Dan Pink’s keynote at our inaugural HCInnovation@Work conference in Scottsdale, Arizona emphasized that time of day is an often overlooked but essential part of optimal work performance. That 4 p.m. lull in your performance is biological and should be used for a nap and not for making important decisions. Dan Pink also described how the end of a project or event is often perceived as favorable even if the entire process was unsatisfactory because humans want endings that elevate us rather than bring us down. We love a good ending. But how do organizations reach their “happily ever after” with their Human Resources and Talent Management strategies?

While we are likely to take greater satisfaction in the completion of projects and initiatives, the topics that dominated in 2017 weren’t about endings, but about process and the work experience. HCI’s analysts produced more than 150 podcasts, webcasts, keynotes, blogs, and articles with the word “experience” in its title!

We all wanted to know:

- How does the candidate’s experience affect our employer brand?
- How do we best differentiate our workplace experience from our competitors?
- What types of work experiences drive retention and performance?
- How do we create inclusive, safe work experiences where everyone has a voice?
- How personalized does the employee experience need to be?

As we enter 2018, it is not surprising that we are wondering how all of these employee experience discussions are going to be optimized. We all want the ending where that talented employee stays at our company and does his or her best work. And according to our annual member survey, the number one priority for 2018 is the retention of high-performers.

This paper recaps the notable research insights from HCI’s 2017 reports, summarizes the key findings from our annual member survey, and highlights the talent management topic areas HCI will address next year to keep you on top of the important trends in strategic talent management.

Cheers to a good year!
Jenna Filipkowski, Ph.D.
WHAT WE LEARNED IN 2017

Inclusive Diversity: Valuing and Leveraging Differences for Business Success

• Organizations with the best outcomes tend to offer fewer hours of diversity training and make those hours voluntary rather than mandatory.
• The top reasons for Diversity and Inclusion (D&I) efforts are to attract a wide talent pool and to increase cognitive diversity.
• 85% say hiring practices are affected by D&I efforts, yet under 30% report that compensation and recognition are affected.

Making Referral Programs Count: Sourcing Quality Hires through Employee Networks

• Referrals are a popular source for new hires and 29% of organizations have increased the usage of employee referrals compared to the past year.
• Referred employees do not necessarily have higher performance than non-referred candidates, but they have stronger cultural fit and longer tenures.
• 85% of HR respondents agree that employees are their most effective employer branding tool, but only 41% of respondents would recommend their place of work to a friend.

The Three I’s in Effective Teams: Intention, Interaction and Influence

Team functioning excels when these elements are addressed:

• Intention - meaningful team design with a clear purpose and unambiguous expectations
• Influence - emphasis on internal and external team leadership effectiveness.
• Interaction - skills training to ensure positive team dynamics and productivity.
Developing Sustainable Strategic HR
The HR function can sustain a strategic approach in times of constant change when HR professionals:

- Understand the business strategy
- Focus on relationships to create closer integration of HR with the organization
- Revise processes and roles to free up time and people
- Close skills gaps that are most important to their role
- Take advantage of varied types of development activities to maximize limited time and budgetary resources
- Monitor progress and ROI on initiatives to demonstrate HR impact.

Building a Coaching Culture with Millennial Leaders

- All generations, not just Millennials, are interested in development opportunities, career advancement, and flexibility at work.
- Coaching and developing others (44%), engaging and inspiring others (41%), and having emotional intelligence (35%) are the most valuable skills and competencies for first-time people managers.
- The proportion of strong coaching cultures has increased 13% to 25% since 2014.

Designing and Refining Talent Acquisition: The Role of Design Thinking in Creating a World-Class Talent Organization

- Sourcing candidates and building talent pipelines are the biggest challenges for talent acquisition teams.
- Design Thinking addresses the communication between the customers of the talent acquisition process to improve outcomes.
- Organizations that use Design Thinking create better alignment of talent acquisition strategy and business strategy, and have stronger pipelines.
The Mindful Organization: Crafting Holistic Employee Experiences

To address the employee experience and improve business outcomes, Mindful Organizations practice the 4Cs:

- **Calibrate** benefits and programs by gauging employee needs and aligning solutions with business outcomes.
- **Communicate** the availability of benefits and encourage feedback from workers.
- **Collaborate** with talent throughout the organization to develop solutions.
- **Celebrate** personal and professional milestones in the lives of employees and nurture workplace relationships that sustain work-life integration.

Modernizing Learning and Development to Enable the Workforce of the Future

- Instructor-led classroom training is the most common delivery method, but on-the-job training is rated the most effective.
- Better measurement skills and deeper understanding of business strategies are the top two skills reported as essential for L&D teams.
- 75% of L&D providers say realistic training environments are very important, but only half say they are currently available at their organizations.
YOUR TALENT STRATEGY PRIORITIES

HCI researchers annually survey our members to understand their current talent management and organizational priorities. We asked more than 500 leaders and practitioners in the functions of HR, talent management, talent acquisition, and learning and development to indicate the three concerns most likely to have the biggest impact on talent strategy. Skill shortages, baby boomer retirement and the multi-generational workforce, and increased industry competition are factors were identified as strong contributors to talent strategy.

What will have the biggest impact on your organization’s talent strategy?

- Skills shortages in your industry: 43%
- Baby Boomer retirement/multi-generational workforce: 38%
- Increased competition in your industry: 35%
- Technological changes and digitalization: 35%
- Diversity and inclusion in our workforce: 28%
- Regulation/compliance: 26%
- Leveraging Big Data: 14%
- Data security/IT security: 13%
- Opening of new markets: 13%
- Automation and artificial intelligence: 11%
- Gig economy/on-demand labor: 5%
- Global trade disruption: 3%
- Climate change/access to environmental resources: 3%
Because of these external and internal factors, the following talent management areas are a priority in 2018. These topics span the talent lifecycle from attraction, to development, to retention.

<table>
<thead>
<tr>
<th>Organizational Priorities</th>
<th>Percent indicating “Very important”</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retention of high-performers</td>
<td>84%</td>
</tr>
<tr>
<td>Leadership development</td>
<td>77%</td>
</tr>
<tr>
<td>Employee engagement and experience</td>
<td>75%</td>
</tr>
<tr>
<td>Effective teams</td>
<td>74%</td>
</tr>
<tr>
<td>Sourcing and attracting candidates</td>
<td>73%</td>
</tr>
<tr>
<td>Change management</td>
<td>71%</td>
</tr>
<tr>
<td>Culture and values</td>
<td>70%</td>
</tr>
<tr>
<td>Workforce planning</td>
<td>68%</td>
</tr>
<tr>
<td>Training and learning</td>
<td>67%</td>
</tr>
<tr>
<td>Candidate experience</td>
<td>65%</td>
</tr>
<tr>
<td>Coaching and mentoring</td>
<td>64%</td>
</tr>
<tr>
<td>Performance management</td>
<td>61%</td>
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<tr>
<td>Onboarding</td>
<td>58%</td>
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<tr>
<td>Succession planning</td>
<td>57%</td>
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<tr>
<td>People analytics</td>
<td>54%</td>
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<tr>
<td>Employment branding</td>
<td>52%</td>
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<tr>
<td>Legal compliance and policy</td>
<td>51%</td>
</tr>
<tr>
<td>Rewards and recognition</td>
<td>48%</td>
</tr>
<tr>
<td>Compensation and benefits</td>
<td>46%</td>
</tr>
<tr>
<td>Diversity and inclusion</td>
<td>46%</td>
</tr>
<tr>
<td>Internal talent mobility</td>
<td>44%</td>
</tr>
<tr>
<td>Assessments for selection and development</td>
<td>44%</td>
</tr>
<tr>
<td>Employee/labor relations</td>
<td>41%</td>
</tr>
</tbody>
</table>

To address these challenges and grow in their careers, most of our members want to develop themselves professionally in the following areas over the next few years:

- Strategic thinking
- Influencing skills
- Analytical skills
- Change management
- Leadership skills
- Coaching skills

Let us know how we can support you in your professional development in 2018. Contact us at support@hci.org.
FOCUS AREAS FOR 2018

Based on this the results of this survey, customer interviews, and scans of the current literature and landscape, HCI will focus on the following content areas in our research reports, Nine to Thrive HR podcast, weekly webcasts, new education courses, and conferences this year:

Optimize Your Talent Strategy

- Customizing the employee experience to different generations in the workforce
- Implementing strategic workforce plans in a constantly changing world
- Building inclusive diversity within a multi-generational workforce
- Balancing a human-technology blended workforce

Acquire the Right Talent

- Optimizing the sources of quality hires
- Understanding the necessary roles and responsibilities in a successful recruiting function
- Reducing biases and error in selection with objective data and assessments
- Uncovering quality hires in big data

Engage Your People

- Developing retention strategies for high-performers in a candidate’s market
- Using internal mobility as a retention and succession management tool
- Defining and leading unique values and culture
- Describing trends in recognition for performance
- Customizing the employee experiences to different generations in the workforce

Develop Your Workforce

- Accelerating the development of current and future leaders
- Understanding when to start the knowledge transfer process with retirees
- Sustaining performance and engagement in teams
- Delivering learning solutions to all employees
- Understanding what situations and conditions are best for coaching, mentoring, and feedback