



# TOP 5

## TALENT MANAGEMENT TRENDS FOR 2018

by **Marc Effron**, Talent Strategy Group



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**A new year brings new directions and we're seeing some definitive Talent Management trends emerge for 2018.** The insights we've gathered across our consulting, education and executive search businesses points to five key trends which will help HR and talent to be more effective in the coming months. These include:



[Read more about our views on HR transformation here.](#)

## HR TRANSFORMATION – ROUND 2

**In 2017, you wrote a seven-figure check for new HR technology and downsized your generalist population.** Congratulations – you're now ready to start your real HR transformation. Round 1 of HR transformation was a necessary, helpful and often painful step to prepare HR to better serve the organization. We've seen too many organizations stop there and forget that it's the quality of your HR leaders, not the efficiency of your processes, that create a respected HR team.

In 2018, the early adopters of HR transformation have lived through Round 1 and we see them starting Round 2. Round 2 further refines who's in your HR team and aggressively builds their capabilities in the areas the business cares most about. The starting point is a full-review of your post-transformation HR leaders against an elevated set of standards. We've seen 20% - 33% of those who made it through Round 1 can't demonstrate the post-transformation skills needed (especially influencing senior leaders and creating crisp strategy) in Round 2. The second step is an aggressive education program to build the business, strategic and talent building capabilities of the remaining leaders.

## HR ANALYTICS RETURNS TO EARTH

**“Don’t believe the hype” concluded our 2016 HR Analytics report and two years later we have no reason to change our minds.** In 2018, companies will learn to separate the meaningful from the possible in the HR analytics field. That reckoning will show that HR analytics will provide incremental information but won’t fundamentally influence HR’s practices, mission or focus.

Companies will move forward with more caution in this area in 2018. They’ll clarify the exact value they expect from analytics and better structure its work.

The challenge in finding transformational value in HR analytics is that we already know what allows people and companies to work well together. HR analytics will need to do more than restate the current fact base to be seen as valuable and the knowledge it generates will likely be much narrower and situation-specific than once thought.

We see this as a helpful evolution since we saw too many companies staffing up this function with starry-eyed ideas about what it would produce but little idea about how it would benefit the business.



[Read more about our views on the state of HR Analytics here.](#)



## TRANSPARENCY GETS A FOOTHOLD

**It’s one of the largest and most inexplicable challenges we see globally – why companies refuse to be more open with their employees.** Given that younger employees expect more transparency and organizations like Bridgewater model 100% transparency, 2018 will see significant pressure on companies to be more open with employees about where they stand. Performance, potential, development and company strategy are all in the sights of employees who believe they deserve more openness.

We hear three excuses from companies about why they’re not more transparent – we aren’t “ready,” we don’t know how, and we’re afraid of the consequences. Our experience is that the first two excuses aren’t based in fact (or are easily corrected) and the third is an irrational fear that being open will cause your best talent leave or your worst to stagnate. As Marshall Goldsmith once told us, “Transparency does not have to equal total disclosure.” But, you have to make the decision about *“What’s the optimal length of time to lie to your employees.”*

## ACCOUNTABILITY

Whether it's developing your team or delivering on diversity goals, we're seeing leading edge companies turn the accountability dial up high. Accountability has been a soft term in HR for many years. "You're accountable to do..." was heard by managers as "it would be really nice, if you have some extra time, to do..." Companies are changing that weak view of accountability by using focused accountability and clear metrics to drive action.

Focused accountability identifies the few talent activities that truly drive business results, i.e. set a few big, challenging goals and accelerate the growth of your best talent. It adds a simple quality and quantity metric to each accountability, often driven through a one-question survey. Data is collected and shown to managers and their manager on at least a quarterly basis. It's used as a data point in both performance review conversations and talent review discussions.



Read more about our views on talent-building leaders [here](#).

## BUILDING TALENT-BUILDING MANAGERS

They're the true engine of talent development but that engine often sputters or stalls when it's needed most. In 2018, we'll see companies get serious about building their managers' capabilities to build better talent faster. We've seen most excuses for lack of talent building success fall away. CEOs are now big supporters of talent management. HR has made talent-building processes simpler and more standardized. The business case is abundantly clear. All that's left is managers' capability to execute the talent building activities that drive higher performance.

We're hearing far more interest in creating talent-building leaders through focused, practical development. Going away are the deadly boring courses on how to write a SMART goal and on-line learning that neither engages or challenges leaders. In its place are dynamic simulations where managers learn both what to do to build better talent faster and how to do it. The standards set raise the bar significantly on managers and, when coupled with the Accountability prediction, ensure that managers are capable and serious about their job to produce talent.

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