



# Talent Trends: Past Insights, Future Strategies



# Introduction

In 2023, SHL ran a Global Talent Trends\* survey to gather insights from over 1,600 Human Resources professionals regarding talent management and assessment practices among organizations across the globe.

In this report, we compare survey results from 2023 to results from the same study completed in 2018, and share key takeaways on what has changed over the past five years, what has endured, and emerging trends that organizations can expect to become prevalent in the future.

The respondents work for national and multinational organizations of varied sizes (from 1 to 500,000 employees), from different industries



(e.g., professional services, telecommunications, healthcare, retail, etc.), and hold different responsibilities within their organizations (such as career development, diversity, equity, and inclusion, recruitment, and leadership development).

## This report focuses on four primary themes:

Navigating workplace transformation in the age of automation

1

The shifting landscape of organizational talent priorities

2

The rise of internal talent development programs within organizations

3

The continued prevalence of assessments used for selection

4

\* Formerly published in 2018 as the Global Assessment Trends Report.



# 1. Navigating Workplace Transformation in the Age of Automation

Recent years have brought about a workplace transformation, and at the forefront of this transformation is automation.

**Automation has the potential to dramatically impact jobs and HR processes, and workers are acutely aware of this.** In 2023, 65% of respondents believe that automation has the potential to enhance employees' productivity, and 57% agree that automation has a positive impact on how they perform their jobs. Compared to responses in 2018 — where 90% of respondents indicated that automation had the potential to enhance productivity of employees in their organizations, and more than three-quarters (78%) agreed that automation was positively affecting how their jobs were performed — there seems to be a slight shift away from this positive attitude towards automation. As automation has already infiltrated many areas of the workplace over the last five years, there now seems to be less perceived opportunity for workplace improvements due to automation, as much of it has already happened.

Despite this attitude shift, **respondents are less pessimistic now about the consequences of adopting automation in the workplace.** In 2018, 27% reported that automation led to layoffs in their organizations. However, this number has dropped to 13% in 2023, and 17% of respondents indicated that

**65%**

of respondents believe that automation has the potential to enhance employees' productivity.



**57%**

agree that automation has a positive impact on how they perform their jobs.



they do not see automation leading to any layoffs in the future.

Regardless of how the impact of automation is perceived, there is no doubt that **automation has been more prominent in the past few years and will likely continue to be even more prominent in the future.** In our most recent survey, participants indicated that the COVID-19 pandemic and the shift to remote work have sped up the rate of adopting automation by up to 40%.

However, **despite how rapidly automation is growing, opportunities remain for automation to add value.** A prime example of this is HR technology automation and information system integrations. Organizations continue to struggle with the use of their HR information systems to manage talent data despite some improvements seen in recent years. In 2018, only 27% of respondents reported satisfaction

with the ability of their HR systems to manage talent data. In 2023, this number has slightly increased to 34%, leaving considerable room for improvement.

**HR professionals have yet to fully leverage automation to manage integrated talent analytics data across systems.** When asked about the biggest barriers to making better use of talent data, a lack of integration of different data sources remains the largest challenge across organizations of all sizes, as reported by 21% of participants. However, this is a significant decrease from the 72% who reported this as the biggest challenge in 2018.

This shows that organizations have made rapid progress in integrating talent acquisition and talent management systems over the past five years, with 40% of participants now indicating that they have already integrated their talent acquisition and talent management systems.

**Table 1. Respondent Reactions to the Role of Automation**

Survey Statement	Yes	
	2023	2018
I think automation has the potential to enhance the productivity of employees in my organization.	65%	90%
I am worried that automation may replace many jobs once performed by people.	22%	31%
Automation is negatively affecting how I perform my job.	10%	8%
Automation is positively affecting how I perform my job.	57%	78%

**Table 2. Impact of Automation**

Survey Statement	2023	2018
Automation is influencing the number of new roles we are creating in my organization.	20%	55%
Automation has changed our hiring/selection programs.	17%	50%
Automation has led to layoffs/redundancies/reductions in the workforce in my organization.	13%	27%



## 2. The Shifting Landscape of Organizational Talent Priorities

In a world where workplace dynamics are perpetually evolving, organizations find themselves constantly revising and adjusting their priorities, and the landscape of organizational talent is no different.

Our data on organizational talent priorities helped us identify the pivotal areas that organizations prioritize when thinking about their talent strategy.

Looking at data from 2018 and 2023, **we identified the top six talent priorities that persist for organizations across those years.** Looking at these different priorities, we can see that **the majority have remained stable in their importance to organizations over the years.**



### Top Six Priorities

2023

2018

Leadership Development

1

Leadership Development

Career Development

2

Identification of HiPo/Emerging Leaders

Performance Management

3

Career Development

Identification of HiPo/Emerging Leaders

4

Performance Management

Engagement and Retention

5

Succession Planning

Succession Planning

6

Engagement and Retention

### 3. The Rise of Internal Talent Development Programs in Organizations

In recent years, **the challenge for organizations to understand their current workforce potential has continued.** In 2018, only 40% of participants surveyed claimed to have a clear grasp of their bench strength. This figure has only seen a modest increase to 44% in 2023. While the growth is incremental, fewer than half of the respondents (44%) indicate a good understanding of their current workforce's potential.

Although external hiring has experienced a slowdown, efforts to identify future-critical roles persist. In 2023, 67% of respondents are engaging in discussions with business leaders about these roles, or plan to do so in the near future. This is a slight

decline from the 81% reported in 2018, suggesting an ongoing drive to align organizational strategies with upcoming workforce needs.

The **reliance on talent data to make business decisions has remained stable** at 61% between 2018 and 2023.

**The exploration of the future of work and the redesign of HR processes remain prominent considerations for organizations.** A consistent majority of respondents (61% in 2018 and 62% in 2023) are actively contemplating how to reshape HR strategies to effectively support evolving work dynamics.

**67%**

of HR professionals engage with business leaders to identify future-critical roles.



Table 3.

Survey Statement	2023	2018
My organization has a clear understanding of our workforce's potential.	44%	40%
My organization is working with its leaders to understand what roles will be critical in the future.	67%	81%
My organization relies on talent data to make business decisions.	61%	61%
My organization is contemplating how to reshape HR strategies to support work.	62%	61%
My organization uses assessments for development.	59%	60%
My organization uses assessments for hiring.	65%	93%
My organization uses metrics to determine the value of development programs.	54%	62%

**Assessment tools continue to play a role in workforce development**, with a steady adoption rate of 60% in 2018 and 59% in 2023. However, their utilization for hiring purposes has significantly decreased, plummeting to 65% in 2023 from a notably higher 93% in 2018. This may be due to changes in the talent strategy of organizations, which now show a preference for developing talent internally rather than recruiting and hiring externally.

**Metrics serve as vital instruments for evaluating the value of assessment programs.** While the use of metrics to determine the worth of development programs remains prevalent (62% in 2018 and 54% in 2023), organizations are increasingly using such metrics to refine their hiring processes. Notably, 46% of respondents in the 2023 report implementing changes to their hiring strategies based on the insights gathered from business metrics, illustrating a heightened emphasis on data-driven improvements.

61% 

of organizations rely on talent data to make business decisions.





# 4. The Continued Prevalence of Assessments Used for Selection

Over the span of five years, **the utilization of algorithmic assessments has shown a modest increase**, rising from 14% in 2018 to 20% in 2023. Notably, the primary purposes for employing these assessments remain consistent, centering on predicting productivity, employee retention, process efficiency, and financial metrics, although there is a decline in their use for predicting performance ratings. This shift could indicate a departure from algorithmic assessments' role in evaluating performance.

**Psychometric assessments continue to target key business outcomes**, some overlapping with the primary purposes of algorithmic assessment,

such as process efficiency, employee retention, and productivity. Other prominent objectives of psychometric assessments include predicting performance ratings and engagement, with training effectiveness slightly lessening in importance since 2018.

**Reaffirming organizational focus, three out of the top five priorities for how organizations plan to use assessments in 2023 mirror those of 2018.** These encompass external hiring, leadership development, HIPO (High Potential) identification, and the newly emerging area of performance management in 2023, with training also making a notable appearance.

## Top Five HR Priorities for How Assessments Are Used in Selection

2023	2018
External Hiring	High-Potential Identification
Leadership Development	Leadership Development
Performance Management	External Hiring
High-Potential Identification	Career Development
Training	Internal Hiring



Regarding types of assessments used, interviews continue to play a significant role, with real-time video interviews retaining their prevalence, at 54%, a figure unchanged since 2018 despite the pandemic. However, structured interview methods have experienced a decline, dropping to 56% in 2023 from 76% in 2018.

Asynchronous interviews have seen a slight increase in adoption since 2018, rising from 13% to 16%, with manually scored versions being more common

than those scored by AI (Artificial Intelligence). Asynchronous interview methods that utilize AI scoring methods are still relatively new technology which requires more adoption and testing. Organizations should keep an open mind when it comes to these new and innovative tools.

Traditional assessments, such as those for skill or knowledge, personality, and cognitive ability, remain prominent.

## Types of Assessments Used

2023	2018
Skill/Knowledge	Skill/Knowledge
Personality Assessments	Personality Assessments
Spoken Language	Cognitive Ability Tests
Cognitive/General Problem Solving	Job-fit Assessments
Specific Ability Assessments	Situational Judgment Tests



# Key Takeaways

The findings obtained from our recent Talent Trends Survey reflect a nuanced evolution in talent and assessment practices over time, with some trends holding steady while others shift. As organizations look to apply these findings to their future talent and assessment strategies, they should consider the following overarching trends:

## 1. Automation and HR Technology

Automation in the workplace is more widely accepted as workers have become more attuned to the potential benefits gained. Automation's presence and influence will continue to grow, and organizations should anticipate the ongoing prominence of automation and its potential to transform work dynamics.

Despite some progress, many organizations still struggle with effectively managing talent data through their HR systems, with nearly two-thirds of respondents unsatisfied with the ability of their current HR solution to meet the demands of the business.

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## 2. Talent Analytics and Data

There is a persistent challenge in integrating talent analytics data across systems. Organizations are aware of the importance of an integrated talent acquisition and talent management system and have made advances in this area, but there is still significant room for improvement. The increasing use of metrics to refine hiring processes highlights the significance of leveraging business metrics to enhance talent management strategies.

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## 3. Talent Development Programs

Identifying workforce potential continues to be a challenge for organizations, alluding to the value of talent management programs for internal development and identification of high-potential talent. While external hiring has slowed down, identifying and nurturing internal talent has become crucial, with organizations looking for ways to increase their understanding of their workforce and working more closely with business leaders around critical future roles.



## 4. Assessment Tools and Strategies

Organizations are adapting assessment strategies to align with evolving talent priorities, with a focus on internal development over external hiring. This shift is reflected in the consistent organizational priorities, where leadership development, performance management, and career advancement have gained prominence.

## 5. Interview Methods

Real-time video interviews remain prevalent, but structured interview methods have declined. The slight increase in the adoption of asynchronous interviews indicates a potential avenue for exploring new interview formats.

In summary, organizations are focusing on navigating the evolving landscape of talent management and prioritizing factors such as automation, internal talent development, integration of systems, and the strategic use of data for more effective decision-making. Organizations are actively contemplating the future of work and redesigning HR processes to support evolving work dynamics, further reflecting the importance of staying adaptable and responsive to remain competitive.



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