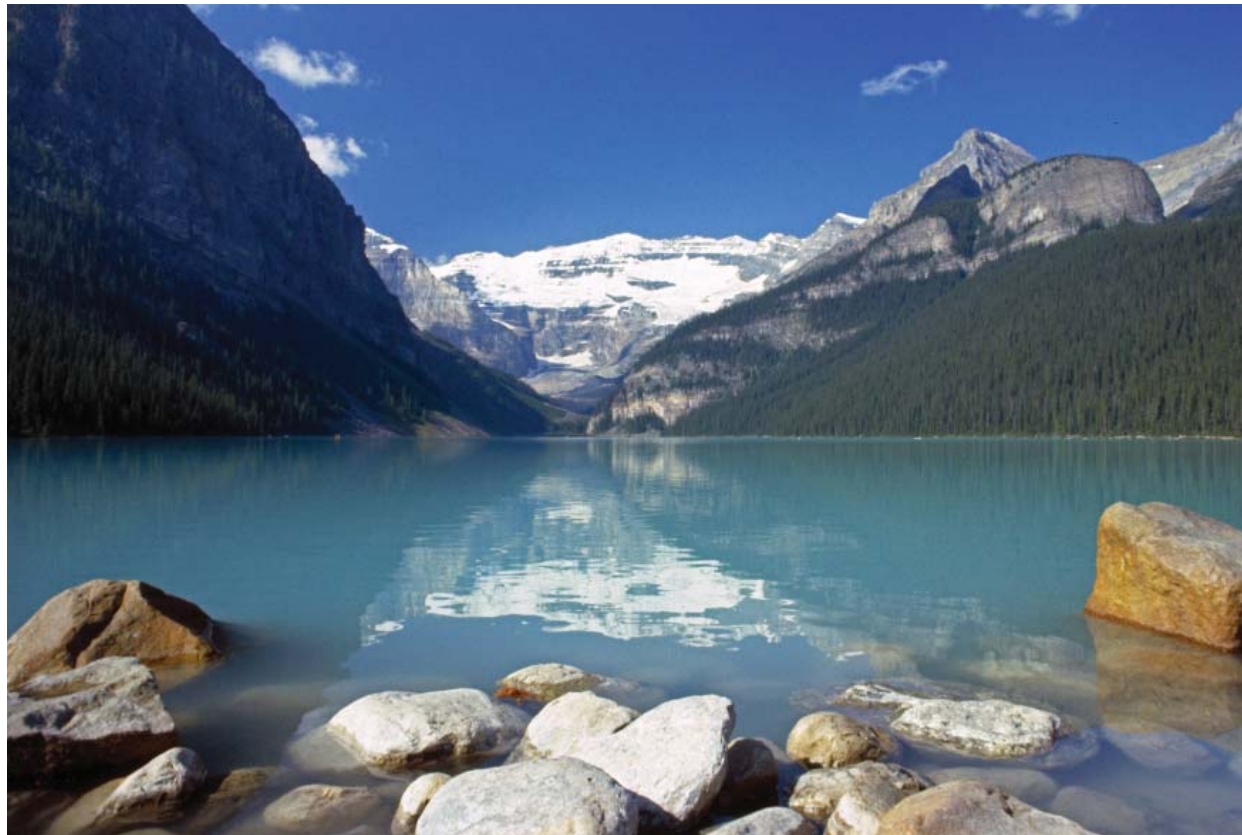


Resetting horizons
Human capital trends 2013



Resetting horizons: Global human capital trends 2013

Looking beyond continued uncertainty, the world's leading organizations are raising their sights, and pivoting from the great recession to the new horizons of 2020 with a focus on talent, globalization, growth, and innovation. This report introduces 13 global trends that are driving critical business and human capital decisions. The report provides information on these trends across global markets through results of a survey of over 1,300 business and HR professionals from 59 countries. www.deloitte.com/hctrends2013



Exploration

Leadership.next: Debunking the superhero myth

Yesterday's leadership theories are not keeping pace with the velocity of today's disruptive marketplace. Organizations are seeking a new model for the age of agility.

www.deloitte.com/leadershipnext



How boards are changing the HR game

To seize new opportunities for sustainable growth and manage heightened risks, boards of directors at high-performing organizations are pulling CHROs much deeper into business strategy – and far earlier in the process.

www.deloitte.com/boardschangingHR



Leading talent from the BRIC

In an era of pervasive globalization, organizations are building multi-directional talent networks that are not only geared toward existing markets, but can also power new emerging markets.

www.deloitte.com/leadingfromtheBRIC



A global diversity dividend

In the midst of ongoing global expansion and a worldwide shortage of critical talent, companies are stepping up efforts – at very different speeds and levels of investment – to recruit and retain a workforce diverse in both demographics and ideas.

www.deloitte.com/diversitydividend



Workplaces of the future: Creating an elastic workplace

Workplace flexibility has become table stakes for attracting and retaining employees. Now companies must align their flexibility strategy with their core strategy to realize the benefits.

www.deloitte.com/workplacesofthefuture



The open talent economy

Jump ahead to the year 2020. Half the people you rely on don't actually work for you and that's a good thing – if you're ready.

www.deloitte.com/opentalent



Execution

Organization acceleration

Faced with tougher, more numerous challenges, today's organizations are demanding more from their change initiatives by pursuing strategies that are customized, precise, and sustainable.

www.deloitte.com/orgaccelerationtrend



The war to develop talent

The talent management pendulum is swinging from recruitment to development.

www.deloitte.com/developoalent



Transforming HR to meet new business priorities

HR transformation efforts are continuing to shift their focus to business priorities, concentrating on areas such as talent, emerging markets, and the HR organization.

www.deloitte.com/transformingHR



Branding the workplace: Innovating the talent brand

Social media has erased whatever lines used to exist between the corporate brand and the talent brand. They're two sides of the same coin.

www.deloitte.com/talentbrand



The aging workforce: Finding the silver lining in the talent gap

Organizations can capitalize on shifting retirement patterns to help narrow their talent gap.

www.deloitte.com/agingworkforce



The performance management puzzle

Some say traditional ways of managing employee performance are irrelevant in today's fast-changing work environment. Others argue that these methods drive accountability and differentiated compensation. Both are right.

www.deloitte.com/performancepuzzle



Human capital analytics: Thinking like an economist

Increasingly, many HR leaders have to answer questions that have an economic issue at their core – the allocation of a scarce resource called talent.

www.deloitte.com/HCEconomist



Our recent survey of senior global business leaders told us that driving sustainable growth, uncovering new opportunities, managing risks, and developing innovative products and services are all key to fostering success in today's more complex and interdependent world – all of these rely on talent to deliver a competitive edge.

This explains why an organization's approach to acquiring, retaining, managing and leveraging talent must be aligned with their core strategies. Do they have the right talent to develop new innovative products? Are they acquiring the global skillsets to effectively enter new markets, serve diverse clients, and manage risk? Does the organization have the experience to deliver on an M&A (mergers and acquisitions) strategy? Are they effectively realizing the post-digital promise of social media, mobile technology and big data? These strategies are talent dependent. No matter what direction an organization pursues, talent drives success, and – as responses to our survey revealed – that knowledge has made human capital management a global priority.

This report specifically examines some of the key trends that emerged from the Canadian respondents to our global survey. Some of the findings are similar to those from respondents in other regions, while others are unique to us here in Canada.

I am pleased to share with you this report summarizing the market trends and priorities that drive human capital decisions for corporate leaders across Canada. I hope it will help inform your organization's leaders on the issues affecting companies throughout our country and around the world.

A handwritten signature in black ink, appearing to read 'H. Stockton', with a long, sweeping underline.

Heather Stockton

Leader, Canadian Human Capital Practice



Trends affecting talent and HR strategies

The challenge for any organization, on the most basic level, is having the right leadership and people with the right skillsets in the company when you need them. In practical terms, this means HR needs to be embedded in the business and anticipate what programs they need to execute against their business strategy. This will vary based on the business.

Regardless of business model, however, there is a need to shift away from the basics of HR operations and employee relations, not only to build leadership and talent solutions but also in order to break the cycle of ineffective programs that fail to focus on direct organizational benefits or solve business problems.

To do this, some organizations are assigning corporate leaders from non-HR functions to traditional HR leadership positions in order to increase the functions understanding of the business and therefore deliver more practical and sustainable talent solutions.

Deloitte's global human capital survey has clearly identifies many of those issues, along with the leading trends that are currently shaping – or should be shaping the HR agenda.

Top trends

	Canada			
Transforming HR to meet new business priorities	67%	17%	11%	5%
The war to develop talent	67%	16%	11%	6%
Organization acceleration	62%	23%	6%	9%
Branding the workplace	59%	24%	13%	4%
Leadership.next	57%	24%	11%	7%
How boards are changing the HR game	57%	22%	12%	9%

	Americas			
The war to develop talent	64%	23%	7%	6%
Leadership.next	64%	21%	10%	5%
Transforming HR to meet new business priorities	58%	26%	10%	5%
How boards are changing the HR game	58%	26%	9%	8%
Organization acceleration	58%	30%	7%	6%

	Global			
Leadership.next	61%	23%	11%	5%
The war to develop talent	61%	25%	8%	6%
Organization acceleration	58%	28%	8%	5%
Transforming HR to meet new business priorities	57%	28%	11%	5%
How boards are changing the HR game	54%	27%	11%	7%

- Trend is highly relevant today
- Trend will be relevant in the next 1-3 years
- Trend will likely be relevant in 3 years and beyond
- Trend is not applicable

It is encouraging that the number one Canadian trend is “transforming HR to meet new business priorities.” If HR is not meeting the needs of Canadian business, it must be transformed. The danger is that if HR is not at the strategic table now, it will find it hard to get there if transformation doesn’t occur.

It is also reassuring to see that organizations are focused on developing their talent and leadership not only for today, but also to support the longer-term strategies of an organization.

The focus on managing strategic change with the discipline and precision required in today’s business environment should also provide boards and executive teams with at least some assurance that major investments remain a strategic priority despite their associated risks.

The ability to attract, develop and retain talent, particularly at the leadership level, has become a major factor in all capital investments, business strategies and organizational growth. As a result, it is an important consideration for boards of multinational and owner-managed businesses alike.

Relative to our global peers, there is a much greater focus of Canadian companies “branding the workplace” – an increasingly important strategy for attracting and retaining critical talent. In fact, given that Canadian business fared relatively well compared to some other economies over recent years, you could say that Canada has the potential to be a very attractive geography for top talent – but are we ready?

It’s also interesting that the trend “How boards are changing the HR game” is now seen as a top consideration, both in Canada and globally. This would imply that HR departments need to be prepared for more inquiry, more measurement and oversight of the value they deliver.

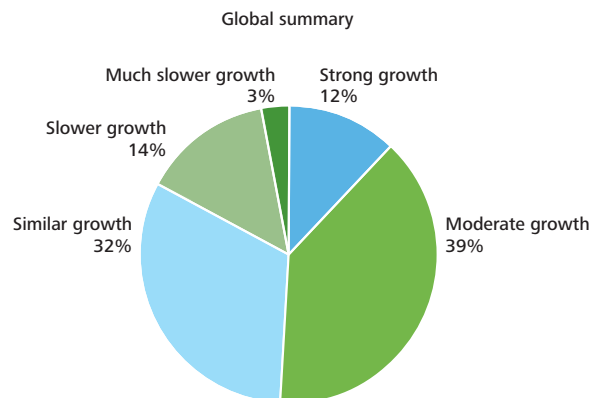
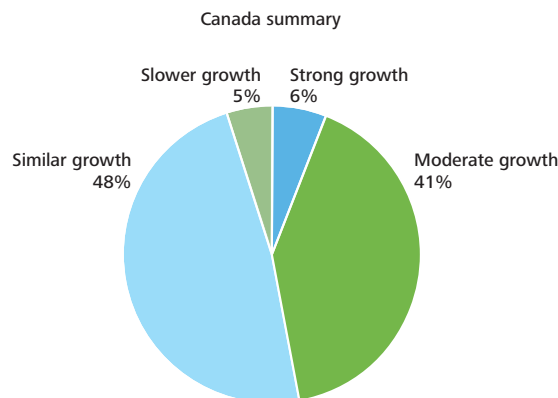
Optimism and satisfaction – good signs or cautionary omens?

Canadian survey respondents’ perception of the economy seems largely optimistic, if somewhat middle-of-the-road. Nonetheless it is important to build for the future by thinking strategically about the talent an organization needs.

In reality, Canadian human capital challenges may be less about the economy and more about the types of competition we’re seeing – competition for talent and competition in industry. It may be more about the multi-faceted competitive environment that defines today’s global economy and to which Canadian organizations and HR functions must continue to adapt. We may simply not be looking outside our “four walls” enough.

By not considering the full picture, we may miss the opportunity to attract the world’s best talent, and we risk losing our best and brightest. With a strong economy and optimistic outlook, a proactive approach is both timely and necessary.

General business outlook in 2013 compared to 2012

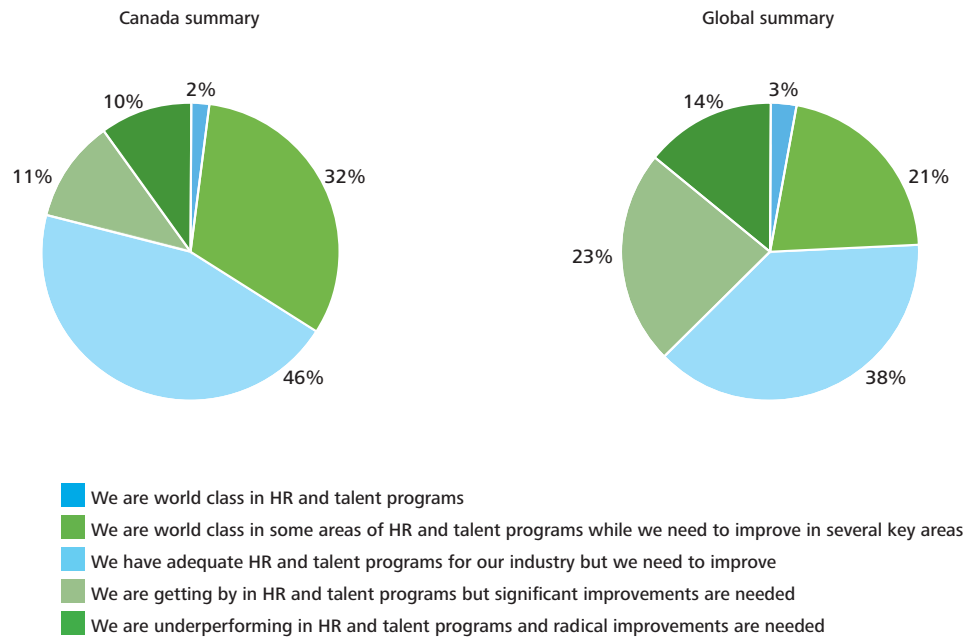


Also interesting to note is that Canadian organizations believe they have very strong HR and talent programs, certainly more so than their global counterparts, with 34% feeling they are “world class” in all or some areas of HR and talent, compared to 24% globally. It may be that many Canadian companies – which remain predominantly small- or medium-sized – have not looked for or had substantial access to global benchmarks.

Having employees who can understand other cultures and ways of doing business can be the difference between success and mediocrity for a company. This is especially true at a time of critical labour shortages – particularly in oil and gas, mining and utilities – where the competition for scarce talent with specialized skills knows no borders.¹

At the same time, two-thirds of Canadian organizations believe they don’t have world class HR and talent programs. If this is the case, how can we expect to compete and perform on the increasingly complex global stage if the majority of our HR organizations may not be enabling their businesses with appropriate HR/talent solutions aligned to very real business issues?

Capabilities of organization’s HR and talent programs



¹ Van Zorbas. “A talented team knows no borders” (June 6, 2012). *The Financial Post*. Accessed at <http://business.financialpost.com/2012/06/06/a-talented-team-knows-no-borders/> on April 10, 2013.

Next steps – where does HR in Canada go from here?

It is increasingly apparent that organizations need to develop innovative human capital strategies to stay competitive, the question for HR leaders becomes: is Canada doing enough today to get in front of these trends, or are we complacent? Do we have a window now to really change our competitive advantage on the global talent stage? Are we appropriately focused, not only on developing the talent within our own borders, but on aggressively pursuing the global talent organizations needed to succeed in today's interdependent world?

Does your organization hire to fill roles or for future potential? Do you hire talent even if you don't have an open role today? These are important questions in an environment where organizations need to build their talent base not only through the traditional approach of building from within but also by bringing in future potential to pull the organization faster than it can develop on its own.

About one-third of Canadian employers currently can't find workers with the skills they need to take advantage of existing business opportunities. A number of organizations struggle more with finding the right resources to complete their planned projects than funding them.

Top three pressing HR and talent concerns

Ranking	Canada	Global
#1	Developing leaders and successions planning (67%)	Developing leaders and succession planning (55%)
#2	Sustaining employee engagement/morale (48%)	Sustaining employee engagement/morale (30%)
#3	Recruiting hard to find skill sets (41%)	Connecting HR and talent with business critical priorities (33%)

(The percentages indicate the percentage of respondents rating the concern 1,2 or 3)

Matching post-secondary course offerings to employment market demand, promoting diversity and inclusion, improving the speed and volume of accreditation for qualified immigrants and improving employment flexibility are other ways Canada's companies, governments and institutions can positively affect the performance of our organizations. We can also embrace the growing elasticity of the global talent market, where employees can work from anywhere, be from anywhere and not necessarily be on any organization's permanent payroll.

Whatever the approach, Canadian companies need to up the ante on human capital with respect to their global counterparts. By putting human capital issues at the top of the strategic agenda, we can avoid squandering our post-crisis economic advantage and letting countries with more innovative talent initiatives take the global lead.

About the report

This report, focusing specifically on human capital trends in Canada, was designed to complement Deloitte's 2013 global human capital trends report *Resetting horizons: Global human capital trends 2013*. That report was based on a comprehensive global survey of more than 1,300 business leaders and HR executives in 59 countries. This report compares national results – based on 82 Canadian respondents – to the Americas and to overall global results.

For more information visit
www.deloitte.ca/hctrends2013

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