

KINCENTRIC GLOBAL TALENT INSIGHTS 2023

Accelerating Talent for Tomorrow

Five Game Changers to Drive Business Impact

FULL REPORT

KINCENTRIC A Spencer Stuart Company

For organizational leaders, navigating through disruption and uncertainty is now the new normal. The current business environment continues to present challenges, with unprecedented events such as a global pandemic, economic uncertainty, geopolitical unrest and other states of crisis continuing to shape our world.

But for many, the most defining global shift has been the much-discussed [Talent Uprising](#). Characterized by unparalleled levels of movement across the talent market, combined with increased employee expectations, this trend has forced organizations to create meaningful changes in the workplace, the workforce and the work itself. It's a wave of change that shows no sign of slowing, so the focus on finding and keeping talent that will thrive in this new era — both today and tomorrow — has become a top priority.

To learn more, Kincentric held a series of in-depth conversations with Chief Human Resource Officers (CHROs) and Talent Heads of leading organizations around the globe to understand this new landscape. These executives represent 15 industries and have more than 180 years of combined talent expertise. The insights we gathered reveal business opportunities that can be seized from these new talent challenges. Throughout this report, we're excited to share what we have learned about this group's top talent priorities and key barriers to their success as well as new practices and mindsets these leaders are adopting to accelerate their talent for tomorrow and move toward continued, sustainable business success. Taking the learnings from our conversations, and drawing on the decades of work we have done with other leading organizations around the world, our aim is to provide insights and tangible guidance that will enable you to accelerate your talent for tomorrow and drive greater business impact.



How do we define “talent”?

While “talent” is defined in many ways across organizations and markets, in our conversations we noted that leading organizations are broadening the definition of “talent” to be inclusive of all people in their company, not just those who are high-performing or in critical roles. As such, for this study, we use the term “talent” to mean *all people in an organization*.



How do we define “leading organizations”?

Our criteria for “leading organizations” are those with a holistic, integrated and inclusive view of the talent lifecycle that are creating a transparent talent marketplace to drive ongoing organizational success. CHROs and Heads of Talent in these organizations are considered trusted advisors to the Board and C-suites and are at the forefront of shaping the talent agenda.

Key Talent Priorities Across the World

One of the first areas we discussed with these HR leaders was their key talent priorities. The themes we heard were not surprising, given the increased expectations of talent globally.

Talent priorities are generally consistent across all regions, **with recruitment, attraction and developing talent pipeline** regularly ranked as the top three by the leaders with whom we spoke. **Diversity, equity and inclusion (DE&I)** is also a key focus across all regions, highlighting its importance as organizations realize the value of creating inclusive cultures, and its positive impact on the business. While **retention and employee engagement** are considered high-priority in North America and Asia-Pacific, they didn't rise to the top

in EMEA, where **digital transformation** is the key priority. Top organizations are also focused on **leadership development**, equipping leaders with new skills and abilities to manage talent, activating succession planning and transforming future-ready leaders.

"The ability to deal with ambiguity and a rapidly changing landscape is critical... We need to throw out old models that don't work and really focus on what will drive change for our business and its people."

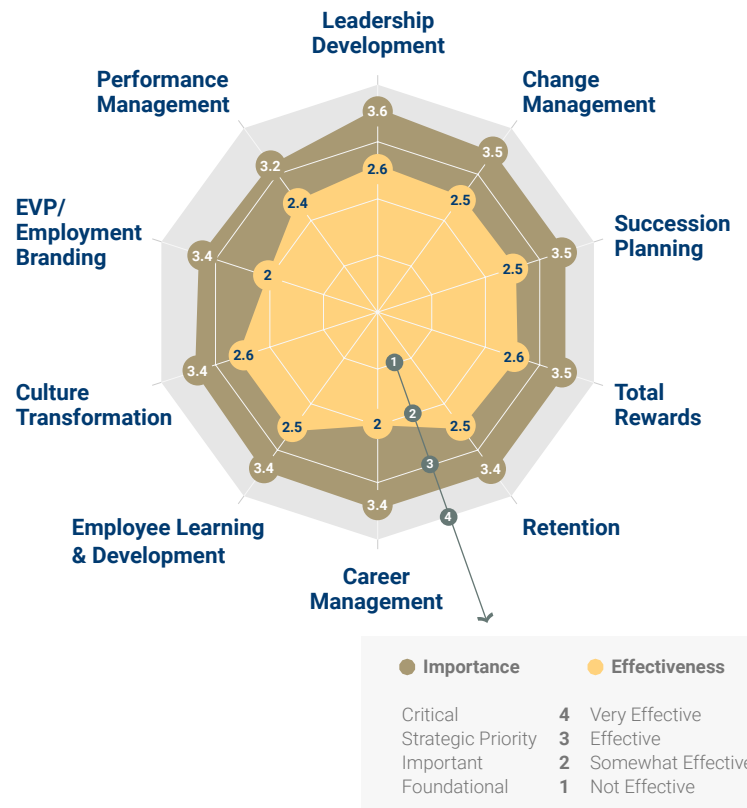
Group Director, Talent and Leadership Development, a leading provider of paper-based packaging, EMEA

Barriers to Success Remain – Even in Leading Organizations

Talent Lifecycle Importance & Effectiveness

We asked participants to rate not only the importance of various talent lifecycle components but also the effectiveness of each component. This data informed our higher level analysis on overall priorities – but also struck a chord with us. Even in leading organizations there is much work to do to close the gap between importance and effectiveness. For example, knowing that talent attraction, development and retention is a top talent priority, it is noteworthy that the biggest gaps between importance and effectiveness exist around EVP/employment branding and career development. Organizations would be wise to identify their top areas of importance and assess any gaps in effectiveness in order to prioritize their focus and investment.

10 Most Important Talent Lifecycle Elements



To help us understand what might be causing notable gaps between the importance and effectiveness of even the most basic talent programs, we also explored the barriers facing talent leaders and organizations,

identifying the **top five barriers** facing global talent leaders that they feel prevent them from achieving their talent priorities.

Inconsistent manager capability	Lack of business ownership of the talent agenda	Limited budget and funding	Limited capacity of the talent-related functions to effectively execute	Inadequate tools, resources and HR technology
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Three of the five are significant organizational barriers that the executive team needs to solve in a systemic manner, including:

- Inconsistent manager capability
- Lack of business ownership of the talent agenda
- Limited budget and funding

In some instances, the talent-related function's limited capability to execute also serves as a barrier. Furthermore, HR must inform and influence the tools, resources and HR technology and required resourcing needed to overcome these barriers. We have also found change and stakeholder

management to be another critical barrier. Without the right change management to align stakeholders, identify resistance and ensure adoption, HR leaders may have a great plan in place, but lack the buy-in or commitment from the people they need to execute on it. Surmounting these key barriers is foundational to ongoing success. On a positive note, in our work with clients around the world, we have observed that an organization is able to surmount these barriers once equipped with the skills, insights and strategies to effectively execute on their talent initiatives. Thus, understanding and overcoming the barriers that exist within your organization will be key to ensuring you can drive your desired talent and business outcomes.

Five Game Changers to Accelerate Your Talent for Tomorrow

A new approach is required to effectively evolve talent practices, drive performance and win in the marketplace. We've identified five **Game Changers** that will deliver the biggest impact. Now's the time to embrace change, try new things and push these

strategies forward. The approaches we outline below are not only examples of how the leading organizations we spoke with are doing just that, but taken from our own experience in the market as well:

#1	#2	#3	#4	#5
				
Make culture your competitive edge for attracting and retaining talent	Transform the talent you have into the talent you need	Realize that future-ready talent will need future-ready leaders	Integrate DEI across all facets of talent and leadership	Stay ahead of the curve with talent insights and analytics

Strategic Change Management

➤ Game changer #1

Make culture your competitive edge for attracting and retaining talent

The challenge

Over the last few years, almost every aspect of how we work has been affected: how people collaborate and connect, what they expect from leaders and their expectations around career growth and advancement, workload and well-being. Newly integrated hybrid and remote work, shifting employee expectations and tight labor markets have created new issues around the best way to attract and retain top talent. Traditional ways of working no longer resonate with employees or with potential candidates.

The solution

Now is the time to evolve ways of working to focus on attracting and keeping the required skills and talent. The Employee Value Proposition (EVP) is the human-centric talent “agreement” that employees enter with their employer and the foundation of your talent brand — serving as both an important recruitment tool and as a true reflection of the actual employee experience. Your EVP must accurately represent your culture and provide the tangible and intangible benefits and experiences that will drive talent to be wholly engaged. Our 2022 Global Trends in Employee Engagement report shows that, in recent years, fewer people think their organization delivers on the employee experience it promises — and when the promise isn’t matched by experience, it produces a credibility gap. Redefining the EVP in an authentic and differentiated way should be a top focus for leaders across the entire organization, not just the responsibility of HR.

Leading organizations...

- Define their desired employee experience and ensure it is aligned to their desired culture.
- Focus on purpose, values alignment and the experience of belonging to stand out in the market.
- Celebrate the stories about their EVP, to make it come to life and ripple outward.



“Keeping our talent engaged and our entrepreneurial spirit alive is a huge part of our EVP.”

Global Head of Talent, Global Financial Services, APAC

“We need to create an employer brand that really inspires people to help attract our talent. You can give the best comp packages, but that won’t engage them. We need leaders that can engage this type of work... that want to continue to learn and grow.”

VP of Talent Management, Telecommunications Provider, North America

➤ Game changer #2

Transform the talent you have into the talent you need

The challenge

Evolving business requirements, talent shortages and the need for new skills, capabilities and mindsets are forcing organizations to rethink those talent management practices that are no longer fit for purpose. Talent leaders we spoke with highlight that the value of proactively developing their existing people is just as critical as continuing to source and recruit new capabilities in the market.

The solution

To successfully develop Talent for Tomorrow, leading organizations are investing in their people today. There is a huge need to shift from traditional talent management to more employee-focused practices. Career management, succession planning and career mobility are all current talent focus areas. Upskilling/reskilling, bridging the talent gap and radically prioritizing retention are also top of mind.

Leading organizations...

- Focus on internal mobility and talent sourcing, hosting forums between their executives and talent pools to increase the executive's visibility to this talent and the talents' visibility to career opportunities across the organization.

- Invest in career development by creating tailored learning paths for people to understand their career options and how their skills might transfer across roles/departments in the organization.
- Change mindsets and build new superpowers to equip talent with skills for the future, including resiliency, agility, adaptability, openness, readiness for change and growth mindset.



"Talent Management will be a key element to prepare the organization for the future, sitting the right people in the right places supported by different tools and processes."

Global Head of Talent, Chemical Manufacturing Company, EMEA

"Upskilling and reskilling our employees is such a need to stay relevant and is expected by our customers."

VP, HR & Talent Management, Global Retailer, North America

➤ Game changer #3

Realize that future-ready talent will need future-ready leaders

The challenge

We know that leaders cast a long shadow. 77% of talent leaders told us leadership development was currently a critical business priority, ranking manager skills and capabilities as the top barrier to successfully executing the talent strategy. Disengaged, non-inclusive leaders neutralize the effectiveness of people practices designed to motivate employees. Middle management is suffering too, reporting feeling underdeveloped and unprepared for the future – in terms of capabilities and ability to lead.¹

Our 2022 Kincentric engagement data shows that managers are overloaded by turnover resulting from the [Talent Uprising](#) as well as a lack of clarity and direction from senior leaders. There has been a decline in employee perception too. Believing that senior leaders are clearly explaining how their companies will deliver on their strategies has gone down, with 63% agreeing in the first half of 2022 vs. 67% in 2020.

The solution

The leaders of tomorrow need to be developed and equipped with skills and superpowers such as resilience; transparency; change leadership; inclusiveness; empathy; compassion; the ability to connect work with purpose, build trust with and inspire their employees, and manage hybrid teams. It is a lot, but it is essential. With the particularly challenged middle management segment in mind, the talent function should look for new ways to identify, develop and leverage talent in order to [ease the squeeze on managers](#).

Leading organizations...

- Shift mindsets to create a culture of shared accountability and recognize the collective need to develop talent.
- Equip leaders for success now as well as in the future.
- Provide ongoing learning that is pragmatic, evidence based, simple and action-focused.
- Embrace new models and replace traditional leadership development models.



“Transforming our leaders, ensuring they build diverse teams, engage talent and embrace high performance are critical factors for our future success.”

**VP of Talent Management, Global
Telecommunications Company,
North America**

“Train our people to have ambidextrous ability - the ability to lead and innovate; instruct and coach as leaders; deliver and change; perform and transform.”

**Head, Talent, Development & DEI,
Telecommunications Company, APAC**

➤ Game changer #4

Integrate DEI across all facets of talent and leadership

The challenge

Diversity, equity and inclusion (DE&I) are really three distinct constructs — each with its own definition and nuance. While they are sometimes misconstrued as interchangeable, they are nonetheless inextricably linked with business and talent strategies. Yet so many organizations struggle to integrate DE&I across leadership and talent practices, and leaders remain challenged to operationalize DE&I to drive desired outcomes. It is also worth pointing out that DE&I may be defined very differently across regions, countries and even different business units within the same organization, adding a significant level of complexity for multinational or global organizations. Because of this — or perhaps in spite of this — we heard repeatedly that it is an urgency globally, with 81% of leaders indicating it is a top business priority.

The solution

The individuals we spoke with recognize that DE&I must be integrated across all facets of talent and leadership and serve as a key consideration in business and people-related decisions. It is imperative that leaders work to intentionally create a diverse, equitable and inclusive culture. To attract, develop and retain talent and, in turn, achieve superior business results, organizations must infuse equity into people processes and ensure their people feel they have a voice, can influence decision-making and are truly valued for their contributions.

Leading organizations...

- Start with a shared definition of what DE&I means for their organization.
- Engage their Board and executive team to integrate and drive DE&I across their organization.
- Ensure they have talent from underrepresented groups within their workforce to better understand target customers and appeal to specific sectors.
- Weave equity and inclusion into the fabric of all talent processes and programs as well as cultivate inclusive leaders who inspire talent.



“Pay attention to DE&I, it’s a part of everything we do in talent.”

Head of Talent, Global Specialty Chemical and Performance Materials Company, North America

“Equity is a game changer for Talent Management. It opens up new talent pools and moves the dial on diverse outcomes...”

Global Head of Talent, Global Financial Services, APAC

➤ Game changer #5

Stay ahead of the curve with talent insights and analytics

The challenge

While there are several key enablers for advancing an organization's talent priorities, few promise to deliver as significant of an impact as talent analytics. In our conversations, the majority of leaders said that talent insights and analytics is a top critical business priority, yet many organizations are not effectively leveraging data to make decisions and prioritize investments. Data is critical to understanding talent pipelines internally and within the broader talent marketplace. Without comprehensive data, organizations lack the ability to tell the talent story effectively, engage leaders in compelling ways or equip them with the critical insights needed to truly evolve the Talent of Tomorrow.

The solution

The organizations that are investing significantly in this capability — and in digital skills overall — understand this is about more than data and numbers. It helps them look ahead, remain agile and ensure their investments and initiatives are working. It also enables them to be open to experiment — all of which will help them differentiate themselves now and in the future. This will require new organizational capabilities and a shift in mindsets, not unlike those required for digital transformation.

Leading organizations...

- Boldly experiment, integrating learnings and implementing change in an iterative fashion.
- Equip leaders to maximize talent analytics for decision making and more equitable outcomes.
- Leverage data to paint a full picture of the talent landscape both internally and externally.
- Optimize the full potential of tools that already exist in their organization before investing in new applications.



"Tech has transformed what you can do in the talent space; if you have the right system this can help you drive to key decisions."

**Head of Talent, Global Specialty
Chemical and Performance Materials
Company, North America**

"With data we need to identify talent resources and talent drivers; data and scientific research are our biggest assets."

**VP of Talent Management, Global
Telecommunications Company,
North America**

Identifying the Game Changers for Your Organization

Which game changers could have the greatest impact on your business success? Ask yourself the following questions:

- Do you have a talent strategy that is directly aligned to your business strategy and key objectives?
- Does your talent strategy articulate your people philosophy and organizational capabilities required to achieve your business goals?
- Does it prioritize the programs you need to prepare your people for tomorrow?
- Do you have alignment and governance between the Board, C-Suite and HR team on the priorities, roadmap and investment for talent programs?
- Is there leadership commitment and understanding of their requisite behaviors to unlock your people and teams?
- Is there the mindset and truly integrated ways of working inside the HR function to come together to deliver on your talent priorities?
- Can your service delivery model and existing technology enable HR to effectively deliver talent programs and priorities to the organization and provide a leading employee experience?
- Do you have the capabilities across the HR function and the broader organization to design and deliver your talent programs and priorities?
- Are there the right insights and analytics to help you design impactful programs and priorities and measure your progress?
- Finally, do you have a comprehensive change management strategy in place to successfully activate your own Game Changers?



Change your game

Now's the time to seize the moment. Using your business strategy as a compass, these game changers we have presented should help you to identify the opportunities specific to your organization's needs. We recommend fully embracing new approaches and prioritizing the people practices that will drive the greatest value now and in the future.

Instill key enablers around governance, leadership, talent capabilities and infrastructure, including HR technology and analytics. And finally — don't forget about change management. Take this opportunity — and the fluid possibilities within this new landscape — to make your talent strategy a game changer for your business.



1. This unclarity concerning the vision and future is a global symptom that can be spotted in most recent Kincentric Engagement trends. The gains we saw in 2020 in perceptions of senior leaders clearly explaining how companies will deliver on their strategies are now eroding (67% of employees agreeing in 2020 vs. 63% in 2021). Also, trust in the senior leadership integrity is deteriorating (83% of employees agreeing before pandemic in 2019 vs. 78% in 2021).

Mid-level managers' intent to stay scores are 64% favorable in 2021, compared with 70% in 2019.

For mid-level managers, staffing and talent are top points of concern:

* 43% of managers (globally) say their organization has sufficient staffing levels

* 52% of managers (globally) feel their company is retaining people needed to achieve business goals

* 54% of managers globally think their organization is attracting people needed to achieve business goals

At 57% favorable, mid-level managers are also less confident than other job levels that their organizations are developing a workforce that is able to adapt well to change.

We would like to thank the Chief Human Resource Officers (CHROs) and Talent Heads who shared their knowledge, expertise and insight with Kincentric to develop

this report. We encourage you to share these insights across your organization to accelerate your talent for tomorrow and drive success now and in the future.

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About Kincentric

Kincentric, a Spencer Stuart company, helps organizations unlock the power of people and teams to ignite change and drive better business results. With decades of experience and specialist expertise in areas such as culture; employee engagement; leadership assessment and development; HR and talent advisory; and diversity, equity and inclusion, we use data-driven insights to architect solutions that add value, enhance agility and increase organizational effectiveness. For more information, visit kincentric.com.

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