

Resetting horizons
Global Human Capital Trends 2013
Technology, Media &
Telecommunications Industry



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. To read the full report, please visit 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/developalent



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

We are pleased to share with you a summary of the market trends and priorities that are driving human capital decisions for Technology, Media and Telecommunications (TMT) leaders across the globe, as they respond to the continued rapid regulatory and technological changes and increased globalization of the industry.

This focused report compares results from global TMT leaders to the overall results of our extensive survey of more than 1,300 business leaders and HR executives across all industries in 59 countries comprising the world's major economic regions.

Deloitte's global human capital survey set out to determine which trends are playing the most significant role in global organizations today and which are further out on the horizon. We have categorized these trends as either *leading* (highly relevant today), *rising* (relevant in the next one to three years), or *emerging* (three or more years from now).

For TMT, the top HR and Talent trends each come from the *leading* category and are identified as being most relevant today, with implications over the next one to three years and beyond. Those trends are:

- Organization acceleration
- War to develop talent
- Leadership.next
- How boards are changing the HR game
- Transforming HR to meet new business priorities

This TMT report was designed to complement Deloitte's 2013 Global Human Capital Trends report, "Resetting horizons." We believe both reports will inform your organization's leaders on the issues impacting TMT organizations across the globe.



The image shows five handwritten signatures in blue ink. From left to right, the signatures are: "Eileen Demands", "Eugene D. Hill", "W. S. Coaling", "Richard Lee", and a signature that appears to be "H. S. Coaling".

Global Human Capital TMT Industry Leaders

Top 5 Human Capital Trends in TMT

Results of the survey indicate that TMT leaders are facing the same top five Human Capital trends as other industry leaders, however TMT leaders differ in the prioritization of these trends.

These priorities are shaped by the continuing evolution of technology, the disruption of digital transformation and the market demands for more mobility that directly affect the TMT industry. Each of these business challenges present leaders with an evolving and shifting talent and HR agenda.

TMT organizations rated **organizational acceleration**, the new way of managing change, as the most relevant trend. This is not surprising as TMT has been characterized by rapidly changing technology, innovative start-ups, regulation and a long history of mergers and acquisitions. This continuous cycle

of change and industry evolution has put a great deal of organizational strain on achieving future business benefits. In addition, the need to integrate company cultures and operational processes has made managing change effectively and efficiently very important. That said, the relevance of this trend varies across geographies as global regions are at different stages of the cycle of change.

The war to develop talent is the second most relevant trend for TMT organizations. As companies reset their horizons from the recession of the past and focus on growth, innovation and managing the customer experience, organizations are having a hard time finding the talent they need and instead are concentrating more on developing talent internally.

TMT and Global Top Trends from the Global Human Capital Survey



*Global Top Trends includes both public and private sector organizations

Talent development is particularly relevant given the speed at which the TMT industry evolves and innovation is the key driver of many workforce challenges and trends. Large investments in new technology, products and applications make the difference between achieving cutting edge margins or huge loses. This innovation imperative creates enormous “right skills at the right time” pressure on workforce recruiting and skills development. Current technology trends in TMT (i.e. cloud computing, digitalization, social media, mobility and data analytics) have TMT employees and companies scrambling to change technology platforms, generating huge investments while they look to find promising margin-generating business models that leverage hard-to-find skills.

The third most relevant trend for TMT organizations is **leadership.next**. Many companies have spent decades trying to identify and clone the mythical “perfect leader.” However, TMT organizations today face an unprecedented variety of challenges; globalization, unpredictable business environments, and disruptive innovation. Each unique challenge requires a unique kind of leader. TMT organizations require a pool of leaders with diverse skills, personalities, experiences, and capabilities. In order for TMT companies to drive their organizations forward, leaders should be flexible, adaptable, creative and even abrasive – skills necessary to challenge the status-quo and innovate faster than the competition.

TMT organizations found that how **boards are changing the HR game** is the fourth most relevant topic. Today, boards increasingly understand that talent is critical to executing an organization’s business strategy and achieving sustainable growth. In a global marketplace where both opportunities and risks have multiplied, business strategy often is talent strategy. Boards are now pulling CHRO’s more deeply into challenges involving strategy, execution,

and regulatory adherence, and CHRO’s and business leaders are forging a new alliance to develop and execute business strategy at all levels – from helping design operating models to evaluating potential new markets for international expansion. With such rapid growth in many TMT organizations, talent acquisition and development is a primary concern, and the fight for key talent often sets the stage for the success of the company. Deloitte has identified the following important actions that boards are taking to address the need for greater oversight, strategic review, and planning support – all of which require HR leadership influence and leadership:

- Maintaining the right talent oversight
- Increasing accountability for talent
- Proactive talent strategies
- Building global leadership pipelines

Finally, the fifth most relevant trend for TMT organizations is **transforming HR to meet new business priorities**.

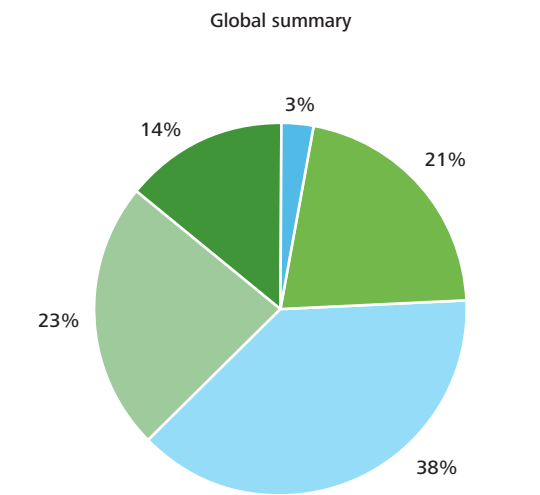
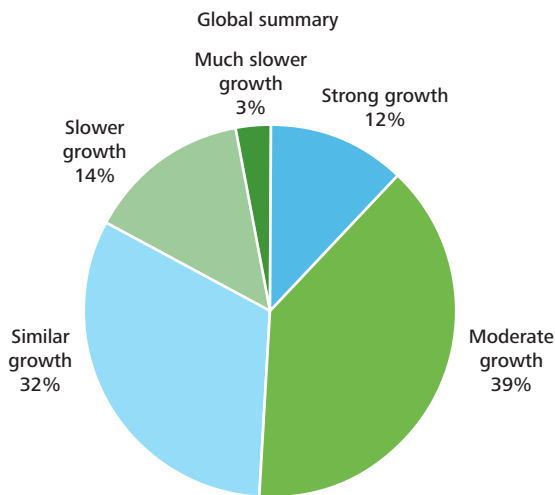
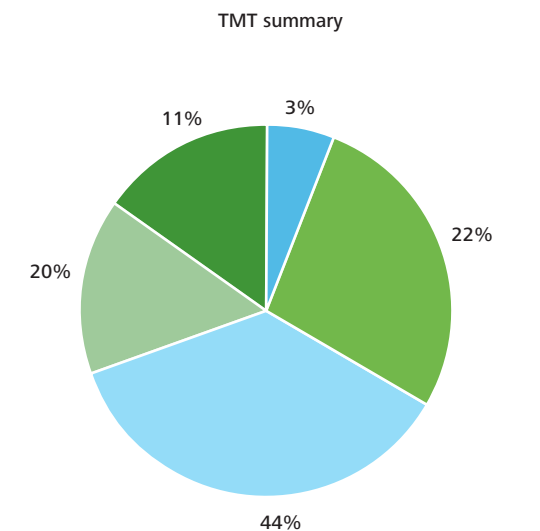
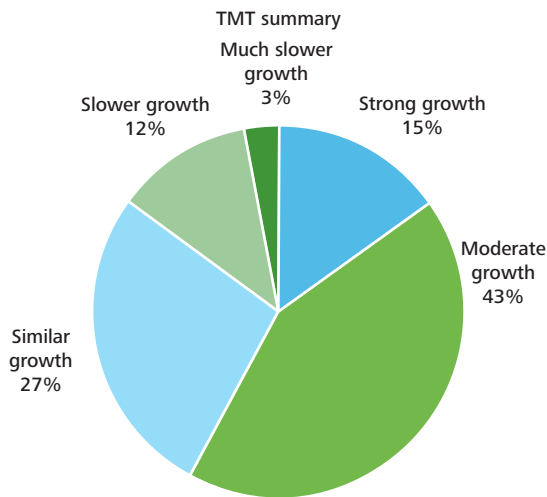
While in the past HR transformation focused primarily on making existing HR functions more efficient and effective, today HR capabilities not only support the business, but also enable business strategy. To accelerate business growth, TMT organizations are using HR transformation to design HR and talent systems that can work across geographic boundaries and can support different business models. Keeping pace with growth, expanding into emerging markets, and supporting mergers & acquisitions are key TMT industry trends that encourage organizations to invest in a scalable and flexible platform. Recent enabling technologies (such as cloud based HR solutions) are providing HR leaders with the ability to move from historical reporting to developing predictive capabilities, which better aligns talent management strategies with business objectives and improves global mobility programs.

General Business Outlook in 2013

Consistent with the global survey results, many TMT leaders who participated in Deloitte's survey appear to view 2013 as a potential turning point for growth. 85% of TMT leaders and 83% of leaders across all industries expect strong, moderate or similar growth compared to 2012. Attracting, retaining and developing talent with the right skill sets will be critical for TMT organizations as they attempt to achieve their desired growth objectives.

Capabilities of Organizations' HR and Talent Programs

TMT leaders believe they have very strong HR and Talent programs (33%), certainly more so than all industries combined (24%). It may be that the industry – which is constantly evolving – has begun to realize the value that HR and Talent programs can bring to achieving desired business results.



- We are world class in HR and Talent programs
- We are world class in some areas of HR and Talent programs while we need to improve in several key areas
- We have adequate HR and Talent programs for our industry but we need to improve
- We are getting by in HR and Talent programs but significant improvements are needed
- We are underperforming in HR and Talent programs and radical improvements are needed

At the same time, two-thirds of TMT respondents believe they don't have world class HR and Talent programs. CHRO's for these organizations must start a new conversation, focused on business priorities, such as transforming HR to complete acquisitions in half the time or developing a new, scalable HR function as the company advances into new markets. In making the case for HR transformation, CHRO's must focus on strategic outcomes, not technologies and tactics.

Top Three Pressing HR and Talent Concerns

It is increasingly apparent that TMT organizations need to develop innovative human capital strategies to stay competitive, key questions for HR leaders are:

- Are employees engaged and excited about working for your organization?
- Does your organization create leaders who drive consistent productivity improvement and shareholder value?
- Do your leaders embody your employee brand and culture?
- Have you developed the next three CEO candidate pools?
- Do you provide employees with development opportunities, challenging jobs, meaningful work and flexible environments?

These are important questions in an environment where TMT organizations need to recruit, develop and retain talent to compete in an ever complex and evolving industry.

Top three pressing HR and talent concerns

Ranking	TMT	Global
#1	Sustaining employee engagement/morale (45%)	Developing leaders and succession planning (55%)
#2	Developing leaders and succession planning (42%)	Sustaining employee engagement/morale (39%)
#3	Creating career paths challenging job opportunities for employees (38%)	Connecting HR and talent with business critical priorities (33%)

(% indicated the % of total respondents who have rated the concern 1, 2, or 3)



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