

## Resetting horizons Human capital trends 2013



# Global Human Capital Trends 2013

Looking beyond continued uncertainty, the world's leading organisations are raising their sights, and pivoting from the great recession to the new horizons of 2020 with a focus on talent, globalisation, growth, and innovation. This report introduces 13 global trends that are driving critical business and human capital decisions. The report provides information on these trends across global markets through results of a survey of over 1300 business and HR professionals from 59 countries. [www.deloitte.com/hctrends2013](http://www.deloitte.com/hctrends2013)

## Exploration



### Leadership.next: Debunking the superhero myth

Yesterday's leadership theories are not keeping pace with the velocity of today's disruptive marketplace. Organisations are seeking a new model for the age of agility.

[www.deloitte.com/leadershipnext](http://www.deloitte.com/leadershipnext)



### How boards are changing the HR game

To seize new opportunities for sustainable growth and manage heightened risks, boards of directors at high-performing organisations are pulling CHROs much deeper into business strategy – and far earlier in the process.

[www.deloitte.com/boardschangingHR](http://www.deloitte.com/boardschangingHR)



### Leading talent from the BRIC

In an era of pervasive globalisation, organisations are building multi-directional talent networks that are not only geared toward existing markets, but can also power new emerging markets.

[www.deloitte.com/leadingfromtheBRIC](http://www.deloitte.com/leadingfromtheBRIC)



### A global diversity dividend

In the midst of ongoing global expansion and a worldwide shortage of critical talent, companies are stepping up efforts – at very different speeds and levels of investment – to recruit and retain a workforce diverse in both demographics and ideas.

[www.deloitte.com/diversitydividend](http://www.deloitte.com/diversitydividend)



### Workplaces of the future: Creating an elastic workplace

Workplace flexibility has become table stakes for attracting and retaining employees.

Now companies must align their flexibility strategy with their core strategy to realise the benefits.

[www.deloitte.com/workplacesofthefuture](http://www.deloitte.com/workplacesofthefuture)



### The open talent economy

Jump ahead to the year 2020. Half the people you rely on don't actually work for you and that's a good thing – if you're ready.

[www.deloitte.com/opentalent](http://www.deloitte.com/opentalent)

## Execution



### Organisation acceleration

Faced with tougher, more numerous challenges, today's organisations are demanding more from their change initiatives by pursuing strategies that are customised, precise, and sustainable.

[www.deloitte.com/orgaccelerationtrend](http://www.deloitte.com/orgaccelerationtrend)



### The war to develop talent

The talent management pendulum is swinging from recruitment to development.

[www.deloitte.com/devoptalent](http://www.deloitte.com/devoptalent)



### Transforming HR to meet new business priorities

HR transformation efforts are continuing to shift their focus to business priorities, concentrating on areas such as talent, emerging markets, and the HR organisation.

[www.deloitte.com/transformingHR](http://www.deloitte.com/transformingHR)



### Branding the workplace: Innovating the talent brand

Social media has erased whatever lines used to exist between the corporate brand and the talent brand. They're two sides of the same coin.

[www.deloitte.com/talentbrand](http://www.deloitte.com/talentbrand)



### The aging workforce: Finding the silver lining in the talent gap

Organisations can capitalize on shifting retirement patterns to help narrow their talent gap.

[www.deloitte.com/agingworkforce](http://www.deloitte.com/agingworkforce)



### The performance management puzzle

Some say traditional ways of managing employee performance are irrelevant in today's fast-changing work environment. Others argue that these methods drive accountability and differentiated compensation. Both are right.

[www.deloitte.com/performancepuzzle](http://www.deloitte.com/performancepuzzle)



### Human capital analytics: Thinking like an economist

Increasingly, many HR leaders have to answer questions that have an economic issue at their core – the allocation of a scarce resource called talent.

[www.deloitte.com/HCEconomist](http://www.deloitte.com/HCEconomist)

I am pleased to share with you a summary of the market trends and priorities that are driving human capital decisions for corporate leaders across the UK.

This specially tailored report compares the UK results to the overall results of our comprehensive survey of more than 1,300 business leaders and HR executives in 59 countries comprising the world's major economic regions.

Deloitte's global human capital survey set out to determine which trends are playing the most significant role in organisations today in the future. We have categorised these trends as either **leading** (or highly relevant today), **rising**, (relevant in the next one to three years), or **emerging** (three or more years from now).

This UK report was designed to complement Deloitte's 2013 Global Human Capital Trends report, "Resetting Horizons," published earlier in the year. We believe both reports will inform your organisation's leaders on the issues impacting companies throughout our country – and around the world.



A handwritten signature in black ink that reads "David Parry". The signature is fluid and cursive, with a small horizontal line and a dot below the name.

David Parry

Partner in People and Programmes

# Introduction

The number one UK trend of relevance today is the “War to Develop Talent”, and is also EMEA’s top trend. The survey showed that the ability to attract, develop and retain talent, particularly at the leadership level, has become a strategic priority and a driver for organisational growth for many global firms including Deloitte UK. If an organisation is to achieve its primary objectives, it must align talent with strategy by developing a workforce with the necessary capabilities.

“How boards are changing the HR game” is seen as a top consideration, both in the UK and globally. This suggests that HR departments must invest in knowledge management and should be aware of the value drivers pertaining to this growth area.

“Global Diversity Dividend” is a top ranking trend for the UK only. This means that the recruitment and retention of a diverse workforce both in terms of demographics and ideas is seen as particularly key by business and HR leaders in the UK.

“Leadership Next” is a top trend for UK and EMEA. Surveyed leaders felt that too many organisations have become complacent with their existing leadership programmes, instead of making certain that they are linking their leadership strategies and development investments with their business strategies and market trends. Organisations should seek to revamp existing leadership strategies and become more agile in order quickly respond to changes within the market.

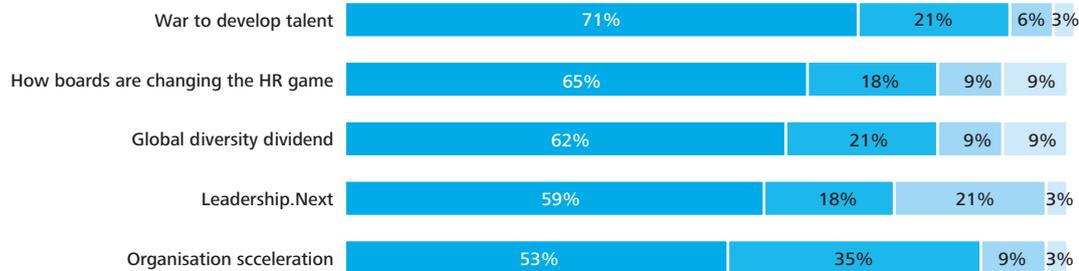
The fifth trend “Organisation Acceleration” is amongst the top 5 ranking trends within UK, EMEA and global; scoring an average of 55% from respondents who perceive it to be a trend that is highly relevant today.

The focus on managing strategic change initiatives that are precise and sustainable in today’s business environment should provide boards and executive teams with at least some assurance that major investments remain a strategic priority UK and globally despite their associated risks.

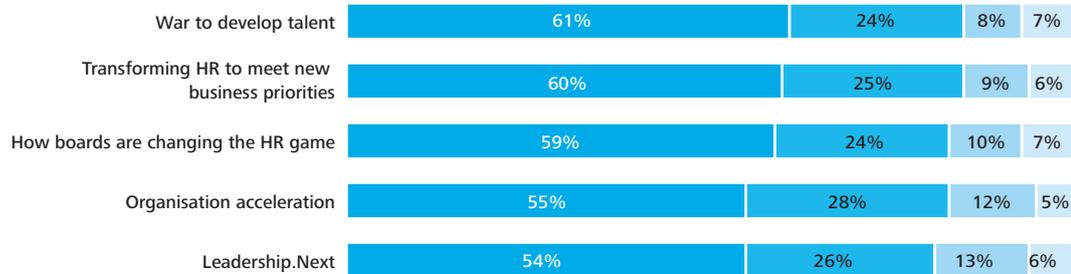


# Top trends

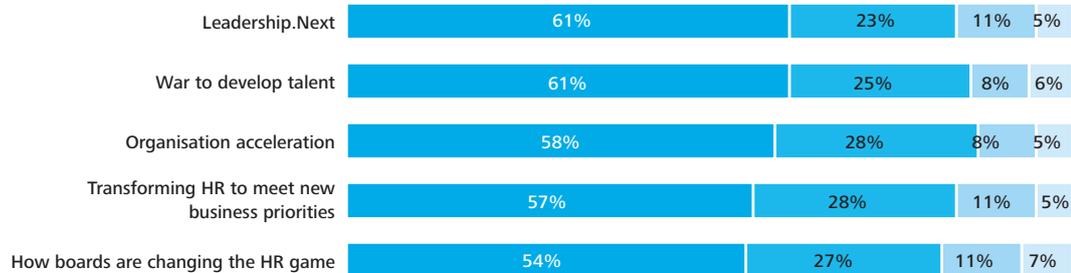
## UK



## EMEA

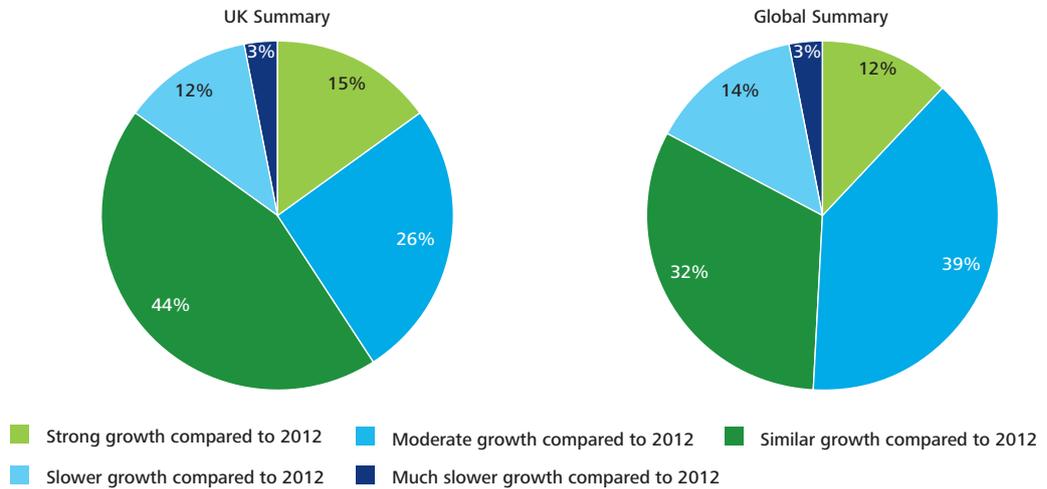


## Global



- Trend is highly relevant today
- Trend will be relevant in the next 1-3 years
- Trend will likely be relevant in 3 years and beyond
- Trend is not applicable

### General Business Outlook in 2013



#### Detailed analysis of the top two trends

The UK survey results indicate that the general business outlook for 2013 is on the whole optimistic. Whilst the UK business is operating at similar growth rates to those captured in 2012, globally there is a notable growth rate in comparison to 2012.

Responding to the identified top 5 trends will enable UK businesses to effectively shape and drive organisational growth and business performance. It is always critically important to build for the future by thinking strategically about the talent an organisation needs. However the fact that many of our respondents believed that their existing HR and Talent Programmes required improvement and that none of them viewed themselves as world class in this area is telling. It is a good indication that investment and attention is required in this area, both within HR & Talent Systems and people strategies.

The “War to Develop Talent” was not only ranked number one in the UK but also ranked amongst the top 5 for EMEA and globally, in spite of the economic downturn and historically high levels of unemployment in many countries. In some cases the state of talent programmes was seen as even worse in other geographies than in the UK.

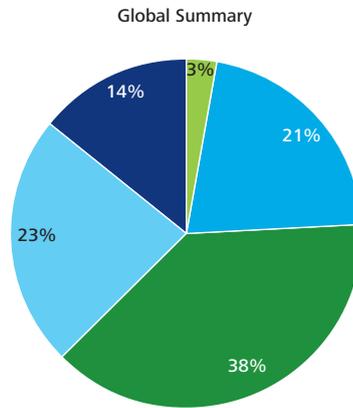
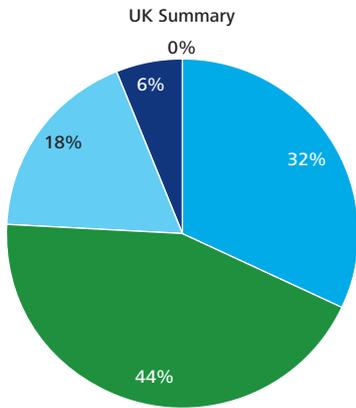
The market for talent is always changing, and we believe that a deeper understanding of what improvements are being or can be undertaken in the market will enable organisations in the UK to ensure that their HR & Talent Programmes remain effective, competitive and stay up to date in terms of market changes.

This includes getting better at developing existing talent as well as looking to improve on retention and recruitment practices.

The rate of competition and development within this area means UK organisations who fail to improve their existing HR & Talent programmes may quickly fall behind. They will miss the opportunity to attract the world’s best talent, fail to develop their existing staff in line with changing market needs, and risk losing their best and brightest. With an economy that is once again beginning to show the green shoots of growth, a proactive approach for presenting improved employment opportunities for skilled staff is both timely and necessary.

In terms of “How Boards Are Changing The HR Game”, we believe this trend is particularly important in the context of the UK banking industry, where boards are demanding different types of change in light of successive scandals – this time focussed on culture and people elements of their organisations that have previously been further down the priority list. It may be that this helps to explain why this particular trend made such a strong showing in the UK as opposed to EMEA and the rest of the world. Such cultural issues may also account in part for the fact that in the UK employee morale/ engagement and connection of HR talent to business processes seem to be significantly bigger issues than elsewhere (*see below: “Top Three Pressing HR And Talent Concerns”*).

**Capabilities of Organisation’s HR and Talent programmes**



- We are world class in HR and Talent programs
- We are world class in some areas of HR and Talent programs while we need to improve in several key areas
- We have adequate HR and Talent programs for our industry but we need to improve
- We are getting by in HR and Talent programs but significant improvements are needed
- We are underperforming in HR and Talent programs and radical improvements are needed

**Next Steps – Where does HR in the UK go from here?**

As organisations face increasing levels of competition, the need to have a sustainable competitive advantage grows ever more important.

Organisations are required to be more flexible and adaptable to the fast changing markets in which they operate, they need to identify, understand and nurture their core competencies to stay ahead of the competition, and they need to do so in a way that is engaging to their employees.

Based on this limited sample, HR issues seem also to have gained in importance for many boards, throwing these needs, and the ability of HR Directors to address them, into ever greater focus.

Human capital strategy plays a key role in achievement of the organisation’s overall business strategy, resulting in greater competitiveness, excellence and innovation. Developing and retaining human capital and the need for managing talent should be high on UK’s strategic agenda for 2013 and beyond.

Once the economic recovery fully takes hold in the UK, succeeding in the “War To Develop Talent” will be an even more critical success factor for many businesses.

Ranking	UK	Global
#1	Developing leaders and succession planning (53%)	Developing leaders and succession planning (55%)
#2	Sustaining employee engagement/morale (47%)	Sustaining employee engagement/morale (39%)
#3	Connecting HR and Talent with business priorities (44%)	Connecting HR and Talent with business priorities (33%)

## About the Report

This report, focusing specifically on human capital trends in UK, was designed to complement Deloitte's 2013 global human capital trends report Resetting horizons:

The global human capital trends 2013 report was based on a comprehensive global survey of more than 1,300 business leaders and HR executives in 59 countries.

This report compares national results – based on 34 UK respondents – to EMEA and to overall global results.

For more information visit:  
[www.deloitte.com/hctrends2013](http://www.deloitte.com/hctrends2013)

Further information on culture change in the banking industry is available in the following Deloitte report:  
[http://www.deloitte.co.uk/culture-in-banking/pdf/uk\\_deloitte\\_culture\\_in\\_banking.pdf](http://www.deloitte.co.uk/culture-in-banking/pdf/uk_deloitte_culture_in_banking.pdf)

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