



TALENT KLIMA INDEX

Talent Climate Index

Results – First half of 2022

In the spotlight: Talent situation
within HR



Hochschule Fresenius
Fachbereich Wirtschaft und Medien GmbH
Im MediaPark 4c · 50670 Köln
www.hs-fresenius.de

Profil M Beratung für Human Resources
Management GmbH & Co. KG
Berliner Straße 131 · 42929 Wermelskirchen
www.profil-m.de

 HOCHSCHULE
FRESENIUS
UNIVERSITY OF APPLIED SCIENCES

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Executive Summary



- 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 talent (leaders and specialists).
- Using few precise questions, the current situation and the expected trend are ascertained ([TalentKlimaindex.de](https://www.talentklima.de)). Biannual surveys enable a continuous long-term evaluation.
- The results of the survey for the first half of 2022 are presented here. They are based on a sample of 94 data sets, consisting of HR experts, managers, and members of the top management. This results in the following key findings:
 - **Talent climate at lowest level since surveys began**

After the talent climate briefly took a positive turn, triggered by the pandemic, the downward trend has not only continued since 2021. The climate is at its lowest level since the surveys began in 2016. Talent availability has never been this poor. This applies above all to the external labor market. The forecasts of the respondents, who assume that the situation will worsen significantly in the foreseeable future, are particularly decisive for this further substantial deterioration.
 - **HR experts only moderately available – but situation not consistently poor**

Contrary to some statements and posts about the particularly tense situation in HR areas, candidates for HR functions are not readily available on the whole, but the situation is not consistently poor either. HR experts are therefore not a particularly critical target group in the context of the generally challenging talent situation.
 - **Need for qualification in HR functions that are particularly critical to success**

In addition to the HR management roles, the functions in HR development/talent management as well as HR marketing and recruiting are currently seen as particularly relevant to success. However, the increased importance of professional, forward-looking talent acquisition and development is not only accompanied by a growing demand for experts. New demands are also being made that require new skills and thus qualifications. The need for qualification is therefore highest in these functions.

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In the spotlight: Talent situation within HR

Experts in HR marketing and recruiting wanted

The demand for experts and managers in the HR area varies depending on the functional group: The need for experts in recruiting (operational and conceptual) is particularly high. This is a reflection of the critical talent climate, which increases the quantitative and qualitative demands on HR marketing and recruiting. Heads of HR, specialists in general policy matters, and employees in payroll accounting are sought least frequently.

Demand in 2022 (= current vacancies or vacancies in the near future) for the following roles:

(in %, excluding
= no reply/not relevant)

	No need	Isolated need	Great need
Head of HR/HR management	43	28	14
HR officer/ HR Business Partner	26	46	14
HR development/ talent management	15	42	28
HR specialist	28	48	12
Recruiting (operational)	16	30	39
Employer branding/ HR marketing (conceptual)	23	32	34
Payroll accounting	35	30	16
Compensation & Benefits (conceptual)	29	45	10
General policy matters & HR policy	35	30	16

In the spotlight: Talent situation within HR

Roles for attracting and developing talent are relevant to success

Against the background of management responsibility, it is hardly surprising that the head of HR role is regarded as the HR function most critical to success, whereas highly operational functions such as HR specialists and payroll accounting are rated as less relevant to success.

In terms of importance, head of HR roles are followed by functions in HR development, recruiting, and HR marketing. The success of a company requires experts who not only attract talent, but also help to develop it.

Relevance of the following functions to the success of your company:

(in %, excluding
= no reply/not relevant)

	Particularly critical to success	Relevant to success	Not very relevant to success
Head of HR/HR management	47	37	4
HR officer/ HR Business Partner	23	51	12
HR development/ talent management	41	42	4
HR specialist	5	29	50
Recruiting (operational)	30	47	12
Employer branding/ HR marketing (conceptual)	30	47	12
Payroll accounting	5	22	53
Compensation & Benefits (conceptual)	11	52	23
General policy matters & HR policy	23	37	23

In the spotlight: Talent situation within HR

HR experts only moderately available on the whole – but situation not consistently poor

The availability of suitable candidates on the external and internal labor market is consistently rated as moderate for various HR functions. Administrator positions are the easiest to fill, whereas candidates for management positions and for expert positions in general policy matters & HR policy are apparently available less frequently. For the latter, however, moderate demand was also previously identified.

Availability of suitable candidates for the following functions:

(in %, excluding
= no reply/not relevant)

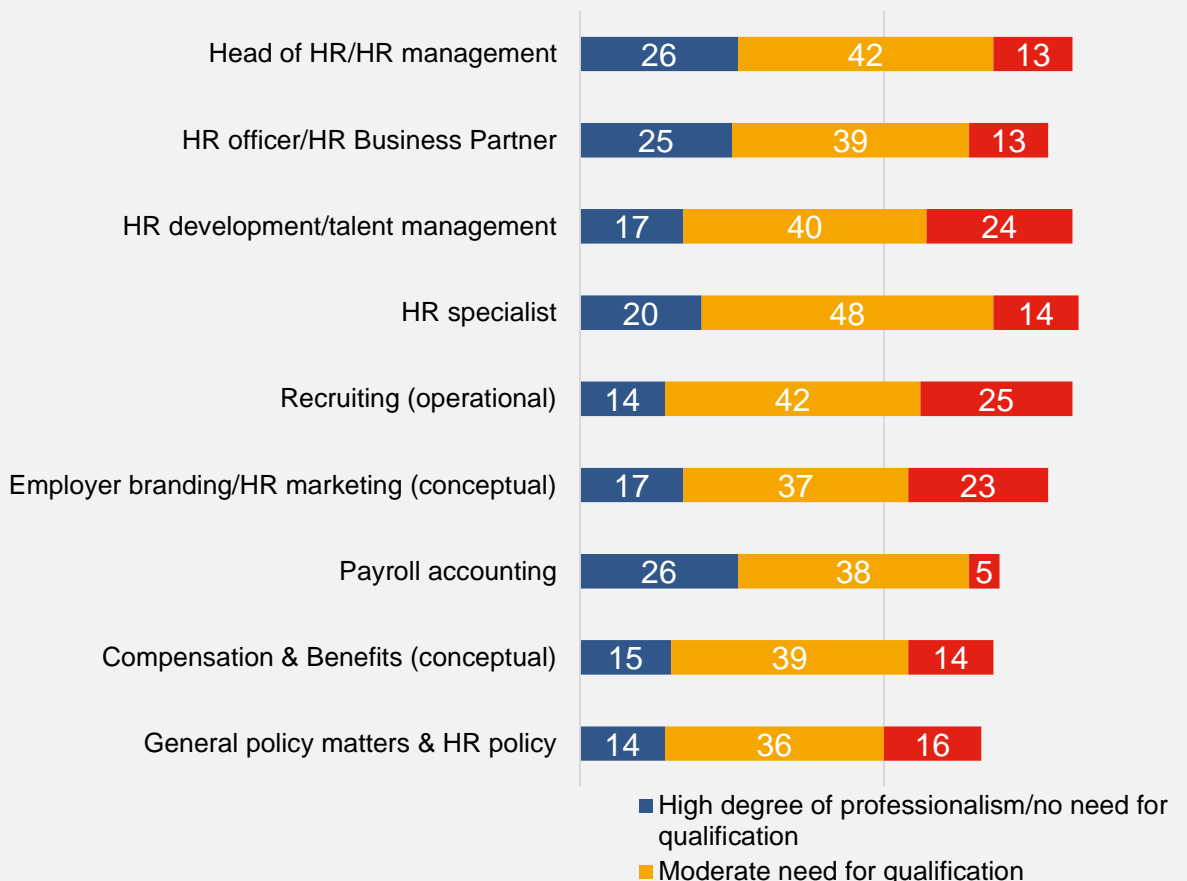
	Readily available	Moderately available	Poorly available
Head of HR/HR management	16	36	25
HR officer/ HR Business Partner	12	47	22
HR development/ talent management	15	47	20
HR specialist	23	57	5
Recruiting (operational)	16	47	21
Employer branding/ HR marketing (conceptual)	14	42	23
Payroll accounting	16	49	10
Compensation & Benefits (conceptual)	11	40	20
General policy matters & HR policy	8	35	26

In the spotlight: Talent situation within HR

Need for qualification in talent acquisition and development

In line with the relevance of the various HR functions to success, the need for qualification is greatest in the HR development/talent management and HR marketing and recruiting functions. The increased importance of professional, forward-looking talent acquisition and development is not only accompanied by a growing demand for experts. New demands are also being made that require new skills and thus qualifications.

Professionalism and need for qualification for the following functions:
(in %, excluding = no reply/not relevant)



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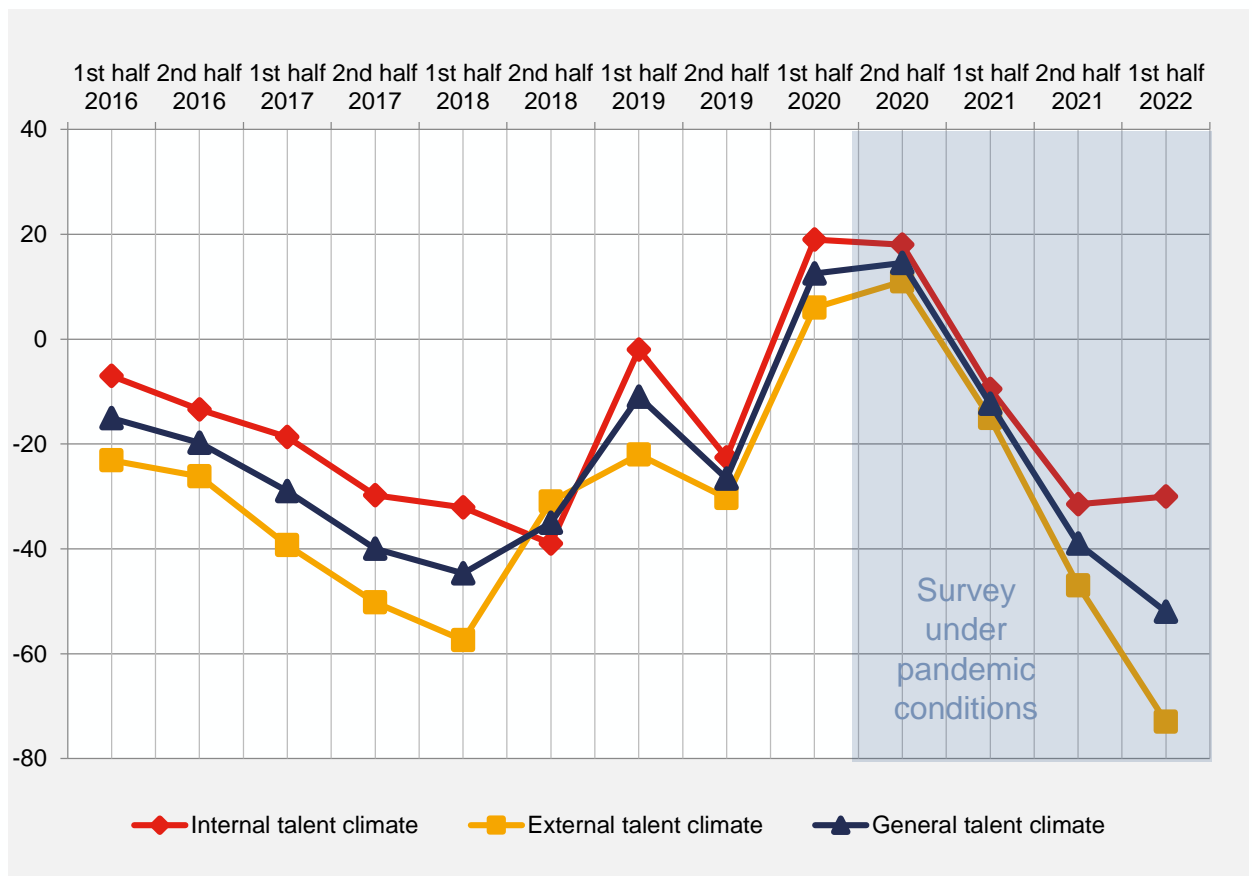
Explanations on the TCI and the data collection

Overall trends over time

Talent climate at lowest level since surveys began

After the talent climate briefly took a positive turn, triggered by the pandemic, the downward trend has not only continued since 2021. The climate is at its lowest level since the surveys began in 2016. Talent availability has never been this poor. This applies above all to the external labor market.

Talent climate over time*



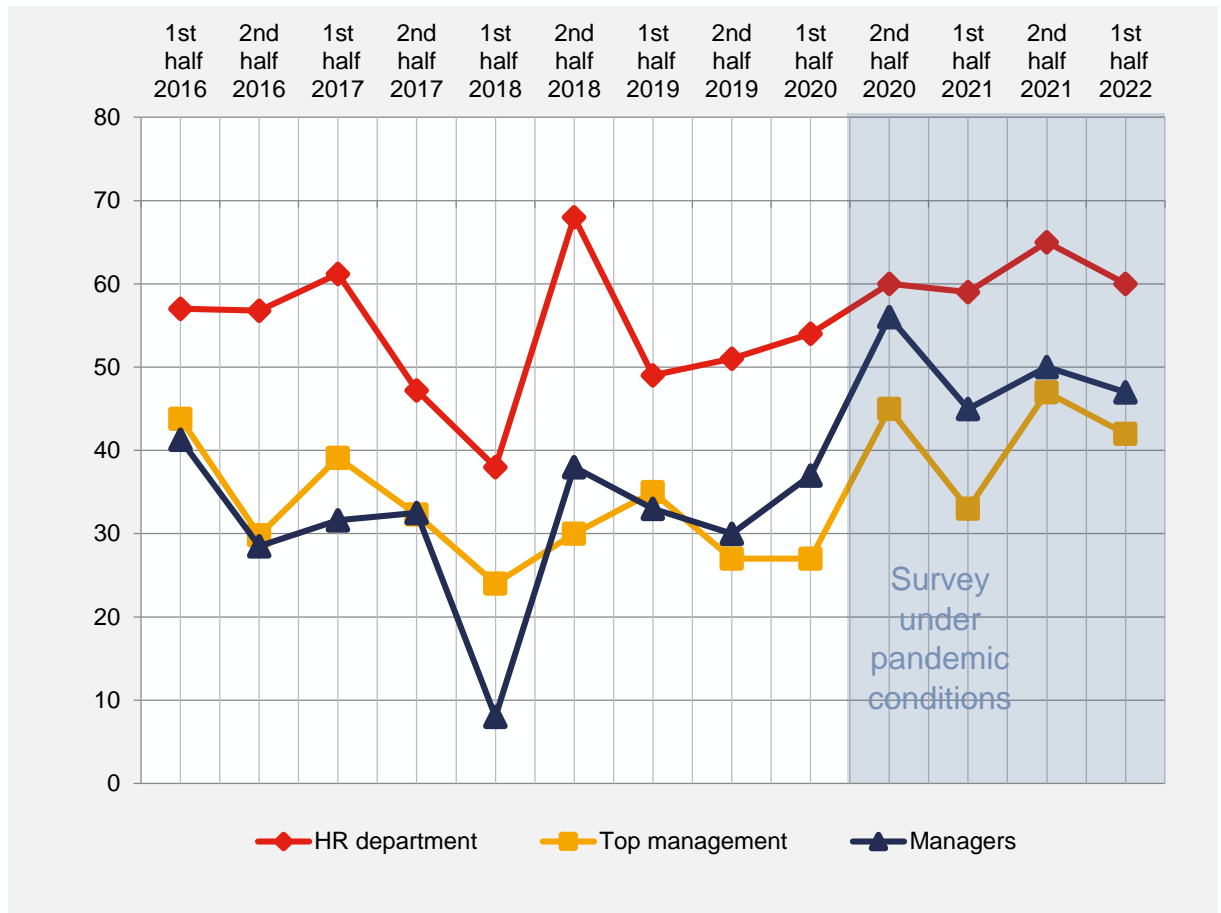
* Values stated on a scale of -100 to +100. The talent climate results from a combination of current and expected assessments (exact calculation see appendix)

Overall trends over time

Commitment to investing in talent management remains high

The commitment to invest time and resources in talent management is at a sustained high level. As before, and by its very nature, it is particularly strong in the HR area, but corresponding priorities are also set by top management and managers.

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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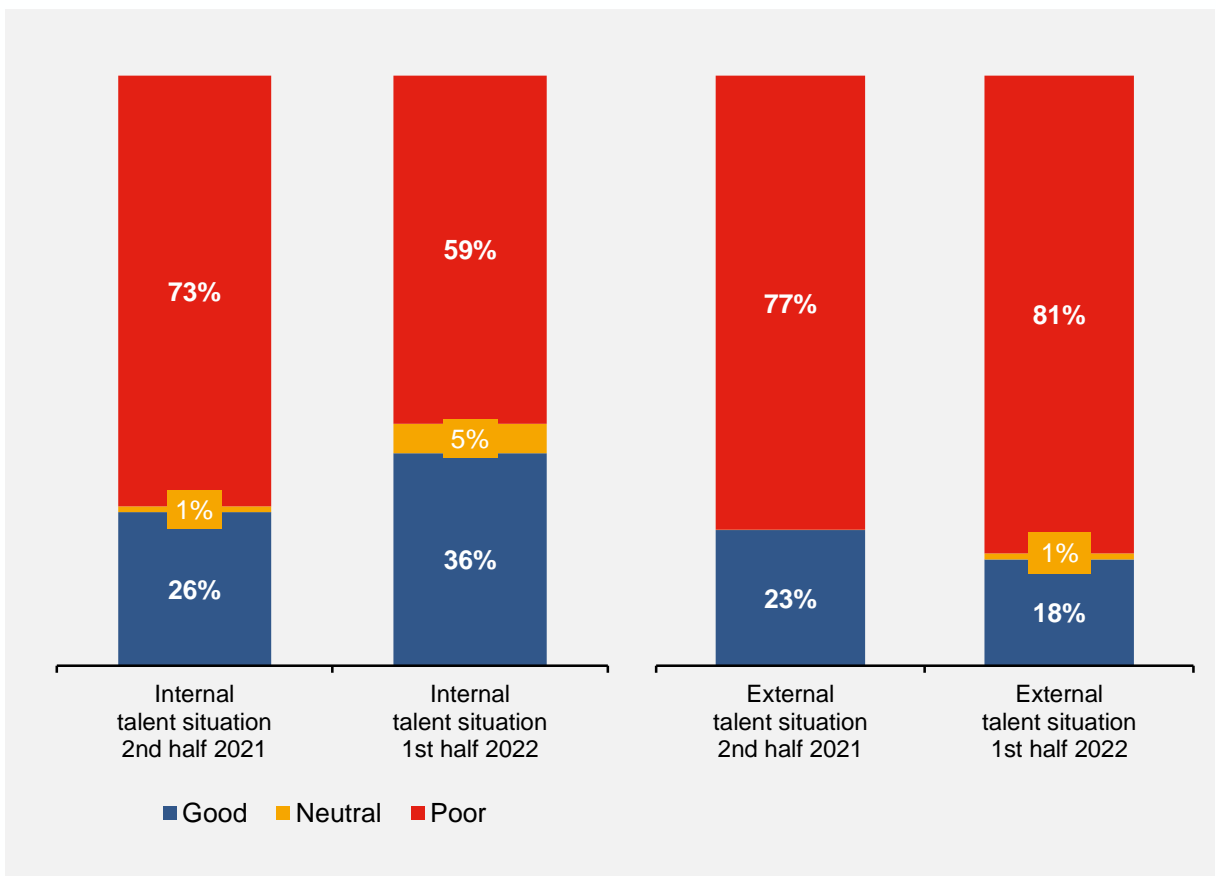
Explanations on the TCI and the data collection

Situation and expected development

Talent situation deteriorates significantly externally, but improves internally

External talent is even harder to attract than in 2021. More than half of the respondents also rate the internal talent situation as poor. However, compared with the previous survey, the internal availability of experts and managers is perceived as "less poor." It remains to be seen whether this effect is attributable to efforts in internal talent management and is therefore sustainable.

Talent situation: Current availability of talent

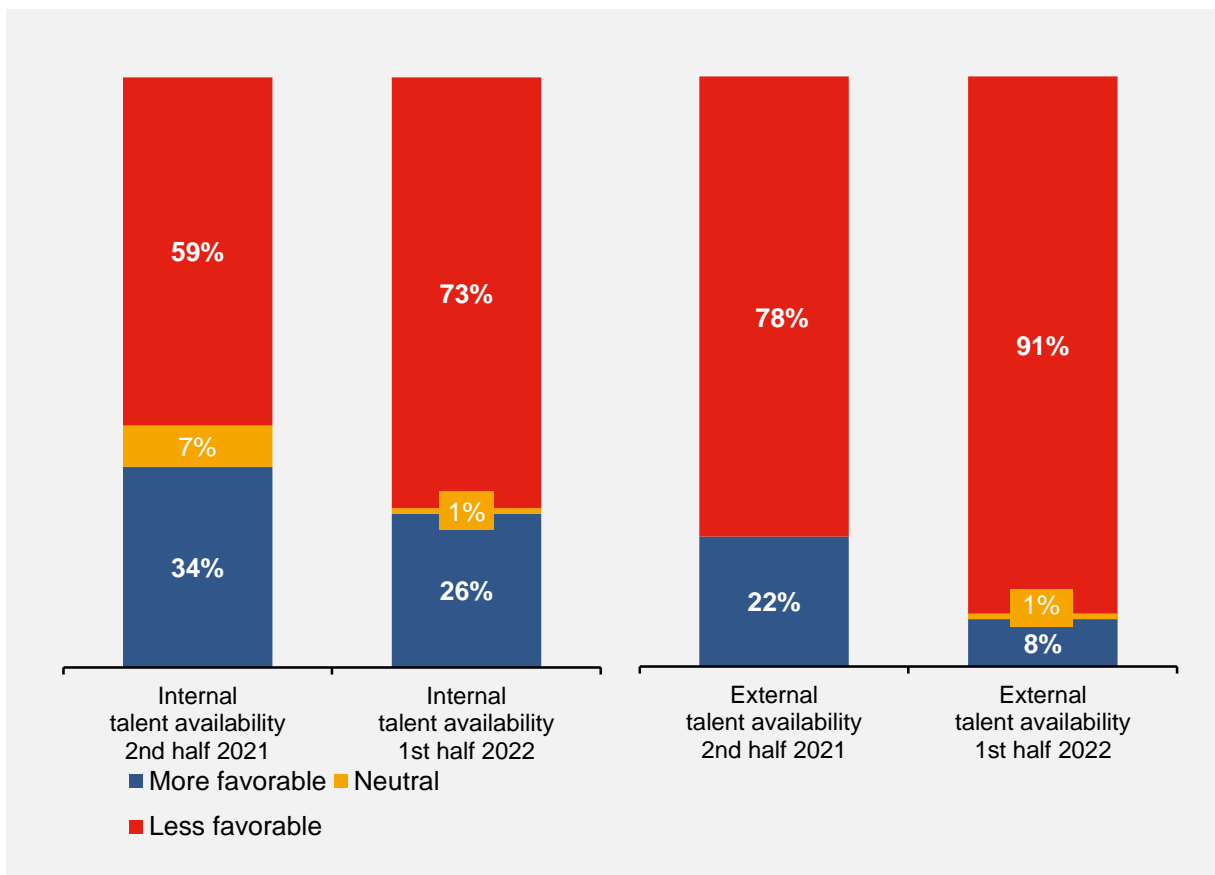


Situation and expected development

Poor forecasts regarding future talent availability

While the current assessment of talent availability is still moderately negative and the internal talent situation even appears to have improved slightly, the forecasts of the respondents are very clearly pessimistic. 91% of respondents predict a further deterioration of the talent situation on the external labor market. For the internal labor market, sustained improvement is not predicted either, but rather a deterioration. The record low in the talent climate is therefore clearly attributable to future forecasts.

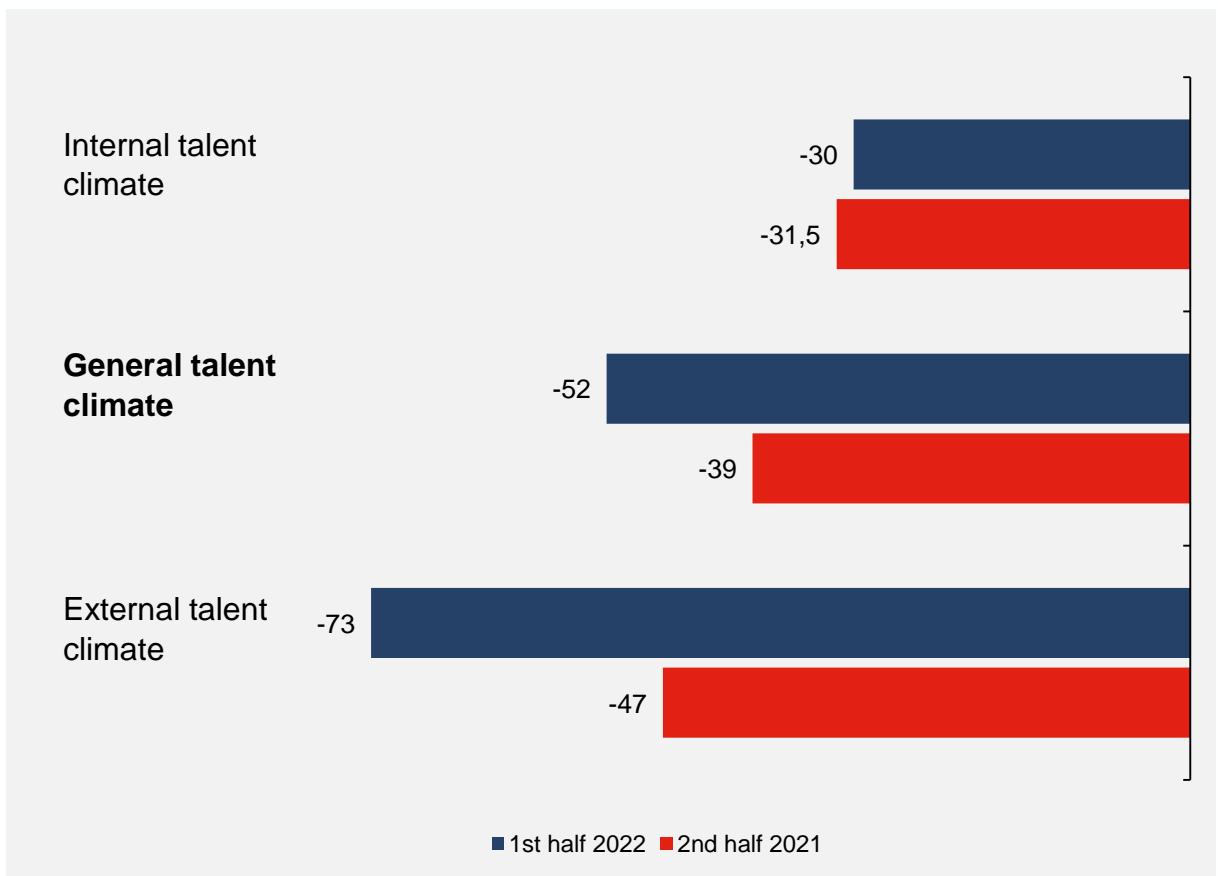
Talent expectation: Future availability of talent



Situation and expected development

Talent situation clearly aggravated, external talent climate particularly negative

The comparison with the talent climate in the second half of 2021 clearly shows the particular significance of the difficult and ever-deteriorating situation on the external labor market. The very pronounced negative external talent climate is the cause of the renewed deterioration in the talent climate as a whole.



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)
- 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

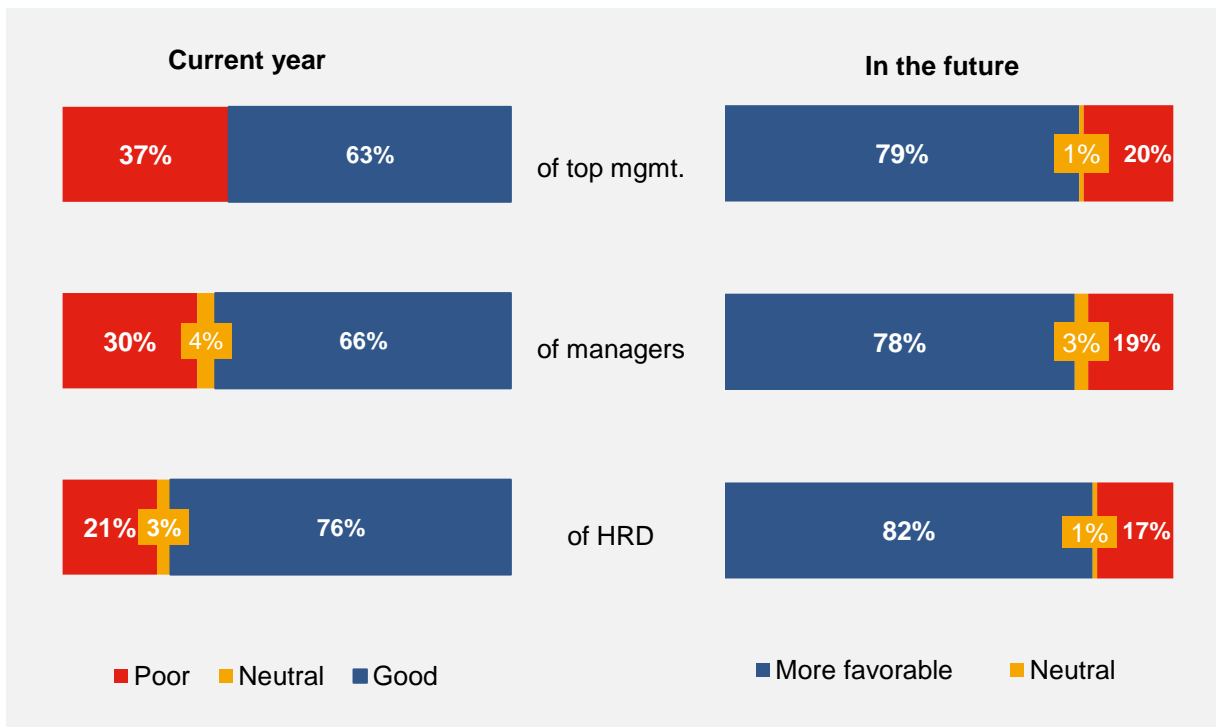
Situation and expected development

Strong talent management commitment among all those responsible

As in previous surveys, all those responsible show a strong willingness to make resources available for talent management, with the HR area leading the way.

Talent management commitment

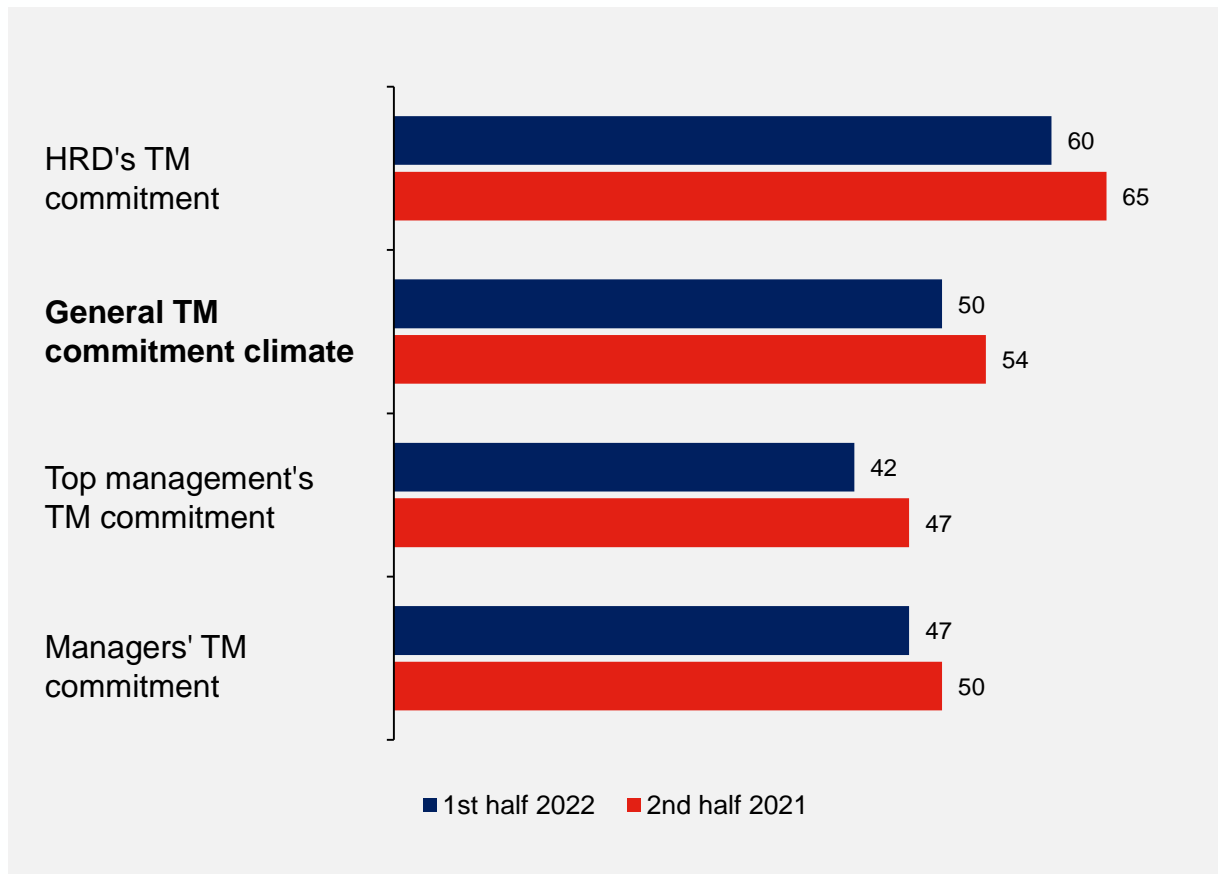
Current and future commitment to invest resources (time and money) in talent management



Situation and expected development

Slight weakening of commitment – at a high initial level

Compared with the previous survey, the commitment climate among all those responsible has developed slightly negatively. However, it remains at a very high level. Future surveys will show whether this is indeed a continuing change in priorities in view of the variety of current changes and challenges.



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)

- 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

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Explanations on the TCI and the data collection

Talent Climate Index (TCI)



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 talent.

Using few precise questions the current situation and the expected trend are ascertained ([TalentKlimaindex.de](https://www.talentklima.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 talent
- **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 talent
- **Talent management commitment:**
 - The commitment to invest time and money in internal and external talent management
- **Focal topic of the current survey:**
 - Talent situation within HR

Talent Climate Index (TCI)

The questionnaire is very brief on purpose – it can be fully completed within a few minutes under: 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



b. zukünftig



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



Mein Kommentar zu internen Talenten:

Grey text input field for comments on internal talents.

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



Führungskräfte allgemein



Personalabteilung



Mein Kommentar zu unserem Commitment zum Talent-Management:

Grey text input field for comments on talent management commitment.

Talent Climate Index (TCI)

Focal topic of the current survey:

Talent situation within HR

Initial question: The current focus question in the TCI addresses what the talent situation actually looks like in the HR areas.

1. In your estimation, how great is the need (= positions that are vacant already or will be in the near future) for the following functions in your company in 2022?

	No need	Isolated need	Great need	Not relevant for our company
Head of HR/HR management	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
HR officer/HR Business Partner	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
HR development/talent management	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
HR specialist	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Recruiting (operational)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Employer branding/HR marketing (conceptual)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Payroll accounting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Compensation & Benefits (conceptual)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
General policy matters & HR policy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Further questions on the talent situation within HR:

2. How do you personally rate the **relevance to the success of your company** (= positions that are vacant already or will be in the near future) of the following functions?
 Categories: Particularly critical to success / Relevant to success / Not very relevant to success / Not relevant for our company
3. How do you personally rate the **availability of suitable candidates** on the external & internal labor market for the following functions?
 Categories: Readily available / Moderately available / Poorly available / Not relevant for our company
4. How would you rate the **professionalism or need for qualification** of current & future incumbents for the following functions?
 Categories: High degree of professionalism/no need for qualification / Moderate need for qualification / Extensive need for qualification / Not relevant for our company

Talent Climate Index (TCI)

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

"Situation"
balance = good – poor

"Expectations"
balance = 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

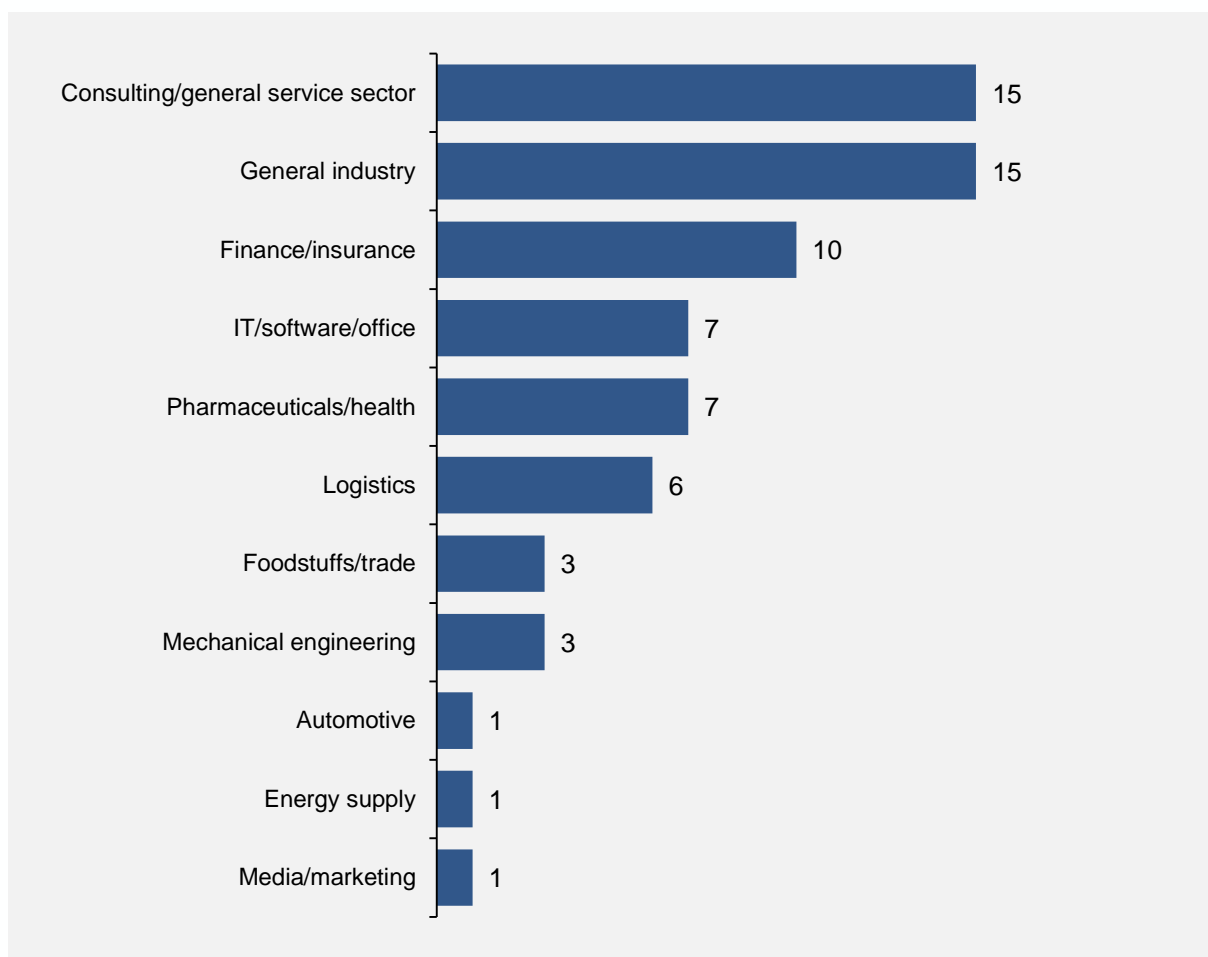
Survey – First half of 2022

Sector distribution

Via the website www.profil-m.de/publikationen/talent-klima-index, newsletters, and the direct approach method, persons from different sectors were contacted, which resulted in 94 data sets that could be evaluated. They are spread across very different sectors as follows:

Sector

(frequency in percent, excludes "Other," information was provided voluntarily)



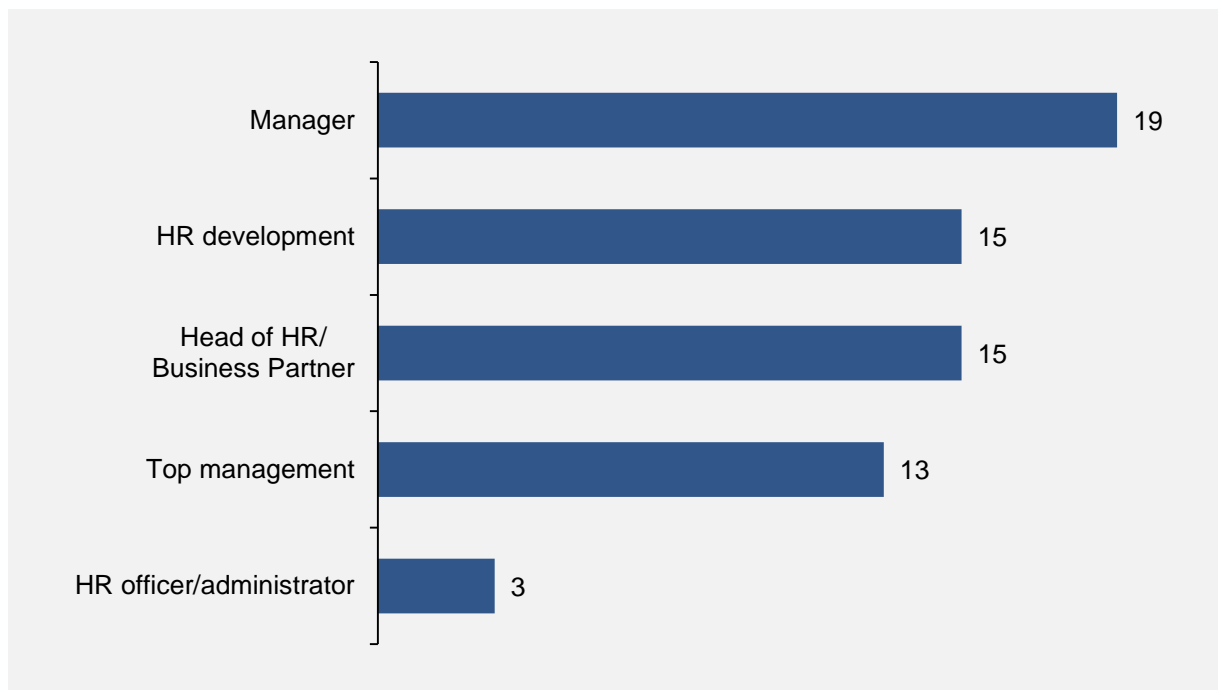
Survey – First half of 2022

Participants in the survey according to function

In this survey, too, the largest single group of participants is made up of managers, but in aggregate, most respondents again come from various HR functions. At 13 percent, the proportion of members of the top managers/CEOs is slightly lower than in the previous data set.

Current position

(frequency in percent, excludes "Other," information was provided voluntarily)



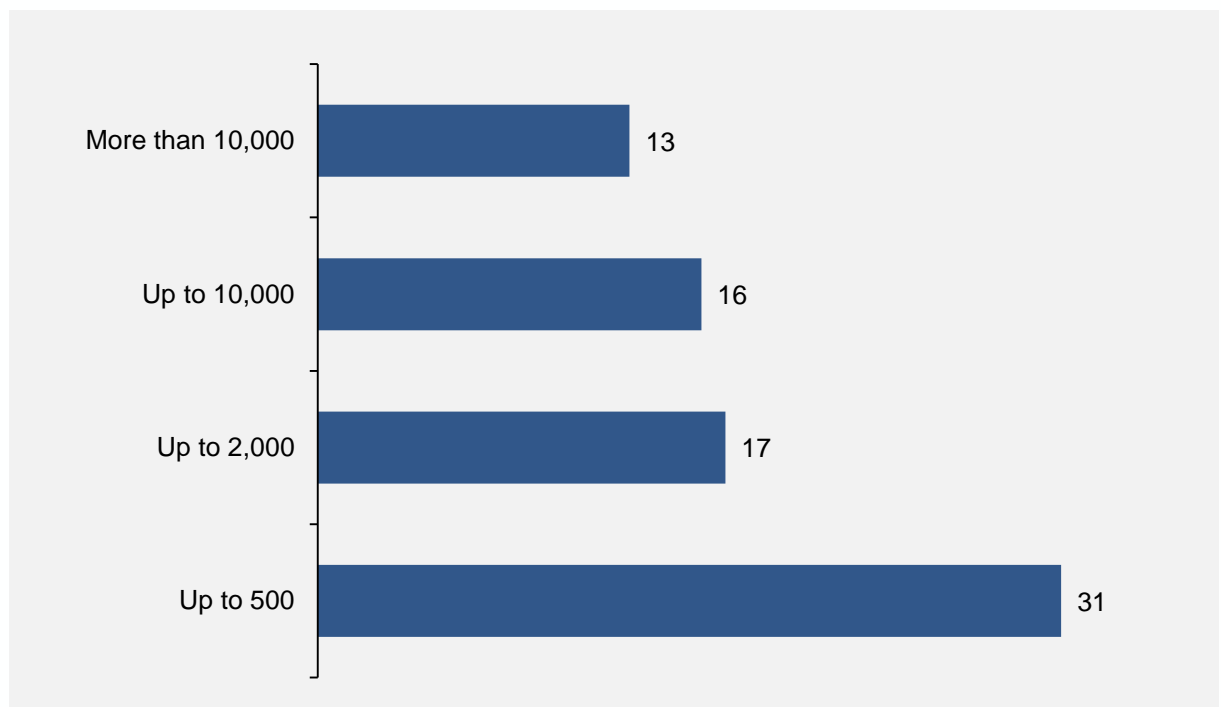
Survey – First half of 2022

Number of employees in the companies surveyed

Comparable to various previous surveys, most of the questionnaire responses come from smaller companies; the other company sizes are almost equally distributed.

Number of employees

(frequency in percent, excludes no replies, information was provided voluntarily)





TALENT KLIMA INDEX

Talent Climate Index

Results – First half of 2022
Detailed evaluation



Contact:

**Hochschule Fresenius
Fachbereich Wirtschaft und Medien GmbH**

Prof. Dr. Klaus P. Stulle
Im MediaPark 4c
50670 Köln

T. +49 221 973 199-92

stulle@hs-fresenius.de
www.hs-fresenius.de

**Profil M Beratung für Human Resources
Management GmbH & Co. KG**

Anja Beenen
Berliner Straße 131
42929 Wermelskirchen

T. +49 21 96 70 68-204

anja.beenen@profil-m.de
www.profil-m.de