

# The Talent Challenge - A Time for Extraordinary Leadership

*Talent Management is an important function of Strategic Human Resource Management. It can pose challenges to strategy execution for leadership.*

The focus of talent management is on the four functions of HR, that is, to acquire, develop, motivate and retain talented employees in the organization. A talent management strategy needs to be linked to the business strategy lest it poses challenges to strategy execution for leadership.

The PWC 16th Annual Global CEO Survey on 'The Talent Challenge' conducted 1330 interviews with CEOs in 68 countries during 2012. It also solicited detailed views from 33 CEOs. It was felt that the trust between the companies and stakeholders is eroded over the past few years and something needs to be done to rebuild the trust. It was also felt that it is essential to refocus on the fundamentals of talent management-attracting and retaining the best people, organizing them in the most effective way, creating a culture that encourages the best from them and motivating them to give their best. It requires extraordinary leadership to tackle these issues.

## The Key Findings of the Survey are:

- Most CEOs are *concentrating their operations* in the locations where they already have operations. Only 8% plan to grow new operations in foreign markets.
- 70% of CEOs are *planning cost-cutting measures* in the coming year. However, only 23% of them plan to cut headcount as CEOs are aware that there is great talent shortage.
- *Skill shortage* is the greatest concern for CEOs.
- CEOs are aware of the *importance of employee engagement* and how talent development programs help to support and improve engagement, but 66% CEOs admitted that their staff weren't actively engaged in decision-making.
- CEOs recognize that employees want to *work for an organization that makes them proud* as 56% employees consider leaving an employer whose values no longer met their expectations.
- 77% CEOs are *ready to change their strategies* for managing talent in 2013.
- CEOs know that *the trust between organizations and customers, stakeholders and employees is very important*-57% CEOs plan to focus on CSR related activities.
- 69% CEOs admitted *that pay is an important part of motivating* and retaining employees.

The survey highlights that a strong and exceptional leadership is required for the growth of

**Strategic HRM** refers to the optimum utilization of human resources to achieve the set goals and objectives of the organization in the business environment. These can be achieved, only when they are properly aligned with the organizational strategy and with the strategies of other functional areas like finance and marketing.

Source: Raul Baltar Estevez. 2013, "The Talent Challenge, A Time for Extraordinary Leadership, The PWC Annual Global CEO Survey", **PWC.COM**, 2013. Available online at: <http://www.pwc.com/gx/en/hr-management-services/publications/assets/ceosurvey-talent-challenge.pdf>