Imagine the pre-employment lives of the best young workers in an office. They likely studied hard, led a sports team, did volunteer work, learned to play an instrument, and generally enjoyed a stimulating and overachieving youth. Surrounded by teachers, coaches, and parents invested in their success, they received constant feedback on their performance. After graduation, maybe there was an internship or an entry-level job they outgrew. Then they joined a company that promised challenges and a chance to reach their full potential—the hallmark of a strong employer brand.

And now? Despite the time and money spent recruiting them, a significant portion of such high-potential employees might well be languishing in their cubicles. Their path to promotion—let alone toward the C-suite—is fuzzy at best. It’s common for them to feel underutilized or unappreciated. They may quickly conclude that better opportunities exist with a competitor.

It’s not that today’s employees require special attention, or that 21st-century corporations are especially cold. The problem is that the management of talent in most companies has changed dramatically in the last decade. In many ways it has simply collapsed. According to the Aberdeen Group, in 2011 only 19 percent of companies were investing in formal career development for their employees. And yet, in Korn/Ferry’s recent Innovation Imperative survey, 72 percent of job candidates said they expected employers to help develop their career skills by using inventive approaches, such as mobile or digital tools.
High-potential talent is expecting mentorship from management, formal development offerings from HR, and a clear outline for success. The HR department, meantime, is so swamped with administrative tasks that such development has been de-emphasized, even as managers expect employees to arrive fully formed and ready to do the job.

The human capital crisis

The results are predictable. High-potential employees are left to stagnate in low-level positions, and then aren’t fully prepared when they do move up. The most frustrated are likely to seek job challenges elsewhere: according to the Innovation Imperative, 41 percent of candidates said they would consider leaving a company if they did not receive first-class development.

This development gap has led to a gradual erosion of bench strength. Companies find that when it’s time to pass the baton to a new generation of executives, their internal talent is often not strong enough to take on the role. For a business in growth mode or in any fast-expanding market, this problem is intensified: up-and-coming talent must be deployed into more challenging positions, or their roles are frequently redefined. That means instilling new leadership skills quickly so they can perform in a new and more complex role. But without solid employee and leadership development plans, those companies are likely to find human capital a major impediment to successful execution of their business strategy. Indeed, the 2013 CEO Challenge survey by The Conference Board ranked human capital—including developing and retaining top talent—as the most difficult challenge CEOs face in the current market.

Things are beginning to change, albeit slowly. Smart firms are starting to ask how they can identify those mismatched expectations and align long-term company goals, the current needs of management, and employee career development. They are looking at new, cost-effective development approaches and technologies to help create a sustainable talent pipeline.
They know that they have much to gain. According to research by the University of North Carolina’s Kenan-Flagler Business School, 65 percent of millennials said personal development was the most important factor in their current job, suggesting that companies who emphasize career development have a competitive advantage in recruitment and retention. Even more, research from McKinsey & Company suggests that active career development is one of the leading producers of employee engagement, a metric that is highly correlated to corporate performance and the bottom line. It’s also a way to attract and retain high-potential employees, who consistently outperform their peers and are likely to take on leadership roles in the future.

Conversely, leaders who don’t broaden their skills often flounder. Global research conducted by Korn/Ferry has found that two key derailers that cause professionals to fail are Overdependence on a Single Skill and Key Skill Deficiencies. It’s obvious that employee development is a crucial practice that is missing or deficient in many corporations. The looming question now is how to deliver meaningful development quickly, affordably, and most importantly, in a manner that dovetails with generational, social, and mobile trends.

**Talent management today**

So, what are the forces influencing talent management today, and why are companies in this predicament? Part of the problem is the flattening of organizational hierarchies. As the role of HR changed over time, responsibility for an employee’s development shifted to his or her manager, who, in many cases, either shrugged off these additional duties as secondary concerns, or simply wasn’t adequately trained for the task. In fact, research by Korn/Ferry has found that widespread weakness when testing for the competency Developing Direct Reports: it ranks sixty-seventh out of the sixty-seven skills that are critical for leadership success. That has created a scenario in which employees are, de facto, in charge of their own development. Part of their job is now to teach themselves to get better at their job.

This is happening at a time when talent development has become increasingly vital. Companies are expecting a reduced workforce to assume responsibility on an accelerated timetable, a situation that demands a fast,
robust development process. Corporations recognize that relying on external consultants or talent to come in and resolve problems is not a sustainable solution; developing and promoting from within makes more sense. McKinsey suggests that “topping up” the skills of current employees can be “easier, cheaper, and more effective in the long run than looking exclusively outside” for talent.

As thinking on employee development evolves, progressive talent leaders no longer look at it as one-time skill enhancement that enables employees to jump from one rung of the ladder to the next. Instead, they see employee development as a long-term, organization-wide sustainable initiative. According to Aberdeen, cutting-edge companies are trying to “create a culture around learning and development.” The idea is to make all workers better in their current job, not just groom them for the position they hope to have in the future. The progressive companies that have adopted this strategy have also realized the need to re-prioritize and reallocate HR budgets in order to produce more impactful results.

Although development may be at a low point, approaching this challenge creates a unique opportunity for an organization to differentiate itself in the marketplace for talent. In fact, technology has put us on the cusp of a golden age of employee development, if only we could capitalize on the trends and data put before us. Data collection and extensive interviewing have helped companies build sophisticated models of the roles and competencies they need in their organizations, which means they understand their institutional strengths and weaknesses with a level of granularity they’ve never had before. That data is also giving managers the ability to monitor their employees’ development needs and keep them motivated with much less investment of time and energy.

The next step in employee development is creating an infrastructure that is easy to use, convenient, and powered by individuals interested in improving themselves. In an era when people track market fluctuations at bus stops, learn languages while jogging, or close deals in the dentist’s waiting room, the time is ripe for harnessing generational, social, and mobile trends to create innovative talent practices and solutions.
Talent management tomorrow

Human resources use all manner of integrated systems to keep track of employees and workflow, but until recently that technology has not been applied to employee development. However, new talent development technology solutions are enabling companies to leverage the power of mobile, social media, and cutting-edge research throughout their organizations, a potential paradigm shift. Such solutions could also be a great boost to productivity: according to the Innovation Imperative, 79 percent of employees said they would feel more motivated if their organization implemented cutting-edge development techniques.

So what does the future of development look like? It’s a cloud-based platform—available online or on mobile devices—that emphasizes customization and can be applied to talent on an individual level. Employees—along with their managers—are able to steer the development process, drilling down on areas of weakness, helping users become the agents of their own improvement rather than passive listeners. Using social-media style interactions, the new technology presents a familiar environment to younger employees, making them more likely to spend time with the application.

Unlike labor- and time-intensive courses or weekend seminars, digital platforms make development far less expensive, more personalized, and, according to many users, truly engaging. Mobile and cloud-based solutions have been developed to seamlessly integrate with talent management platforms such as SuccessFactors and Taleo, significantly reducing deployment time and IT costs. They are also highly scalable, allowing one manager to track the progress of many employees through management dashboards.

The gold standard of digital talent development is much more than an updated checklist of employee skills or a way to give software lessons. Instead, a digital talent platform should allow managers to work with employees to develop wide-reaching competencies, such as problem solving, perseverance, conflict management, and motivating others. These are the skills that help develop employees for long-term success. Those lessons can be selected and tailored to the user based on scientifically validated assessment tools that are constantly refined and updated. The competencies covered can be customized for each organization, indeed for each job.

Mobile and cloud-based talent development is highly scalable, allowing one manager to track the progress of many employees though a dashboard.
level and function, meaning that users get teachings appropriate for their market and industry, and won’t waste time reading through irrelevant or outdated material.

Most importantly, digital talent development isn’t just a virtual exercise; it’s designed to put new competencies into action immediately. When users apply what they’ve learned to real-world business situations, managers note this and verify their progress before they move on. It’s not enough to just read a chapter in a book. Digital development tools help bridge the gap between theory and execution, between understanding a concept and actually applying it.

Talent development has been consistently pushed aside for more urgent matters over the last decade. But as research indicates and as many businesses have experienced, if companies don’t make it a priority, they will lose their high-potential talent. The reverse is true as well: by giving individual employees a tool for self-improvement, organizations can create a culture of learning and enhance the collective capability and productivity of the enterprise. They will also gain something of almost incalculable value—loyalty, engagement, and a sustainable leadership pipeline stretching into the next generation.
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Korn/Ferry International is a premier global provider of talent management solutions, with a presence throughout the Americas, Asia Pacific, Europe, the Middle East and Africa. The firm delivers solutions and resources that help clients cultivate greatness through the design, building and attraction of their talent.

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