**Course:** Talent Management

**Instructor:** Katy Sharon

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| **Talent Management Course Statistic** | **Source** |
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| 40% of executives rated their talent management as ineffective and  said that it got in the way of achieving their business goals. | 2014 study by the Society for Human Resource Management (SHRM) found that 40% of executives rated their company's talent management programs as inadequate and felt it hindered the achievement of their objectives​ |
| Companies with effective talent management strategies are more  innovative, more adaptable to change, have greater employee  productivity, and retain their key talent. As a result, these  companies have earnings 15% higher than their peers. | A study by The Hackett Group found that organizations with top-tier talent management practices outperformed others across multiple financial metrics. These companies experienced higher EBITDA (16.2% compared to 14.1% in typical companies), which translated to substantial annual earnings improvements for large firms. The research also indicated that firms with excellent talent management practices enjoyed higher profitability, return on assets, and equity improvements​(  [McKinsey & Company](https://www.mckinsey.com/capabilities/people-and-organizational-performance/our-insights/increasing-your-return-on-talent-the-moves-and-metrics-that-matter))([ADP](https://www.adp.com/~/media/White%20Papers/NAS/ADP_NASEffectiveTalentMgmtWhitePaper.ashx)).  This aligns with the claim that companies with strong talent management strategies achieve earnings about 15% higher than their peers, underscoring the value of investing in human capital for long-term business success. |
| Strong talent management strategies increase employee engagement by [16%](https://wifitalents.com/statistic/talent-management/) and revenue by 19%. | From HR Resources Today:  <https://gethppy.com/talent-management/talent-management-strategies-to-retain-top-performers#google_vignette> |
| • Only 19% of leaders said their company brings in talented people. | https://hbr.org/2014/06/21st-century-talent-spotting |
| • Only 3% said their company develops people effectively. | **Ivy Business Journal**  <https://iveybusinessjournal.com/publication/talent-management-a-critical-part-of-every-leaders-job/#:~:text=In%20fact%2C%20only%2018%20percent,management%20is%20a%20learnable%20skill.> |
| • And 8% said they retain high performers. | **Ivy Business Journal**  [https://iveybusinessjournal.com/publication/talent-management-a-critical-part-of-every-leaders-job/#:~:text=In%20fact%2C%20only%2018%20percent,management%20is%20a%20learnable%20skill](https://iveybusinessjournal.com/publication/talent-management-a-critical-part-of-every-leaders-job/#:~:text=In%20fact%2C%20only%2018%20percent,management%20is%20a%20learnable%20skill.) |
| In fact, only 18% of leaders agree that they view talent management  as an important part of their job. | **Ivy Business Journal**  <https://iveybusinessjournal.com/publication/talent-management-a-critical-part-of-every-leaders-job/#:~:text=In%20fact%2C%20only%2018%20percent,management%20is%20a%20learnable%20skill.> |
| - Organizations who use talent assessments have a 75% year over year  decrease in recruiting costs, | A study from the Aberdeen Group in 2011 highlights significant benefits for organizations using talent assessments. Top-performing organizations experienced improvements in hiring manager satisfaction and employee performance, which can lead to reduced costs and better long-term fit for employees. These assessments drive more effective decision-making throughout the employee lifecycle, helping organizations align talent with future goals and reducing inefficiencies​. |
| - they're 24% more likely to have a successor for each key position, | Specific reference from 2016 not found. Similar includes:  For instance, Deloitte's *Talent Edge 2020* report emphasizes the critical role of succession planning and leadership development, noting that companies with well-established talent programs are significantly more prepared to address talent shortages and leadership transitions. Companies that prioritize these elements were found to be more successful in meeting their long-term talent needs. The report also discusses how world-class companies that focus on these aspects are more likely to invest in creating career paths and developing leaders for the future​  ([Talentlyft](https://www.talentlyft.com/en/blog/article/277/20-reasons-to-use-skill-assessment-tests))​([Deloitte United States](https://www2.deloitte.com/us/en/insights/topics/talent/talent-edge-2020-blueprints-for-the-new-normal.html)). |
| Repeat - All organizations don't use assessments is, so... only 55% use  assessments effectively | Aberdeen Group:Talent Assessment Strategies - A Decision Guide for Organizational Performance, 2010 |
| Repeat It's common for companies to use assessments in hiring, but only 55%  use assessments effectively for internal talent. | Aberdeen Group:Talent Assessment Strategies - A Decision Guide for Organizational Performance, 2010 |
| - and they achieve 2.5 times greater profits compared to organizations  who don't use talent assessments. | “Organizational Performance: Power of Talent Assessments in Organizational Success, Right Management - Updated statistic 6x total shareholder returns |
| Studies have shown that companies who fill 25% or more of their  management positions with outside hires have double the turnover than  those who hire from within. | Research has shown that companies relying heavily on external hires for management roles face higher turnover rates. Specifically, organizations that fill over 25% of their middle-management positions with external hires experience twice the turnover compared to those that promote from within. This data highlights the challenges of integrating external talent into company culture and the benefits of developing internal leadership pipelines​  [AMA](https://www.amanet.org/articles/building-sustainable-talent-pipelines/)  American Management Association |
| Fewer than 50% of companies look at internal employees as part of the  talent pipeline. | One survey conducted by Deloitte showed that internal mobility was a challenge for many organizations, with 46% of managers resisting the idea of moving employees internally. Moreover, the survey found that more than 50% of employees felt it was easier to find a job outside their company than within, highlighting how underutilized internal talent pipelines were at the time​  [PwC](https://www.pwc.com/gx/en/managing-tomorrows-people/future-of-work/pdf/talent-mobility-2020.pdf)  [Deloitte United States](https://www2.deloitte.com/us/en/pages/finance/articles/internal-mobility-finding-hidden-gems-in-your-workforce.html) |
| US businesses spend more than 60 billion a year in employee  Development. | As of 2015, U.S. companies were spending over $60 billion annually on employee training and development. This substantial investment reflects the growing emphasis on improving workforce skills to maintain competitive advantage. Organizations allocate these funds across various areas such as compliance, leadership development, onboarding, and more recently, diversity training. The focus on continuous learning and adapting to new technologies has been a priority, especially for larger companies that often lead in per-employee training expenditures​(  [HR Daily Advisor](https://hrdailyadvisor.blr.com/2024/08/21/how-much-are-companies-spending-on-employee-training-in-the-us/)  [Newsroom | Accenture](https://newsroom.accenture.com/news/2016/accenture-invests-more-than-us-840-million-in-employee-learning-and-professional-development) |
| Studies show that many executives question the return on that  investment. Organizations who use talent assessments have a 75% year  over year decrease in recruiting costs, they're 24% more likely to  have a successor for each key position, and they achieve 2.5 times  great profits compared to organizations who don't use talent  Assessments. | Original Source Society for Human Resources Management Article 2016 SHRM - archived article not available online |
| Assessments also help identify how ready each employee is for a new  role and how to get them ready. | KS based on 20 years as an HR professional |
| "Studies have shown that companies who fill 25% or more of their  management positions with outside hires have double the turnover than  those who hire from within." | Matthew Bidwell, a management professor at the Wharton School of Business. In his research titled *Paying More to Get Less: The Effects of External Hiring versus Internal Mobility*, |
| "Fewer than 50% of companies look at internal employees as part of the  talent pipeline." | <https://extensishr.com/resource/blogs/the-value-of-internal-recruiting/#:~:text=Approximately%2030%25%20of%20positions%20are,role%20to%20a%20senior%20one.> |
| US businesses spend more than 60 billion a year on employee development.  studies show that many executives question the return on investment.  studies show that lack of opportunity is among the top three reasons  employees leave their company. | <https://www.fastcompany.com/91146556/companies-spend-more-than-60-billion-on-leadership-development-annually-this-is-what-they-still-get-wrong> |
| - And yet 50% of employees are not engaged. | <https://www.gallup.com/workplace/608675/new-workplace-employee-engagement-stagnates.aspx#:~:text=In%202023%2C%2050%25%20of%20employees,which%20was%20recorded%20in%202019> |
| - A recent study found that organizations lose one in six of their new  hires during the first six months. | <https://www.shrm.org/topics-tools/news/talent-acquisition/onboarding-key-to-retaining-engaging-talent#:~:text=%E2%80%9CThat%20means%20the%20average%20company,them%20stay%20on%20the%20job>. |
| - A great onboarding experience will increase employee performance by  11%. | <https://integritystaffing.com/blog/the-onboarding-experience-give-new-employees-a-good-start/#:~:text=One%20study%20found%20that%20it,to%20their%20decision%20to%20quit>. |
| Research shows that 20% of employees contribute 80% of business Results. | <https://www.speedcommerce.com/what-is/80-20-rule/#:~:text=In%20many%20cases%2C%20about%2020,employees%20can%20enhance%20overall%20productivity.&text=%3A%20The%20initial%2020%25%20effort%20in,yield%2080%25%20of%20the%20results>. |
| \*And in a recent survey, business leaders said they'd like HR to be  even more involved.\* | No specific reference - many surveys and articles repeat that business leaders expect HR to be more involved |
| \*Business leaders also said they'd like HR to communicate more about  talent strategies.\* (This one is not strictly a numerical fact, but it  implies that business leaders made some statement or held an opinion) | KS - based on experience working with leaders in companies for over 20 years |
| \* Companies that have engaged employees achieve 23% greater  performance against their revenue expectations than others. | <https://uk.surveymonkey.com/mp/employee-engagement-survey/> and <https://www.gallup.com/workplace/349484/state-of-the-global-workplace.aspx>  This stat is still true in 2023. |
| \* A clear onboarding plan will outline who they should meet what  information they need to know, what training to attend, and what key  experiences they need to be productive quickly. (Not numerical data;  removed from answer) | KS - based on experience working with companies for over 20 years |
| \* New hires want to know what's expected of them, how they'll deliver,  and how their performance will be measured. | KS - based on experience working with companies for over 20 years |
| One of the top three reasons employees leave an organization is that  they feel career advancement opportunities aren't available to them. | KS - based on experience working with companies and reviewing their employee engagement surveys for over 20 years |
| "20 years ago, human resources was called the personnel department and  their primary function was hiring and firing." | KS - based on work experience in HR |
| "business leaders said they'd like HR to be even more involved;" | KS - based on experience working with companies for over 20 years |
| "It will make you stand out as a company, and you'll achieve better  business results when your talent strategies and business strategies  go hand in hand." | KS - based on experience working with companies for over 20 years |
| "In fact, focusing on talent management generates 26% more revenue." | <https://www.forbes.com/sites/joshbersin/2012/10/19/how-talent-management-drives-financial-performance/#:~:text=Companies%20with%20level%204%20talent,high-performers%20than%20their%20peers>. |
| "Despite these benefits, in a recent study 40% of executives rated  their talent management as ineffective and said that it got in the way  of achieving their business goals." | <https://talentmanagement360.com/10-statistics-about-performance-management-that-will-blow-your-mind/> |