

Global Human Capital Trends 2015

New Zealand Report



This year's 10 trends are focused on four broad areas

LEADING



Leadership:
Why a perennial issue?
Companies are struggling to develop leaders at all levels and are investing in new and accelerated leadership models.



Learning and development:
Into the spotlight
Companies are actively exploring new approaches to learning and development as they confront increasing skills gaps.

ENGAGING



Culture and engagement:
The naked organization
Organizations are recognizing the need to focus on culture and dramatically improve employee engagement as they are facing a looming crisis in engagement and retention.



Workforce on demand:
Are you ready?
Companies are taking a more sophisticated approach to managing all aspects of workforce including hourly, contingent, and contract workforce.



Performance management:
The secret ingredient
Organizations are replacing traditional performance management with innovative performance solutions.

REINVENTING



Reinventing HR:
An extreme makeover
HR is undergoing an extreme makeover to deliver greater business impact and drive HR and business innovation.



HR and people analytics:
Stuck in neutral
Too few organizations are actively implementing talent analytics capabilities to address complex business and talent needs.



People data everywhere:
Bringing the outside in
HR and talent organizations are expanding their HR data strategies by harnessing and integrating third party data about their people from social media platforms.

REIMAGINING



Simplification of work:
The coming revolution
Organizations are simplifying work environments and practices in response to increasing organization and system complexity, and information overload.



Machines as talent:
Collaboration, not competition
The increasing power of computers and software to automate and replace knowledge workers is challenging organizations to rethink the design of work, the skills their employees need to succeed.

I am pleased to share with you our key findings from the annual Deloitte Global Human Capital survey – one of the largest of its kind in the world. Over 3,300 executives from 106 countries participated in our survey this year, including 32 New Zealand business and HR leaders who offered their insights on the future of work and human capital's valuable role in shaping it.

This country report is a companion to the Deloitte [Global Human Capital Trends 2015](#) report. Our theme for this year, "Leading in the new world of work," reflects our strong conviction that in 2015 business leaders must adapt to a new world that requires a dramatic change in strategies for leadership and talent.

Globalisation and technology impacts virtually every organisation, through sharing work in globally distributed teams, the shift of learning to mobile platforms, and the emerging theme of "machines as talent;" integrating new cognitive technologies with the workforce.

Demographic changes and generational transitions are having major impacts on the workforce as well. Millennials now make up more than half the workforce, and leading organisations are addressing their needs through accelerated leadership paths, a greater sense of purpose and mission, and greater flexibility in work places, schedules, and tasks.

HR stands at the centre of these changes. But achieving the necessary transformation of work to effectively respond will require bold and innovative thinking, questioning longstanding practices and habits, and a greater focus on culture as a key element in driving both workplace change and business success.

We hope you will find both this New Zealand specific report and the full report useful in your work and we stand ready to assist you in seizing the incredible opportunities and meeting the significant challenges we see on the horizon.



A handwritten signature in black ink, appearing to read 'H Wilson', written in a cursive style.

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Top Talent Challenges in New Zealand

The Global Human Capital survey measures both the *importance* of critical trends and issues and an organisation's perceived *readiness* to address the challenge. We label the difference between the importance and readiness for specific trends as the "Capability Gap;" a measure of how prepared organisations are to respond to the most urgent human capital issues.

The importance, readiness and capability gaps for the top ten Human Capital trends for New Zealand are shown in figure 1.

Capability gap across the 2015 Human Capital Trends

This chart shows the Capability Gap Index, a metric representing the difference between the importance index and readiness index scores, for each human capital trend.

Where does your organization have the biggest capability gaps? How can you help to close them?

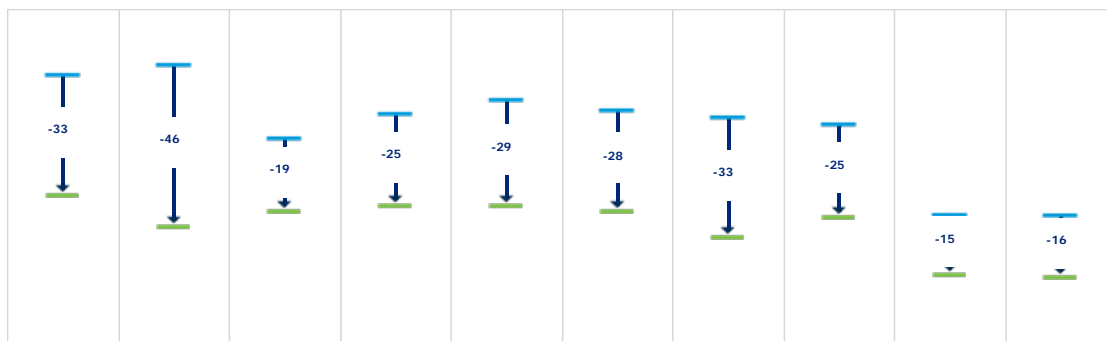


Figure 1: Talent trends in New Zealand: Importance vs. Readiness

The top three results for New Zealand are broadly similar to the global results but also highlight particular themes of importance to New Zealand business:

- The trend rated as most important in New Zealand this year was **Leadership**, which has consistently been at the top of global results over recent years. Leadership is a perennial concern for both HR leaders and the C-suite, in particular the need to identify and engage emerging leaders both generationally and globally. In New Zealand, leadership had the largest capability gap of all the trends (-46) and this gap is significantly larger than the gap reported in the global results (-36).
- In this year's research, **Culture and Engagement** emerged as the most important trend worldwide and was also in the top three for New Zealand. Corporate culture is of paramount importance in attracting the right type of employees and candidates and in driving change in the workplace. In New Zealand 50% of business and HR leaders rated this as "very important," yet only 6% believed they were "very ready," to deal with this.
- Another important trend as important to New Zealand organisations is **HR & People Analytics**. The result suggests that while obtaining meaningful talent analytics are a high priority, organisations believe that they are not making the most of their people data to inform business decisions. To meet the requirements of the new world of work, New Zealand organisations will need to focus on maintaining quality data, understanding what tools are required to gather the right analytics and using results to influence talent outcomes.

Business Outlook: New Zealand

We stand at the halfway point of this decade, with economic recovery emerging in many regions. In New Zealand, executives were somewhat more cautious in their outlook for growth in 2015 compared to Asia Pacific respondents. Nonetheless, in New Zealand 31% of organisations are still forecasting moderate to strong growth (See figure 2).

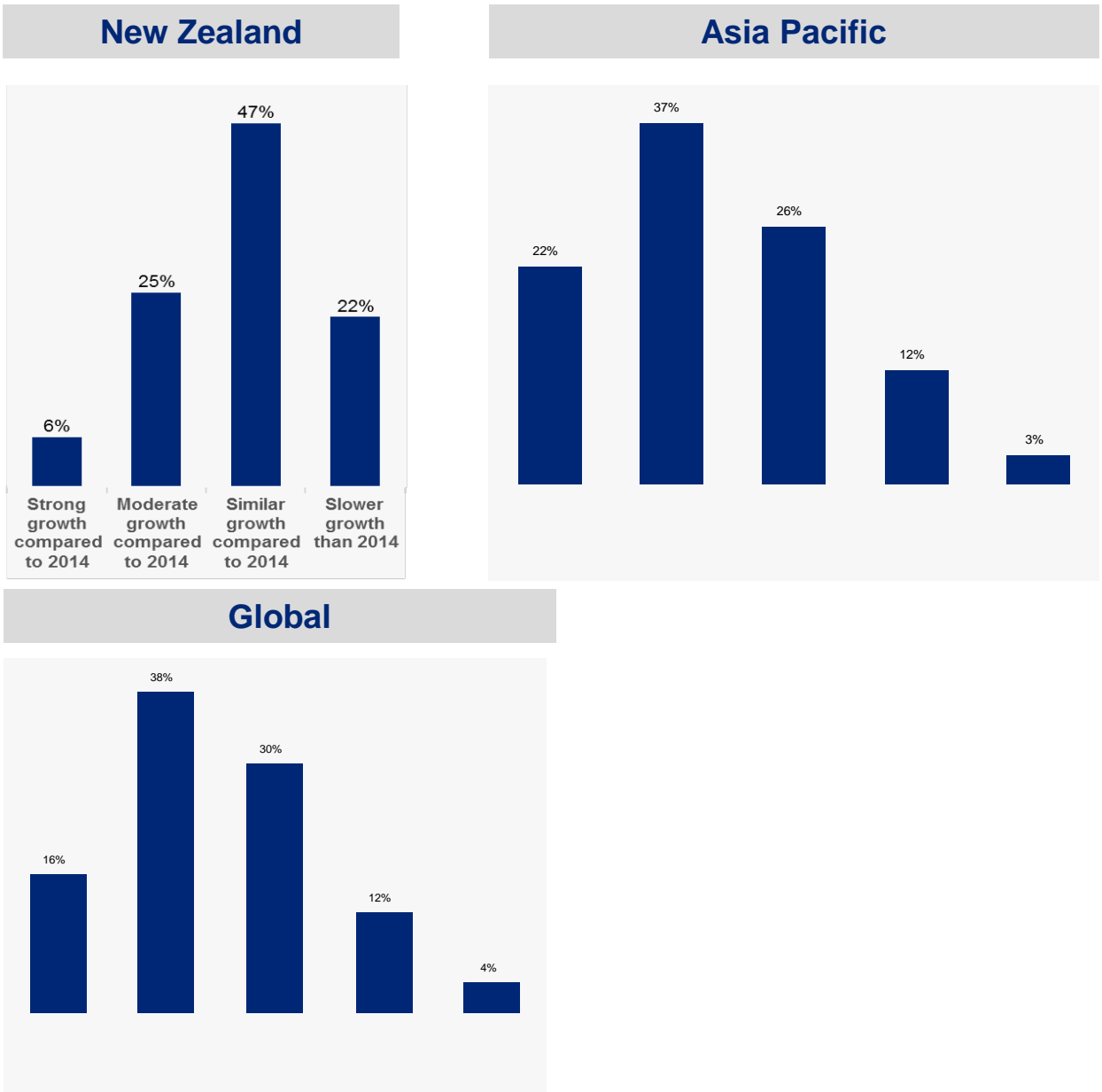


Figure 2: New Zealand vs Asia Pacific vs Global : Forecast growth

HR Talent and Programmes: New Zealand

While HR capabilities have been reported as improving, there is a concern that HR has not been keeping up with business needs. In this economic environment, organisations that focus on transforming the HR function to meet today's business challenges are much more strongly positioned to achieve and sustain competitive advantage.

Global ratings from business leaders and HR respondents continue to give HR performance relatively poor ratings with 64% of HR functions being rated as 'underperforming,' 'getting by' or 'adequate.' The New Zealand HR assessment is marginally higher with 41% of organisations rating HR as 'good,' but still without any organisations rating their HR functions as 'excellent.' New Zealand respondents gave HR a Grade Point Average of 1.7 or a C-. While this is slightly higher than the global average of 1.6 and the Asia Pacific average of 1.2, it is still a disappointing result and survey results suggest a real need for organisations to consider how they can best transform their HR functions to provide high value support (See figure 3).

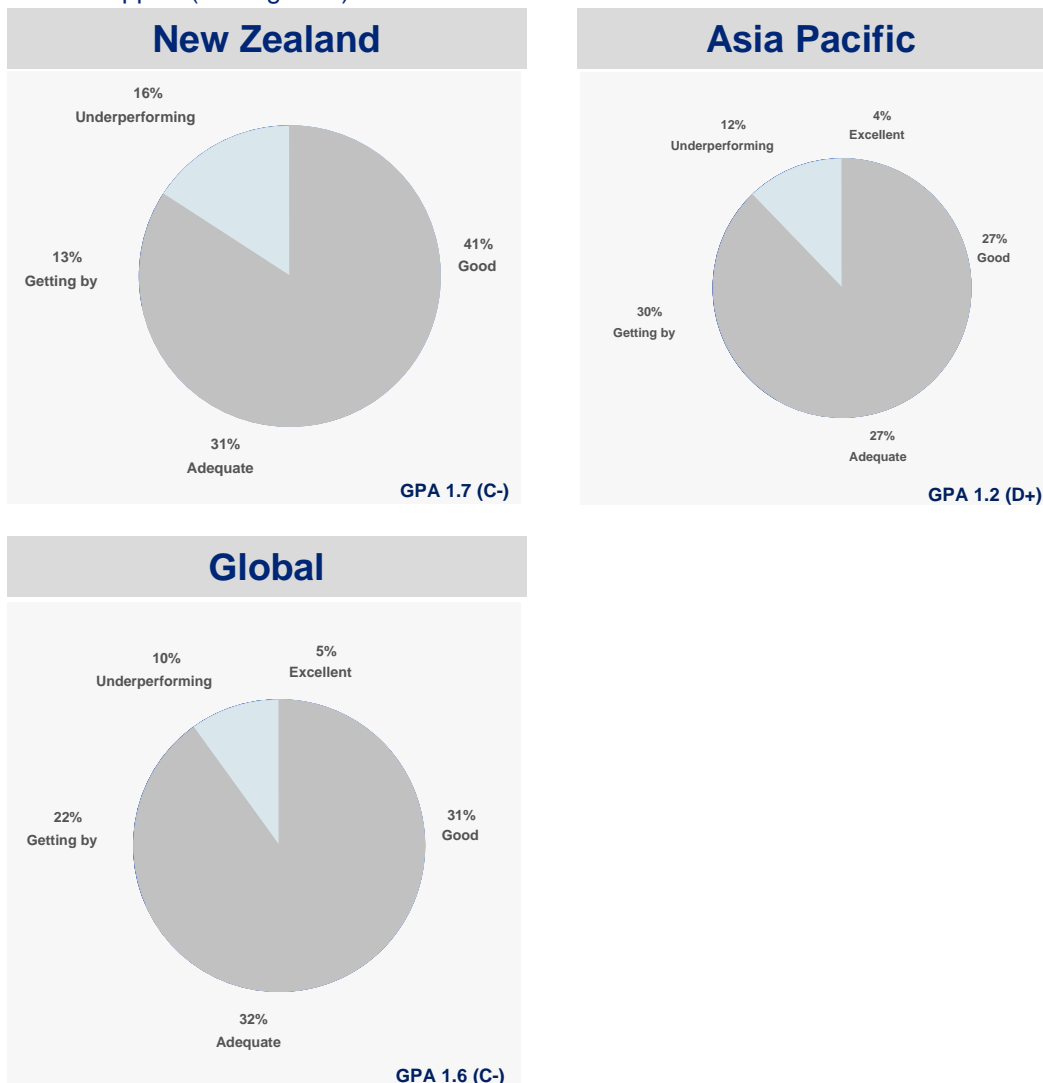


Figure 3: New Zealand vs Asia Pacific vs Global : HR and Talent Outlook

HR Investment: New Zealand

Companies believed that significant investments are likely to be required to enable an extreme makeover of the HR function. Based on the Human Capital trends survey, over half the organisations in New Zealand are expecting an increase in the HR investment over the next 12-18 months. (See figure 4.) These levels of expected investment shows similar trends among both global and the Asia Pacific region respondents.

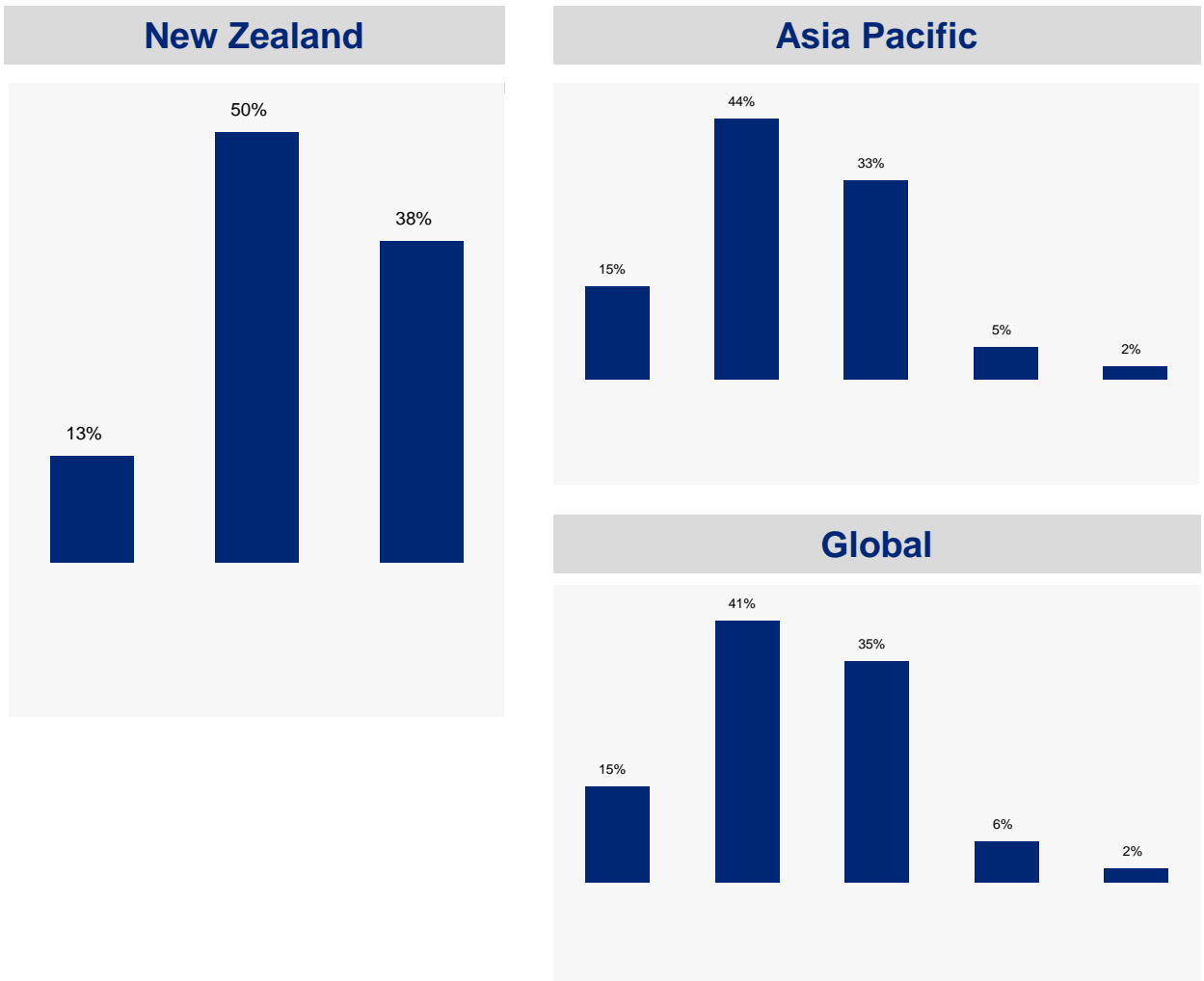


Figure 4: New Zealand vs Asia Pacific vs Global : HR Investment

We encourage you to read the full [Global Human Capital Trends 2015](#) report to learn more about leading in this fascinating and challenging new world of work. Dive into a few chapters of particular concern to your firm or industry and also take time to reflect on the broader, longer-term trends that we examine. If they do not concern you now, they may in the future – and your competitors may already be working to address them.

If you have any questions about the trends or would like to have a discussion about what this means for your organisation, our Deloitte Human Capital team would be happy to help.



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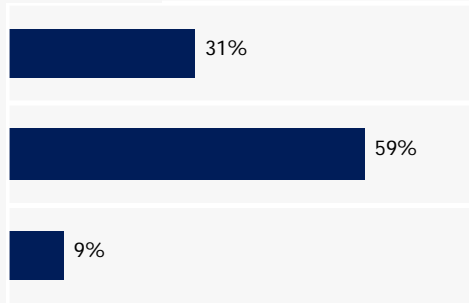
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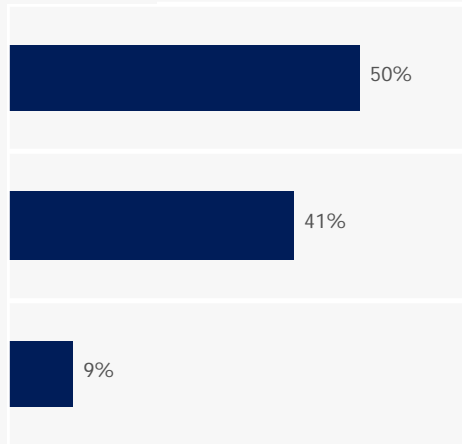
Appendix

New Zealand Survey Respondents - Demographics

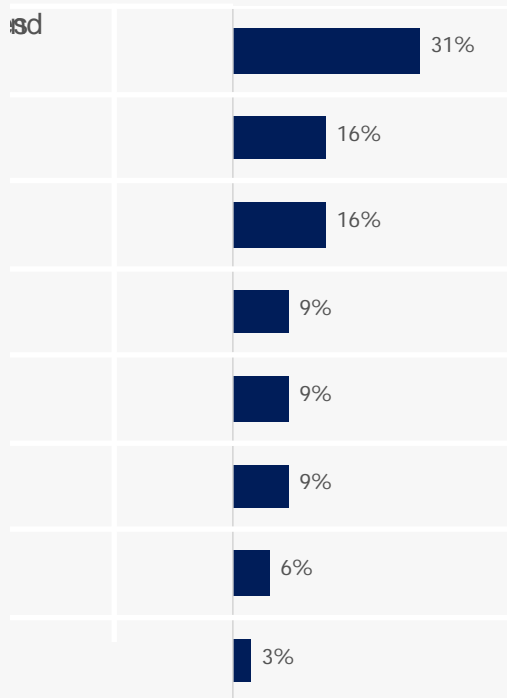
Business segment



Organization level



Industries



Job function

