

2024

Talent Outlook

Tailored to Forward-Thinking HR Leaders

SHL.

2024 Talent Outlook

In the constantly evolving realm of human resources, staying ahead is not just a choice - it's a necessity. As we delve into the anticipated trends in talent management for 2024, we invite you on a journey of preparation and adaptation.

The aim is to provide you with the knowledge and insights required to navigate the challenges and seize the opportunities that lie ahead.

We will discover:

- how the AI revolution is reshaping HR
- how global economic dynamics will impact your talent strategy
- why your approach to skills and talent acquisition is shifting.

Staying ahead is not just a choice - it's a necessity.

Let's embark on this transformative journey together to ensure you are well prepared to lead your organization to success in the new era of HR and human capital management.

7 Evolutions

in Talent Management

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Select an
Evolution

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The AI Revolution is Underway

Generative AI is an unstoppable wave of unprecedented change and is impacting all organizations.

In February 2023 we witnessed significant progress in commercial and open-access Gen-AI with the release of ChatGPT Plus. Since then it's been a topic of ongoing discussion.

Gen-AI will undoubtedly:

- enhance HR and business processes
- streamline repetitive tasks
- lead to substantial advancements in predictive talent analytics.

The HR Tech industry is competing to lead the way. However, HR professionals should exercise caution when evaluating and validating AI-based HR Tech as AI is largely unregulated and there are inherent risks in its use. As organizations prepare to ride this wave, they must be particularly discerning when considering AI to support people decisions.

01

AI is largely unregulated and there are inherent risks in its use



Global Economic Uncertainty Will Affect Employees

02

In recent times we have observed economic challenges, a need for remote and hybrid working, and a very robust job market.

Such changes led to the Great Resignation, with employees holding more agency and power while employers worked harder to attract and retain talent. The result: higher starting salaries, greater flexibility, improved work-life balance, and so on.

That pendulum has now swung. A tight labor market, fewer opportunities,

increased job insecurity, and a cost of living crisis mean that employers are back in the driving seat. While it may be tempting for organizations to scale back employee-oriented initiatives, such actions could have negative consequences.

Organizations that continue to invest in their people by offering development, mobility opportunities, and career growth will reap the rewards in the coming months and years.



Business Transformation Will Shift HR Strategy

03

Digitalization, the move to green and sustainable businesses, coupled with greater and more diverse competition, will disrupt business strategies in 2024.

Organizations will need to transform. Transformation nearly always necessitates a fundamental shift in the skills and talent needed for success.

Nearly 40% of CEOs believe their organizations will not be economically viable 10 years from now if they don't transform*.

From leadership to individual contributors, the skills necessary for success will change. HR will need an agile approach to identify skills gaps and address them through a combination of upskilling, internal mobility, and talent acquisition.

*Source: PWC research

Labor Shortages and Demographic Workforce Changes



Global talent shortages are at an all time high, with 77% of organizations reporting difficulties in hiring for open roles*.

Certain regions, industries, and organizational levels are experiencing the most significant challenges. As a result, they must critically evaluate how to fill roles and enhance productivity.

Solutions may include expanding the top of the recruitment funnel by considering various talent pools, such as older workers, gig workers, or minority groups — perhaps using skills to identify people with potential who are currently outside of their industry. Similarly, organizations will intensify their focus on internal talent and ask:

Who in the business could do more?

Who in the business could be moved into different roles?

Who could be upskilled to fill critical skills gaps?



05

Shifting from Technical to Behavioral Skills

HR has placed a significant emphasis on skills in 2023, yet often the definition of 'skills' is unclear. There tends to be a focus on technical or functional skills as organizations grapple with the pace of new and emerging skills.

The emphasis on technical skills has helped HR hire people who can hit the ground running and deliver results quickly. However, the ever-evolving skills landscape will lead organizations into a constant race to find talent with the latest and most advanced skills.

2024 will bring a shift towards behavioral skills, identifying individuals with the agility to learn new skills, who can problem-solve and effectively communicate their findings. In this context, focusing on recruiting, developing, and mobilizing talent with soft or behavioral skills for future success will become the primary competitive advantage for HR. Bersin calls these PowerSkills - we couldn't agree more!



06

Data Democratization

An emerging trend in 2024 will be the race to upskill HR practitioners to become tech savvy, analytical, and strategic.

HR has transformed from a tactical support function to a C-Level priority with a strategic focus. To succeed in

this transformation, HR professionals will need to work across functions, understand data and analytics, and be proactive rather than reactive. HR as a function will incorporate HR Tech to streamline processes and outputs, but individuals in these roles will need to take the lead.



Hiring Will Slow, Mobility Will Rise

It is likely that hiring will slow in 2024, but internal mobility will rise.

This reflects the global economy, labor market and talent shortages. HR has evolved in recent years by bringing Talent Acquisition and Talent Management teams together to collaborate, an approach that will pay off as organizations look to hire from within. However, internal mobility has not been embraced by all employees in the way that many organizations would prefer.

As organizations rely on internal mobility to develop talent and fill critical roles, they should identify why their initiatives may not be as successful as intended.

- Do all individuals know what opportunities are available to them within the organization?
- Are they aware of their own strengths and how they could be leveraged in a different role or part of the business?

07

A big driver for many employees is the likelihood of a larger pay increase for an external move as opposed to an internal move. These are considerations that organizations will have to address in 2024 as they rely on internal mobility to fill roles.

Next Steps

The '2024 Talent Outlook' has illuminated that the world of HR is on the brink of significant transformation, and your ability to navigate these changes will be crucial.

As we move into 2024, SHL is here to support you every step of the way. Our commitment is to help you prepare for this transformation, ensuring that your organization not only survives, but thrives. Whether it's harnessing the power of AI, strategizing for a dynamic talent market, or fostering the behavioral skills that will define success, SHL is your partner on this journey.

Your transformation begins today.

Discover how SHL can elevate your role as a strategic HR leader. Explore our tools, insights, and expertise - helping you excel in talent management in 2024 and beyond.



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SHL brings powerful and transparent AI technology, data science, and objectivity to help companies attract, develop, and grow the workforce they need to succeed in the digital era.

We empower talent strategies to unlock the full potential of your greatest asset—people.