# ILR CAHRS

Working Group:
Talent Strategy
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Participating Organizations:

Accenture
Archer Daniels Midland
Boeing
CDW
Cornell
DuPont
Ecolab
Johnson & Johnson
McKinsey
MetLife
Microsoft
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Key Takeaways:

1. Companies are facing a number of disruptions that are causing them to rethink their talent strategy. The major changes that companies are making or contemplating are focused on driving greater speed and agility, democratizing career paths and experiences, and forging a tight connection between talent strategy and the business strategy.

2. Companies employ a variety of different talent models, ranging from those that are organized functionally to those that are organized by site or location. Each model presents different strengths and challenges. Regardless of the model that companies adopt, a shared challenge is how to drive greater talent visibility and integration across the organization.

3. There exists a plethora of tools and technologies in the talent space, and new ones are coming online every day. The expanding range of options is a good thing, but it can be challenging to determine exactly which tools offer the greatest value. Currently, these technologies are most widely used in the talent acquisition space, although their use in other areas (e.g., coaching) is expanding.

4. Although data is more plentiful than ever, companies continue to face challenges in effectively leveraging talent analytics. These challenges are rooted in a number of issues, ranging from lingering concerns about data quality to questions about which metrics are most informative.

5. As companies look to the future, they anticipate continued evolution of their talent strategy. Some of the key trends they are anticipating include greater automation, more flexible career paths, shared eco-systems of talent, and (hopefully) greater progress in helping employees work both smarter and healthier.
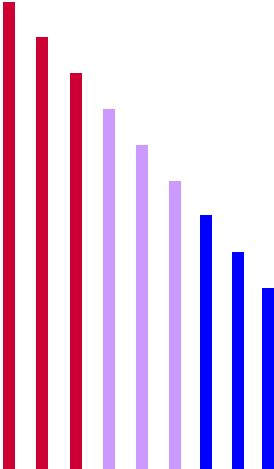
Technological, demographic, and socioeconomic forces are disrupting business models and driving changes in the nature of work and organizations. These changes have potentially important and widespread implications for talent, which is causing many organizations to take a step back and reexamine their talent management strategies and practices. In this CAHRS working group, we discussed the disruptions that companies anticipate over the next several years and the implications for their talent strategies. We also explored other key questions surrounding the evolving talent management practices within companies. A few of the key themes and insights that emerged during the day are summarized below.

Key Themes on Disruptions and the Implications For Talent Strategy

Speed & Agility

- Emerging employment models (e.g., gig workers) combined with rapidly changing business needs are leading to a greater emphasis on speed and agility.

- The half-life of skills is steadily shrinking, so we need to accelerate development and help employees build not only the skills they need today but also those they will need tomorrow.

- There's a need to provide employees with broader experiences so they can be more agile and also need to adopt tools and technology that can support their movement across roles and experiences.

Fluidity of Career Paths

- Employees are increasingly demanding flexible and fluid career paths, along with greater input into the experiences they have during their careers.

- Some companies have shifted to a more user-driven process in which employees are able to shape their careers and developmental experiences.

- The focus in many companies has also shifted from retention to employability, since employees want companies to provide experiences — not long-term careers.

- These shifts raise a number of questions:

    ◊ How do we build diverse experiences for employees when there are often countless day-to-day demands to be met?

    ◊ Given the limited data available on the value of different career paths or experiences, how do we help employees make good choices?

    ◊ How do we deal with boomerangs (e.g., employees who have left but now want to return)? Should we only bring them back in at the same level they were when they left?

    ◊ How important is mobility to career advancement? What should it look like (e.g., is international experience necessary)?

Tying to the Business Strategy

- It is more important than ever to tie the talent strategy to the business strategy. Yet, given the rapid pace of change, the business strategy is often a moving target.

- To make the connection clear, it is important to tell the story of how talent links to the business. To do this effectively, you need to know your audience and speak their language (e.g., show how human capital parallels other forms of capital).

Additional Challenges

- Employees today are credentialing in new and different ways, such as through nanodegrees and microcredentials. Accordingly, some companies are considering whether there is a need to change traditional education requirements (e.g., a university degree) for certain jobs.

- The future of work is driving demand for certain pools of talent (e.g., digital talent), which are difficult to find and develop.

Key Themes on Talent Models

- Companies adopt different models for managing their talent, each of which presents different strengths and challenges.

- Some companies adopt a functional model since that is how the organization as a whole is organized. The challenge in this structure is often facilitating cross-functional moves. To address this, some companies have collapsed related functions or departments into clusters (e.g., visual graphics, design, communications) to provide more integrated talent management.

- Some companies organize based on location or site. The advantage of this model is that it is possible to look across all different areas of the site. Challenges in this structure can be driving consistency across locations and facilitating the movement of talent between sites.

- Regardless of the specific model that companies adopt, a shared challenge is how to create greater talent visibility across the organization. Traditionally this has occurred through relationships, although emerging technologies have the potential to help support this capability. Also, some companies have begun using badges/microcredentials as a way to help managers identify people with certain skills.

- A related challenge is how to drive integration across different parts of the talent function. Companies have approached this challenge in a number of ways:

  ◊ In some companies, individuals who hold the "talent" title sit outside the traditional functional areas of talent management (e.g., compensation, development), and it is their job to develop the talent strategy and to integrate across various areas.

  ◊ Companies are also rethinking how they communicate the "talent story" to their employees. In the past they would have communicated to employees about rewards, learning, etc.

  ◊ Increasingly they are trying to integrate messaging so employees see the connections. In addition, it can be helpful to have leaders constantly reinforce the talent strategy in their presentations (e.g., a one-slide overview).

- Companies also vary in how they manage talent in mergers and acquisitions. Some integrate them into existing company processes, while others leave them separate. Some ring fence new acquisitions for a period of time (e.g., a year) and then integrate them.

Key Themes on Emerging Talent Technologies

- The group noted that there are a growing number of talent management tools and technologies available. The expanding range of options is a good thing, although it can make it difficult to determine exactly which tools to leverage.

- One of the areas in which these new technologies seem to be most widely used is in talent acquisition. Companies are leveraging artificial intelligence for video screens as well as using gamification for cognitive screening of applicants. In addition, natural language processing is being used to sort through applicant resumes. Although assessment technologies can be helpful for screening applicants, most companies see them as one data point.

- Some other common uses of technology include coaching tools, screening job descriptions for bias, and integrating and visualizing data.

Key Themes on Talent Analytics

- Companies currently face a number of challenges to effectively leverage talent analytics. These include the following:
  - ◊ Ensuring data clarity and quality
  - ◊ Identifying key metrics
  - ◊ Gaining insight into the individual, not just the aggregate
  - ◊ Integrating key metrics into leaders' scorecards
  - ◊ Speeding up cycle time, particularly with engagement surveys, so there is time to take action on prior results before next iteration
  - ◊ Avoiding survey fatigue

Key Themes on Talent Strategy 2025

- At the end of the meeting, the group was asked to share their ideas on what they think talent strategy may look like in 2025. These included the following:
  - ◊ Greater automation in certain jobs
  - ◊ More flexible career paths
  - ◊ More flexible eco-systems of talent that are shared among employers
  - ◊ More contingent workers who move from project to project
  - ◊ Greater number of boomerang employees and returning retirees
  - ◊ Much younger workforce demographic due to the retirement of the aging workforce
  - ◊ Agile sprints and faster planning cycles
 - ◊ Greater progress in how we truly balance work and life, working smarter and healthier

Topics For Future Talent Strategy Working Groups

- The group shared some ideas for topics they would like to see discussed in future CAHRS working groups on talent strategy.
  - ◊ Implications of generational differences for talent strategy
  - ◊ The role of culture and how companies are shaping culture
  - ◊ Ways to "future proof" our talent
  - ◊ New directions in total rewards and benefits

This Summary Report was prepared by Brad Bell for participants of the Talent Strategy CAHRS Partner Working Group.

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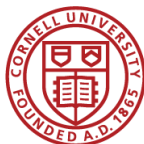
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