact.


Most organizations (62%) use business outcomes to gauge how assessments add value to development programs.

THREE Tailored assessments are on

the rise. Organizations are opting for the greater predictive precision of job-specific and organization-specific assessments.

FOUR Organizations are moving from big data to good data. Only 27% are satisfied with how their HR systems manage talent data. Lack of integration is the biggest barrier (72%).



A photograph of three people in a meeting. A man on the left, a woman in the center with glasses and a grey sweater holding a white mug, and a man on the right are looking at a tablet on a table. The woman is pointing at the screen. The background is a modern office with a circular light fixture.

Only 39%
have a clear
understanding
of their workforce
potential.

ONE

Assessment reach extends into internal talent programs

SHL research shows that 9 out of top 10 HR priorities are concentrated on internal talent programs.



However:



HR is prioritizing initiatives that focus on key talent segments – current and future leaders, as well as HIPOs.



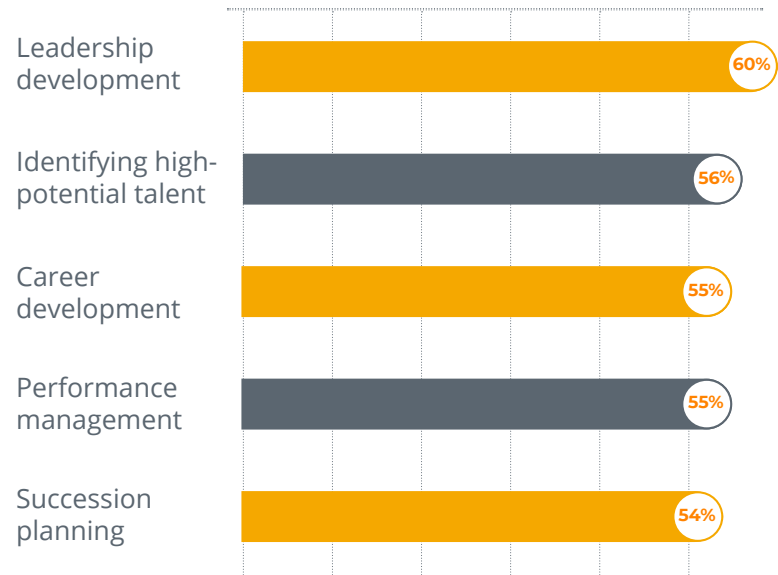
Organizations prioritizing those initiatives have also aligned their use of assessments to those areas



They also plan the greatest use of assessments in the same areas

As a result, organizations are likely to be investing in more assessments for more purposes in the future.

The top focus areas in our latest survey:





Engagement has lost some of its luster.

When SHL conducted this survey in 2014, engagement was the top priority across all geographies. Now it's not even in the top 5.

TWO

There's more (but not enough) focus on tying assessments to business impact

Do your post-hire assessments predict job-relevant outcomes from development efforts? You won't know unless you validate them by quantifying the relationships to business outcomes.

Given the invigorated focus on talent development for high performance – reflected in four of the top five talent priorities – it's not surprising to see more use of post-hire assessments. It is encouraging to see the growing use of business outcome metrics to show the effectiveness of assessments in both hiring and post-hire talent strategies.

The **top business outcomes** organizations use to track the usefulness of assessments as part of development programs include:



SHL research showed a dramatic upswing in organizations' use of business outcome studies:



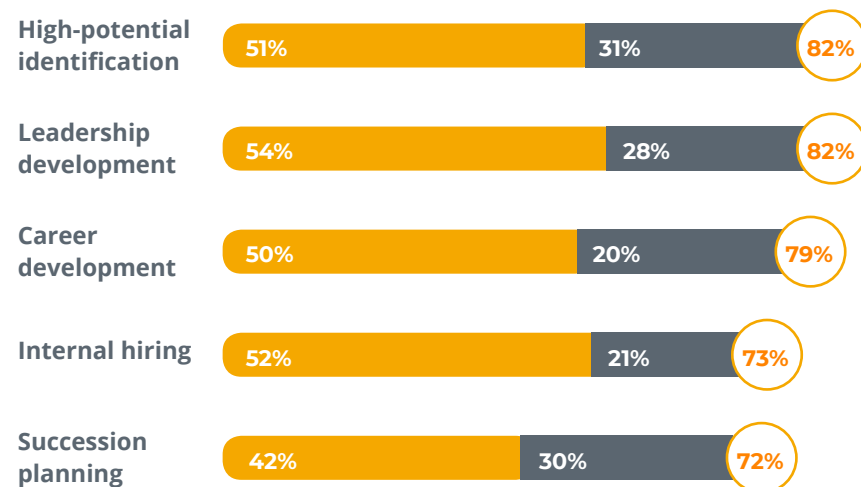
Assessments, long viewed as critical for hiring, are now increasingly common for development – tracked with associated business outcomes.



THREE

Tailored assessments are on the rise

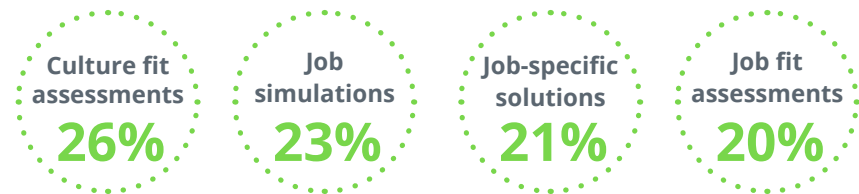
Assessments are widely used for to drive and understand talent development. Organizations are currently using or plan to use assessments in the near future for these top post-hire focus areas:



● Using ● Planning to use

Although assessment use is up, we're seeing a decline since 2014 in the use of broad assessments – such as general tests of skills/knowledge, situational judgment, personality and cognitive ability. Those tools aren't always precise enough for the new work environment.

The latest research shows the largest planned increases in job-specific-assessments instead:



This concept of tightly focused assessment is supported by the most comprehensive leadership study of this century. Our three-year study of 9,000 leaders analyzed the influence of 60 variables and identified 27 contextual challenges that matter in leadership roles. The result is an assessment three times more accurate in matching leaders to roles and predicting leader success. Precision counts.

Job-specific
assessment is on
the rise, general
assessment on
the decline.



FOUR

Organizations are moving from big data to good data

While HR increasingly recognizes the value of talent data, it's not quite there yet when it comes to managing data.

Organizations of all sizes continue to struggle with the use of their HR information systems to manage talent data, and they don't seem to have made much progress since 2014 – either for pre-hire or post-hire initiatives.



Satisfied with the ability of their HR systems to manage talent data



Lack of integration across systems is the biggest barrier

These limitations will loom large as organizations increasingly depend on integrated talent data:



52%

Relied on talent data when making decisions about the business in 2014



61%

Rely on talent data when making decisions in 2018



77%

Believe they will need to rely on talent data more heavily in the future

The potential for talent analytics hasn't been fully realized.

Takeaways for HR Teams

Boost productivity with data- driven decisions



Align your talent programs to deliver on business strategy

- Pinpoint competency and skills gaps in your workforce.
- Re-prioritize talent programs in line with organizational objectives.
- Use objective data to select and develop people for critical and top level roles.



Evaluate your people processes and tools for effectiveness and efficiency

- Set metrics and measurable outcomes to optimize program efficiency and effectiveness.
- Streamline workflows to maximize value.
- Improve people process based on candidate and employee feedback.



Access and use talent data for strategic influence

- Connect data across key talent programs to improve outcomes and future performance.
- Use unstructured data from internal and external sources for a holistic view of the workforce.
- Translate talent data into business-led insights and predictions to drive decisions and action.



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SHL, the global leader in talent innovation, helps companies transform productivity through deeper people insight. Powering the future of business, our data and tools are proven to drive stronger, more sustainable business outcomes.

Our unrivalled assessment science, benchmark data and analytics empower leaders and their teams to make confident, data-driven people decisions, when it matters most – transforming the way organizations recruit, manage and develop talent. With 40-years of talent expertise, we're a trusted technology partner to more than 10,000 companies worldwide. We work with companies of all sizes in every industry across more than 150 countries, including 50% of the Fortune Global 500 and 80% of the FTSE 100. For more information, visit shl.com.