15 Strategies for Talent Impact in 2017

CEB

Contents

Introduction

CEOs now realize that organizational success is inextricably linked to talent. At CEB, we have been analyzing how frequently CEOs talk about talent during earnings calls. Since 2010, the number of times a CEO has discussed talent management strategies during earnings calls has increased by 36%. This increased focus puts pressure on HR executives to not only play a historic role advocating for the workforce but to also improve their effectiveness at being an advisor to the CEO and board.

Just as the focus on talent has increased in the C-suite, the way work gets done has massively evolved. HR executives are driving their organizations to be more collaborative and cross-functional. New artificial intelligence tools, robotics, and other technologies are fundamentally changing what most jobs look like and how they are done. The gig economy is causing employees and employers to revisit and redefine the very nature of the employment relationship.

In this environment of increased importance of talent and massive disruption, HR executives are making bets about how to deploy resources, budget, technology, and staff in 2017. We have surveyed over 300 HR executives to understand those bets. This resource combines those trends with the insights and tools we have collected. We hope it serves to offer strategic advice and guidance about how to make sure those investments have the highest ROI.

We look forward to continuing to bring you powerful insights in these and other areas throughout 2017.

Between 2010 and 2016, CEO mentions of talent management strategies during earnings calls increased by **36%**.
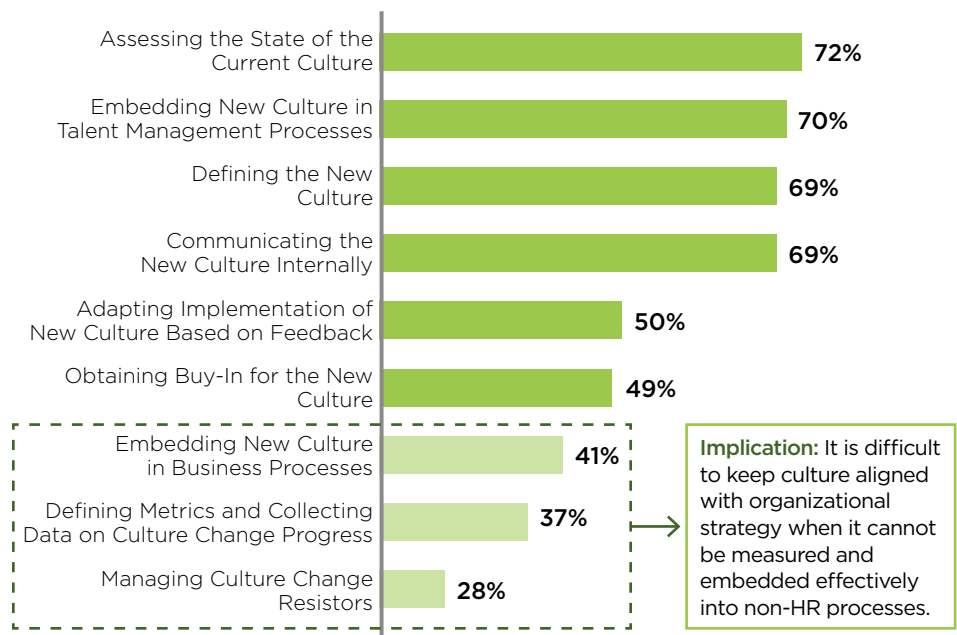
—*CEB analysis*

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Top 5 CHRO Strategies

1. Realign Culture with Strategy

With 76% of organizations planning a culture change this year, heads of HR identify conversations on culture as the second most important to have with their CEOs (second only to leadership). These discussions will be tough: only 3 in 10 organizations have the culture they need for their future strategy. To spur better and faster culture change, CHROs and CEOs need to rethink the role of their leaders. Leaders who most effectively spread the new culture through their organizations may do so not through modeling new behaviors, but by finding and changing key business processes to reflect the values and behaviors the organization is looking for. In other cases, the key may be involving leaders and employees sooner to co-create the culture, generating more ownership and accountability for a successful behavior shift.

CHROs Confident in Team's Ability to Determine Culture But Not in Ability to Disseminate It
Percentage of CHROs Confident in HR's Ability to Execute Culture Change, by Phase

Assessing the State of the Current Culture	72%
Embedding New Culture in Talent Management Processes	70%
Defining the New Culture	69%
Communicating the New Culture Internally	69%
Adapting Implementation of New Culture Based on Feedback	50%
Obtaining Buy-In for the New Culture	49%
Embedding New Culture in Business Processes	41%
Defining Metrics and Collecting Data on Culture Change Progress	37%
Managing Culture Change Resistors	28%

Implication: It is difficult to keep culture aligned with organizational strategy when it cannot be measured and embedded effectively into non-HR processes.

n = 106.
Source: CEB 2017 Future of HR Agenda Poll.

2. Transform HR from the Outside In

Heads of HR have developed a set of priorities to address key social and technological trends such as big data, increasing "on demand" consumer expectations, and digital disruption. In fact, three different strategies characterize the path heads of HR are taking to transform the function:
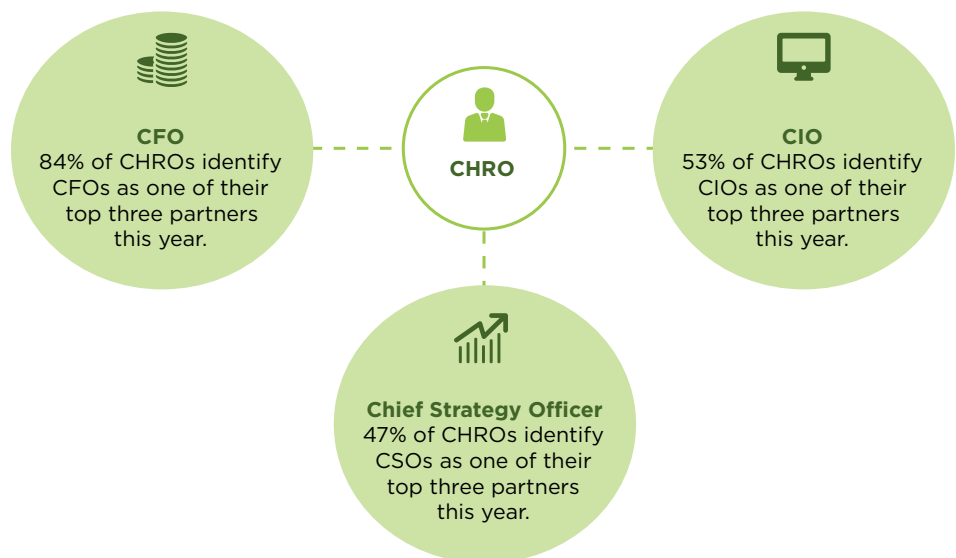
- Maximize organizational speed and scale.
- Create a digital employee experience.
- Innovate on talent management processes and policies.

Which path an HR team pursues critically depends on context. This is why, in addition to assessing functional maturity, the best HR leadership teams proactively and regularly call on an "outside" perspective. They ask the business about the most important HR capabilities it needs and current functional effectiveness.
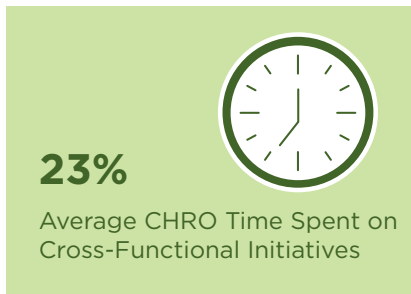
3. Identify Nonobvious C-Suite Partnership Opportunities

23%
Average CHRO Time Spent on Cross-Functional Initiatives

CHROs spend 23% of their time—more than one day a week—on cross-functional initiatives unrelated to talent. In fact, the typical head of HR will lead or be significantly involved in at least five cross-functional initiatives over the next 12 months. So heads of HR have to partner earlier and more strategically with C-suite peers to uncover overlooked talent-driven opportunities. With the CFO, heads of HR need to partner more closely to remove negative talent-related anchors on grwoth (e.g., incentives, pay structures that cause business managers to redirect resources and attention away from large growth projects). With CIOs, heads of HR and IT need to determine how to create a robust digital workforce pipeline and pinpoint the implications for corporate culture. Top CHROs are also partnering with heads of Strategy to break the cycle of failed change initiatives.

Top Three Peers CHROs Must Collaborate with Over the Next 12 Months

CFO
84% of CHROs identify CFOs as one of their top three partners this year.

CHRO

CIO
53% of CHROs identify CIOs as one of their top three partners this year.

Chief Strategy Officer
47% of CHROs identify CSOs as one of their top three partners this year.

Source: CEB analysis.

TOP 15 PRIORITIES FOR 2017

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CHROs More Accountable for Rewarding and Finding New Board Members
Percentage of CHROs More Accountable for Activity Versus Three Years Ago

Compensating Board Members	30%
Onboarding New Board Members	28%
Recruiting New Board Members	23%
Managing Working Relationships Between Board Members	21%

Source: CEB analysis.

Although the majority of boards (56%) have a strong understanding of the workforce issues that most significantly affect the organization's financial performance, CHROs believe the board needs more talent insights. In addition, almost 66% of CHROs are responsible for providing better talent insights to the board in 2017. Heads of HR can push on two opportunities to do so. One is to better align the talent issues CHROs are focused on in 2017 and where they are receiving the most pressure from boards. Another is to use the CHRO's growing role in board member recruiting and onboarding to proactively brief new directors about key talent risks or opportunities related to business objectives, such as through a simple heat map or dashboard.

Talent Issues That Boards Want Better Information on Compared to Those That CHROs Are Prioritizing

n = 106.
Source: CEB 2017 Future of HR Agenda Poll.
[a] Bottom left corner includes CEO Performance, EVP, Executive Recruiting, and Health Care.

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5. Confront Doubts About Succession Plans

Executive succession is the top talent issue heads of HR are feeling pressure from the board to provide more insight on in 2017. CHROs need to move deliberately to enhance and rethink succession practices to confront executive doubts about how this process adds value to the organization and shareholders. The first step we recommend is for HR executives to change how they frame succession strategy and subsequent discussions from a pipeline to a portfolio approach.

Top Questions CHROs Are Asking About Succession

34% of CHROs Need to Know
"How Can We Improve Upon the 9-Box Matrix for Evaluating Successor Readiness?"

18% of CHROs Need to Know
"How Do We Improve the CEO Succession Dialogue with the Board?"

32% of CHROs Need to Know
"What Is the Best Approach for Conducting Talent Rewards?"

n = 106.
Source: CEB 2017 Future of HR Agenda Poll.

Top 5 Talent Analytics Strategies

1. Prioritize Data Quality Before Launching New Initiatives

Talent Analytics leaders view improving data quality as the biggest problem and most important priority for Talent Analytics in 2017. A key imperative for organizations thinking about their wishlist of 2017 Talent Analytics projects should be to put a system in place at the onset to mitigate data quality issues before getting started.

Top Talent Analytics Priority for 2017

Improving Data Quality

60% of Organizations

Top Barrier to Talent Analytics Effectiveness

Data Quality

54% of Organizations

Source: CEB 2017 Talent Analytics Agenda Poll.

2. Reduce the Volume of Ad Hoc Data Requests

The majority of Talent Analytics staff find themselves responsible for general reporting of HR metrics and responding to ad hoc data requests from the business. To have the strategic impact that's been promised to the business, Talent Analytics staff need to better manage the time devoted to transactional reporting requirements and serving ad hoc data requests.

Activities Performed by Talent Analytics Staff
Percentage of Organizations
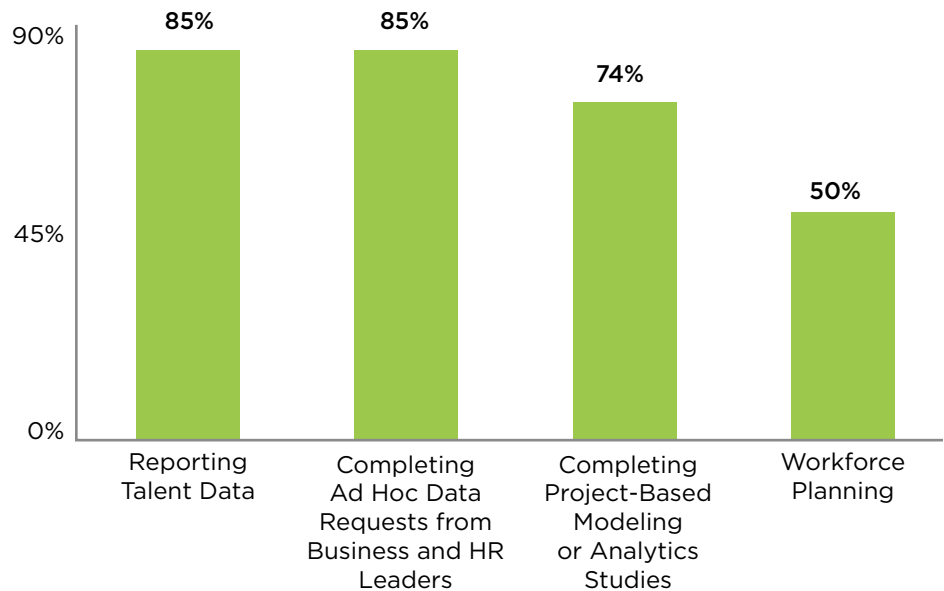
Source: CEB 2016 Future of Talent Analytics Survey.

3. Revisit Leader Priorities Before Initiating New Analytics Projects

A common mistake Talent Analytics professionals make is to ask what the "right" metrics to track, models to build, or projects to work on are. Organizations' differing needs have led to a wide range of projects that Talent Analytics organizations see as critical priorities for 2017. But there are no right answers that apply to all organizations. Find out what your leaders' critical issues are and prioritize them prior to initiating new analytics projects.

High-Priority or Essential Projects for 2017
Percentage of Heads of Talent Analytics

Project	Percentage
Strategic Workforce Planning/Talent Forecasting	66%
Attrition and Retention	61%
Engagement	60%
Diversity and Inclusion	58%
Talent Attraction/Acquisition	56%
Leadership and Succession Planning	52%
New Hire Quality	47%
Employee Performance Management	47%
HIPO Identification	40%
Learning and Development	33%
Labor Market Assessment/Candidate Sourcing	32%
HR Functional Performance	29%
Compensation or Benefits	29%

Source: CEB 2016 Future of Talent Analytics Survey.

TOP 15 PRIORITIES FOR 2017

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4. Find a Seat at the Table for Major HR Technology Purchases

Despite the growing importance of HR technologies to the success of the talent analytics work stream, heads of Talent Analytics tend to have little influence over purchasing decisions for these technologies. A key imperative for 2017 for Talent Analytics heads is to get involved in HR technology decision making more broadly. Heads of Talent Analytics should start talking with their peers about what major HR technology purchases are on the horizon and provide their perspective on the requirements necessary for Talent Analytics to use those new technologies most effectively.

Percentage of Talent Analytics Heads with Strong Influence Over Purchasing Decisions for Different HR Technologies

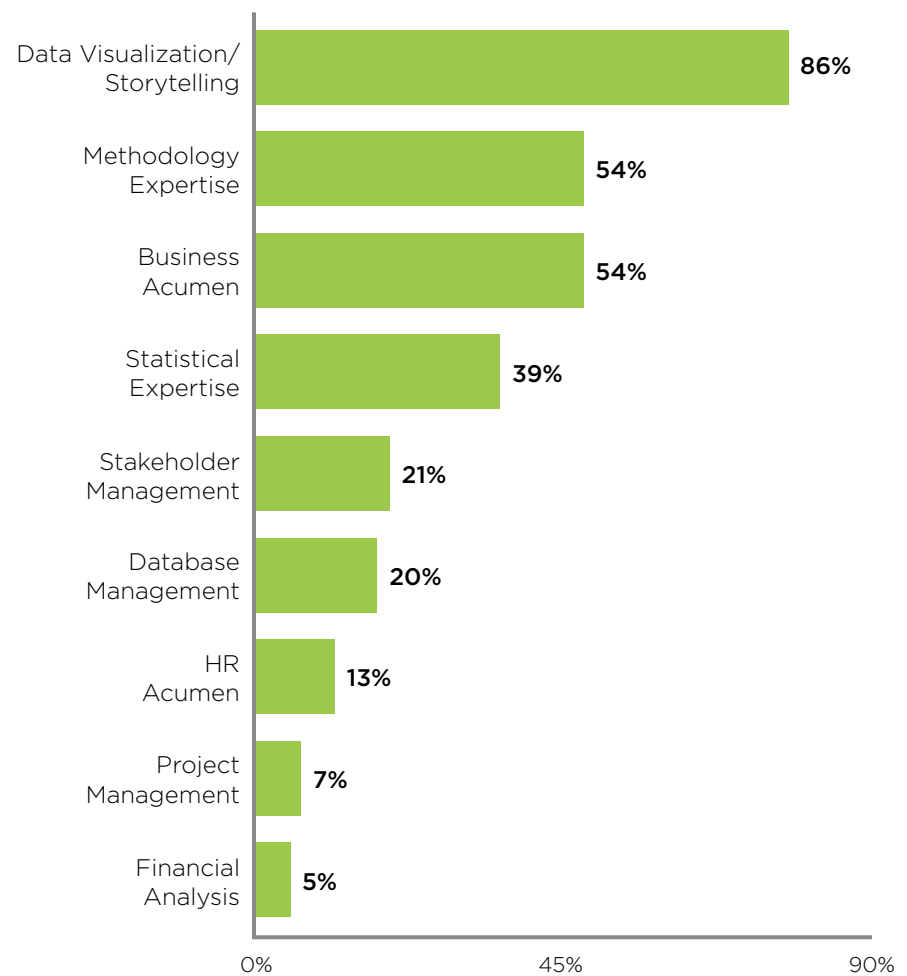| Technology	Percentage
Software for Data Analysis, Visualization, and Reporting	59%
HR Information Systems	23%
Performance Management Technology	23%
Sourcing and Recruiting Technology	14%
Compensation/Payroll Systems	13%

Source: CEB 2016 Future of Talent Analytics Survey.

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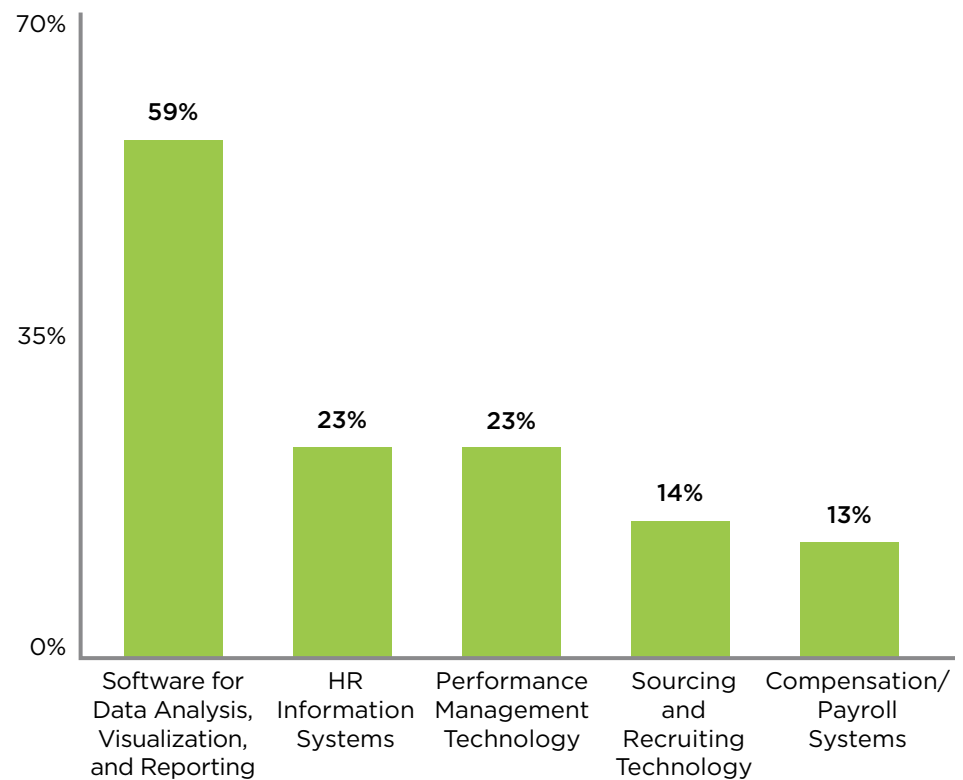
5. Evaluate and Develop Data Visualization and Storytelling Skills Across HR

Staff costs make up nearly 66% of the typical Talent Analytics budget, and most organizations expect to increase the number of staff dedicated to talent analytics in the next three years. Finding one individual with all the skills needed to do talent analytics is challenging, so leaders need to prioritize hiring (or developing) the skills that will most affect HR's ability to influence decision making with data. Leaders agree that data visualization and storytelling skills are most critical to achieving this goal, and they should therefore prioritize skill evaluation and development in this area.

Percentage of Talent Analytics Heads Who Believe These Skills Will Be Most Important to the Success of Talent Analytics at Their Organizations

Skill	Percentage
Data Visualization/Storytelling	86%
Methodology Expertise	54%
Business Acumen	54%
Statistical Expertise	39%
Stakeholder Management	21%
Database Management	20%
HR Acumen	13%
Project Management	7%
Financial Analysis	5%

Source: CEB 2016 Future of Talent Analytics Survey.

Top 5 HRBP Strategies

1. Define Your Business Unit's Culture to Drive Successful Organizational Culture Change

76% of organizations are planning a culture change in 2017.

Seventy-six percent of organizations are planning a culture change in 2017, but they are at risk of defining and implementing cultures that don't adequately drive business strategy or of implementing them too slowly. Central HR can't define and implement culture change alone due to its "blind spot" understanding of how culture shifts at the business-unit level. HRBPs are the best-positioned stakeholders to define individual business units' authentic cultures and use that workforce intelligence to better accelerate organization-level culture change.

2. Push the Boundaries of Talent Data Analysis to Engage an Evolving Workforce

57% of CHROs plan to prioritize attracting and retaining digital talent in 2017.

71% of CHROs plan to increase available flexible working arrangements in 2017.

Engaging the workforce is increasing in complexity as the makeup of the workforce evolves, including increases in "gig" workers and digital talent. In addition, as their roles evolve, HRBPs are spending less time on traditional engagement support initiatives, such as engagement surveys and focus groups, but still have the same expectation of engagement impact. HRBPs can't afford to wait for annual engagement survey data for guidance on how to engage the evolving workforce. Instead, they must use readily available, just-in-time sources of data (e.g., pulse surveys, productivity data, analysis of employer review sites) and their own observation to understand the engagement of this new workforce and to proactively devise and implement engagement strategies with the line.

3. Guard Against Unconscious Bias in Everyday Talent Management Decisions to Improve Diversity and Inclusion

Diversity and inclusion (D&I) strategy continues to be a priority for CEOs, but employee satisfaction with D&I has stayed consistently low since 2012. Formal D&I strategies and goals are a critical driver of D&I progress, but bias in day-to-day interactions between employees and in day-to-day talent management decisions undermines that work. HRBPs at organizations whose CHROs prioritize D&I are actually just as likely to feel like they've been able to make progress reducing bias as those at organizations whose CHROs do not prioritize D&I. As the link between HR and the line, HRBPs can't settle for establishing D&I as a priority within their business units. Each HRBP has a critical role in eliminating bias (and thus improving D&I) by equipping themselves to detect and reduce unconscious bias during talent management conversations and coaching their line partners to recognize and start managing their own inherent biases.

Sample Unconscious Bias Warning Signs

| ⚠ | Limited participation in team meetings or events by a minority group |

| ⚠ | Teams composed by a majority of like-minded or similar individuals |

| ⚠ | Higher turnover or dissatisfaction levels for a minority group |

| ⚠ | Easy (and early) dismissals of bias as an important discussion topic |

Source: CEB analysis.

4. Challenge Current Leaders to Think Differently About Future Leadership Needs to Head Off Gaps

Changing leadership roles have meant HR leaders are less confident in their leadership benches (4% drop in the past three years), but many line leaders remain uncertain about how to adapt their leadership strategies to respond, which is resulting in more of the same types of leaders—only 17% of CEOs think their successor should have a completely different or somewhat different capability profile. HR knows that leadership needs should change, but the line struggles to see that. It's easier for HRBPs to use their positions as an internal interface and crowdsource additional context on shifting leadership needs from stakeholders across different levels and functions. HRBPs should proactively solicit this perspective on shifting leadership needs and confidently challenge, not defer to, leaders' articulation of their needs in head off common leadership challenges.

5. Say "No" More Often to Establish Yourself as a Strategic Partner

Sixty-four percent of CHROs plan to transform HR in 2017 by innovating on new approaches to HR service delivery. HRBPs must accelerate that transformation not just by developing strategic skills and competencies but by redefining their own job roles. Even the most influential HRBPs cite strategic work as the top thing they wish they could spend more day-to-day time on. Although skill-based development will continue to help HRBPs improve the quality of their strategic support, they can accelerate that improvement at an even faster rate by saying "no" to transactional work activities—and they should be confident that they have their CHROs' support in doing so.

HRBPs Want More Time for Strategic Activities
Word Cloud Representing Top Responses from HRBPs About the One Thing on Which They Would Like to Spend More Time at Work

Cross-Functional Projects   **Talent Analytics**

Change Management   **Succession Planning**

Managing Strategic Tasks

Diversity and Inclusion

Career Pathing   Talent Management

Coaching and Training of Other HR Staff

Employee Engagement

Employment Value Proposition and Culture

HIPO Identification and Development

n = 718.
Source: CEB 2016 Future of the HRBP Role Agenda Poll for 2017.

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