

# Challenges in talent management 1/49/23



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In a recent survey conducted by PwC, 52% of CEOs cite labour and skills shortages as a critical factor affecting performance in their company. Companies are objectively facing shortages of suitable workers and required skills, and rapid technology evolution is likely to aggravate this. The situation is being worsened by the diminished engagement and loyalty of workers and by their readiness to change jobs if they fail to receive values they deem critical, such as meaningful work and professional development opportunities. This means your priorities should include developing your current workers as well as attracting new talent.

## Skills shortages

While 72% of business leaders prioritise investment in upskilling, only 36% of workers believe their job will change significantly over the next five years. PwC surveys find that CEOs are well aware of risks and ready to invest, but workers fail to see how the skills their job requires are going to change and they also fail to appreciate the need to develop new skills to remain useful and competitive on the job market. The question is whether organisations have clearly defined the skills they have and the skills they will need in the future – the direction of their future investment and worker development.

## The internal environment

PwC surveys suggest that many organisations have failed to create a workplace that embraces innovation and change. 56% of CEOs say their organisation encourages debate and dissent, and 46% say they accept that a mistake may be made in the course of work. Yet workers’ perceptions are not so encouraging – this opinion is shared by only 33% and 35% respectively, which makes us think that in terms of internal culture, many organisations are not ready to embrace change and innovation and to create a workplace that encourages people to do things differently than before.

Share of respondents answering “often” and “usually” to the statements below:

Leaders encourage dissent and debate.



Leaders tolerate small-scale failures.



Source: Uniting a divided workforce; How leaders and employees can scale new heights, together

Note: In order to compare results to PwC’s 26th Annual Global CEO Survey, responders who work in government and public services roles were excluded (n=45,127).

## Development plans

Contradictions and paradoxes abound in the workplace, and talent management and individual development plans are no exception. CEOs seek to standardise processes with the aim of creating a clear and transparent structure, yet workers expect special treatment and an individual approach. Workers are expected to determine their professional development, but this can't be detached from the organisation's goals and needs. A key factor is your CEO's engagement and vision for skills that, firstly, are needed to achieve the goals of your team and organisation and, secondly, are a priority for your workers' further development, given their strengths and areas to be improved. Just as planning individual goals without the supervisor's direct involvement would not be far-sighted, the worker's self-assessment is one of the least objective assessments. A variety of market studies suggest that organisations need to continue developing their managers' skill to act as coaches, which will help the organisation improve its talent management processes and enhance worker engagement, motivation and development, as well as securing the organisation's future growth.

In summary:

- Organisations should be able to define the skills they have and the skills they will need in the future, coupled with opportunities to improve and develop those skills.
- We need to evaluate the organisation's internal culture to see if there is a basis for the organisation to change and develop new skills, such as taking the initiative and supporting skills development. It's important to ensure your management team and workers are looking in the same direction and "why we need this" is clearly defined at each level.
- Upskilling is a mutual process: you can't take it if they won't give it to you, and you can't give it to them if they won't take it. So it's crucial to engage both sides.

References: Delusion of Employee Development; Reimagining people development to overcome talent challenges