




Beyond the Roadmap: A Deep Dive into Talent Management, Development, and Mobility Strategies

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Introduction



The prosperity of any organization is directly linked to its workforce and the competencies they bring to the table. Talent acquisition, though integral, represents only one piece of a comprehensive talent management strategy.

In today's dynamic business environment, organizations have come to realize the importance of nurturing, developing, and optimizing their internal talent pools. This involves implementing strategies like succession planning, high-potential talent identification, and facilitating internal career mobility.

As we delve into the sphere of talent management, critical questions emerge:

- How do organizations leverage assessments within their talent management strategies?
- What kind of decisions are influenced by these assessments?
- How do they contribute to internal career progression?

In our recent talent trends survey,¹ we looked at the talent priorities, talent management practices, and obstacles organizations encounter to provide a better understanding of how they seek to harness their internal talent for sustained growth and success.

¹ The Talent Trends Survey drew upon responses of over 1600 HR professionals from diverse industries and geographical regions.



What does talent management look like today?

The talent trends survey revealed that a substantial **80% of respondents' organizations actively employ assessments for talent management**. This suggests that assessment tools are important in nurturing talent and making informed HR decisions.

Participants identified leader development as their primary talent management priority, but five others were deemed a top priority for over half of organizations, as the table shows, with internal and external hiring both considered lower priorities.

Talent Management Priority	Top Priority
Leadership Development	62%
Career Development	58%
Performance Management	57%
Identification of High Potential Talent/Emerging Leaders	56%
Engagement/Retention	54%
Succession Planning	52%
Employee Well-being	47%
Onboarding	45%
Training	45%
Internal Hiring	45%
Diversity, Equity, and Inclusion	44%
External Hiring	42%

Allocating resources to talent management is a vital part of organizational planning. On average, **36% of HR budget is allocated to talent management**. Additionally, **34% of respondents noted their organizations are increasing their budgets for leadership development**, closely followed by 30% for career development and 29% for the identification of high-potential and emerging leaders. These findings highlight the financial emphasis placed on these critical talent management areas.

When it comes to organizations' future talent management strategies, **83% of respondents indicated their organizations intend to invest in building talent**, with 49% of those investing a great

deal. This indicates a collective commitment to talent development and management as a strategic priority. With a steadily growing skills shortage, escalating talent acquisition expenses, and unprecedented competition for top talent, organizations have come to a profound realization – the most effective way to navigate these challenges is to make strategic investments in their existing workforce.

This deliberate investment can provide a rapid solution for bridging critical skills gaps. Simultaneously, it ensures the establishment of a robust succession plan for future leaders, safeguarding the organization's enduring success and prosperity.





How are organizations identifying internal talent?

Internal mobility opportunities are available at various organizational levels within those surveyed. Respondents indicated that 27% of opportunities exist at first-line manager and individual contributor levels, 23% at senior manager levels, and 16% at the executive leadership level.

How is internal talent sought out and identified to fill these roles?

Internal selection and promotion decisions rely heavily on subjective input and past performance. Experience, interviews, and objective assessments also play pivotal roles in the decision-making process. Worth noting here is the strong preference for using subjective inputs for internal selection. Organizations should be aware of the limitations of this strategy compared to using more objective inputs like assessments.

Objective assessment is often considered fairer than subjective methods for several reasons including greater reliability, transparency, and reduced bias.

How Internal Selection Decisions Are Made

Objective Assessments



Interviews



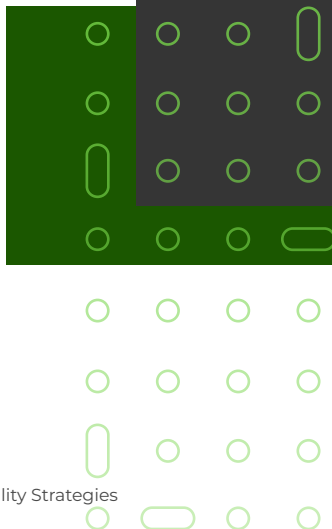
Experience



Past Performance



Subjective Input





How do organizations use assessments to identify talent?

Interestingly, when respondents were asked how assessments are used in their organizations, a mere 7% reported that they are currently using assessments for internal hiring, but a substantial 43% expressed plans to initiate this practice. Similar can be said for career development where 11% are currently using assessments, but 39% intend to adopt them. This highlights the positive shift in organizational strategy around assessment usage that can already be seen in areas such as leadership development and high-potential identification.

Usage of Assessments in Organizations

Plan to Use Career Development



Currently Use Career Development



Plan to Use for Internal Hiring



Currently Use for Internal Hiring



44%

for Leadership Development



36%

for Identifying High-Potential Talent



34%

for Performance Management



11%

for Career Development



36%

for Internal Hiring



What are the barriers to using talent data?

The biggest concern for HR professionals is working with leaders to understand future critical roles. **Recruiting and hiring top talent is expected to become increasingly challenging according to nearly two-thirds (65%), of respondents.** Organizations are placing a higher emphasis on internal talent development, and over half (55%) are using assessments to identify high-potential employees. However, **satisfaction levels with how high-potential employees are defined and identified within the organization remain under 50%**, alluding to the opportunity for talent data to be better utilized and managed. SHL's research shows high potentials are not just those that are high performing, but ones that have three defining attributes—**aspiration, ability and engagement**—showing the importance of assessing the right skills for the given goal.

Barriers to the Use of Talent Data

Inability to Reuse Data Throughout the Talent Lifecycle



Time Required to Get the Data



Lack of the Right Information



Difficulty Collecting Data



Lack of Integration Across Systems



In order to effectively use talent data, there are still some significant barriers to overcome. Top of this list is the integration of talent acquisition and talent management functions. Only 39% of respondents indicate their organization has an integrated system. Integration enhances effectiveness and fosters a talent lifecycle that promotes both acquisition and development of talent.





What are organizations doing well and what can they improve?

The talent trends survey provides a comprehensive view of the current trends, priorities, and challenges in talent management. It underscores the growing emphasis on internal talent development, highlighting areas where organizations have found success, and areas where there is still much room for improvement.

What Organizations Are Doing Well

Assessments are Widely Used to Manage Talent

Approximately 80% of organizations actively use assessments for talent management, highlighting the recognition of assessment tools in making informed HR decisions.

Prioritizing Leaders and High-Potentials

Organizations are prioritizing those roles that impact the organization most, with leadership development being the top priority for talent management, followed by high-potential identification and career development.

Investing in Talent Management

On average, 36% of HR budgets are allocated to talent management, with a significant emphasis on leadership development, career development, and high-potential leader identification. Additionally, most organizations (83%) plan to invest in talent development, highlighting the strategic importance placed on talent management.



What Organizations Can Improve

Internal Mobility Opportunities

Opportunities for internal mobility exist at various organizational levels, but the majority of opportunities exist at the individual contributor level (27%) and at the first-line manager level (27%).

Talent Identification Lacks Objectivity

Internal selection and promotion decisions heavily rely on subjective input (87%) and past performance (78%), indicating the opportunity to realize the value of more objective inputs, like assessments.

Assessments are Only Sparingly Used for Internal Hiring

While a small percentage currently use assessments for internal hiring (7%) and career development (11%), a substantial portion plans to adopt assessments for these purposes in the future.

Identifying High-Potential Employees is Still a Challenge

Despite the use of assessments to identify high-potential employees (55%), satisfaction levels with how they are defined and identified within organizations remain under 50%.

Effective Use of Talent Data Still Has Many Barriers

Organizations need to be aware of any barriers to data use and plan to overcome them—an integrated talent system can offer a big step in the right direction.



SHL brings powerful and transparent AI technology, data science, and objectivity to help companies attract, develop, and grow the workforce they need to succeed in the digital era.

We empower talent strategies to unlock the full potential of your greatest asset—people.

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