The following report summarises the results of your responses to EY's Talent Management survey, and provides our insights on the key issues and trends we are seeing in the talent management space within your industry.
Introduction

Enhancing workforce productivity through effective talent management and workforce intelligence is critical to the future success of Australian business. It has become imperative for organisations to identify and address gaps in their talent management frameworks which may be hindering the achievement of business strategy.

In May 2015, HR managers and business users of talent management programs were invited to share their views on their organisation's talent management framework through an online study.

The talent management framework was assessed from three perspectives (see adjacent diagram):

- **Programs** - how talent management programs are delivered to support organisational wide governance and strategy
- **Resources** - how data, people and technology are utilised to support the delivery of talent management programs
- **Integration** - how the HR function is structured and held accountable for the delivery of talent management programs

One hundred and fifty-eight individuals from Australian organisations participated in the study. This report provides a summary of survey responses as well as trends for high and low performing organisations.

Gaps between current and required states

Respondents were asked to rate the maturity of their organisation’s current talent management framework (current state), and the level of maturity needed in the framework to achieve the organisation’s strategic objectives (required state). The chart below presents the current state and required state for each talent management area, averaged across survey participants.

**Largest gaps:**
1. Career & Succession Planning
2. Employee Data
3. Learning & Development

**Smallest gaps:**
1. Integration
2. Performance and Total Rewards
3. Employee Engagement
Talent management priority areas

Respondents were asked to identify the top three talent management areas requiring improvement within their organisation. The priority areas most and least frequently selected are (in descending order):

**Top priority:**
1. Career and succession planning
2. Technology and process automation
3. Leadership development

**Lowest priority:**
1. Employees' access to HR policies
2. Function structure
3. Alignment of HR policies with business strategy

Talent Management integration

The charts below summarise the frequency of which survey participants agree or strongly agree (Agree) or disagree or strongly disagree (Disagree) with the following statements.

"Our talent management programs are integrated."

- **Agree:** 68%
- **Disagree:** 32%

"Our talent management strategy is linked to business strategy and embedded in operational planning."

- **Agree:** 60%
- **Disagree:** 40%

"Our HR structure enables the delivery of talent management programs that meet the needs of the business."

- **Agree:** 44%
- **Disagree:** 56%

EY research indicates companies which report (a) strong alignment of talent management programs with business strategy average 3% higher ROE than companies reporting a lack of alignment and (b) highly integrated talent management programs average 6% higher ROE than companies reporting low integration.

Trends for high and low performing companies

Below is a summary of trends for high and low performing companies in terms of their talent management priorities and gaps between current and required states. Companies were classified as high or low performing based on revenue growth from 2013 to 2014*:

**High performing companies**
- More focused on developing their talent for future needs.
- Almost twice as likely to describe their talent management framework as immature ("Basic" or "Developing" in terms of maturity).

**Low performing companies**
- Primarily focused on attracting new talent and engaging existing employees.
- Almost three times more likely to rate their talent management framework as mature ("Advanced" or "Leading" in terms of maturity).

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* High and low performing company classification:
  - High performing - Companies with a revenue growth in the top quartile of respondents.
  - Low performing - Companies with a revenue growth in the bottom quartile of respondents.
How we can help

EY’s Talent and Reward team specialises in designing and implementing talent, reward and mobility strategies to help our clients attract, engage, mobilise and retain their people in order to drive business success.

Should you wish to have a confidential discussion about your current talent programs, please contact us:

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Glossary

<table>
<thead>
<tr>
<th>Program</th>
<th>Definition</th>
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<tbody>
<tr>
<td>Talent Strategy and Analytics</td>
<td>The analysis of current and forecast workforce resources and the labour market to assess if workforce resources support business strategy.</td>
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<td>Talent Acquisition</td>
<td>The sourcing, screening and selection process used to recruit talent.</td>
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<td>Competency Systems</td>
<td>The management of competency profiles which specify the knowledge, skills and behaviours for each role within the organisation.</td>
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<tr>
<td>Performance and Total Rewards</td>
<td>Performance is the evaluation and management of employees’ job performance. Total Rewards is everything employees receive from their employer and perceive as valuable (e.g. competitive pay, work-life balance).</td>
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<tr>
<td>Learning &amp; Development</td>
<td>Consists of the training systems and activities which aim to prepare employees to undertake their current role and meet future business needs.</td>
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<td>Leadership Development</td>
<td>The programs that aim to enhance employees’ leadership skills and prepare them to undertake leadership roles.</td>
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<tr>
<td>Career &amp; Succession Planning</td>
<td>The process of managing employees’ careers, including preparing employees for more advanced roles within the organisation once they become available.</td>
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<tr>
<td>Mobility &amp; Deployment</td>
<td>The resource deployment systems and policies that are used to leverage employees’ strengths and interests across the organisation.</td>
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<tr>
<td>Diversity &amp; Inclusiveness</td>
<td>An organisation's policies and processes to avoid discrimination on unlawful and illegitimate grounds and to make employees feel valued irrespective of their background.</td>
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<td>Employee Engagement</td>
<td>Encompasses employees’ motivation, attitudes and relationship with the organisation.</td>
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<td>Resources</td>
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<tr>
<td>Employee Data</td>
<td>What, when and how employee data is collected and whether it is used to guide strategic business decisions and actions.</td>
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<td>Technology</td>
<td>The application of technology that enable the HR function to deliver talent management programs.</td>
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<tr>
<td>Functional Capability</td>
<td>Encompasses HR employees’ capability, the extent to which they are utilised in the workplace and their understanding of the business.</td>
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<td>Integration</td>
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