

Deloitte.

Talent Edge 2020:

Blueprints for the new normal

Portorož, 30 September 2011



Key findings

Business leaders are adjusting their talent strategies to meet the shifting demands characterized as the “new normal”



The talent paradox is already creating key shortages

High unemployment rates have not created the talent surplus many would have predicted. Many executives predict a **talent shortage** across key business units.

Companies are increasingly challenged to develop the next generation of leaders

Many executives expressed concern over their companies' **leadership development programs** and pipelines.



Retention plans

Most executives surveyed (63%) are either highly or very highly concerned about employee retention over the next 12 months.

Ramping up **financial and non-financial incentives**



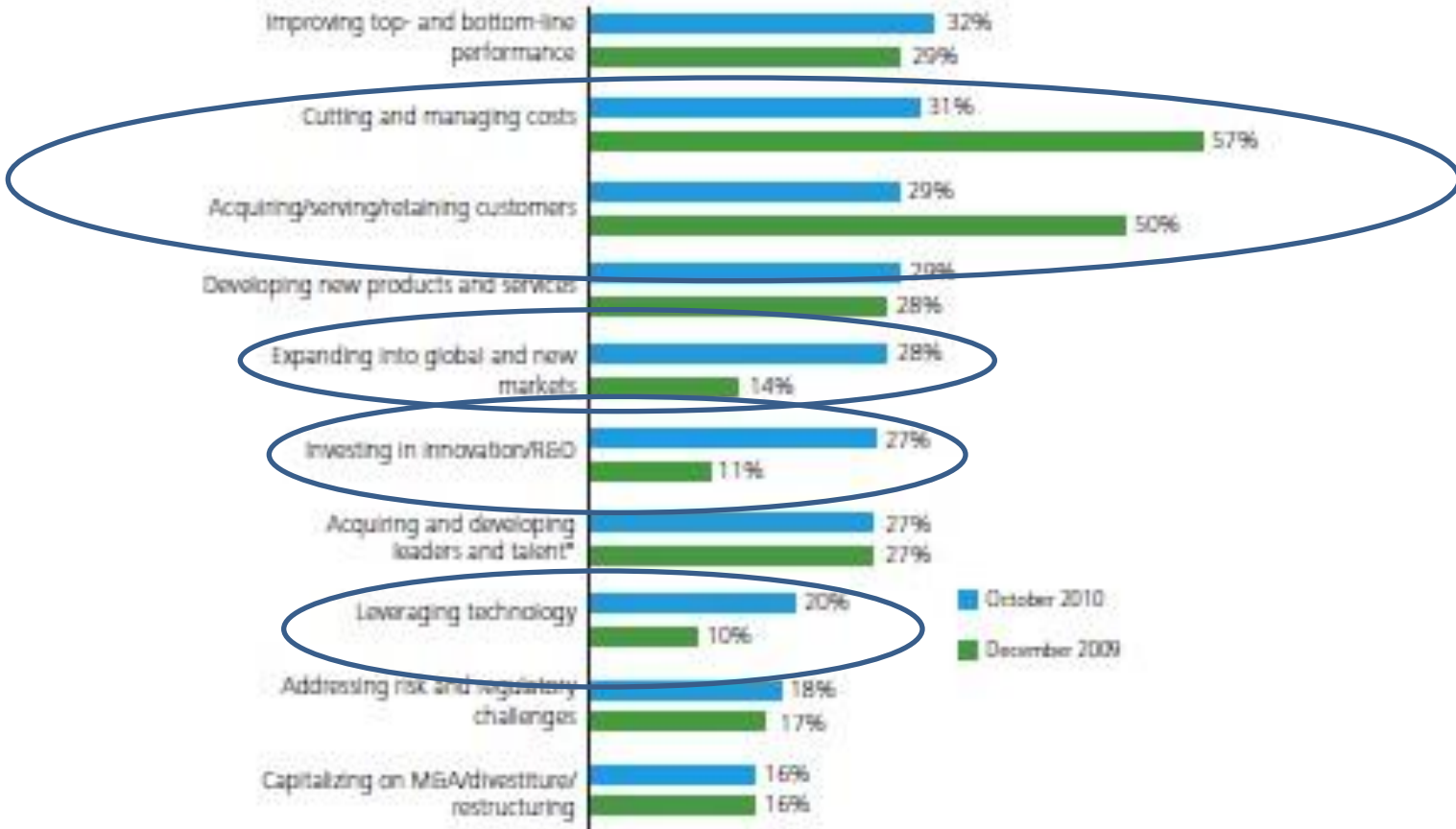
The great recession leads to the “great rebalance”

In the space of 12 months the executives taking part in the survey made a “great rebalance.”

Leaders are struggling to find an **equilibrium** between austerity measures designed to meet the new economic reality and the need to invest for future expansion.



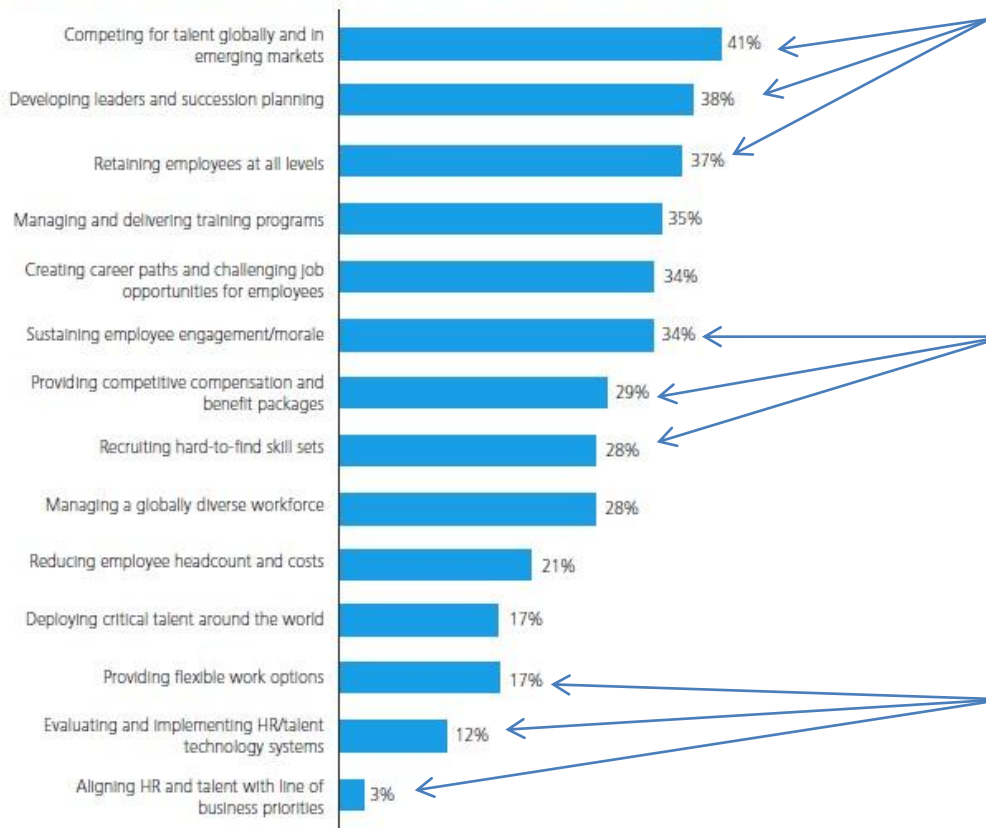
Figure 1. Which strategic issues currently capture the most management attention at your organization?



*Comparison to managing human capital 2009

The talent paradox

Figure 4. What are your organization's most pressing talent concerns today?



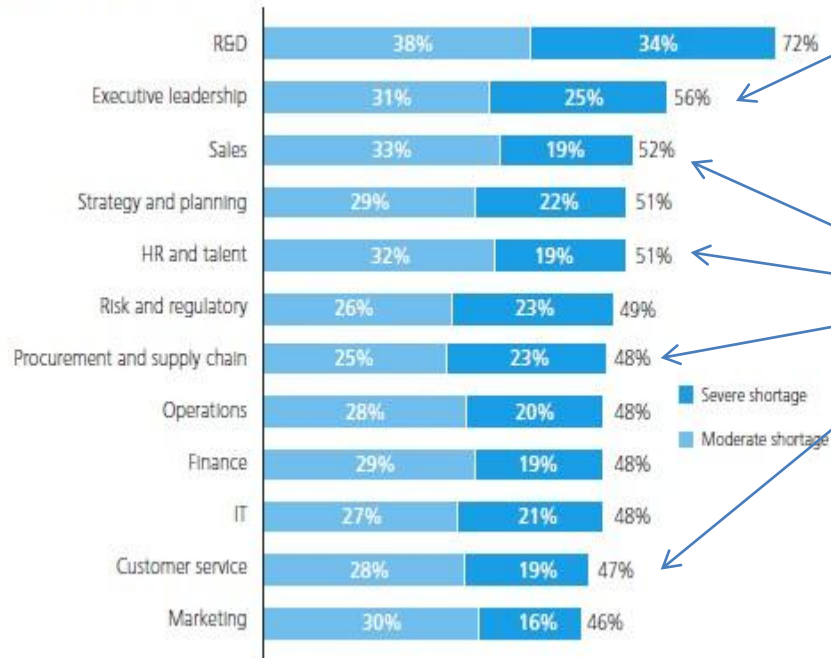
Top 3 point to a new reality.

The nagging questions.

Bottom 3 point to a job well done.

Hot Spots

Figure 5. Do you expect to see talent shortages in the following areas over the next year?

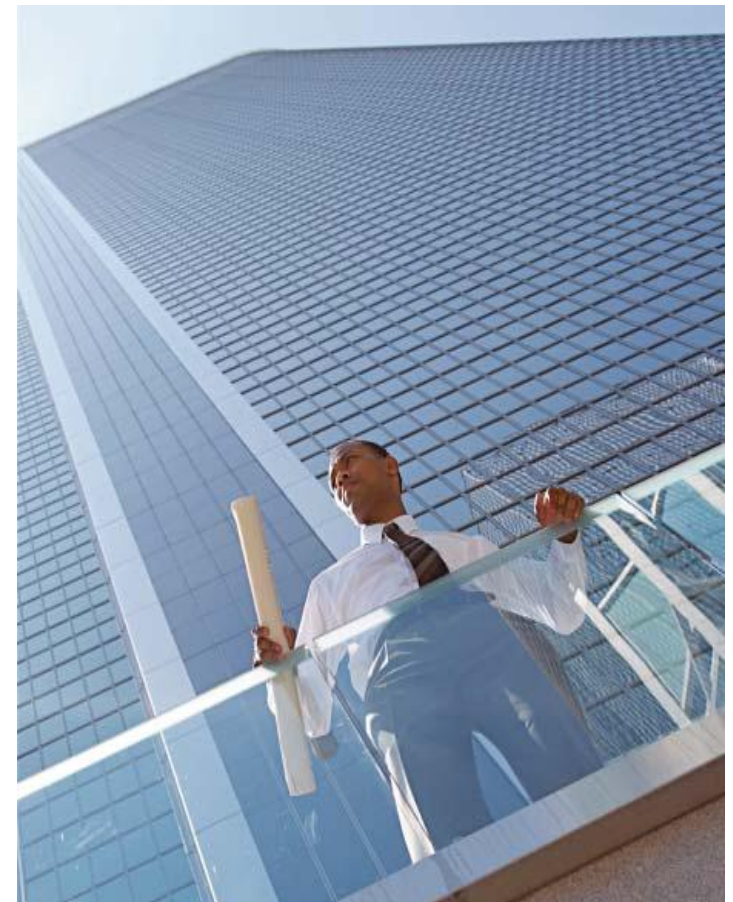
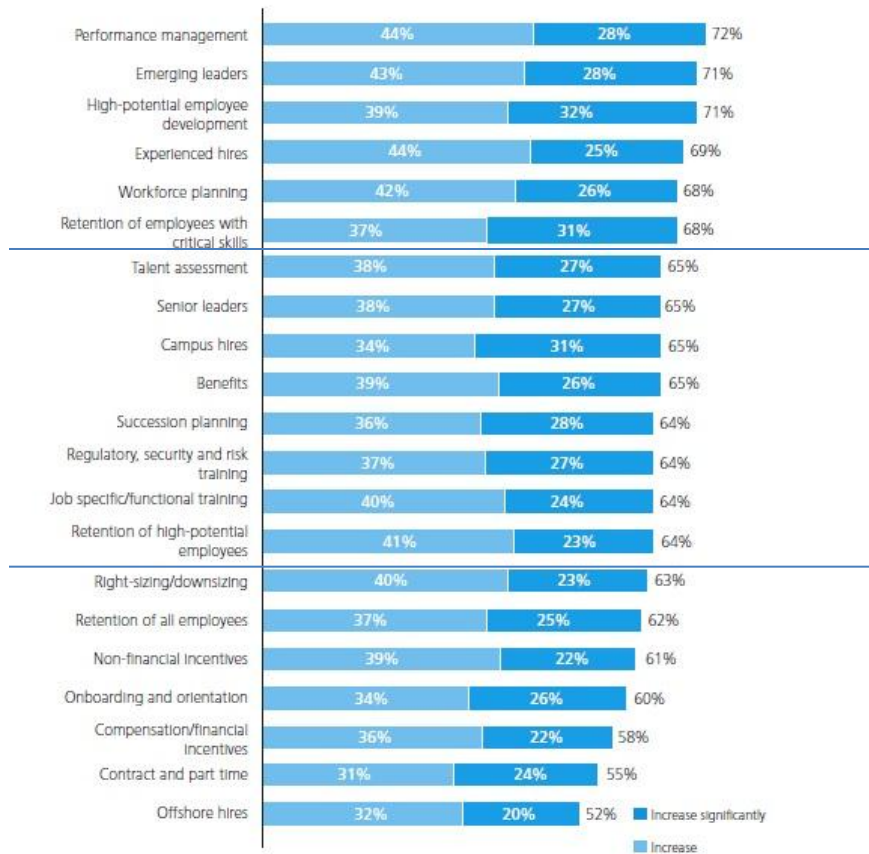


Sources of innovation

Where Europe is struggling

The next generation of leaders

Figure 6. How do you anticipate your organization's focus on core talent management priorities will change over the next year?



Retention in a new playing field

Executives worry about retention but admit their retention plans are **not impacting turnover**.

Why?

Redesigning the retention strategy

Focus on emerging leaders

Focus on generation and gender

Focus of the employer brand

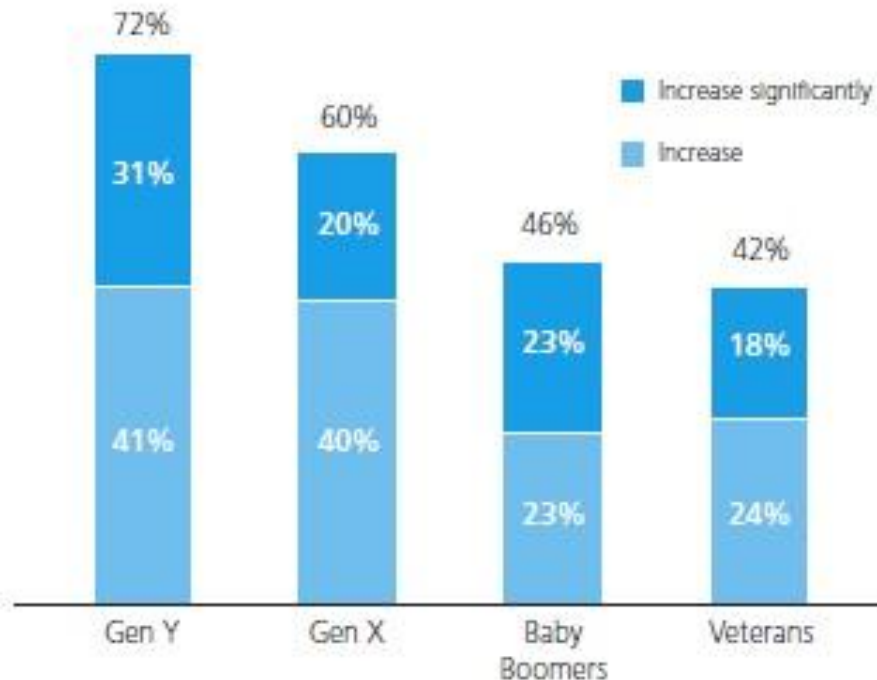
Focus on incentives

Differentiation by **culture,**
compensation and future
opportunities



The fear of losing high-potential

Figure 13. What do you think will happen to your organization's voluntary turnover rates among the following workforce segments over the next 12 months?



68% of executives fear losing critical talent.

64% of executives fear losing high potential and leadership

60% of executives fear losing top managers and executive leadership.

Why?

Tailor-made retention strategies

Figure 15. Most effective retention initiatives by generation

Ranking	Generation Y (under age 30)	Generation X (ages 30-44)	Baby Boomers (ages 45-64)	Veterans (over age 65)
1	Company culture (21%)	Additional bonuses or financial incentives (21%)	Additional benefits (i.e., health and pensions) (26%)	Additional bonuses or financial incentives (25%)
2	Flexible work arrangements (20%)	Additional compensation (19%) Strong leadership/organizational support (19%)	Additional bonuses or financial incentives (23%)	Additional benefits (i.e., health and pensions) (24%)
3	New training programs (19%) Support and recognition from supervisors or managers (19%)	Customized/individualized career planning (18%) Succession planning (18%)	Additional compensation (21%) Strong leadership/organizational support (21%)	Flexible work arrangements (20%) Corporate social responsibility (20%)

It is not the strongest of the
species that survives, nor the most
intelligent that survives.

It is the one that is the
most adaptable to change.

(Charles Darwin)