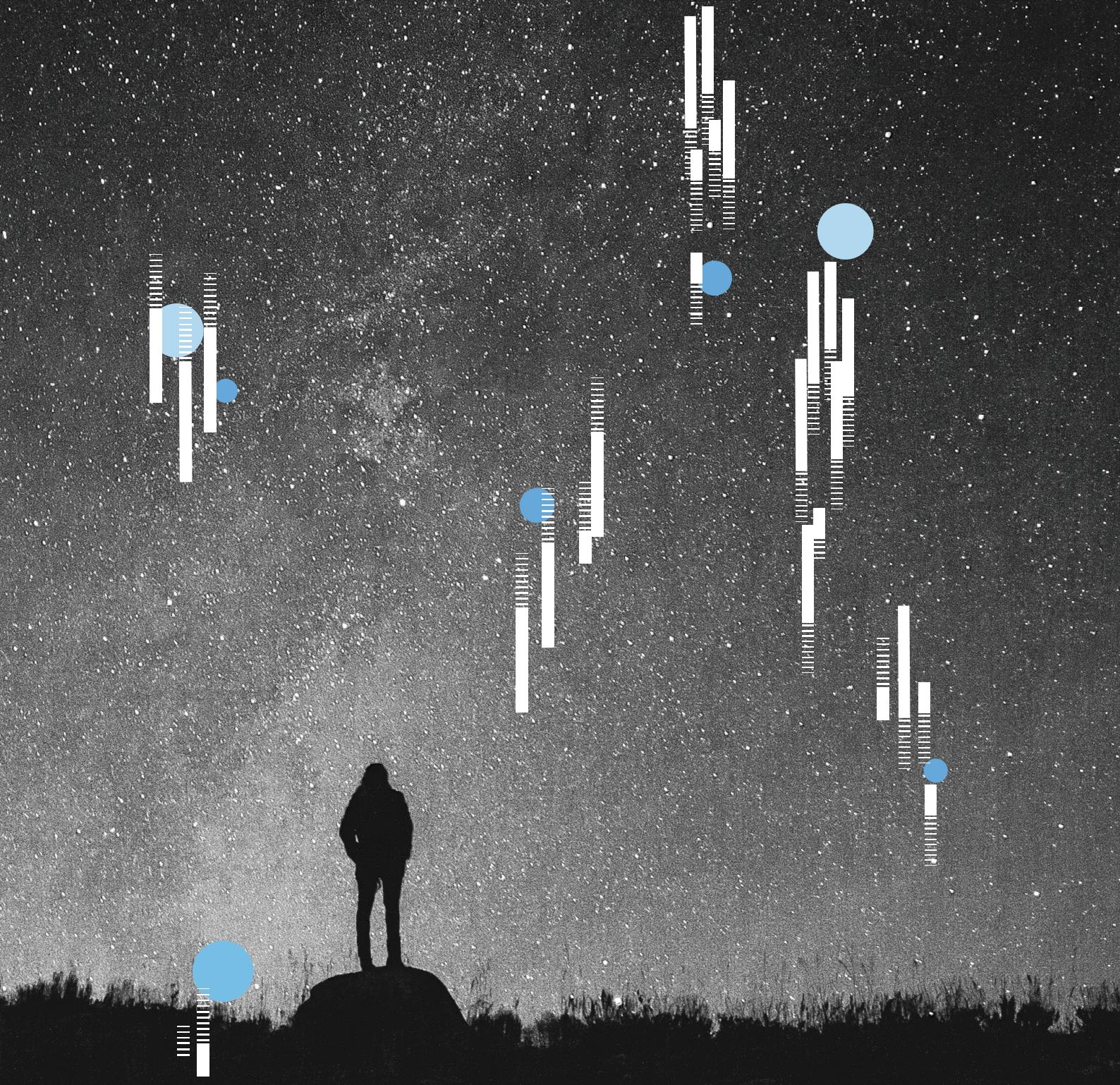




# CHRO in the Era of Talent Intelligence

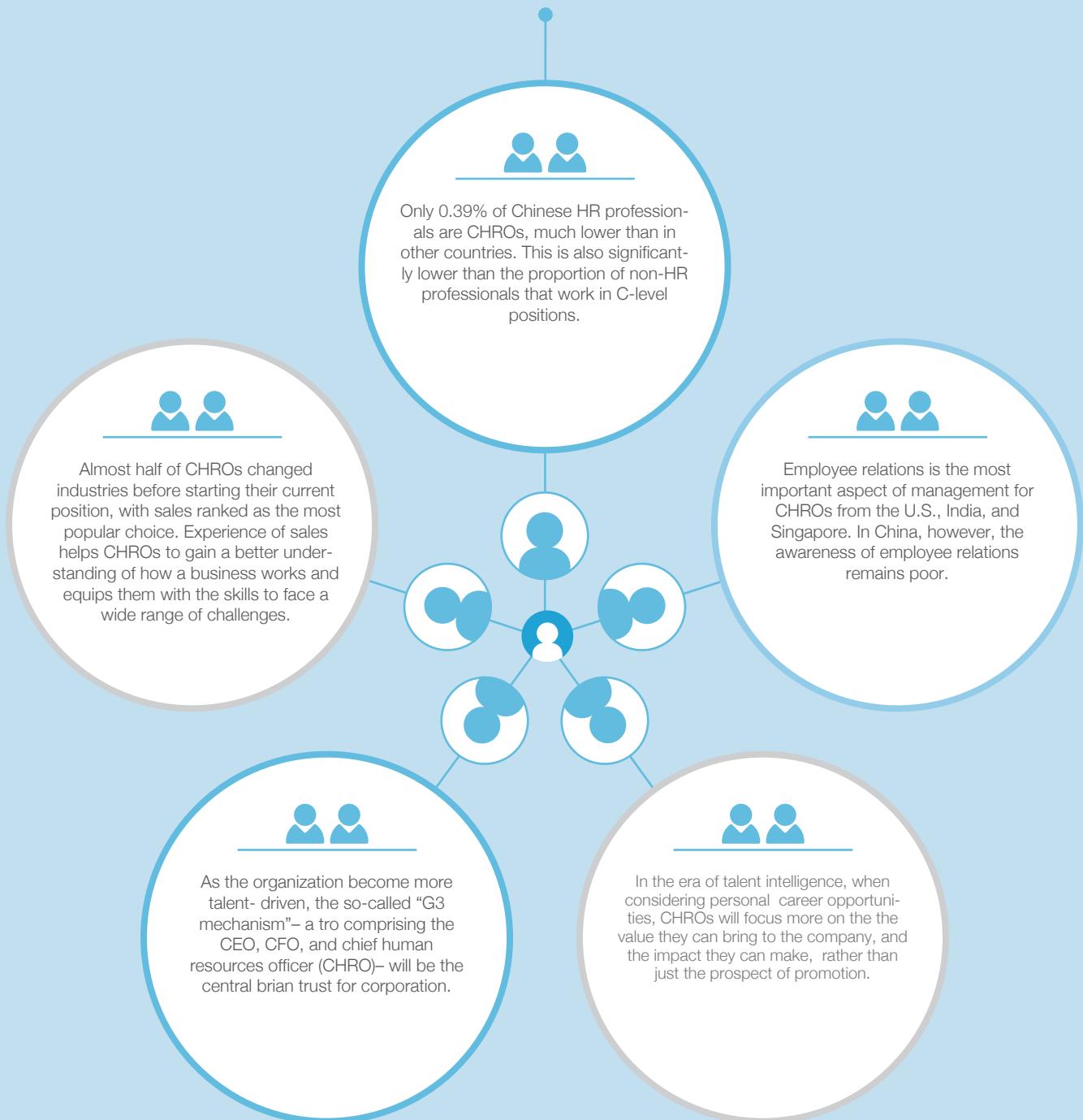


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## Key findings



# Introduction

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HR managers play a key role in shaping a company's business strategy.

The history of human resources management (HRM) dates back to the beginning of the Industrial Revolution. Since then, the function of HRM has changed remarkably, evolving from a simple science of talent recruitment, administrative support, and process management to an essential part of a company's strategy. HRM and HR managers are playing an increasingly important role in the decision-making process and are key to a company's growth and development.

In today's world, a company's competitiveness depends less on its financial strength and hardware and more on its ability to innovate. As a result, business leaders are increasingly seeking assistance from HR colleagues when making key decisions. Many companies have decided to hire a Chief Human Resources Officer (CHRO), evidence that HRM now ranks alongside finance and marketing in terms of importance. At the same time, the role of HR leaders has changed dramatically over the past few decades. In the past decades, the role was limited to tasks such as formulating HRM procedures, deciding remuneration and benefits, and providing support to administrative departments. Now, however, the role of HR leaders is much more varied – they are expected to analyze population statistics, economic policies, and social trends in order to identify new recruitment opportunities, create a positive company culture and employer brand, identify and train potential leaders, and promote organizational change. These major changes have enabled CHROs to work as enterprise leadership and raised the importance of HRM in an organization's business strategy to an unprecedented level.

Faced with these changes, CHROs require new tools to achieve success. These include big data and artificial intelligence, which companies can use to conduct quick and accurate analysis of talent data, provide meaningful insight, help HR decision-making, and enhance HR management. These new technologies have enabled HRM to become smarter and more efficient.

The era of talent intelligence is here.

For HR professionals, this new era is full of exciting opportunities. These changing dynamics are transforming the HRM sector and have had a profound impact on the global HRM models. They have also increased the demand for reliable information and data. In order to investigate these trends, LinkedIn used its global talent insights to conduct an in-depth survey of more than 100,000 HR leaders in China, the U.S., Singapore, and India. The report aims to identify the characteristics, career development paths, and future trends for HR leaders.

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# CHROs—Being the "0.39%"

The evolution of human resources management dates back to the Industrial Revolution at the end of the 19th century, when the emergence of large factories and teams of workers created a need for personnel departments. The term “human resources” was coined by the institutional economist John R. Commons in 1919 in his work *Industrial Government* and defined in detail by the management guru Peter Drucker in 1954 in his book *The Practice of Management*. Drucker argued that human resources have “specific properties” and that companies need to motivate and train their staff to ensure that human resources are used and managed effectively.

Today, we often talk about human “capital” instead of “resources”, evidence that personnel management has become increasingly important in the operations and management of many companies.

As the top HR leader, CHROs are playing an increasingly influential role in many companies.



Source: LinkedIn talent insights

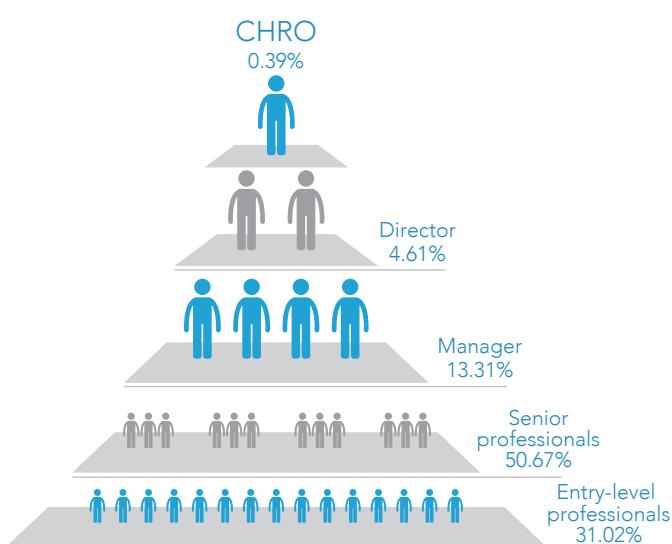
Only a tiny minority of Chinese HR professionals succeed in becoming a CHRO. Competition for the top positions is fierce – according to LinkedIn statistics, just 0.39% of HR professionals in China make it to the top of the career ladder. We decided to conduct a survey of CHROs in order to determine the reasons for this phenomenon.

## CHRO, a harder mode for Chinese HR professionals

The proportion of CHROs among HR professionals in China is just one-seventh of that in the U.S. In other words, after accounting for the size of the workforce, the U.S. has seven times more CHROs than China. China's huge population and fiercely competitive job market are significant contributing factors.

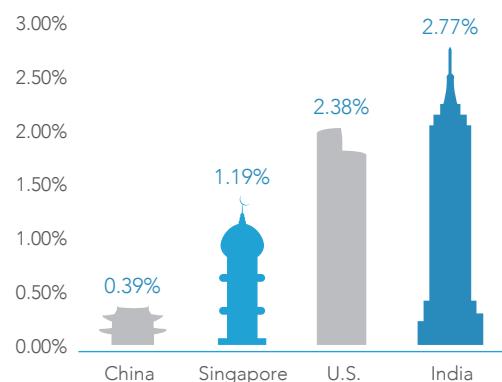
Due to the scarcity of CHRO positions, Chinese CHROs need to manage a larger team of staff, which requires significant management expertise. In China, in addition to the six main HR functions, HR leaders are also responsible for managing administrative and operations staff. Managing such a large and diverse team requires CHROs to understand their role in the company and ensure that HR policies are designed to meet the company's business needs.

**HR hierarchy in China**



Source: LinkedIn talent insights

**Proportion of CHROs among HR professionals  
(China vs. other countries/regions)**



Source: LinkedIn talent data

“ As HR leaders, we need to ensure that we understand the development stage of the company and that our team is aligned with the business needs of the company. At the same time, we also need to broaden the definition of our role and respond to market trends to improve the value of HR staff. ”



Lydia Liu

Head of HR, Home Credit China

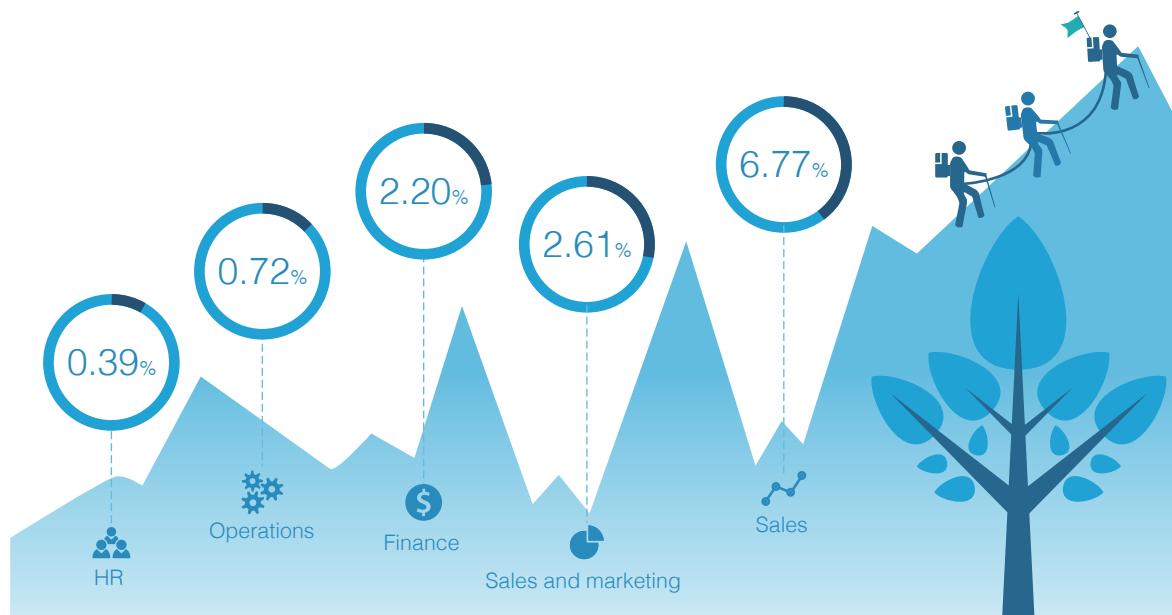
## Further away from C-suit than other functions

According to our statistics, HR professionals are the least likely to be appointed to C-level positions. In contrast, 6.77% of sales professionals become chief officers, which is almost 20 times higher than the proportion of HR professionals who are appointed to C-level positions.

Many Chinese companies do not have a CHRO or HR Vice President. This reflects the fact that HR is not a key part of the business strategy for many companies. Peter Drucker stated that a company has two basic functions: marketing and innovation. According to this theory, human resources is disconnected from the market and only plays an auxiliary role, therefore companies are unlikely to place it at the center of their business strategy. In addition, HR professionals are accustomed to defining their role as "supportive" and tend to have a poor understanding of the company's day-to-day operations. They are unlikely to play a proactive role in shaping a company's business strategy and often find it difficult to work outside of their comfort zone.

Nowadays, however, companies need talent (and capital) in order to stay competitive. Talent is the driving force behind a company's business, performance, growth, and reform, therefore the role of HR should be much more than just "supportive." Helping companies to establish an efficient, agile, and worker-friendly organization is the most important task for the "0.39%" of Chinese HR professionals working as a CHRO.

Proportion of chief officers by profession

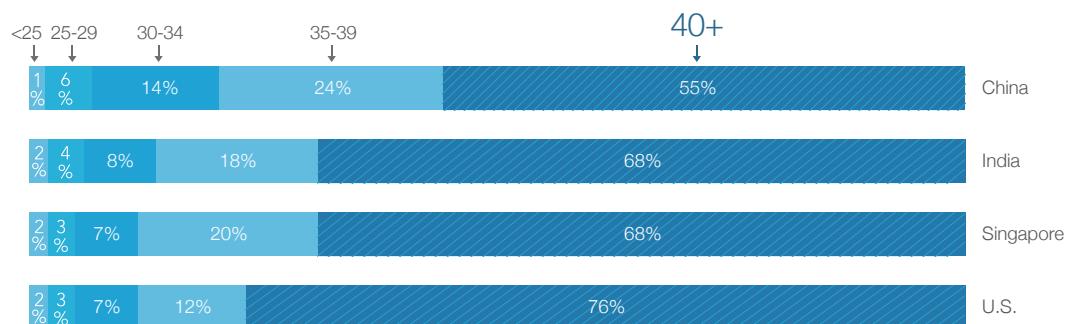


Source: LinkedIn talent insights

## Younger leaders

Despite the low number of CHRO positions in China, Chinese CHROs are often appointed at a young age. According to LinkedIn's statistics, 38% of CHROs in China are aged 30-39, much higher than in India (26%), Singapore (27%), and the U.S. (19%).

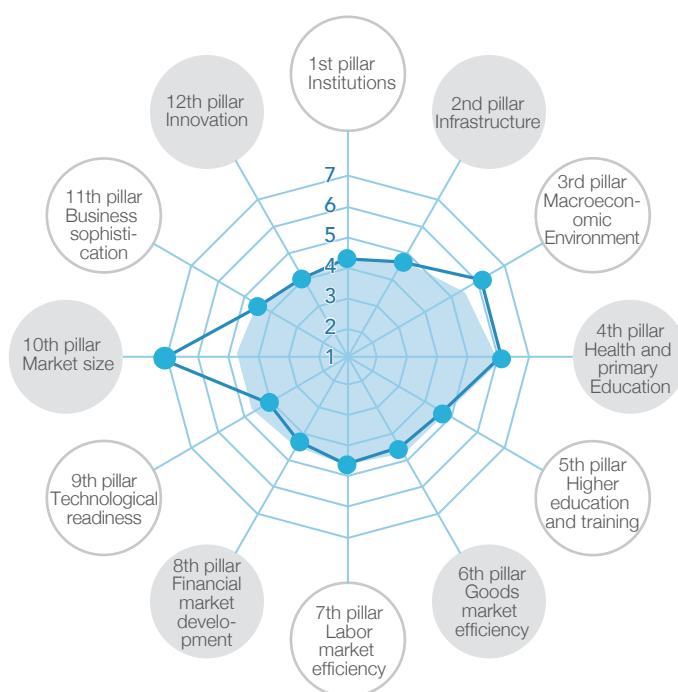
Age of CHROs in China and other countries/regions



Source: LinkedIn talent insights

Today, CHROs are taking on ever more responsibilities. At the same time, however, there is a trend towards appointing younger CHROs, a fact which can be attributed to China's unique business environment. According to the Global Competitiveness Report 2017-2018, published by the World Economic Forum (popularly known as Davos Forum), China's Business Sophistication Index and other indicators lag behind its huge market size – many companies are still in the early stages of business models and organization and thus require a young workforce to help them identify new opportunities.

2017-2018 Global Competitive Index (China)



This presents Chinese HR professionals with both opportunities and challenges. On the one hand, there is the opportunity to reach the top of the career ladder and have greater management responsibilities at a young age. On the other hand, however, HR professionals in China need to ensure that the HR team can meet the rapidly changing needs of the company and the business environment. They also need to consider how to advance their career after being appointed as an CHRO.

■ China

East Asia and Asia Pacific average

Source: Global Competitiveness Report 2017-2018, World Economic Forum

## Employee relations should matter

### Core CHRO skills in China and other countries



- Talent management
- Performance management
- Talent acquisition
- Employee relations



- Employee relations
- Team management
- Performance management
- Talent acquisition



- Employee relations
- Performance management
- Strategic reform
- Talent acquisition



- Employee relations
- Leadership development
- Performance management
- Talent acquisition

Source: LinkedIn talent insights

As a traditional HR function, employee relations is a must-have skill for CHROs in China, India, the U.S., and Singapore. In India, the U.S., and Singapore, it ranked first on the list of the most important CHRO skills.

An effective employee relations strategy helps to increase employee engagement. In China, however, employee relations are often equated with employee satisfaction and happiness. In an attempt to improve employee relations, many companies organize staff events or provide better compensations and benefits. In reality, a long-term strategy is required that features a comprehensive range of measures, including:

- An effective incentive program
- A culturally diverse workforce
- Leadership
- Career development opportunities
- Employee value proposition (employer branding)
- Improved administrative facilities

Many definitions of employee satisfaction are rather abstract. Aon Hewitt's 2018 Global Employee Engagement Trends Report uses the "Say, Stay, Strive" method to analyze employee engagement:



Source: Aon 2018 Global Employee Engagement Trends Report

Employee relations have a wide-reaching impact beyond the company and the employees themselves – companies depend on their employees for day-to-day operations. According to a long-term survey conducted by Symmetries that examined employee relations in a large international financial institution with over 30,000 employees, a 10% increase in employee loyalty led to a 4% increase in customer satisfaction and a 4% increase in profits. Chinese CHROs need to understand the importance of employee relations and develop a comprehensive employee relations strategy in line with the company's business needs. This includes an effective mechanism for measuring employee satisfaction.

“ Fostering a sense of belonging helps improve employee engagement and satisfaction and realize people's full potential. In the era of Talent Intelligence, insights are critical for HR leaders to assess the overall health of the organization. The semi-annual survey from LinkedIn leverages machine learning to empower managers across all functions to turn employee engagement into qualifiable measurements which can be eventually transformed to actionable insights for building a positive corporate community, effective leadership teams and employee motivation. However, in most Chinese companies, employee relations are considered to be equivalent to benefits and dispute resolution, but not tied to long-term corporate strategy. ”



[Joyce Zhang](#)

Head of HR, LinkedIn China

Besides the traditional HR aspects, talent management is the most important skill for CHROs in China. In the U.S., however, leadership development is a key responsibility.

Managers need to be able to adapt to a constantly changing business environment - past performance is no guarantee of future success. Helping managers to develop their leadership skills and keep pace with new developments is key to a company's long-term growth. In the U.S., companies invest tens of billions of dollars a year in leadership development programs, and universities offer a wide range of leadership courses. According to a recent survey of 28,000 business leaders conducted by the business membership and research association The Conference Board, the vast majority of business leaders place training future leaders at the heart of their business strategy.

In China, CHROs attach more importance to talent management. This is due to the relatively young nature of the HR profession in China and China's unique business environment. Leadership development concerns the future – most Chinese CHROs prefer to focus their efforts on solving current issues, which often include administrative tasks. Meanwhile, most Chinese companies are still in the early stages of development and are in urgent need of new talent, therefore recruitment is often regarded as the most cost-effective route to success. This contrasts with the U.S., where companies tend to have a more clearly defined management structure that requires an effective leadership development strategy.

“ The CHRO at GE is driven to build a positive company culture and succession planning strategy which are essential for our vision. Company culture is often represented by how employees interact with people internally and externally, directly impacting the perception of our teams' level of efficiency and effectiveness. While succession planning helps cultivate a talent pool for future leaders. CHRO is also responsible for conducting strategic planning on recruitment, employee relations, and performance management and overseeing the implementation of human-centered approaches within every department by providing a set of detailed procedures. ”



[Vicky Liao](#)

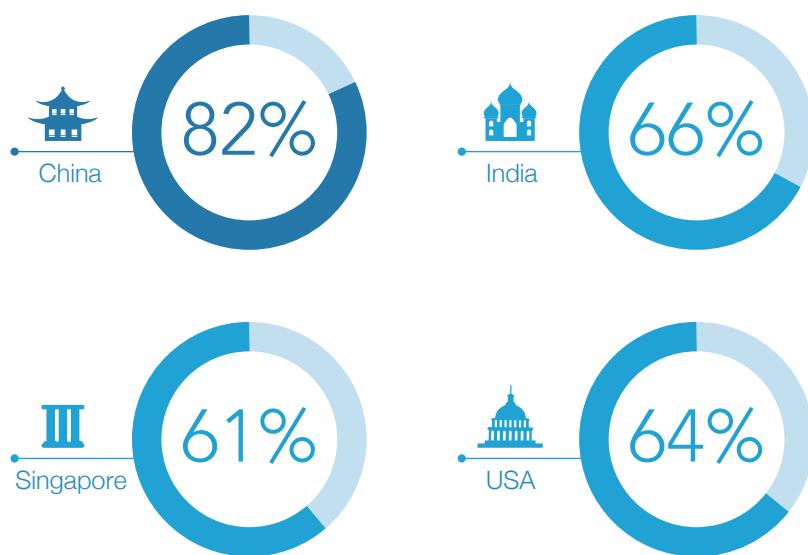
Organization & Talent Development Leader, GE China

# CHRO career choices— HR or other sectors?

Among Fortune 100 companies, there are 40 CHROs who have experience of working in another sector.<sup>1</sup> Nowadays, many professionals choose to work in a range of different roles during their career. Some people believe that this enables workers to acquire a more diverse range of skills and knowledge. However, others regard it as a disadvantage, as people are unable to gain an in-depth understanding of any one particular sector.

In the era of talent intelligence, companies expect CHROs to take on a wider range of responsibilities – in addition to understanding people, CHROs also need to understand the company's operations, strategies, and marketing techniques. This places CHROs who have experience of working in other sectors at a distinct advantage. Nevertheless, CHROs who have worked exclusively in the HR sector are still able to compete, provided that they continue to learn and keep up-to-date with new developments. The following section examines the background and work experience of today's CHROs.

Percentage of CHROs who started their career in HR



Source: LinkedIn talent insights

According to LinkedIn's statistics, 82% of Chinese CHROs started their careers in HR, a much higher ratio than in India, Singapore, and the U.S. Even among those who subsequently choose to work in other sectors, most decide to return to an HR role.

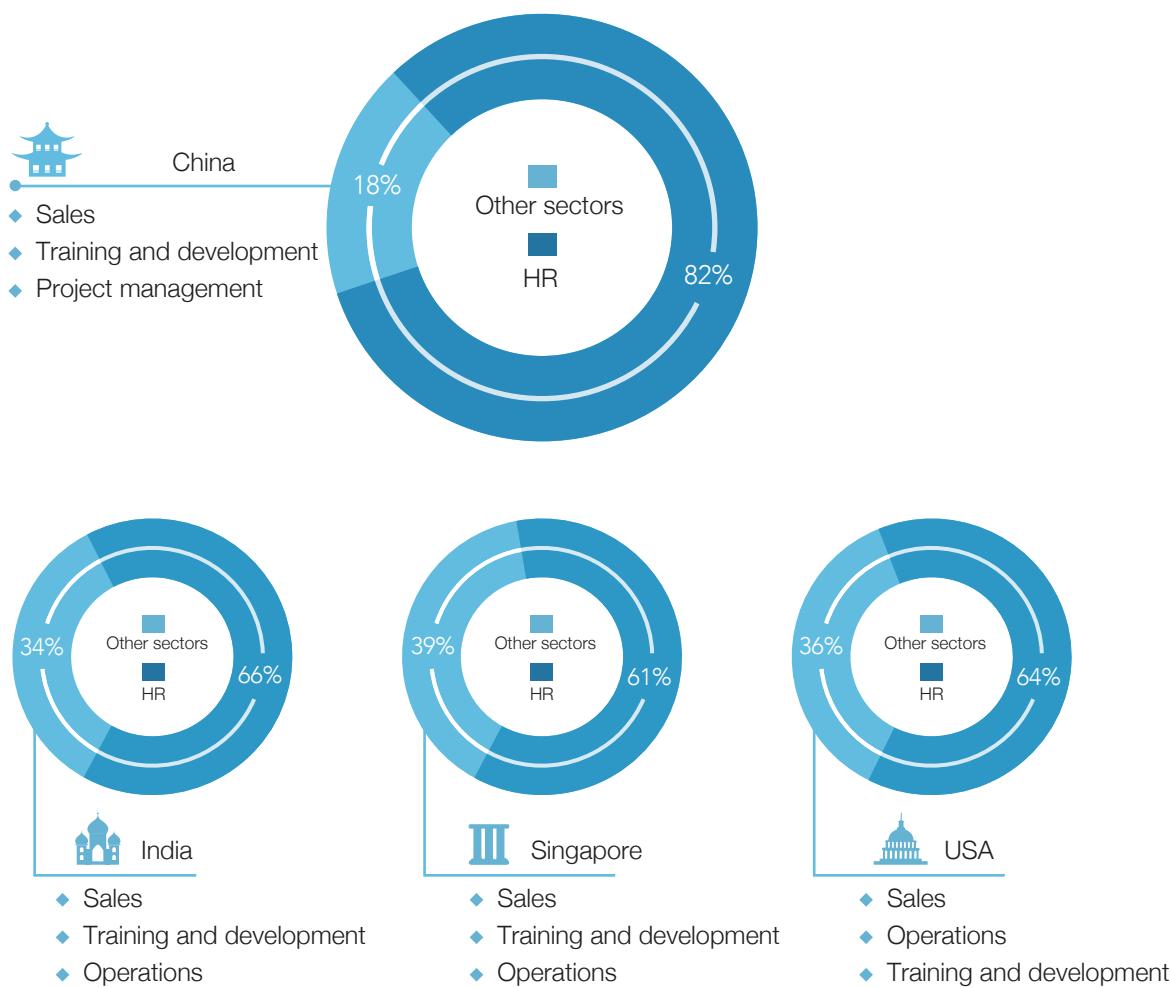
1. Source: Korn Ferry

## Over 80% of Chinese CHROs started from HR

Even though 82% of Chinese CHROs started their career in HR, nearly one-fifth chose other sectors, with sales ranked as the most popular choice. The same applies in other countries – CHROs in India, Singapore, and the U.S. who did not start their careers in HR were most likely to have worked in sales for their first job.

Sales roles require a comprehensive range of skills – emotional intelligence is particularly important. In addition, people who work in sales acquire an in-depth understanding of a company's business and strategies. HR professionals with previous experience in sales roles are therefore at a significant advantage.

Percentage of CHROs who started their career in HR/other sectors



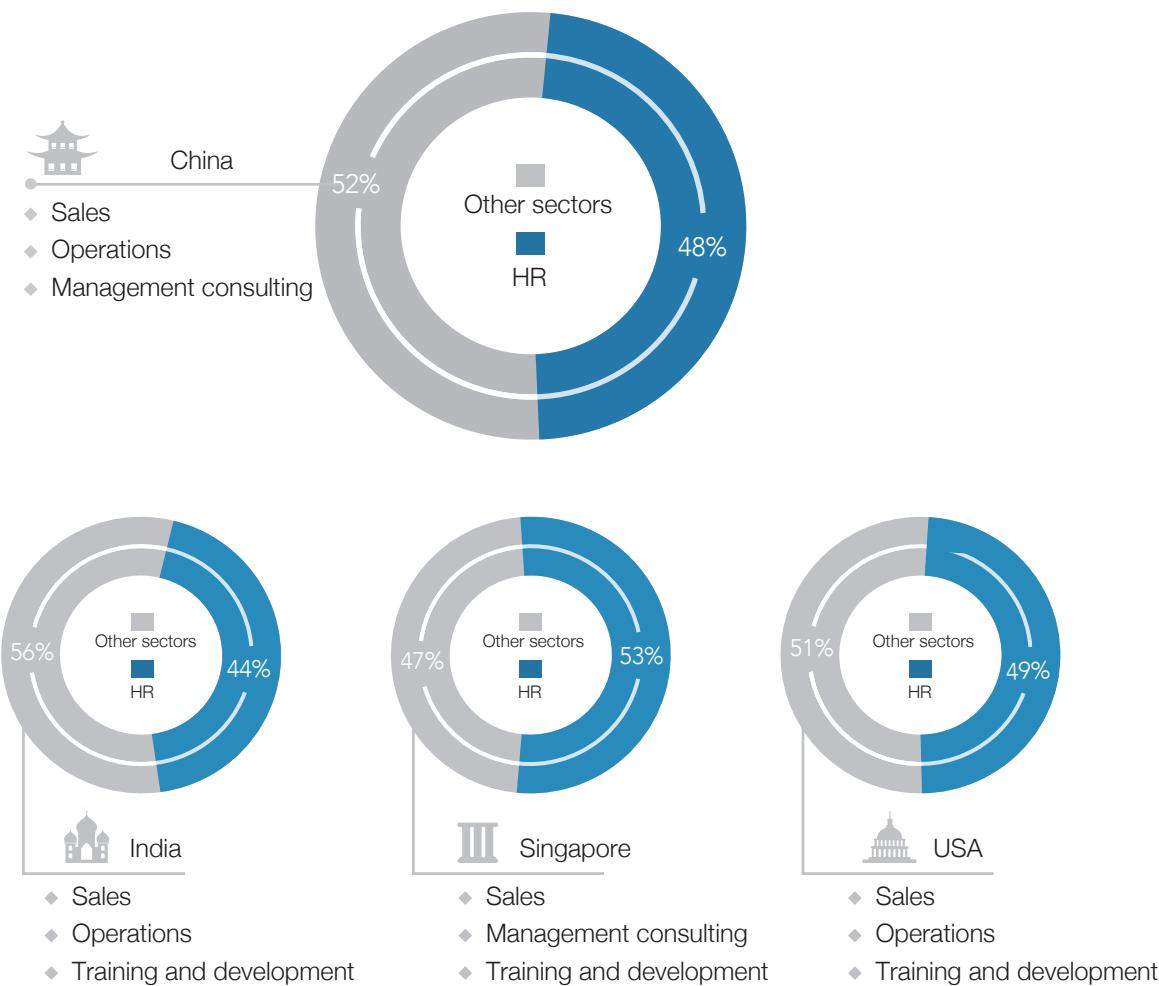
Source: LinkedIn talent insights

## Half of CHROs have cross-industry experience

A person's first choice of job does not necessarily determine the future direction of their career. Nevertheless, choices do affect people's career paths. Around 50% of CHROs in China, India, Singapore, and the U.S. have worked in at least one other sector, therefore cross-sector experience is an important issue to consider when analyzing the career development of CHROs.

According to LinkedIn's statistics, the vast majority of CHROs with cross-industry experience worked in sales before deciding to make the transition to HR. As they move up the career ladder and gain more experience, an increasing number of people are choosing to apply for HR roles – evidence that human capital is a key growth engine and competitive advantage for many companies.

Proportion of CHROs with experience of other sectors

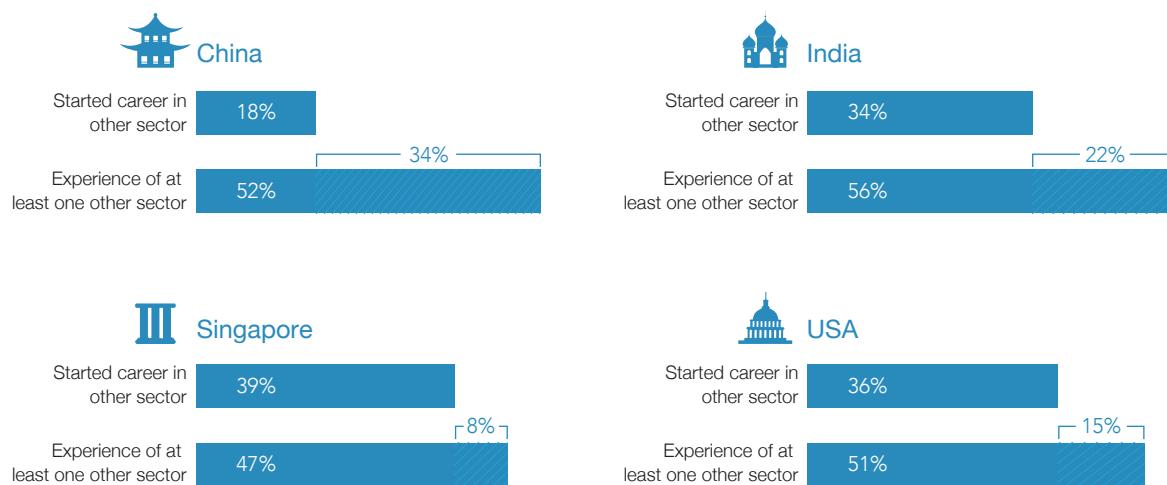


Source: LinkedIn talent insights

## Exploring mid-career opportunities

By deducting the number of CHROs who started their careers in other sectors from the number of CHROs who have cross-sector experience, we can determine how many CHROs started their careers in HR, moved to another sector, and then returned to work in HR.

Proportion of CHROs who worked in other sectors before returning to HR



Source: LinkedIn talent insights

Compared with India, Singapore, and the U.S., Chinese CHROs are more likely to have experience of working in other sectors. This is due to so-called “mid-career malaise” and a desire to explore new opportunities, as well as China’s rapidly changing business and macroeconomic environment. Compared with more developed economies such as the U.S. and Singapore, China offers more possibilities and opportunities to explore new sectors. This rapid pace of change and these new opportunities have a profound impact on companies’ development and people’s career paths. Exploring other sectors can help people to make more informed choices during the subsequent stages of their career.

“ Cross-industry experience is invaluable for HR leaders’ career development. The opportunity to work with different types of professional of all functions and the exposure to a variety of industries would allow HR leaders like you think in different ways. This enables you to maintain an objective perspective while keeping your feet on the ground. To work in other industry sectors also encourages you to step outside the comfort zone and ensures to keep learning and remain passionate. ”



George Huang

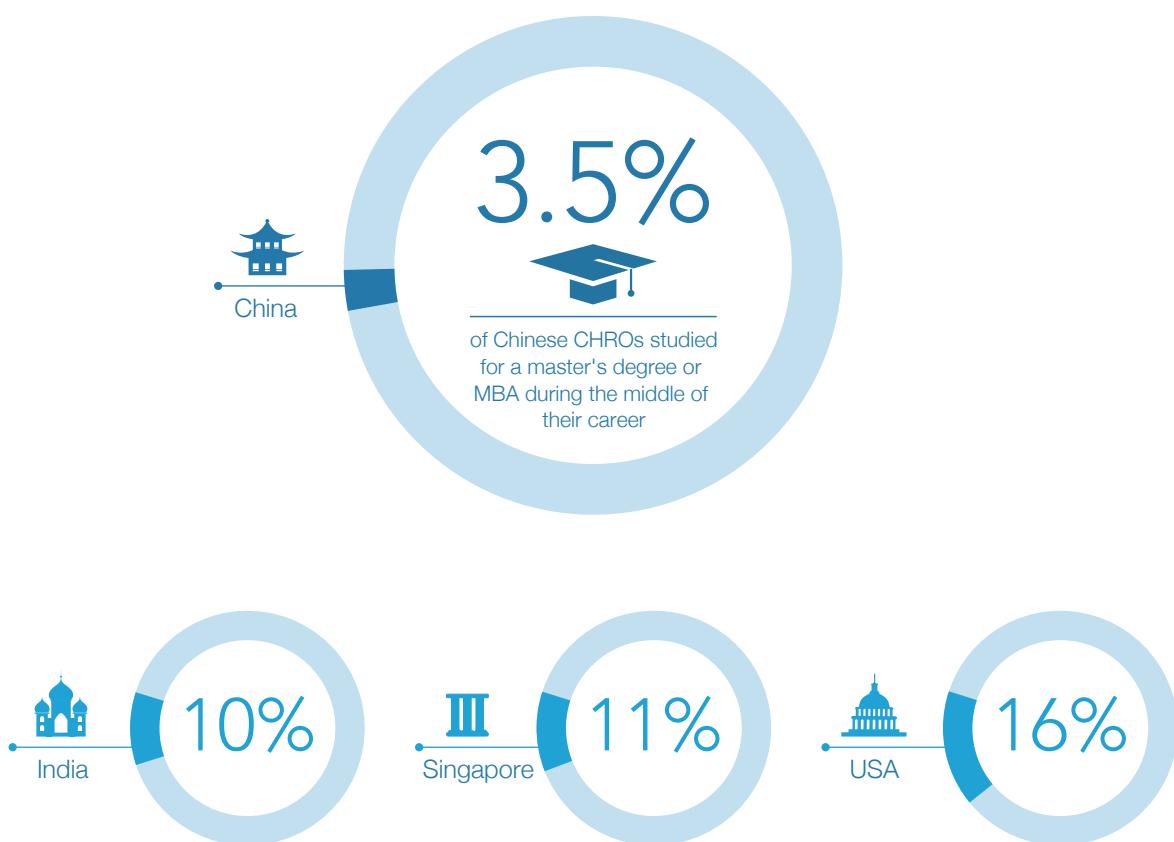
CHRO of SenseTime

## Accelerating career development through higher education

Regardless of whether people have experience of working in other sectors, continuous learning is the key to a successful career. In addition to on-the-job training and participating in employer training programs, an increasing number of professionals are choosing to pursue further study. Although self-learning and employer training programs can be tailored to an employee's specific responsibilities and be more practical, they tend to be restricted to the needs of the company or industry and fail to provide a wider perspective. As a result, many CHROs choose to study for a master's degree or MBA during the middle of their career.

According to LinkedIn's statistics, only 3.5% of Chinese CHROs completed a master's degree or MBA during the middle of their career, a much lower ratio than in India, Singapore or the U.S. This can be attributed to China's faster pace of growth – in such a rapidly changing business environment, employees are faced with a wide range of challenges at work and find it difficult to "press the pause button" and take time out to study for a degree. However, in the long run, CHROs who have completed further study during the middle of their careers have a significantly greater advantage in career progression. In China, CHROs who have completed master's degrees or MBAs during the middle of their careers get promoted 10% (master's degrees) or 15% (MBAs) faster than those who haven't.

Proportion of CHROs who study for a degree during the middle of their career



Source: LinkedIn talent insights

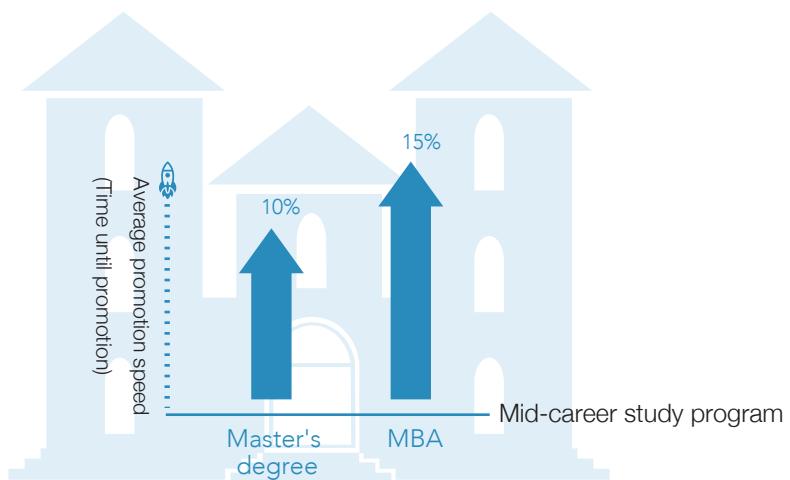
“ To become a successful HR professional, we need to keep learning. As well as being able to explore solutions to existing problems, I also need to foresee future challenges. ”



Lydia Liu

Head of HR, Home Credit China

### Career trajectory of Chinese CHROs after mid-career study



Source: LinkedIn talent insights

“ HR leaders need to keep pace with technology development, future talent market trends, and the concept of “VUCA” (volatility, uncertainty, complexity, and ambiguity). Technology is rapidly changing a wide range of industries. As a senior executive, the key challenges are to resonate with business needs of different industries and identify new opportunities. In terms of HR, many tools are Artificial Intelligence empowered, which is why we need to continue to learn, transform, and keep up with what's happening tomorrow and even in 20 years. Mid-career study is therefore an excellent option for transformation. ”

It's important to choose a suitable program based on where you are in your career path. ”



George Huang

CHRO of SenseTime

# CHRO career opportunities— From CHRO to CEO

Career development is an ongoing process for professionals. As discussed earlier, Chinese CHROs tend to be younger than their counterparts in other countries/regions. What implications does this have for their subsequent career development? Some people argue that CHROs should set their sights on becoming a CEO.

However, according to our statistics, only 0.86% of Chinese CEOs worked in an HR role before being appointed to their current position. The same applies in other countries – only a tiny minority of CEOs in India, Singapore, and the U.S. have experience of working in an HR role.

In light of these facts, how should CHROs develop their career?



Source: LinkedIn talent insights

## From CHRO to CEO

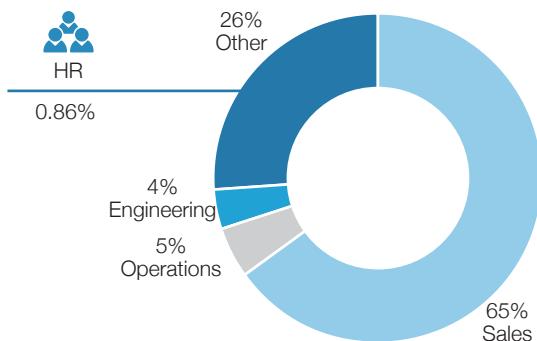
Less than 1% of CEOs in China, India, Singapore, and the U.S. have experience of working in HR. In contrast, more than 60% of CEOs previously worked in sales. There are two reasons for this.

Firstly, many companies do not give the HR department the importance it deserves. According to a study by McKinsey & Company and The Conference Board, CEOs regard human capital as a top challenge. However, they rank HR as only the eighth or ninth most important function in a company.

Secondly, CHROs often fail to consider the company's business needs. Many believe that they are only responsible for managing people, and that business does not fall within their remit. In reality, the opposite is true – people play a crucial role in all aspects of business. Instead of staying "behind the scenes," HR staff should place themselves at the center of a company's business. CHROs need to understand the company's business needs in order to build a successful team of staff.

People are playing an increasingly important role for both the business development and the evolution of the HR sector in China. Firstly, there has been a move towards an "experience economy" where companies are focusing more on the customer experience. Secondly, more and more companies are using human capital to distinguish themselves from their competitors. According to LinkedIn's statistics, personnel management is the most important skill for Chinese CEOs. As a result, in the era of talent intelligence, CHROs are set to play a more important role and will have greater career development opportunities.

Previous roles of Chinese CEOs



Source: LinkedIn talent insights

Most important skills for Chinese CEOs



Source: LinkedIn talent insights

" Business Development is consist of different characteristics in each stage. Thus, CEOs rarely have background in HR. In the product-driven economy of the 1970s, the technical and product expertise were most sought after as CEOs. In the 1980s, there are more CEOs with marketing and sales background. During the heyday of the Wall Street boom in the 1990s, an increasing number of financial professionals were appointed as CEOs. Today, we live in a talent-driven era. As companies start to focus more on people's behaviors, experiences and choices, it is widely agreed that CHROs will play a more influential role. "



Vicky Liao

Organization & Talent Development Leader, GE China

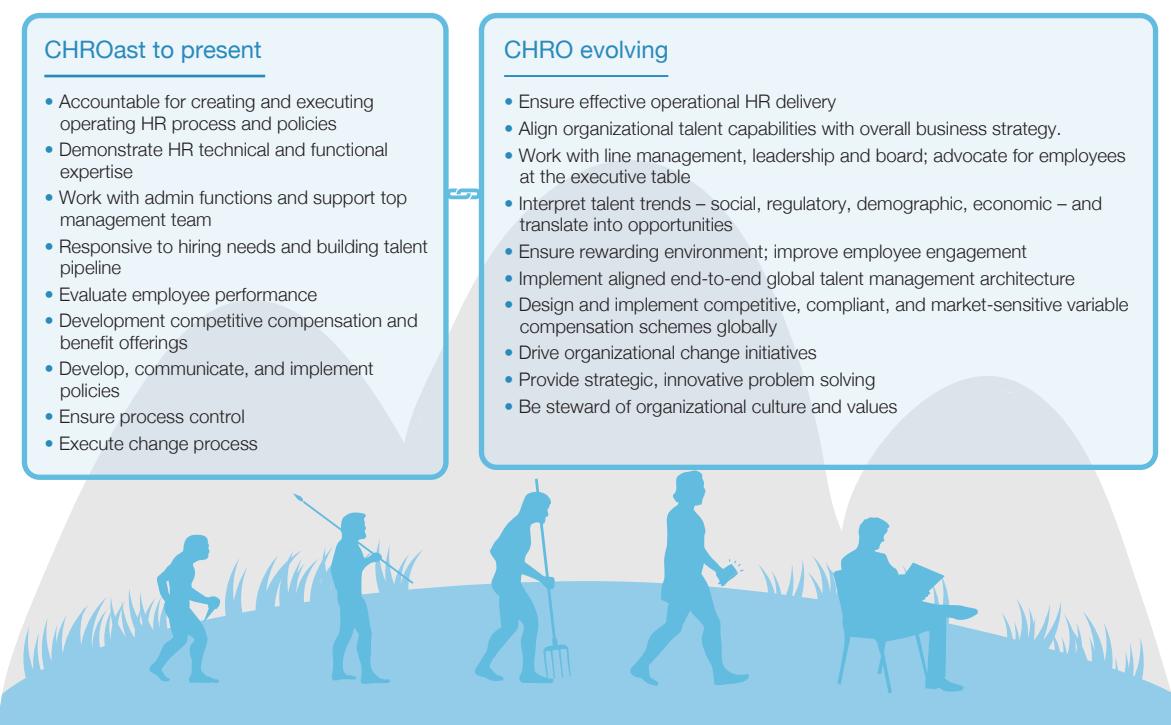
## The rapidly evolving role of CHRO in past 15 years

Career development should not be interpreted to mean promotion to a higher-level position. Instead, it should be regarded as acquiring opportunities to increase influence and value.

How can CHROs increase their influence and value? A report by Deloitte entitled Disrupting the CHRO: Following in the CFO's footsteps examines key changes in the role of CHROs based on a collection of job descriptions from executive search firms over a period of 15 years and interviews with current and former CHROs.

The report made the following conclusions about how the role of CHROs has changed:

### CHRO roles: past, present, and future



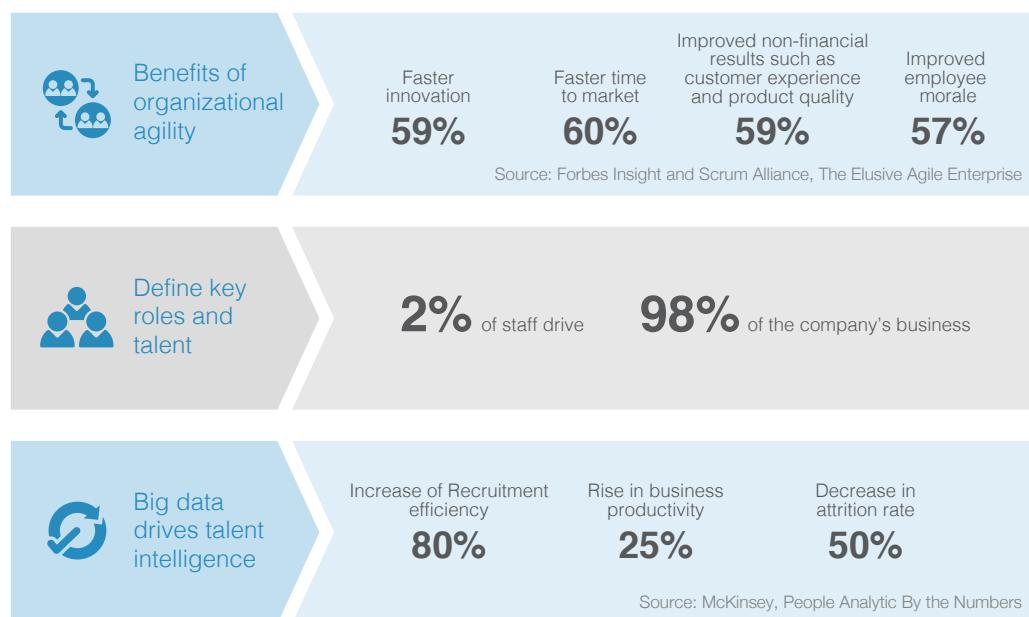
Source: Deloitte, Disrupting the CHRO: Following in the CFO's footsteps

Over the past 15 years, the role of the CHRO has evolved considerably. CHROs now have a wider range of management responsibilities and therefore have a greater influence on organizations. As we enter an era of talent intelligence, how should CHROs recalibrate their role to ensure that they can continue to develop and increase their influence and value?

# CHROs in the era of talent intelligence—The “G3 Group”

Redefining a CHRO's relationship with the CEO is the first step towards ensuring that talent becomes a company's competitive advantage. It is also essential for building a successful organization and enjoying a rewarding career as a CHRO. In their book *Talent Wins*, co-authors Dominic Barton (former Managing Director of McKinsey & Co.), management guru Ram Charan, and Dennis Carey (Vice Chairman of executive search firm Korn Ferry) propose the so-called “G3” model – a trio consisting of the CEO, CHRO, and CFO. The G3 is able to determine the company's long-term development strategy and ensure that the company is on the right track, while other teams are busy focusing on achieving short-term goals by increasing costs of operations. When the organization runs into difficulties, the CEO should listen to the recommendations of the CHRO rather than relying entirely on management consultants.

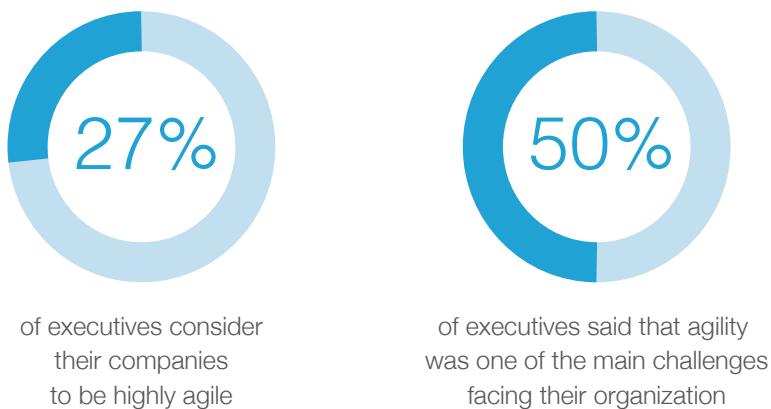
The purpose of the G3 model is to create a close partnership between the CEO, CFO, and CHRO. This stems from the theory that human and financial capital should both play a decisive role in a company's strategy. In order to achieve this goal, CHROs need to embrace the era of talent intelligence, create a more agile organization, define key roles and positions, and ensure that data analysis and insights play a central role in HR operations.



## A more agile organization in the era of VUCA

If you attempted to drive a car across a quagmire, it would probably sink into the ground very quickly. The same would happen to a company that is unable to adapt to a new business environment. If an organization does not have an effective framework and procedures for responding to new customer demands and cannot reallocate resources quickly, growth inevitably takes a hit. When disruptive competitors arrive on the scene, companies need to change their business strategy in order to remain competitive.<sup>1</sup> Business leaders therefore need to consider the following: can the organization's pace of change keep up with the latest market and technological trends? If not, the company's performance will suffer.

A recent Forbes survey of over 500 executives investigated the agility of various companies. According to the survey, only 27% of executives consider their companies to be highly agile. Meanwhile, half of executives said that agility was one of the main challenges facing their organization.



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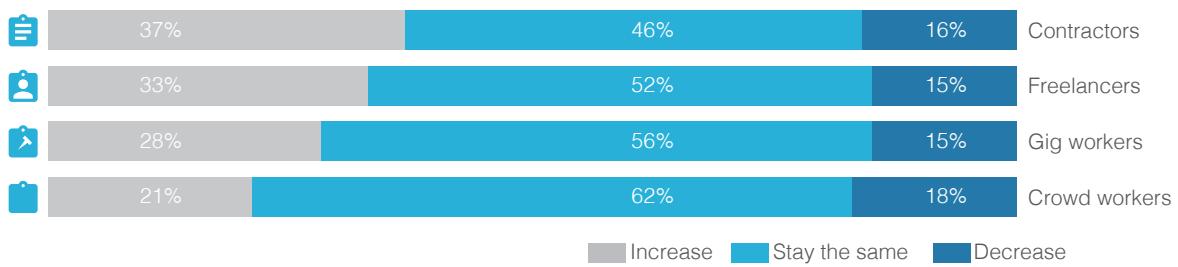
1. Reference: Huawei: Building a super-fluid organization, author: Peter J. Williamson

Embracing new employment trends and creating an agile organizational culture and incentive mechanism are the best ways to improve an organization's agility.

According to the 2018 Deloitte Global Human Capital Trends report: "The composition of the workforce is changing dramatically. Globally, there are approximately 77 million formally identified freelancers in Europe, India, and the United States. In the United States, more than 40% of workers are now employed in "alternative work arrangements," such as contingent, part-time, or gig work. This percentage is steadily rising, increasing by 36% in just the past five years."

The survey also noted that "50% of the HR respondents reported a significant number of contractors in their workforces; 23% reported a significant number of freelancers; and 13% reported a significant number of gig workers."

#### Anticipated use of each labor type in 2020 relative to today

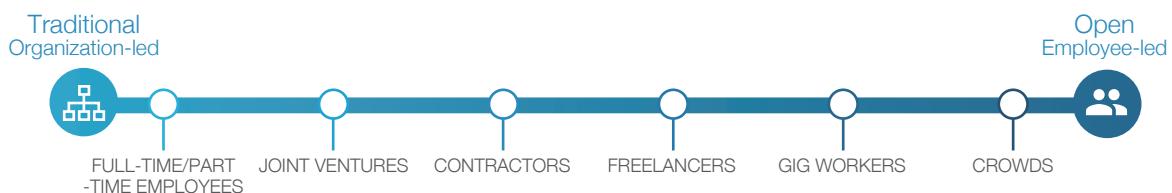


Number of respondents: 11,070

Source: Deloitte Global Human Capital Trends survey, 2018.

According to these statistics, the traditional employer-employee relationship is being replaced by the emergence of a new diverse workforce ecosystem - the emergence of a varied portfolio of workers, gig workers, and service providers offers employers greater flexibility when sourcing talent. In many developed countries, the so-called "gig economy" has become an important part of the labor market. These workers are not permanently employed by a company or organization, but are able to create the value that companies need. Compared with developed countries, the Chinese gig economy is still in its infancy, but it is set to receive an increasing amount of attention from HR leaders.

#### The various types of worker



Source: Deloitte Global Human Capital Trends survey, 2018.

A positive company culture is an important part of an agile organization. In addition to culture, however, companies also need an effective rewards system, which can include time and space dimensions. This should be more closely aligned with individual preferences and based more fully on an employee's contribution to the organization.

## Key positions vs. Key talents

1. Key positions Effective HR leaders must be able to identify and define key positions. By recruiting, training, and rewarding staff in key positions, HR leaders can help an organization to achieve its strategic goals.

Key positions do not just include senior management positions.



Key positions include operational, management, technical, and manufacturing staff that play an important role in the company's development and realizing the company's strategic goals. Staff in key positions must have the skills required to ensure the company's continued development and be difficult to replace with internal or external talent.<sup>1</sup>

Five steps for identifying key positions



A thorough understanding of a company's business is essential to effectively define key positions. The following two case studies demonstrate how a company should define key positions based on its business needs.

### Case study 1:

To an outsider, pilots play a key role in an airline's business. However, this is not necessarily the case. For one U.S.-based airline which uses low-cost fares to attract more passengers, the person in charge of setting fares plays a key role. Of course, pilots still occupy an important position, but recruiting more skilled pilots does not affect the company's performance. Low fares help airlines to attract new customers, therefore fare-setting is a key role. Of course, if an airline wishes to compete on safety and passenger experience, pilots occupy a key position from an HR perspective.

Source: Identifying and defining key positions

### Case study 2:

As an Operating Partner with the Blackstone Group, Sandy Ogg frequently worked with large private equity firms and portfolio companies. In order to increase the operational efficiency of a portfolio company, he decided to use a method that he developed while working with another company. Ogg analyzed the company's operational procedures and performance data and defined 37 key positions from a 12,000-strong workforce. According to his analysis, each key position generated 60 million dollars of revenue. These 37 positions therefore had a crucial role to play in the company's future development. As a result of his analysis, the CEO and other senior executives invested a large amount of time and effort in ensuring that the company recruited the right talent for the 37 key positions.

Almost all organizations rely on a small group of people who provide enormous value. Deciding how to use this group of people effectively can determine a company's future growth trajectory. (Two percent is just a guide; in a large company, 2% may be a group of less than 200 people.)

Source: McKinsey - An agenda for the talent-first CEO

How can HR managers define key positions and key talent in large organizations with over 10,000 people? In addition to the methods discussed earlier, data can play a key role. Companies can use big data to evaluate and forecast the value of different key positions and assess whether talent is being allocated to the correct roles. This provides us with a more scientific way to identify key positions and talent.

“ In order to build an agile organization with talent synergy, we need to consider our company's future. Key operations and corresponding positions may change in accordance with the company's strategic goals. CHROs need to identify them and continue to train the next generation for a talent development cycle. ”



[Joyce Zhang](#)

Head of HR, LinkedIn China

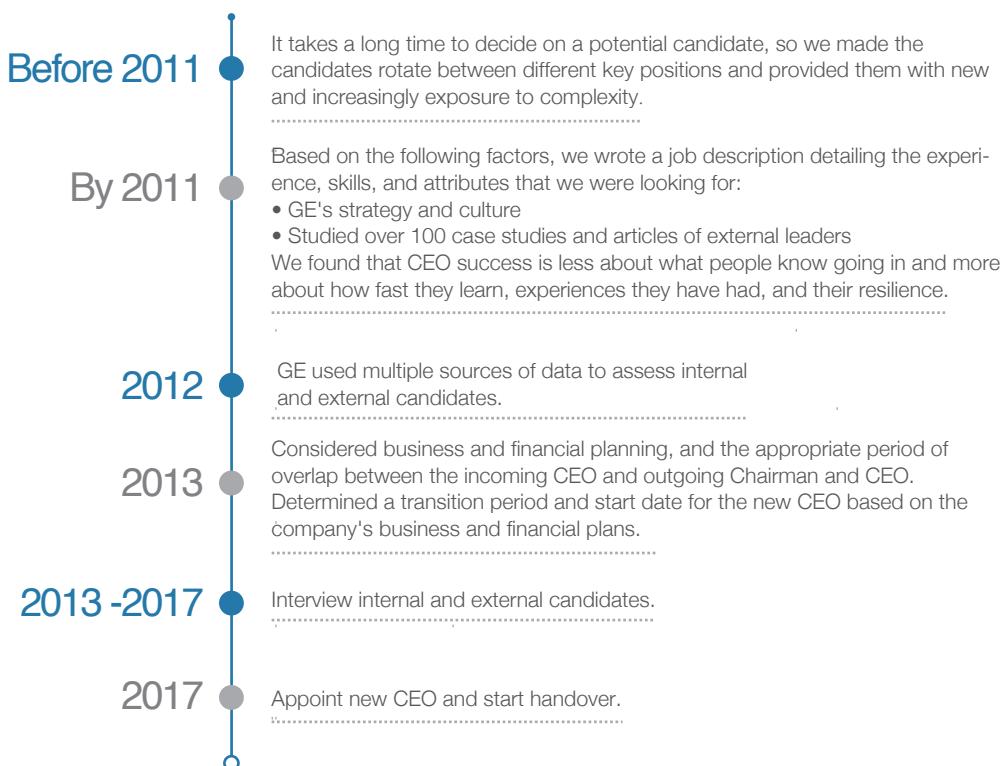
## 2. Identifying and training potential leaders

Key positions and key talent are two different concepts. In an ideal world, a company can match its key talent to key positions. However, due to rapidly changing operational needs, this is often difficult to achieve. Identifying and training key talent is therefore one of the key responsibilities of HR leaders.

General Electric's succession strategy provides an insight into how companies can identify and train key talent.

According to the management guru Dave Ulrich, companies that need to train a large talent pool must establish an organizational framework to ensure that talented staff are given more opportunities in the early stages of their career. The former CEO of GE Jack Welch introduced a flexible organizational framework that enabled potential leaders to take on small business units. For example, an employee might be asked to manage a 50 million dollar product line as a small business unit. If managed successfully, the employee would then be asked to manage a larger product line worth up to 1 billion dollars.

The former CHRO of GE Susan Peters once published an article on LinkedIn about GE's leadership training program. She dedicated most of her career to leadership development, including appointing the successor to Jack Welch. Leadership development is a long-term strategy that requires cross-sector collaboration and in-depth evaluation. The procedure for appointing GE's CEO is shown below:



Source: LinkedIn, GE's Next Great CEO

After a six-year recruitment drive, the GE Board appointed John Flannery as the company's next CEO. For GE, he was the ideal candidate with the capabilities needed to lead the company into the future.

As the leader of the HR team, the CHRO has an irreplaceable role to play in identifying and training future leaders. These decisions have a decisive impact on the future direction of the company. As GE's CEO recruitment process demonstrates, CHROs not only need to have an in-depth understanding of the company's operations and culture - they also need to be able to conduct research and analyze talent data in order to make the right recruitment decisions.

## The rise of HR analytics

Companies have been using data to assist with operations and management for many years. Recently, however, the quantity of data that companies can obtain and use for analysis has grown exponentially. Following the advent of big data and talent intelligence, companies are beginning to realize the value that data can bring to their organization - new technologies enable managers to quickly obtain valuable information from huge amounts of data. This information can then be used to improve the company's operations. HR leaders are also using these new technologies to improve digital talent management.

**“**Data plays a very important role in management. Logical processing with past experience and professional instincts from a subjective perspective cannot be the only guidance when making decision. They also need to be backed up by facts. Management professionals began to rely heavily on data early in the 1990s, but back then we only had access to a fraction of the amount of data that we have today. Although some buzzwords may have changed, the principles are the same - we still need experienced staff in order to make sense of data and use it to streamline operational HR tasks. We need to consider how we can use data to our advantage so that executives can make the right decisions. **”**



George Huang

CHRO of SenseTime

New management concepts, technological innovation, and an increasingly competitive job market are the three major reasons for the development of digital talent management. These three factors have also had a significant impact on companies' operation models and competitiveness. As the most senior leaders of companies' talent strategies, CHROs need to embrace digital talent management. In this section we will examine the applications of digital talent management and discuss how it is used.

According to LinkedIn's Digital Trends in HR Management Report, talent insights is now used in all aspects of HR management, including traditional functions such as compensation, benefits, and talent recruitment, and newer functions such as talent planning and employer branding. The use of HR analytics has grown fastest in talent planning and employer branding.

### HR data analysis – traditional and new areas of application



Source: Digital Trends in HR Management Report, 2018

" When scoping important talent planning projects such as leadership development and succession planning, we use a large amount of data to identify and evaluate potential candidates. First, we decide on a profile of the leader based on the strategic plan, then identify potential internal and external candidates. We use data to analyze a range of factors including past performance and potential, and then benchmark this data against other companies in the same industry. Finally, potential candidates are asked to take on different roles and participate in training sessions and other programs to ensure that they are qualified. Throughout the process, data is the key. "

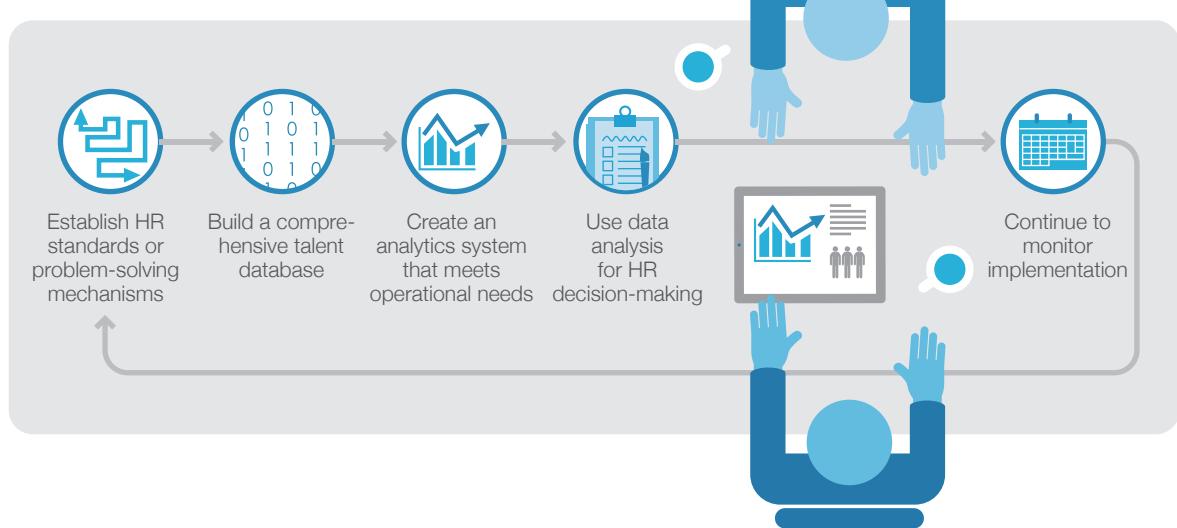


Vicky Liao

Organization & Talent Development Leader, GE China

Nowadays, big data is empowering HR management. CHROs are committed to developing a data-based approach to HR decision-making. This is a closed-loop process that complements other processes.

#### A data-based approach to HR decision making decision-making



The era of talent intelligence is here. Talent intelligence involves using artificial intelligence and big data to make talent part of a company's core competitiveness. LinkedIn is committed to helping HR leaders develop an intelligent data and insight-based talent strategy in order to ensure that companies gain a competitive edge.

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## About LinkedIn Talent Solutions

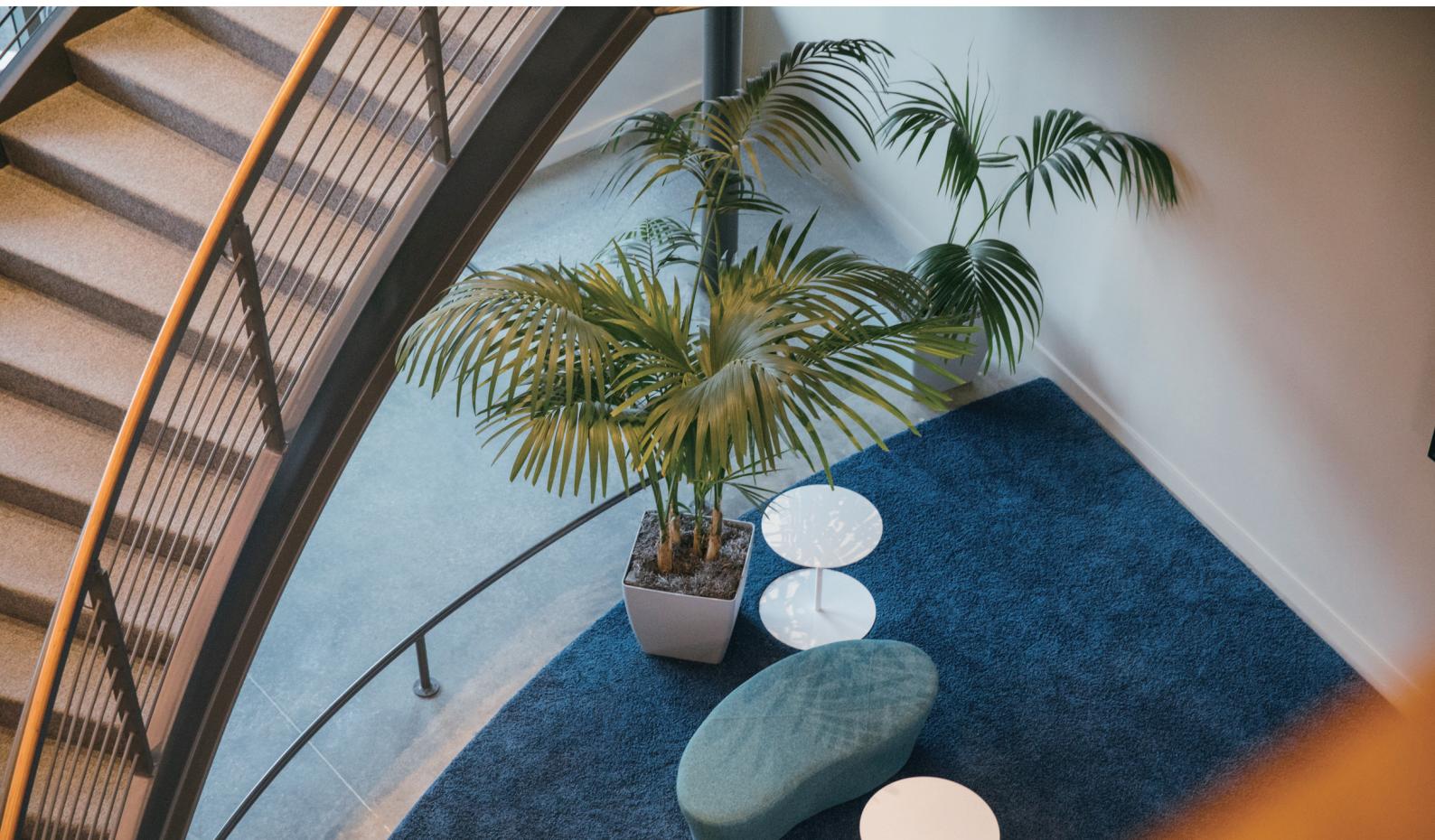
Attract, engage, and recruit the best talent using the world's largest professional network. LinkedIn Talent Solutions helps you source talent, post jobs, build your employer brand and create a stellar referral program.

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