
POINT OF VIEW: JULY 2011
From BALSIGER PARTNERS

"An organization's ability to learn, and translate that learning into action rapidly, is the ultimate competitive advantage." Jack Welch

THE MOST SIGNIFICANT TALENT CHALLENGES FACING ORGANIZATIONS

The past three years have certainly wreaked havoc on many organizations—physically, emotionally, operationally and culturally.

As we look to the second half of 2011 and into 2012, I wanted to pass on some information in case you hadn't seen it.

Aon Hewitt, a global leader in HR consulting, just released their "2011 Talent Survey". It was quite interesting and very revealing. There were 1,328 survey participants, nearly 70% in C-level, Director or Professional positions; and 66% of the organizations surveyed had employee counts greater than 500.

While their report is quite extensive, I've summarized on the attachment, what I believe, are some of the most significant survey findings that likely could have the greatest strategic implications—both near-term and longer term.

As you'll see, the data suggest (and maybe confirms) potential strategic issues, perception vs. reality issues, communication issues or in some cases, reality issues, depending on the organization. And while each organization is different, the one thing we all have in common is the enormous impact that "people" have on our business—positively or negatively.

As with all research, this should be considered only as another data point—but extremely informative, nonetheless.

I hope you find this to be of some value and as always, your comments and feedback are always welcomed and appreciated. Feel free to email me at rb@balsigerpartners.com.

Wishing you great success,

Rick Balsiger

BALSIGER PARTNERS is focused 100% on people. We are dedicated to helping organizations find the "best & brightest" talent and developing & growing leaders at all levels of the organization. We look forward to assisting you.

**SIGNIFICANT FINDINGS:
AON HEWITT'S "2011 TALENT SURVEY"**

Top 5 Concerns Looking Ahead:

- 1- Talent retention
- 2- Business strategy execution
- 3- Employee engagement
- 4- Development of leaders to take on more critical work
- 5- Aging workforce/retirements

Employee Engagement:

- Engagement of critical talent is a major concern
- Engagement levels are low combined with a lack of confidence that leaders can retain top talent
- Total rewards play a significant role in engaging a workforce
- Middle management will be critical to business strategy execution and employee engagement

Employee / Employer Relationship Issues:

- Over 50% of employees are passive or actively disengaged
- 42% are not energized by their work
- Only 43% have trust in senior management
- 40% are generally stressed out to the point of burn-out
- 64% are physically exhausted when they get home from work

Leadership Gap:

- There is perceived gap in leadership effectiveness
- There is a general lack of confidence in leaders' ability to drive change
- While over 50% agree leadership is important in meeting business goals, meeting profitability targets, delivering service & retaining talent, less than 20% agree that leadership is extremely effective in accomplishing those key tasks
- While 55% agree communication is extremely important in implementing change, only 10% agree the communication is extremely effective
- While 57% agree that leaderships' alignment with change are extremely important, only 13% agree that it is extremely effective

Leadership's Role with Talent:

- 73% agree that senior leaders play a very or extremely important role in *attracting* talent
- 83% agree that senior leaders play a very or extremely important role in *retaining* talent
- But only 33% rate their leadership as very or extremely effective in retaining the talent needed for the future
- Less than 1/3 feel that leaders are very effective in hiring more productive employees

Top 5 HR Strengths in Your Organization:

- 1- Competitive benefits (50%)
- 2- Internal service excellence in supporting employees (43%)
- 3- Recruiting & developing a talented workforce (27%)
- 4- Low-cost function (24%)
- 5- Competitive compensation (23%)

Top 5 HR Areas for Process Improvement:

- 1- Leadership development & succession planning (57%)
- 2- On-boarding/Off-boarding (37%)
- 3- Recruiting & staffing administration (35%)
- 4- Training coordination (34%)
- 5- Benefits administration (19%)

Total Rewards Strategy:

- Nearly 80% agree Total Reward Statements are effective in helping employees understand & appreciate their benefits
- 69% agreed they improve employee retention
- 63% agree they improve employee engagement
- But only about 50% use annual total rewards statements

Top HR Actions Anticipated / Concerns:

- 1- Increase focus on talent development (61%)
- 2- Increase focus on hiring (nearly 40%)
- 3- Planning for increased turnover (32%)

Top 5 Anticipated HR Events in 2011:

- Increased focus on leadership, talent development & succession planning (61%)
- HR systems integration or upgrades (49%)
- Increase in HR productivity & process improvement (48%)
- Increase Hiring (38%)
- Review of total rewards (38%)

Top 5 Most Important Level of Management in Carrying Out Critical Work:

- 1- Senior Management (29%)
- 2- Middle Management (26%)
- 3- Individual Contributors (14%)
- 4- Executives (12%)
- 5- 1st Level Management (12%)

Top 5 Most Challenging Level of Management for Attracting & Retaining:

- 1- Middle Management (25%)
- 2- Senior Management (19%)
- 3- Individual Contributors (17%)
- 4- Technical Specialists (13%)
- 5- 1st Level Management (12%)

Top 3 Inhibitors to Achieving Strategic Goals Quickly:

- 1- Siloed thinking / behavior
- 2- Governance, structure & efficiency of decision-making
- 3- Inability of leaders to drive strategic change