



Results – Second half of 2017

Detailed evaluation

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- The Talent Climate Index (TCI) serves as an indicator for the development of the labor market in Germany from a company point of view both in terms of internal and external talents (leaders and specialists).
- Using few precise questions the current situation and the expected trend are ascertained (<http://talentklimaindex.de/>). Biannual surveys enable a long-term evaluation.
- The results of the survey for the second half of 2017 are presented here, based on a meaningful sample of 73 HR experts, managers, and members of the top management:
 - **Talent climate continues to deteriorate at great speed:** The negative trend on the labor market continues unabated: While there was still hope in the second half of 2016 that the worst may be over, this hope was in vain. It is becoming even more difficult to attract talents. This applies above all to the external labor market.
 - **Declining commitment of the HR departments:** The willingness to invest resources in talent management has fallen slightly in general. It is particularly alarming that commitment in the HR departments has significantly declined for the first time. Comments made by those surveyed state that time and cost pressure make talent management difficult. Therefore, the question arises – is HR still willing and motivated to face the challenges under the current general conditions?
 - **"Soft" success factors remain stable:** Qualification and motivation of managers and employees are key to the success of talent management first and foremost, followed by an active talent development culture. However, there is currently a need for action above all with regard to installing supporting processes and tools for functioning talent management.

Overall trends over time

- Talent climate trend
- Commitment climate trend

Current situation and expected development

- Current situation and expected development
- Commitment situation and expected development
- Current talent and commitment climate

Focal topic of the current survey:

Factors influencing the success of talent management

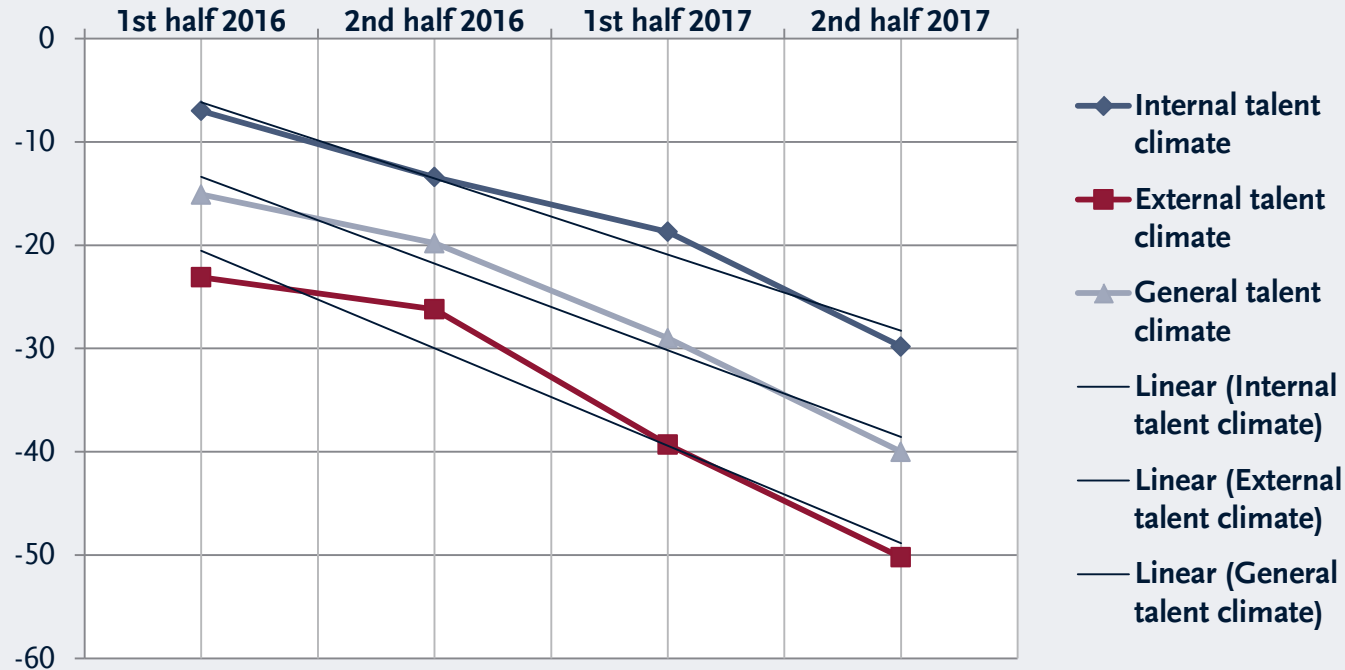
- Influencing factors for successful talent management
- Status quo of the influencing factors in companies

Appendix: Explanations on the TCI and on the data collection

Talent climate continues to deteriorate at great speed:

The negative trend on the labor market continues unabated: While there was still hope in the second half of 2016 that the worst may be over, this hope was in vain. It is becoming even more difficult to attract talents. This applies above all to the external labor market.

Talent climate* over time

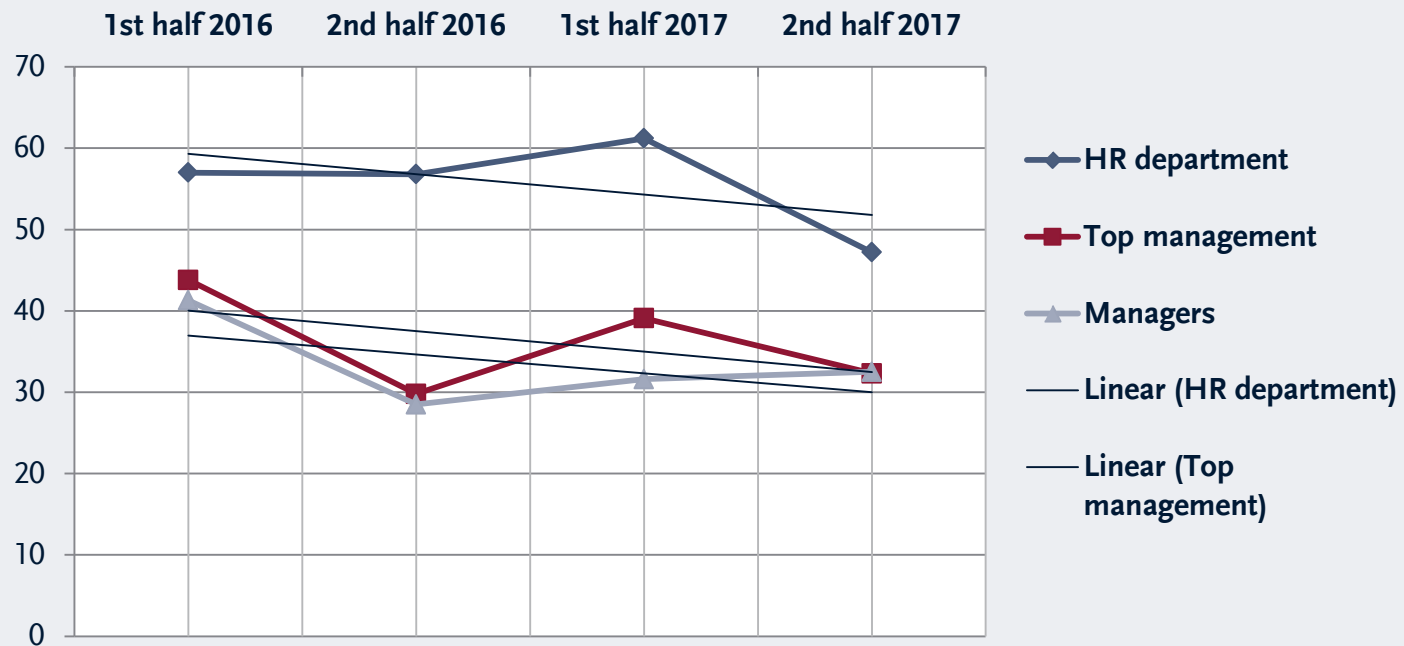


* Values stated on a scale of -100 to +100. The talent climate results from a combination of current and expected assessments (exact calculation see appendix)

Commitment of the HR department declines for the first time

There are still clear differences between the various groups responsible for talent management. Those surveyed consider the talent management commitment to be strongest in the HR department, followed at some distance by the top management and the managers. For the first time, however, there was a drastic decline in the commitment climate by the HR department.

Commitment climate* over time



* Values stated on a scale of -100 to +100. The commitment climate results from a combination of current and expected assessments (exact calculation see appendix)

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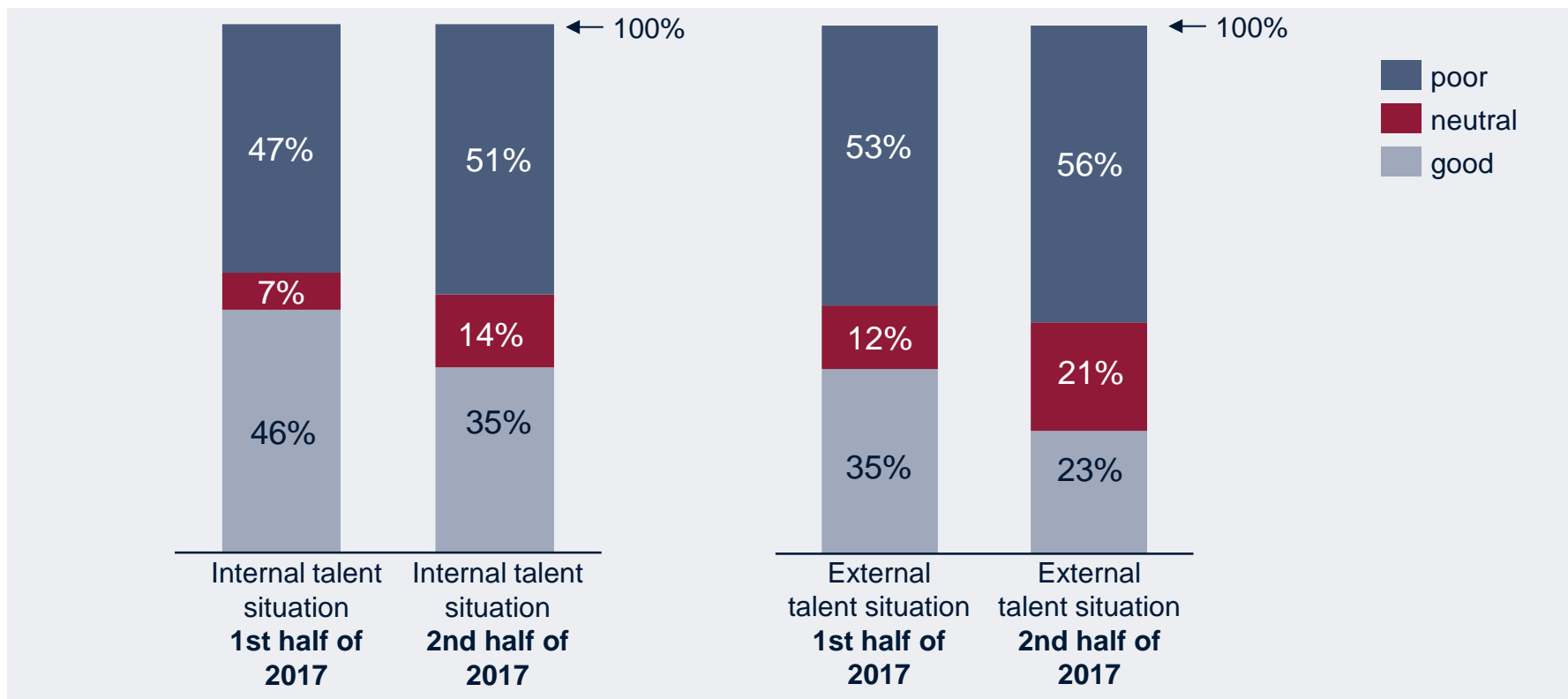
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Internal and external talent situation continues to be critical

The availability of internal and external talents, the so-called "talent situation," is currently considered to be critical. 65% to 77% of those surveyed currently consider the situation to be neutral to poor. The deterioration compared to the first half of 2017 is clearly visible.

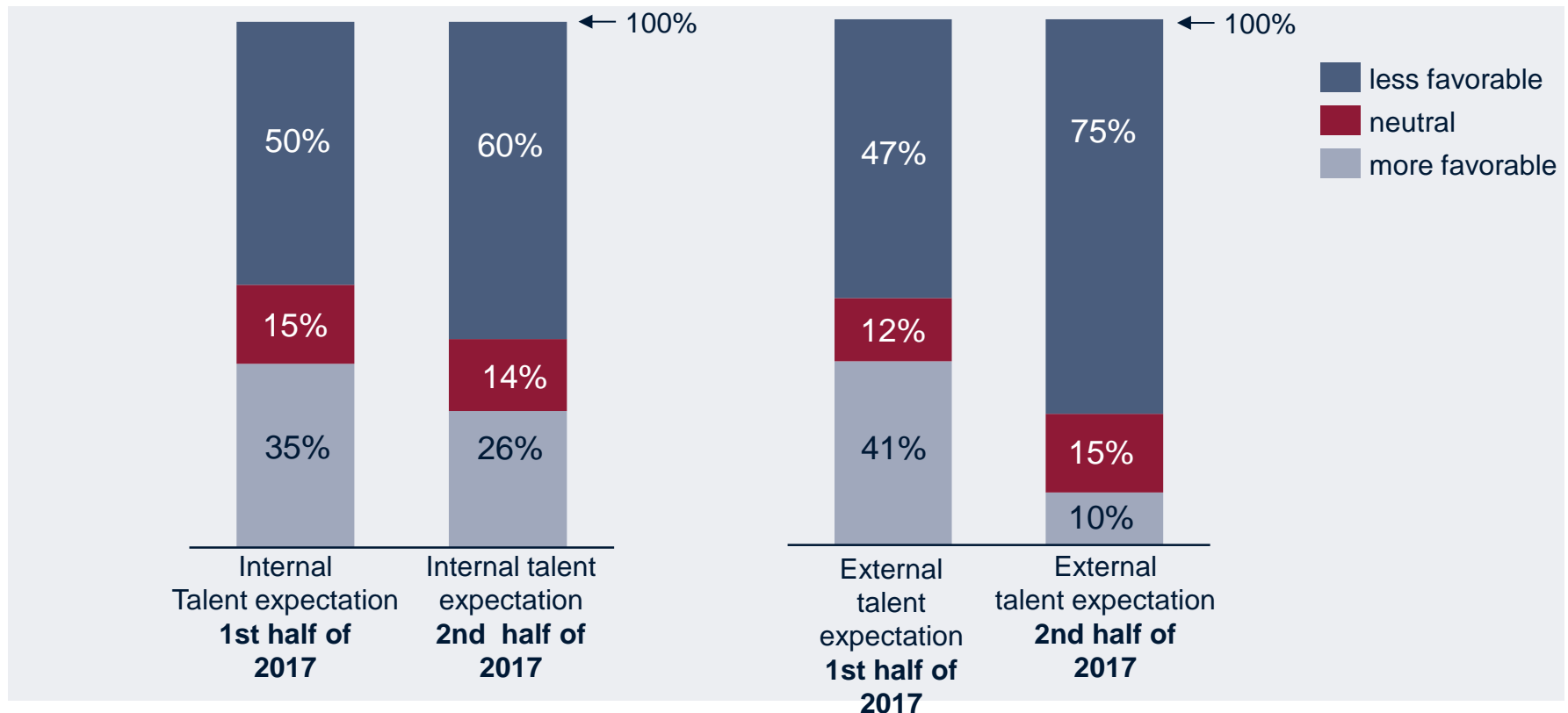
Talent situation: Current availability of talents



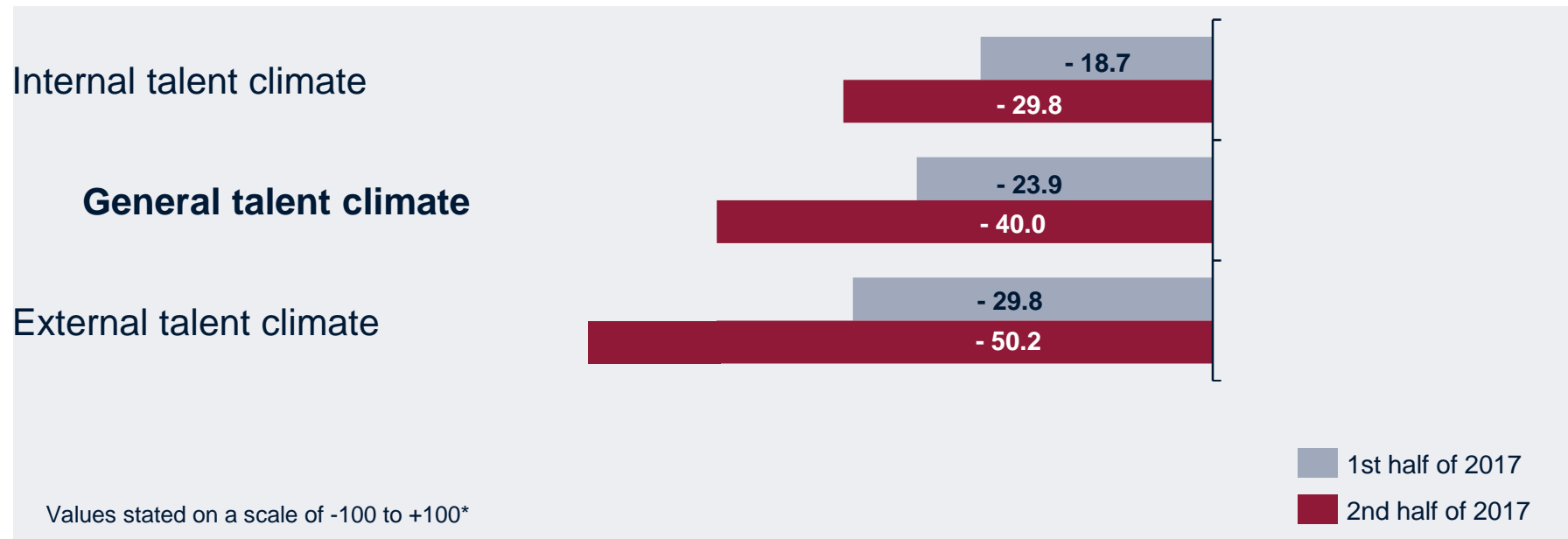
Forecasts even more critical

Not only the current situation has deteriorated further. The forecasts suggest that the negative trend is set to continue. While expectations for internal talents are pessimistic, attracting external talents is thought to become even more difficult. Only 10% of those surveyed expect the situation to improve.

Talent expectation: Future availability of talents



Talent climate deteriorated further



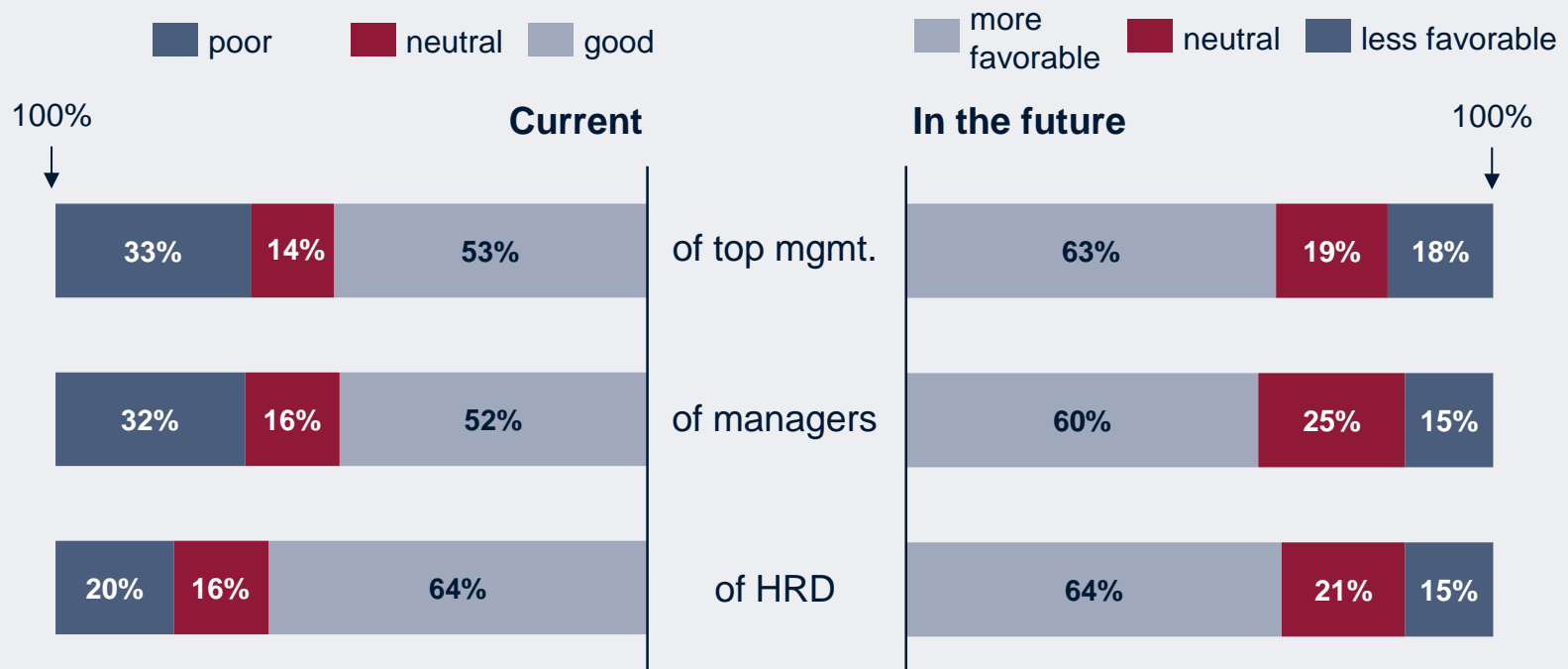
As the talent situation and talent expectations form the so-called "talent climate," a clear downturn in sentiment is consistently evident for the external talent climate above all. As the internal talent climate is also regarded with more skepticism, the general talent climate, as the mean value of both, is also worse than in the preliminary survey.

* The talent climate results from a combination of current and expected assessments (exact calculation see appendix)
 - 100 means that all those surveyed assess the situation to be poor/expect it to get worse
 +100 means that all those surveyed assess the situation to be good/expect it to get better

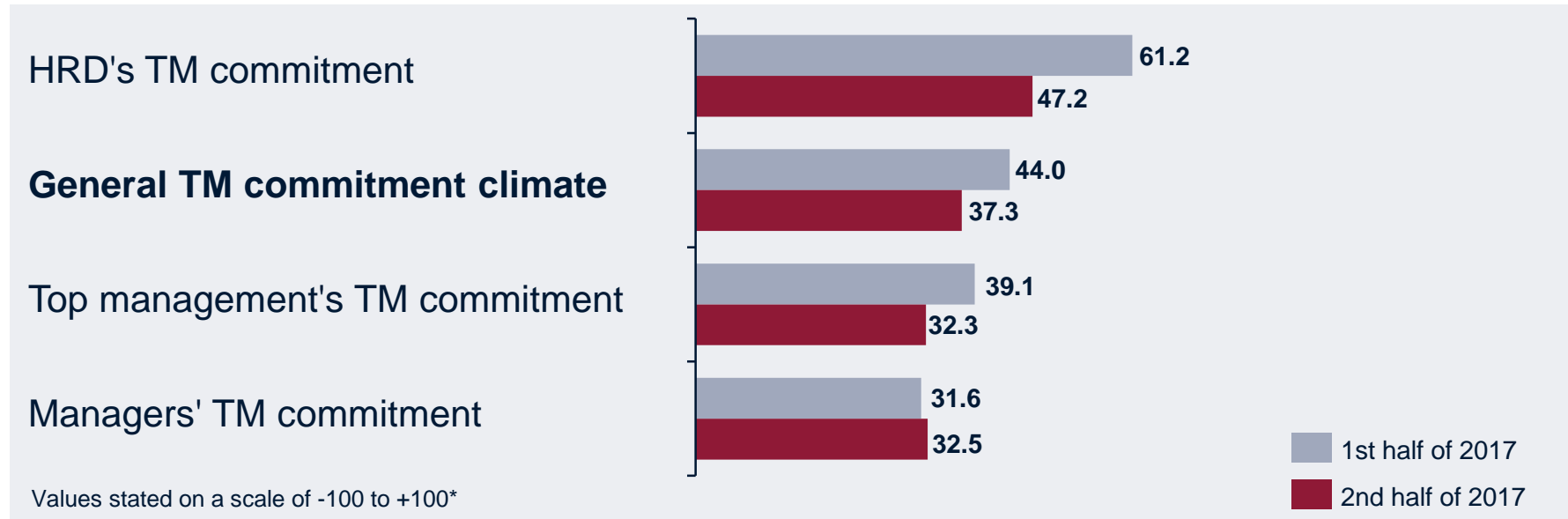
Talent management commitment ongoing

The HR department's commitment to invest resources in talent management continues to be stronger than the top management's and the managers' commitment. In terms of the forecasts regarding the development of the commitment, the target groups hardly differ, however. At least 60% of those surveyed consistently forecast stronger commitment.

Talent management commitment: Current and future commitment to invest resources (time and money) in talent management



Commitment of the HR department declines for the first time



Compared to the previous survey, the commitment climate, that is, the commitment with regard to active talent management, has worsened on average, however. The greatest decline is evident in the HR department. Why this is the case cannot be clearly derived from the data. It is to be hoped that this is not down to the HR departments being disillusioned or even stretched to the limit. Comments made by those surveyed state that time and cost pressure make talent management difficult.

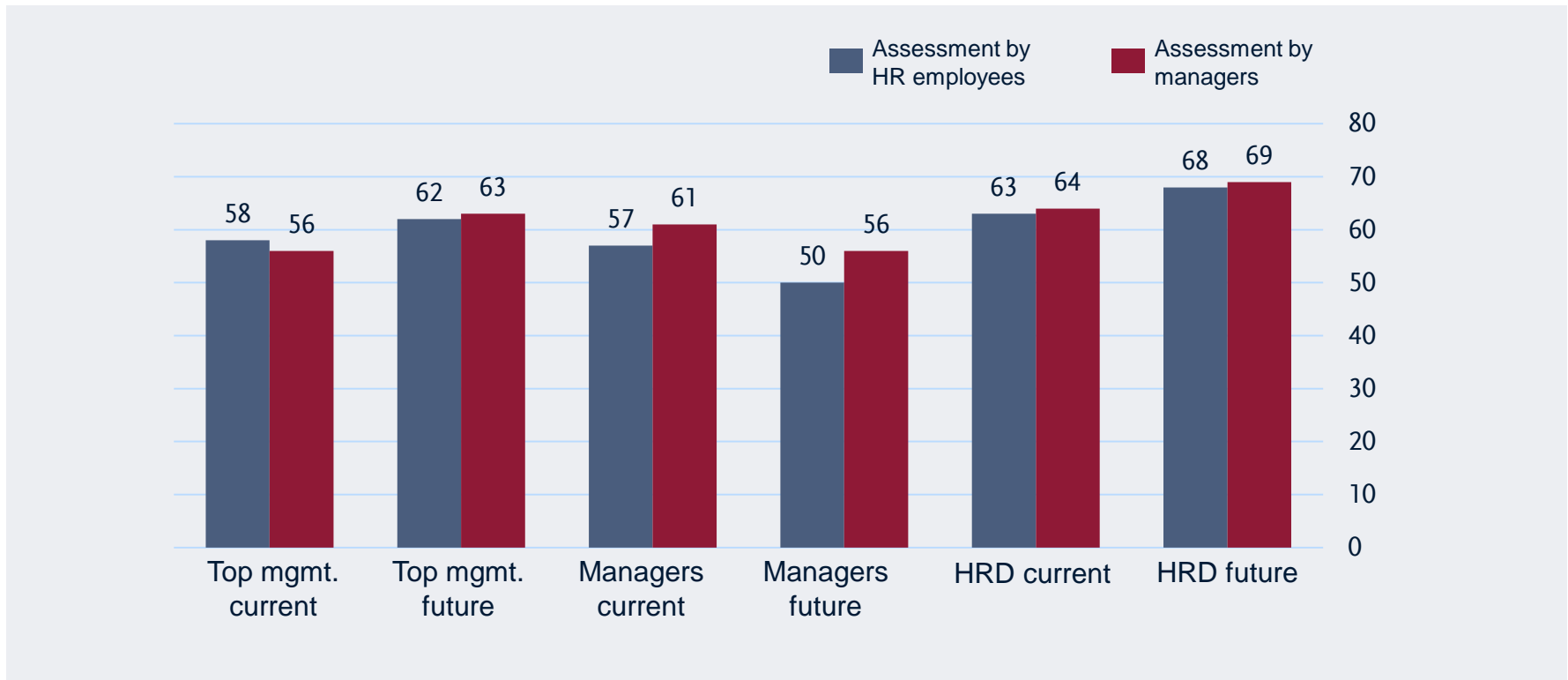
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Hardly any differences in the assessment of the commitment

When comparing the assessments of the commitment there are hardly any differences between the perspective of managers surveyed and those surveyed in HR departments. In this respect the identified decline in the commitment climate of the HR departments cannot be attributed to a particularly critical perception of individual groups of people but to a clear trend.



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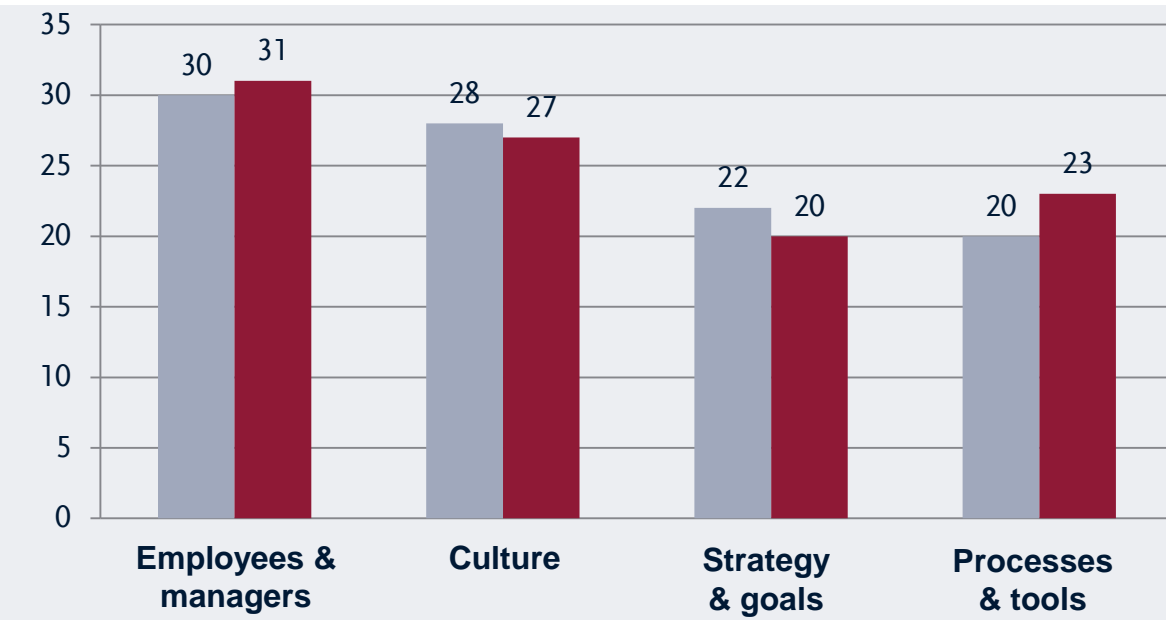
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Appendix: Explanations on the TCI and on the data collection

Success factors prove stable

The second survey also showed: Qualification and motivation of managers and employees are key to the success of talent management first and foremost, followed by a supportive corporate culture. Compared to these rather "soft influencing factors," processes and modern talent management tools as well as the stringent definition of a talent management strategy are considered less important – though none of the differences between the first and the second half of the year are significant.

Influence of various factors on the success of talent management



Explanation of the influencing factors

Employees & managers: TM qualification and motivation

Culture: Talent development as part of the corporate values and culture

Strategy & goals: TM strategy derived from the corporate strategy

Processes & tools: Coordinated HR processes and state-of-the-art TM tools

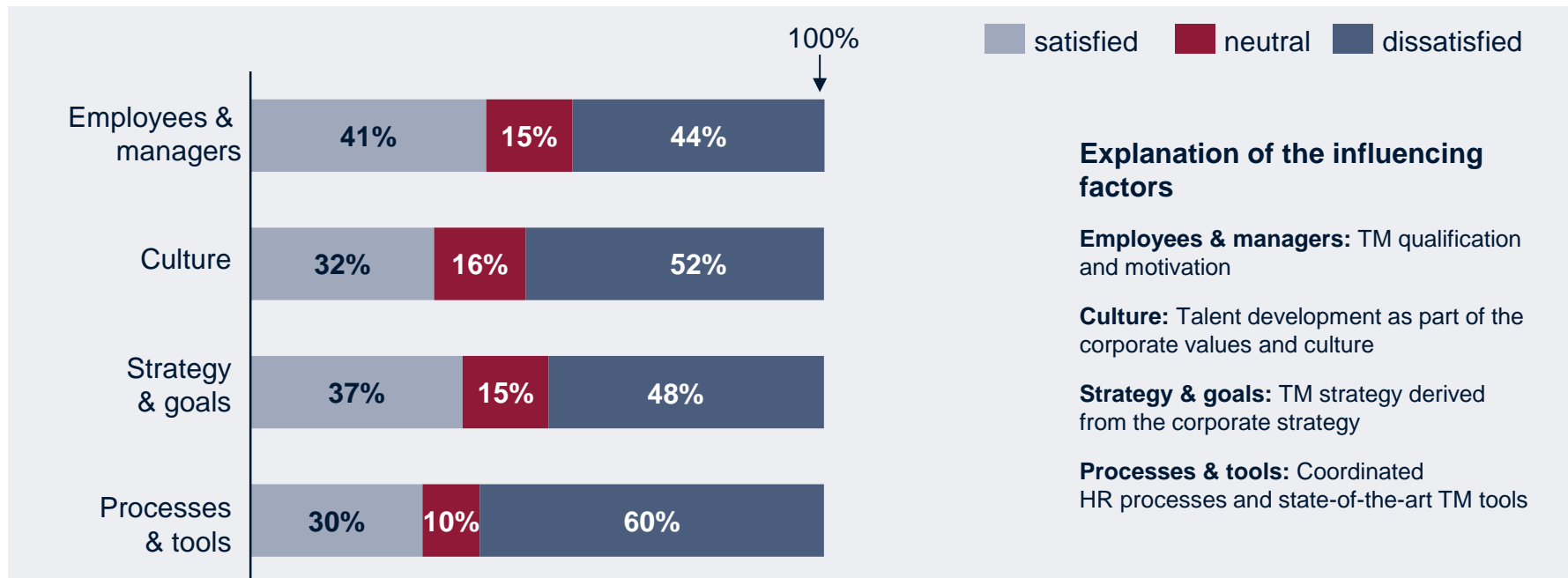
■ 1st half of 2017
 ■ 2nd half of 2017

Average points assigned per influencing factor out of a total of 100 points

Little satisfaction with processes and tools

Less than half of those surveyed are satisfied with the various talent management success factors. It is noteworthy in particular here that the most significant dissatisfaction concerns the existing talent management processes and tools. Together with the slight increase in the perceived significance of this factor, there is currently a need for action above all with regard to creating supporting structures for functioning talent management.

Satisfaction with the status quo of the factors influencing talent management:



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Using few precise questions the current situation and the expected trend are ascertained (<http://talentklimaindex.de/>). Biannual surveys enable a long-term evaluation.

Subject areas of the questionnaire

- Internal talent management:
 - The availability of talents for key specialist and leadership positions in the internal labor market – currently and in the future
 - The company's ability to identify and develop internal talents
- External talent management:
 - The availability of talents for key specialist and leadership positions in the external labor market – currently and in the future
 - The company's ability to attract external talents
- Talent management commitment: The commitment to invest time and money in internal and external talent management
- Focal topic of the current survey: Factors influencing the success of talent management

TALENT CLIMATE INDEX (TCI)



The questionnaire is very brief on purpose – it can be fully completed within a few minutes under: <http://talentklimaindex.de/>

TALENT-KLIMA-INDEX 25%

Internes Talent Management

Die Verfügbarkeit von Talenten für zentrale Fach- und Führungspositionen auf unserem internen Arbeitsmarkt beurteile ich als:

a. momentan

extrem schlecht ausgezeichnet

b. zukünftig

deutlich ungünstiger deutlich günstiger

50%

Die Fähigkeit unseres Unternehmens (aufgrund von Instrumenten, Prozessen, Management-Verhalten etc.) zur Identifikation und Entwicklung interner Talente beurteile ich momentan als:

extrem schlecht ausgezeichnet

Mein Kommentar zu internen Talenten:

TALENT-KLIMA-INDEX 75%

Commitment

Das Commitment zum Talent-Management (= die Bereitschaft, erkennbar für das externe und interne Talent Management Ressourcen im Sinne von Zeit und Geld zu investieren) beurteile ich von Seiten der...

Momentan: Zukünftig:

Geschäftsführung / Vorstand

extrem schlecht ausgezeichnet deutlich ungünstiger deutlich günstiger

Führungskräfte allgemein

extrem schlecht ausgezeichnet deutlich ungünstiger deutlich günstiger

Personalabteilung

extrem schlecht ausgezeichnet deutlich ungünstiger deutlich günstiger

Mein Kommentar zu unserem Commitment zum Talent-Management:

Focal topic of the current survey: Factors influencing the success of talent management

TALENT KLIMA INDEX



Aktuell im Fokus: Einflussfaktoren auf erfolgreiches Talent Management

Wie hoch schätzen Sie den relativen Einfluss der folgenden Faktoren auf den Erfolg von Talent Management ein?
Bitte verteilen Sie insgesamt 100 Punkte

Strategie und Ziele:

Stringent aus der Unternehmensstrategie abgeleitete Talent Management-Strategie und -Ziele

Prozesse und Tools:

Aufeinander abgestimmte HR-Prozesse und State of the Art Talent Management-Tools

Mitarbeiter und Führungskräfte:

Qualifikation und Motivation zum Talent Management der handelnden Personen im Unternehmen

Kultur:

Talententwicklung als wichtiger Teil der Unternehmenswerte und gelebten Kultur

TALENT KLIMA INDEX



Aktuell im Fokus: Einflussfaktoren auf erfolgreiches Talent Management

Wie zufrieden sind Sie in ihrem Unternehmen mit der momentanen Umsetzung der jeweiligen Faktoren?

Strategie und Ziele:

Stringent aus der Unternehmensstrategie abgeleitete Talent Management-Strategie und -Ziele.

sehr unzufrieden sehr zufrieden



Prozesse und Tool:

Aufeinander abgestimmte HR-Prozesse und State of the Art Talent Management-Tools.

sehr unzufrieden sehr zufrieden



Mitarbeiter und Führungskräfte:

Qualifikation und Motivation zum Talent Management der handelnden Personen im Unternehmen.

sehr unzufrieden sehr zufrieden



Kultur:

Talententwicklung als wichtiger Teil der Unternehmenswerte und gelebten Kultur.

sehr unzufrieden sehr zufrieden



Calculation of the talent climate on the basis of balances

The basis for the balance computation is the coding of the answers:

0-49% = poor/less favorable

50% = no consideration in the formula

51-100% = good/more favorable

Balance situation = good – poor

Balance expectations = more favorable – less favorable

Talent climate = $\sqrt{(situation + 200) \times (expectations + 200)} - 200$

Value range:

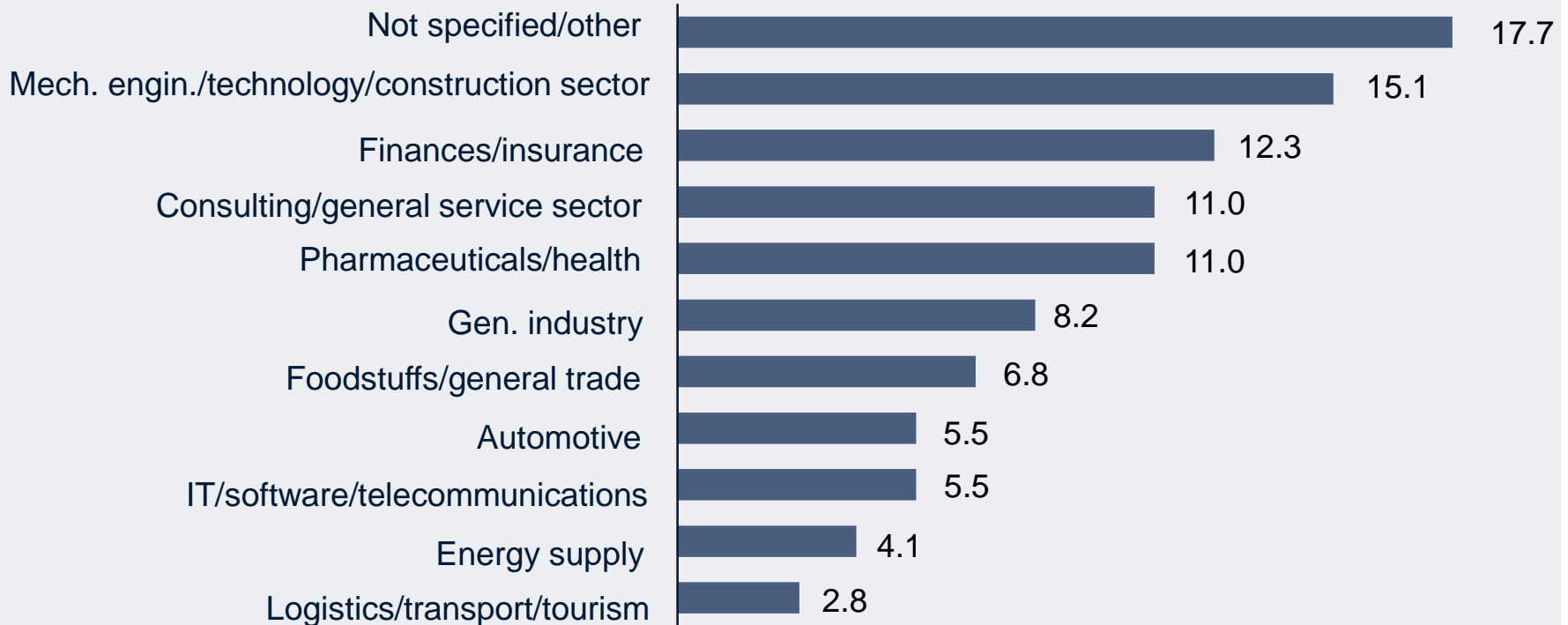
Values stated on a scale of -100 to +100

Example: -100 means that all those surveyed assess the situation to be poor/expect it to get worse

Sector distribution

Via the website <https://www.profil-m.de/publikationen/talent-klima-index/>, various newsletters, and the direct approach method, persons from different sectors were contacted, which resulted in 73 data sets that could be evaluated, 2 of which were in English. They are distributed as follows:

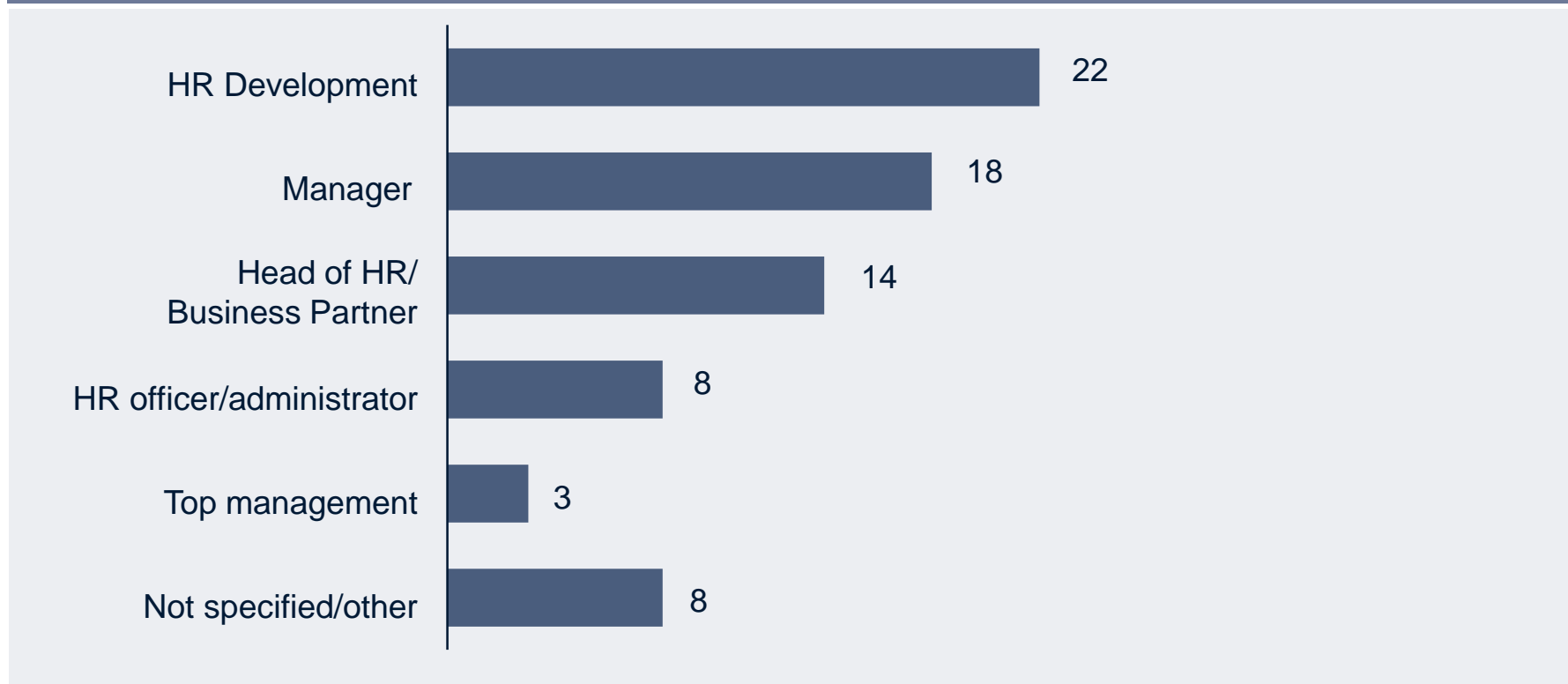
Sector (frequency in percent, information was provided voluntarily)



Participants in the survey according to function

Around two thirds of participants hold various HR roles. Line managers and top managers/CEOs outside of the HR department account for around one third of the current sample.

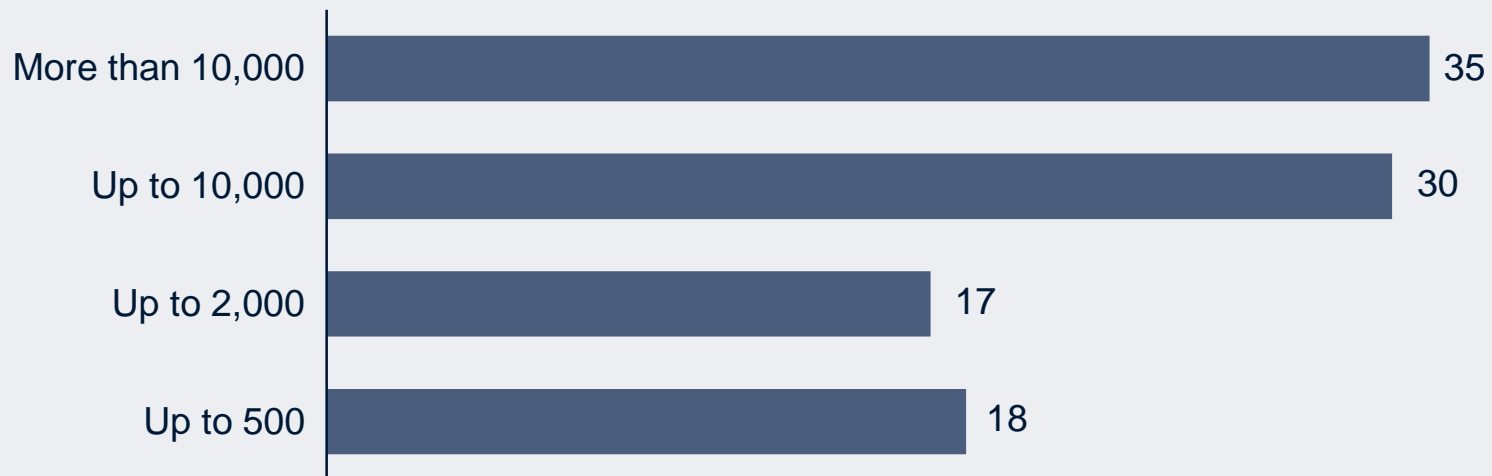
Current position (frequency in absolute terms, information was provided voluntarily)



Number of employees of companies surveyed

As in the previous surveys, most of the participants were from (major) groups of companies, but respondents from smaller and medium-sized companies also took part to an appreciable extent.

Number of employees (frequency in percent, information was provided voluntarily)



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