

The Evolution of Human Capital – 2020 Talent Trends & Observations

Kristen Kenton, President, Kenton Talent Management (www.kentontalent.com)

As a “Talent Strategist” and Executive Recruiter, I get pretty “geeked out” about human behavior and its impact on business. The way organizations leverage and organize people is constantly evolving in today’s change-obsessed business climate. Advancements in organizational psychology and behavioral science, coupled with an increased focus on culture creation, emotional intelligence and performance optimization has created some fascinating changes within human capital (or what I like to call “talent strategy”).

Therefore, I decided to embrace the downtime thrust upon my industry by the recent pandemic to interview several business leaders and industry experts about this topic. I have summarized my findings below:

1. The virtual workforce movement has accelerated.

The recent and unfortunate pandemic has accelerated the demand for a virtual workforce. However, organizations were already beginning to recognize the positive impacts that remote employees could have on their bottom lines. The virtual movement has opened doors to “hidden” talent pools, optimized efficiencies, and eliminated commutes. However, some companies will struggle to fully leverage the benefits if they do not start by implementing the necessary infrastructure (including processes, systems and people/culture).

2. Employees expect more from their employers.

My grandpa worked for Dupont for roughly fifty years. He told me “they gave me a paycheck, and I gave them my loyalty”. Well, those times are gone. People today are seeking an “employment experience”. They strive to achieve balance, purpose, passion, fulfillment, and the ability to make a meaningful impact. We are in a “gig economy” (characterized by short-term employment, an increase in entrepreneurial freelancers/ contractors, and an abundance of online/ virtual platforms). A paycheck isn’t enough anymore. Companies are being challenged to create a “two-way value proposition” in order to hire and retain the best people.

3. Development and engagement rule.

Tactical, skill-based training courses are being replaced by more holistic development programs and professional coaching engagements. An ever-increasing desire and appreciation for self-discovery and purpose-driven work has forced business leaders to reimagine their employee incentives and differentiators. The data proves that healthy, emotionally fulfilled and engaged human beings create more innovative and profitable companies.

4. Change is the new constant.

The words “change management” have become as popular as the word “strategic”. What do they really mean? It is more important than ever to both anticipate and *initiate* change, disruption, and transformation. We have more access to information, which creates an expectation for action, innovation, and reimagination. Organizations must find ways to develop people and foster cultures that effectively manage and drive change.

5. Despite other industry advancements, the mainstream hiring process remains pretty darn broken.

This topic really deserves its own article. Unfortunately, most companies still leverage a reactive and archaic recruiting and selection process to hire critical talent. Generally, organizations are still “dusting off” old position descriptions (without investing the necessary time to analyze or question whether the job requirements and responsibilities are tied to real business outcomes and goals). Then, these documents are posted online and the small percentage of qualified applicants that see it are typically screened by people that are not entrenched in the business. Ultimately, final candidates experience a fragmented and extremely long interview process (which is typically led by busy people who do not have advanced interview training). The reality is this mediocre recruiting and hiring process is breeding mediocre hires.

Here is the good news. There seems to be an increased demand for “talent scouting” (a method leveraged to *proactively* attract and engage talent pipelines). However, the processes and systems used to accomplish this are still relatively new. Additionally, most companies acknowledge the importance of hiring for “soft skills” and values. As a result, more organizations than ever are leveraging various assessment tools in hopes of screening for those attributes. However, it is difficult to understand which of these tools are most appropriate (some of the most popular assessment products were not designed for hiring purposes). Also, many of these tools are not scientifically valid. Despite this, some companies over-rely on them to make critical hiring decisions. It goes without saying, we still have quite a bit of room for improvement within the hiring and recruiting system.

The bottom line is that human capital is a living and breathing industry. It is evolving and progressing at lightning speed. Organizations that do not embrace and seek to understand these changes will be unable to compete for talent. The product within the human capital industry is people. Therefore, it is unpredictable, beautiful, inspiring and yes, a little broken. I love what I do!