

SHRM Research Spotlight:

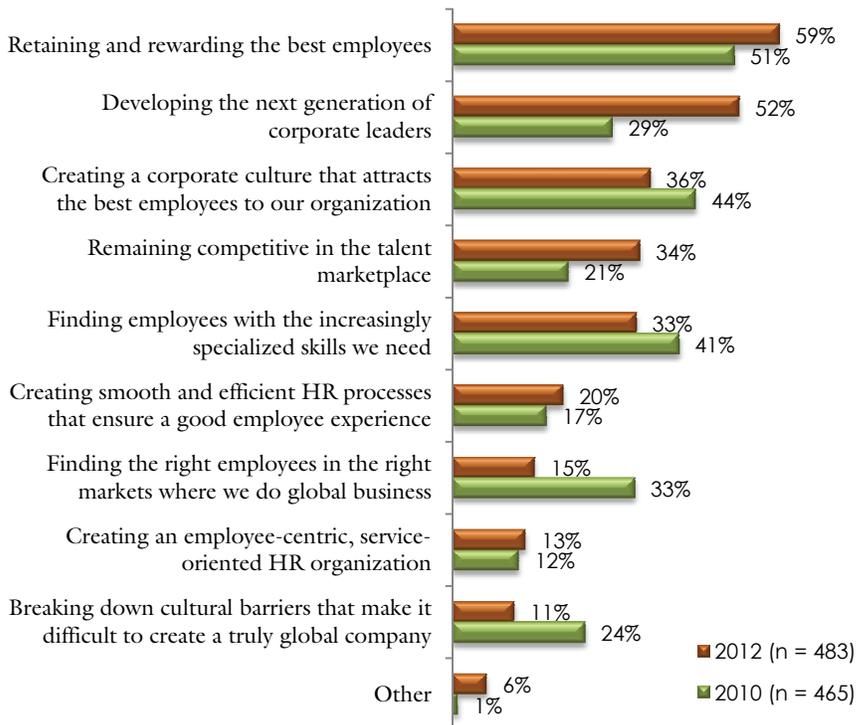
Future HR Challenges and Talent Management Tactics

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Challenges Facing HR Executives

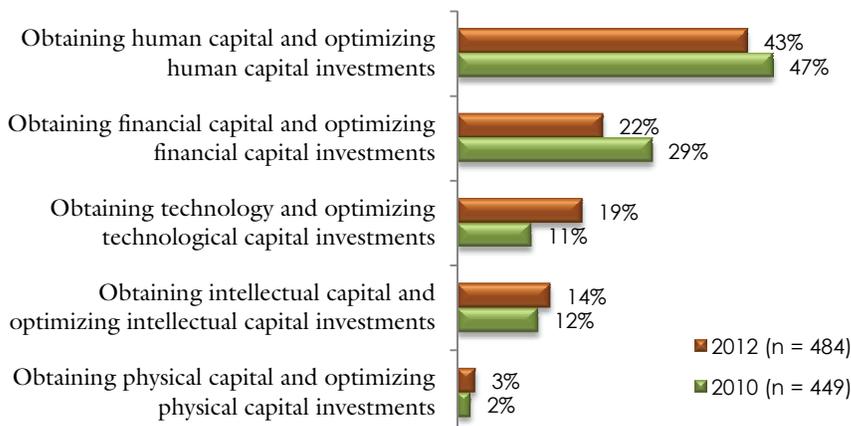
Over the next 10 years, what do you think will be the three biggest challenges facing HR executives at your organization?



Note: Percentages do not total 100% due to multiple response options. Respondents were asked to select up to three options.

Investment Challenges Facing Organizations

Over the next 10 years, what do you think will be the biggest investment challenge facing organizations?



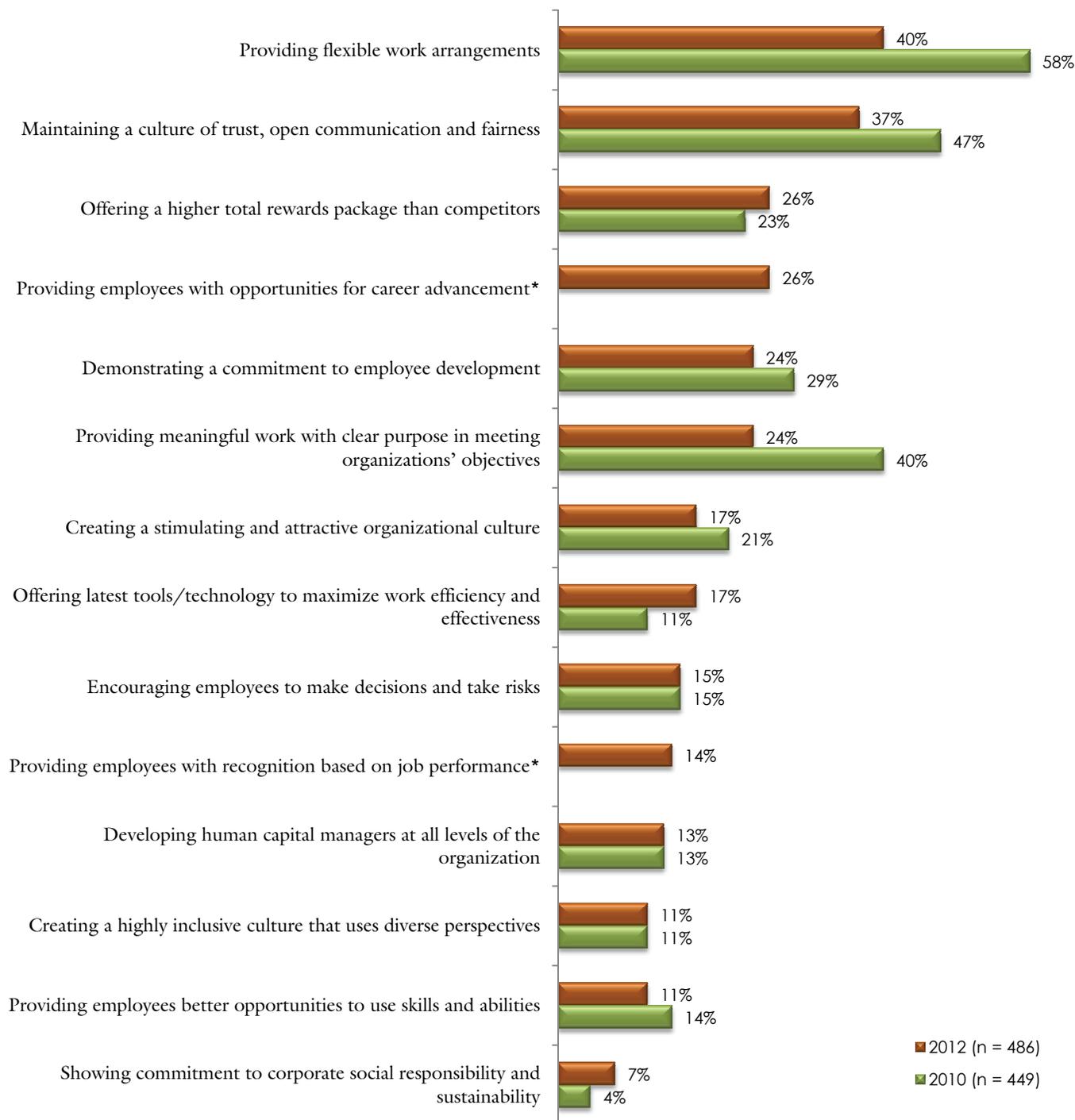
Note: Percentages do not total 100% due to rounding.

Key Findings

- What challenges will HR executives face over the next 10 years?** More than one-half of HR professionals think that retaining and rewarding the best employees (59%) and developing the next generation of corporate leaders (52%) will be the greatest challenges. About one-third predict the challenges will be creating a corporate culture that attracts the best employees to the organization (36%), remaining competitive in the talent marketplace (34%) and finding employees with the increasingly specialized skills the organization needs (33%). Compared with responses to this question in 2010, HR professionals are more concerned with developing future leaders and remaining competitive in the talent marketplace, whereas they are less concerned with finding employees in global markets and breaking down cultural barriers to create a truly global company.
- What will be the biggest investment challenge facing organizations in the next 10 years?** Forty-three percent of HR professionals see human capital as the biggest investment challenge. About one out of five think financial (22%) or technological (19%) capital will be most challenging. Fourteen percent expect intellectual capital to be the greatest challenge, and only 3% think it will be physical capital.
- Which tactics will be most effective in attracting, retaining and rewarding the best employees over the next 10 years?** Providing flexible work arrangements (40%) and a culture of trust, open communication and fairness (37%) were the top two tactics in 2012 and 2010. One-quarter said offering a higher total rewards package than competitors (26%) and providing career advancement opportunities (26%) would be most effective, whereas in 2010 the third most common response was meaningful work with clear purpose in meeting organization's objectives (40%).

Attracting, Retaining and Rewarding the Best Employees

Over the next 10 years, which of the following tactics do you believe will be most effective in attracting, retaining and rewarding the best employees in your organization?



Note: Percentages do not total 100% due to multiple response options. Respondents were asked to select up to three options. An asterisk (*) indicates option was not included in 2010 survey.

Methodology | A sample of HR professionals was randomly selected from SHRM's membership database, which included approximately 250,000 individual members at the time the survey was conducted. Overall, 487 (2012) and 449 (2010) responses were received, yielding a response rate of 17% each year. The margin of error is +/- 5%. Data were collected September 14-28, 2012, and August 10-23, 2010.