

December 8, 2022

## **The Competitive Landscape of Talent Management Has Fundamentally Changed:**

*How boards need to rethink and question their pre-pandemic foundations and principles and shift their perspectives on managing talent as a key business imperative*

By Ceree Eberly

It is a brave new talent world out there. Over the past several years almost every organization has experienced some impact from the changing dynamics of the competitive talent landscape— in the form of talent shortages, lack of diversity in the talent pipeline, disengaged employees and high talent individuals exiting the workplace, or all the above. Not since the Second World War has there been a period more disruptive to the everyday working environment.

Gartner's latest CEO 2023 business issues research found that workforce management is a top three business priority, ahead of financial or corporate concerns. The emphasis on corporate workforce management reflects a dramatic increase from previous years. Also, Gartner's Chief Human Resource Officer (CHRO) Global Leadership Board's latest model for the "World Class CHRO" for 2023 and beyond has identified that effectively acting as a "Chief Talent Architect" for the organization is a key indicator of success.

In order to maximize their oversight role boards must understand the changed nature of the competitive talent landscape and be prepared confront shifting expectations, demands on investments and requirements for success in the marketplace. Workplace environments have been chaotic since the pandemic, and not surprisingly organizations are confronting mounting change related burnout. For example, 74% of employees in 2016 signaled that they were eager for workplace change, but today that number is below 40%. Meanwhile, the average number of enterprise changes employees have experienced in the last 12 months has increased five-fold in that same timeframe. If, as seems certain, we are in a new world and workplace structures and management need to change to reflect that reality, what do we do about the fact that employees are burnt-out on change?

Without an updated lens to navigate this increasingly unfamiliar talent world, companies could be at substantial risk, with outdated strategies, approaches, and investments that impact the organization's future success and sustainability.

---

### **SCARCITY AND MORE EXPENSIVE TALENT ISSUES**

During the pandemic, some organizations reduced and/or eliminated investment in talent, in capabilities for the future, and in development for employees, with compensation lagging inflation and cost of living increases. Now there is a groundswell of demand in the market for diverse talent, unique skill sets, and

36% of HR leaders believe their sourcing strategies are insufficient for finding those skills. Meanwhile, a mandate for a different way of working, particularly centered on flexible job design and workflow, with more than half of employees saying flexible work policies will affect their decision to stay at their organization. This reality demands a reconsideration of the structure of the office environment and the organization's employee value proposition. Competition for the same talent is creating pressure on increased salary and labor investments as a key business issue. Short-term decisions on talent have created a longer-term set of strategic issues that must be addressed by the organization if they want to win in the marketplace as a healthy, sustainable organization.

### **Questions Boards Should Consider:**

- Is the organization making short-term talent investment decisions that can help or harm the business longer-term?
- Does the organization understand where its talent gaps exist against a marketplace characterized by an overall scarcity of jobs and skills? Does management have a plan to address this challenge and has it identified the optimum levers it will use to ensure positive outcomes (innovation in recruitment, compensation approaches, etc.)?
- Does the organization have a plan to develop required skills internally or does it plan to augment its needs from the outside market? How do new unique skills fit into an already existing talent framework? Does the talent build/acquire framework need to change to become more innovative to address this issue?
- Does the organization understand the diversity characteristics of its talent pipeline? How does the organization ensure that its pipeline is appropriately diverse and that new employees from a wide range of backgrounds are successful?

---

### **LOSING TALENT DUE TO LACK OF MOBILITY/CAREER DEVELOPMENT**

A recent study by Gartner indicates that post-pandemic, organizations will experience a 20% increase in turnover over their historical rates. The study suggested that one issue is at the center of this increase—employees see a lack of job mobility and career advancement/planning in their organizations. A lack of career opportunity has resulted in higher rates of resignation and - of course - higher replacement costs to the business.

Another Gartner research study surveyed employees on career mobility and development, shockingly, 75% of surveyed employees indicated they were looking externally for better career mobility and career pathing opportunities, while only 25% had confidence in their organization's career planning and mobility programs.

Organizations that spend significant time and effort to recruit, develop and engage employees, will lose them if they don't have a compelling job mobility, learning, and career pathing framework along with programs that propel their careers.

### **Questions Boards Should Consider:**

- Does the organization understand how talent is moving within the company and how employees are being developed through appropriate talent management?
- Gartner research estimates that 34% of skills listed in job postings from 2019 will become obsolete by 2024. How does your organization ensure that employees are able to develop the necessary skills to make progress in their careers?

- Does the organization make learning and development opportunities sufficiently visible to employees?
  - How does the organization assuage employees' concerns that they might be "left behind" by their skills becoming obsolete or no longer in-demand?
  - What metrics are most critical to measure success?
  - Do you know your organization's turnover rate and which jobs/functions are losing talent or if you have gaps in skills/capabilities for the future?
  - Does the organization have a diversity-related issue of turnover and departures?
  - Is there a feedback mechanism to give management and the board 'early warnings' on career mobility movement, the internal pipeline, for course correction?
  - Is there a feedback process for those who have left the organization and how is that used to improve the process? Does the organization understand the root cause concerns that lead to important talent exiting the organization?
- 

## **THE CHANGING ROLE OF TOMORROW'S LEADER**

The fundamental role of the leader/manager in the organization has shifted since the pandemic. The top skills needed are 'human-centric'—leaders must connect to their teams and employees in a fundamentally different way to engage, develop and retain their employees. These skills include empathy, authenticity, adaptivity, personal connection with employees as human beings.

Many leaders are being developed within an outdated framework or not at all, with surveyed HR leaders indicating that a failure to develop leaders is the single greatest problem impeding manager effectiveness. Employees are demanding a more adaptive, flexible workplace with more autonomy, flexibility, decision rights and empowerment. However, these workforce demands are now more often at odds with senior leadership objectives, resulting in managers being squeezed and overwhelmed. It is no surprise, therefore, that leaders, managers, and employees, are experiencing burnout and stress at higher levels than ever seen.

How do leaders become more resilient and manage change ongoing, and how do they build this mindset and capability within their organizations in a human-centric way? A new way of leading is a business imperative if organizations want to win in the marketplace for the longer-term.

### **Questions Boards Should Consider:**

- What leadership development framework currently exists and has this framework been refreshed based on future requirements of leaders and managers?
- Has the organization integrated new requirements of leadership success for the future and do the succession plans for CEO/C-suite, key roles, reflect this? Would the firm benefit from a new succession plan and process? Is the current succession plan an 'old tape'?
- What is the organization doing around building the organization and culture for longer-term resiliency, agility, for success? What metrics matter? How does the organization know when its leaders are burnt out and what can be done to reduce burn-out incidents?
- How do you know as a Board if your leaders are becoming 'human-centric' and connecting to employees in a way that engages them? Is it part of the culture or does the culture need to be addressed? How can the organization resolve the tension between changing employee expectations and the needs of the business? Do employees have mechanisms to give feedback and do leaders listen and receive feedback?
- How does management track the emotional health of the organization?

## RESOURCES

- [Gartner's 2023 HR Priorities](#)
  - [Gartner - What will HR Focus on in 2023?](#)
- 

## ABOUT THE AUTHOR

### Ceree Eberly

*Chair, Gartner Global Chief Human Resources Officer Board*

Ceree Eberly is a global business executive with more than 30 years of experience creating brand and shareholder value. She currently serves on the board of Qualfon Corporation, a global provider of business process outsourcing to companies such as Google, Amazon, Uber and T-Mobile. She serves also as Chair of the Global Chief Human Resources Officer (CHRO) Board of Gartner, LLC (formerly CEB). She also serves on the New York Institute of Technology Women's Technology Council, the Global Shared Assessment's Talent Council, member of the G100 Faculty for CHROs, as well as coaching and consulting with C-Suite leaders/CEOs.



Ceree's global experience includes 28 years with The Coca-Cola Company [NYSE: KO], providing a total portfolio of beverages to consumers across 207 countries with \$42 billion in annual sales. As Chief People Office she was responsible for leading a global organization responsible for transforming culture, workplace, talent, succession, for 150,000+ employees, as well as serving as part of the Executive leadership team driving long-term vision and strategy.

---

***The Board Risk Report** is the periodic publication of the BRC. **SUBSCRIBE NOW** to receive complimentary world-class risk management practices delivered directly to your inbox.*

## WHO WE ARE

The Board Risk Committee (BRC) is the foremost thought leadership peer council for board risk committee members and chief risk officers. The BRC is a nonprofit, non-competitive, trusted place for the exchange of ideas, strategies, and best practices in enterprise risk oversight. We advocate for having risk committees of boards, where appropriate, and for educating board directors about enterprise risk. The BRC aims to foster more effective risk management and board oversight. The BRC works in partnership with The Santa Fe Group (SFG) and Shared Assessments (SA). SFG is a strategic advisory company providing expertise to leading corporations and other critical infrastructure organizations in the area of risk management. SA is the thought leader and provider of tools, education and certifications in the third party risk management space. *The Board Risk Report is the periodic publication of the BRC.*

### Contact:

Catherine A. Allen, Founder, Chairman, Board Risk Committee, [cathy@santa-fe-group.com](mailto:cathy@santa-fe-group.com)  
Ellen Dube, Executive Director, Board Risk Committee, [ellen@boardriskcommittee.org](mailto:ellen@boardriskcommittee.org)