



DEVELOPING TALENT FOR KEY FUNCTIONS

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The continued growth of a company often hinges on having the right talent in place and building bench strength. Many companies have found it smart to develop leaders at all levels of the organization, not just in the senior ranks. However, one of the pitfalls of an improving economy has been the increased movement of skilled workers and executives to new jobs in other companies. According to a recent Deloitte human capital survey, few companies today are confident that their leadership pipeline is adequate.¹

A human capital strategy is often the best way to address the challenges of developing talent for key functions. The plan should address these areas:

- **Learning** — Learning and development were ranked as top talent-development challenges in Deloitte's survey.² With the economy improving, companies are once again allocating funds to address the skills and capabilities needs of their workers. In addition to partnerships with colleges and universities, Human Resources (HR) groups are transforming in-house learning to meet employees' expectations for on-demand learning platforms that offer digital tools, video courses and cloud-based training.³

A human capital strategy that engages, recognizes, develops and retains talented employees will be critical to business success.

- **Leadership development** — Often, executive development programs are limited to a select few in organizations. Deloitte's study found that more than 50% of C-suite executives had not received any development at all.⁴ Because these programs are expensive, they often are not extended to mid-level professionals, leaving a gap that must be addressed to prepare Millennials for senior leadership positions. Although they express fears of investing in leadership development only to see rising stars leave for other opportunities, companies must be prepared to invest in developing the next generation of executives and work hard to retain them.
- **Recruiting** — Professional networks and referrals continue to be among the best sources of candidates, but technology has become the indispensable tool for recruiting. Most job seekers today are savvy at using online job websites; social networks such as LinkedIn, Facebook and Twitter; college career websites; and affinity group networks to build relationships and seek job referrals.⁵ Smart companies position themselves on these sites to attract the best and brightest talent.
- **Securing talent overseas** — Identifying, recruiting and retaining talent overseas can be quite challenging for companies, especially in emerging markets such as Brazil, China, India and Russia. Yet talent shortages in these markets can severely limit the growth of overseas operations, particularly in the areas of business management, engineering and IT. Local professional contacts and recruiting firms can assist with finding appropriate candidates.



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Successful recruiting strategies recognize that workers' career goals steer their employment decisions and that a company's reputation and brand count with recruits. Just as in the United States, overseas candidates want challenges, opportunities to mix with peers and a work environment aligned to their cultural values.⁶

- **Data analytics** — As more data is made available to HR, it can provide insights into employee performance and enable workforce performance analytics. Technology tools can help HR identify top performers who may be at risk of leaving and need to be kept engaged, as well as recognize and reward behaviors that have the most financial impact and job satisfaction.

- **Employee engagement** — Employee recognition and engagement can help stem turnover by demonstrating appreciation for high performance and promoting a positive corporate culture. Best practices for employee engagement can be as simple as management interacting frequently with staff, providing immediate feedback and maintaining an open door policy.⁷

Millennials, the largest demographic group in the U.S. workforce, are much more likely to job hop than Baby Boomers, who changed jobs infrequently throughout their careers. On average, Millennials change jobs every two years.⁸ As a result, moving forward, a human capital strategy that engages, recognizes, develops and retains talented employees will be critical to business success.

To discuss these topics in more detail, please contact your PNC Relationship Manager.

¹ "Why is Leadership a Perennial Issue?" Risk & Compliance Journal from *The Wall Street Journal*, June 12, 2015. <http://deloitte.wsj.com/riskandcompliance/2015/06/12/why-is-leadership-a-perennial-issue-weekend-reading/>

² "Global Human Capital Trends 2015," Deloitte University Press. <http://www2.deloitte.com/content/dam/Deloitte/at/Documents/human-capital/hc-trends-2015.pdf>

³ Global Human Capital Trends 2015, page 25-26

⁴ Global Human Capital Trends 2015, page 17.

⁵ "America's Economic Engine: Opening the Throttle," Deloitte Mid-Market Perspectives Report, 2014. <http://www2.deloitte.com/us/en/pages/deloitte-growth-enterprise-services/articles/americas-economic-engine-opening-the-throttle.html>

⁶ "Differentiating for Success: Securing Top Talent in the BRICs," Ernst & Young, 2014. [http://www.ey.com/Publication/vwLUAssets/EY-Securing-top-talent-in-the-BRICs/\\$FILE/EY-Securing-top-talent-in-the-BRICs.pdf](http://www.ey.com/Publication/vwLUAssets/EY-Securing-top-talent-in-the-BRICs/$FILE/EY-Securing-top-talent-in-the-BRICs.pdf)

⁷ "Leadership in Treasury: Attracting and Retaining Talent," by Nilly Essaides, Corporate Treasurers Council report, 2014, page 16. http://ctc.afonline.org/PDF/CTC_Guide_to_Attracting_and_Retaining_Talent_-_Executive_Summary.pdf

⁸ "4 Employee Recognition Trends to Watch in 2015," TMX blog, <http://www.tmxgo.com/employee-recognition-trends/>

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