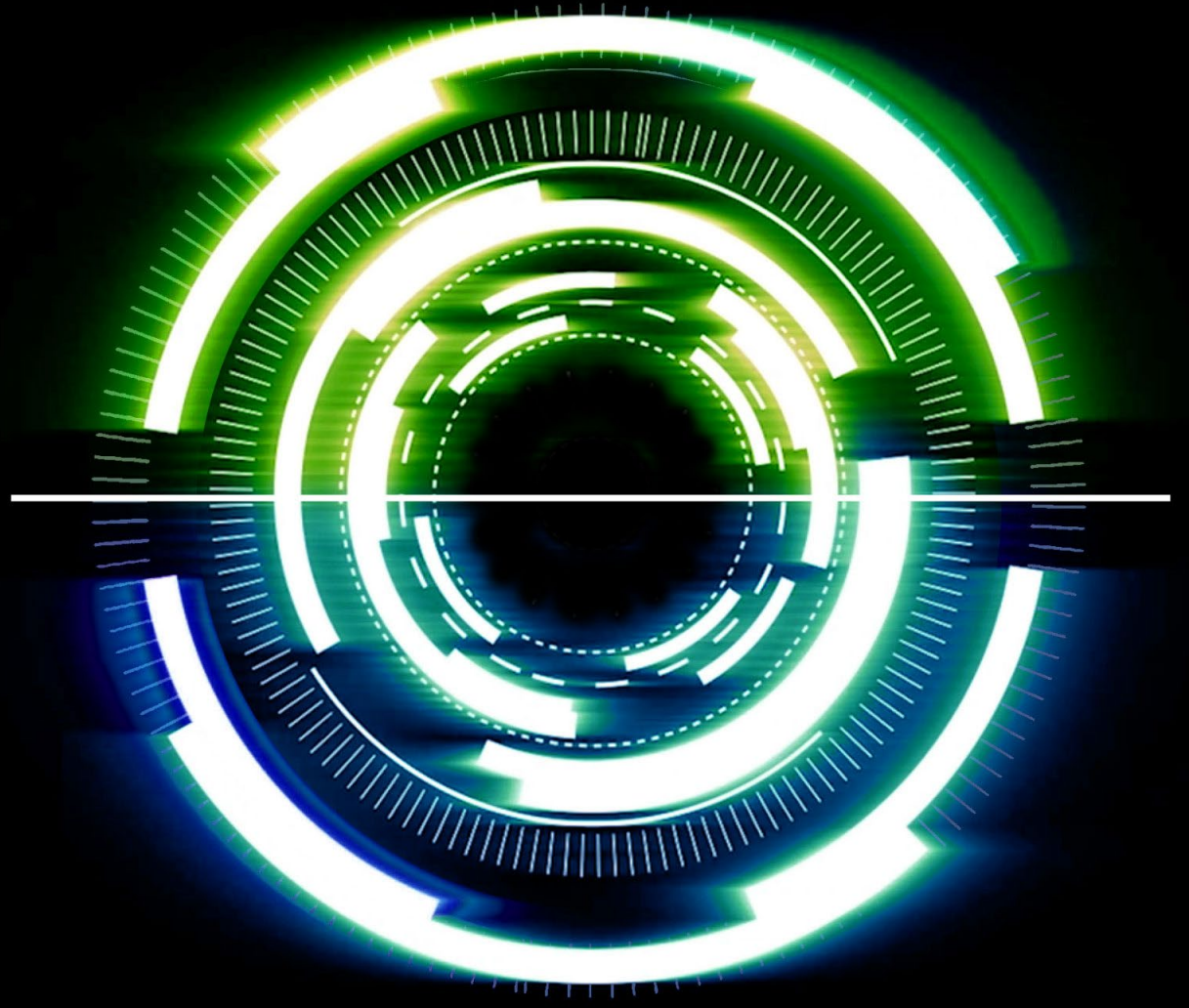


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Private company outlook:
Talent development



November 2024

Deloitte Private asked **100 private company leaders** about their approach to talent development currently and in the next 12 months.

METHODOLOGY

Deloitte Private's pulse survey, "Private Company Outlook," gauges private company leaders' perspectives on opportunities and risks to business now and in the future.

The survey of 100 private company leaders was conducted online by an independent research company between October 7 and 10, 2024. Respondents represented C-level, president, board member, partner/owner roles at private companies in the US with annual revenues of US\$100 million to US\$1 billion+.

Leadership succession emerged among top business priorities as private companies develop leaders from within

Private company leaders surveyed said that productivity (36%), leadership succession (33%) and hiring talent (32%) were the top business priorities in the coming months. By comparison, managing liquidity (5%) and pursuing M&A (4%) appeared lowest on their list of top business priorities, suggesting more optimism about their company financial condition.

Survey respondents said that reverse mentoring (69%) is the #1 talent development strategy their organizations have implemented within the last 12 months. Looking ahead, 72% said their organizations use of apprenticeship or mentoring programs will increase or significantly increase in the next 12 months.

Private companies prioritize engagement and productivity among employee development programs

Employee engagement (71%) was the most important outcome of employee development programs, according to survey responses. Productivity followed at 59%, a number that rose to 80% among companies with under \$500 million in annual revenue.

Investments in such programs are expected to increase, despite implementation challenges. Nearly three-quarters (73%) of survey respondents said their organizations plan to increase overall investment in talent development. However, more than half noted challenges when implementing new talent initiatives, including the potential for low employee engagement (59%), uncertainty measuring effectiveness (57%) and disruption to current workflows (55%).

Larger private companies emphasize in-person connection, while smaller ones choose collaboration technology in a hybrid work environment

Among respondents from organizations with \$500 million or more in annual revenue, 87% said dedicated in-office events would increase or significantly increase in the next 12 months – compared with only 9% from private companies with under \$500 million. Among this smaller company cohort, 67% said investing in collaboration and productivity technology will increase or significantly increase.

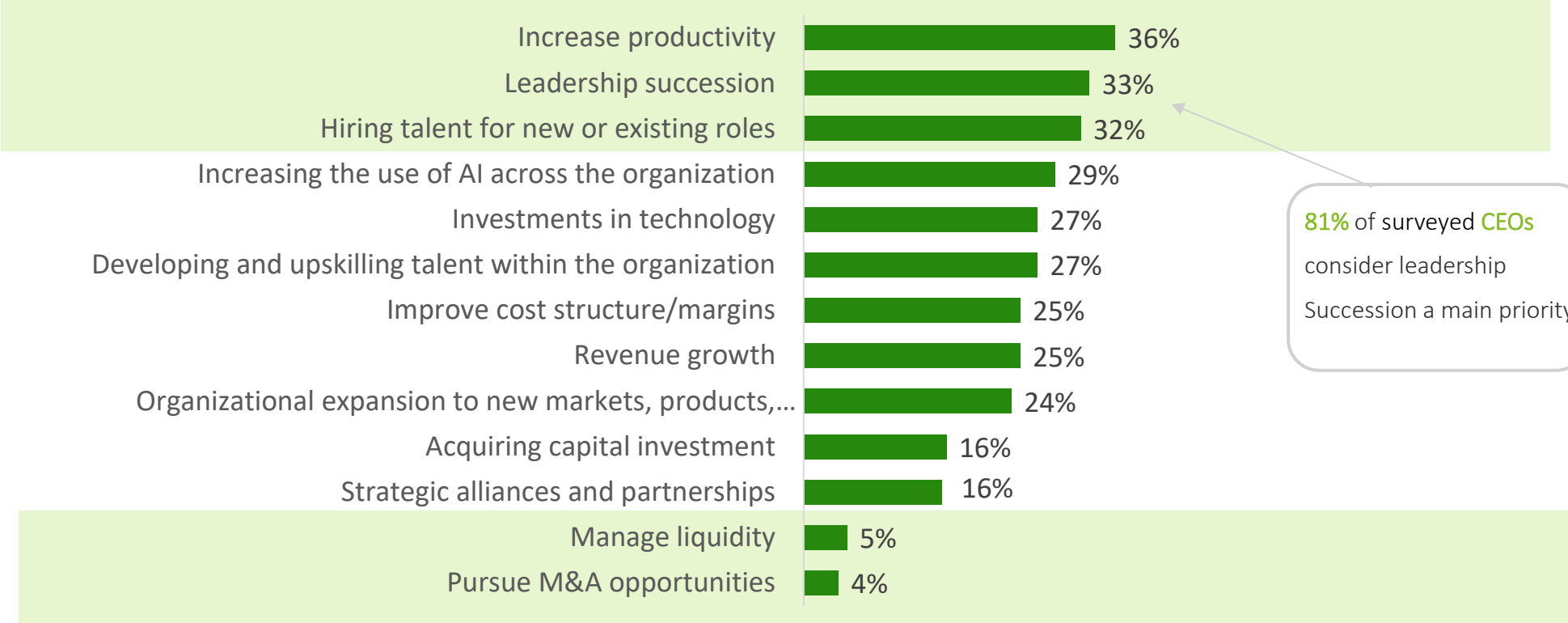
When asked what is the most effective way of connecting employees to corporate culture overall, private company leaders cited learning and development (41%), followed by visibility into the company strategy (34%) and community involvement initiatives (32%).

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Among private company leaders surveyed, **increasing productivity, leadership succession and hiring talent** for new and existing roles are top business priorities in the next 12 months. Only a small percentage of respondents pointed to **managing liquidity and M&A** as top priorities in the year ahead.

What are the main priorities for your business over the next 12 months?

(Select up to three.)

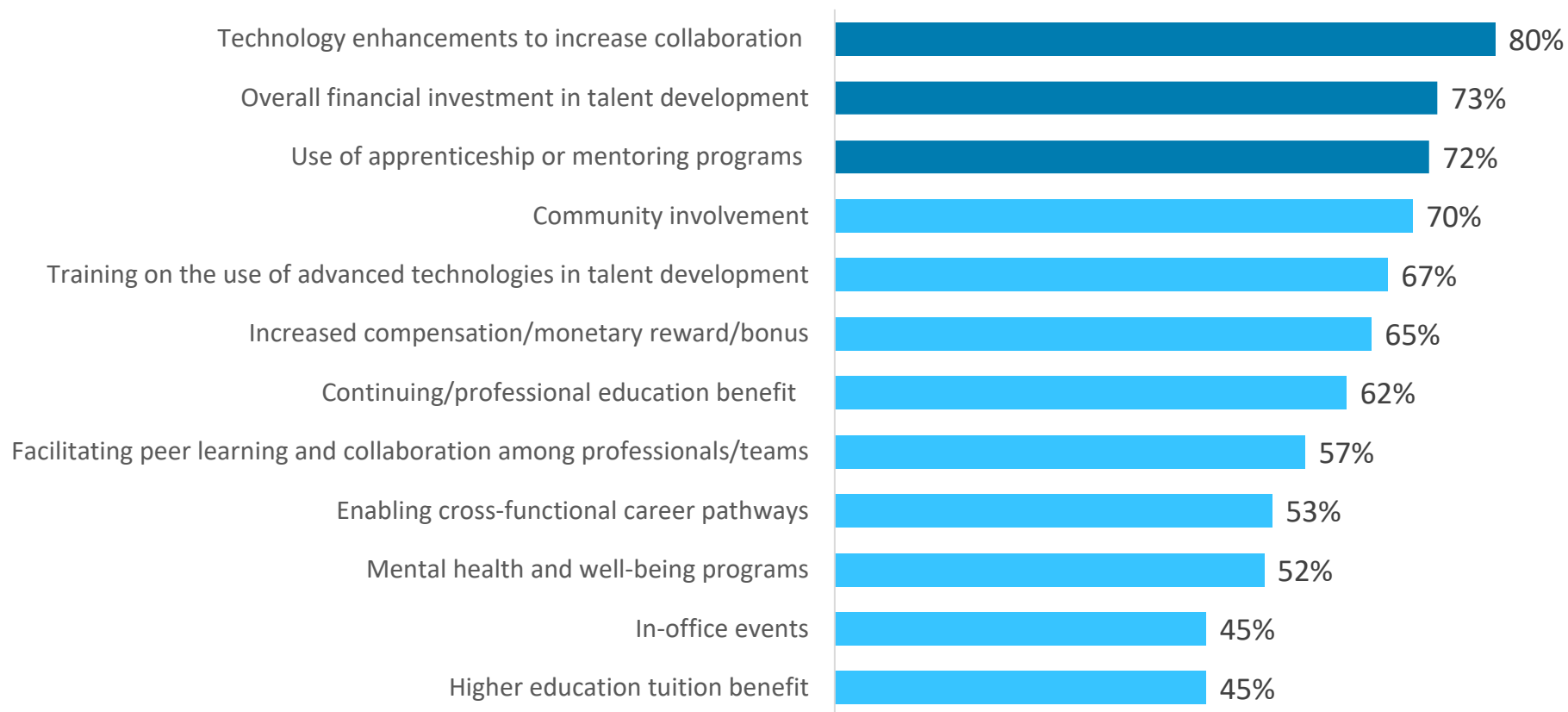


81% of surveyed CEOs consider leadership Succession a main priority

Respondents said they expect **technology enhancements to increase collaboration (80%)** will *increase or significantly increase* within their organization in the next 12 months, followed by their **overall investment in talent development (73%)** and **use of apprenticeship and mentoring programs (72%)**.

How do you anticipate the following aspects will change in your organization over the next 12 months?

(Percentage responding “increase” and “significantly increase”)

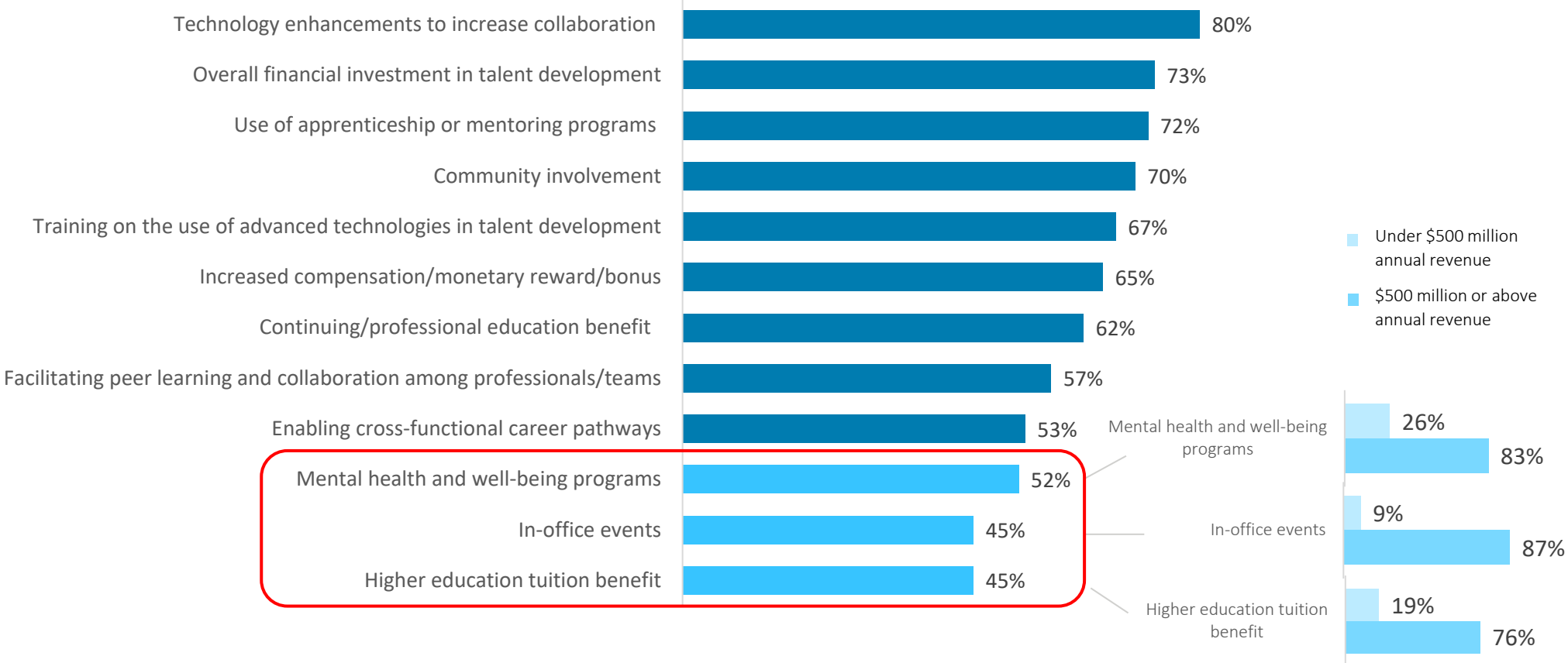


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The percentage of respondents indicating that **mental health and well-being programs, in-office events and higher education tuition benefits** would increase or significantly increase over the next 12 months was notably higher among leaders from organizations with annual revenues of \$500 million+.

How do you anticipate the following aspects will change in your organization over the next 12 months?

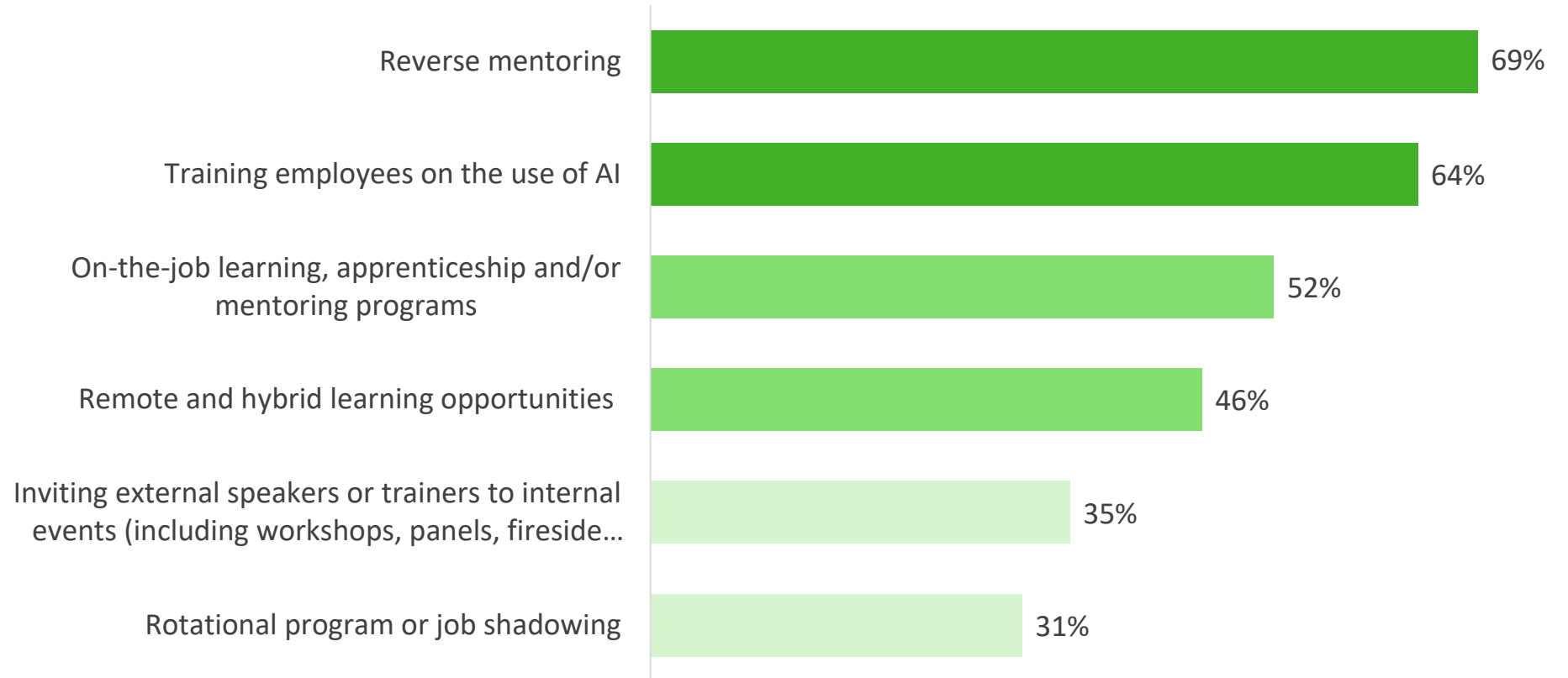
(Percentage responding “increase” and “significantly increase”)



Reverse mentoring (69%) emerged as the top strategy for talent development over the last 12 months, according to survey responses.

Which of the following strategies has your organization implemented in the past 12 months for talent development?

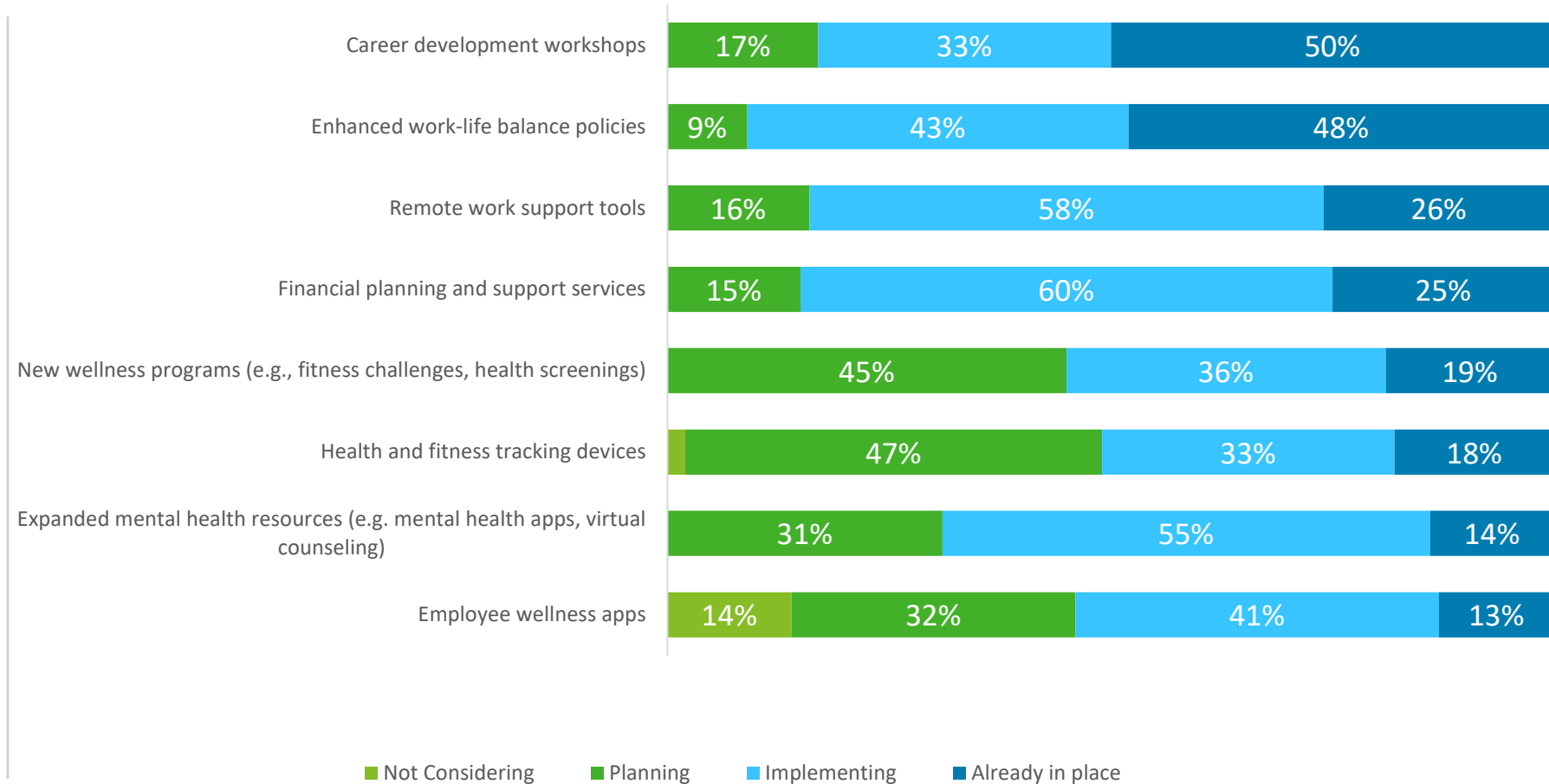
(Please select all that apply.)



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Roughly half of private company leaders surveyed said their organizations have **career development workshops (50%)** and **enhanced work-life balance policies (48%)** in place, and more than 7 in 10 are planning or implementing other programs including remote work support tools and financial planning and support services.

Rate your organization's current utilization of the following well-being measures, technologies or tools.



Learning and development programs are considered the most effective way to *connect employees to the organization's culture and values*, according to respondents.

Which of the following initiatives do you believe are most effective at connecting employees to your organization's culture and values?

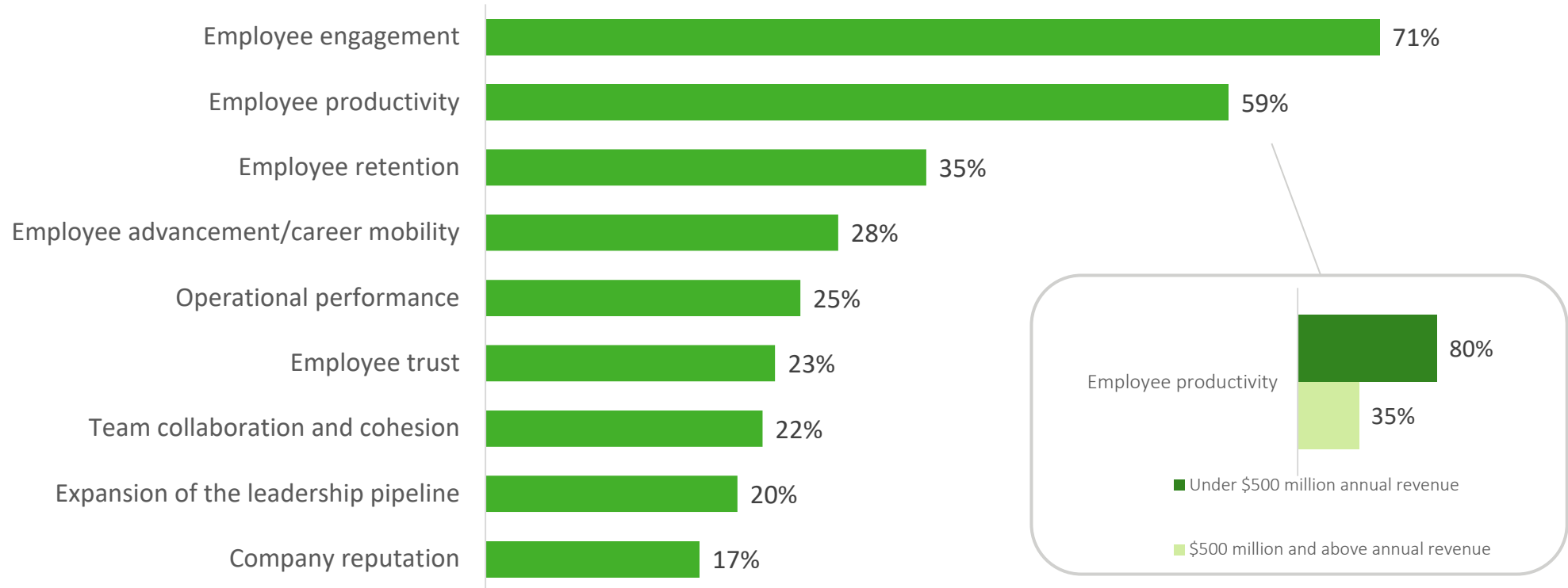
(Select up to three.)



Among private company leaders surveyed, **71% said employee engagement** is one of the most important outcomes of employee development programs. **Employee productivity** was particularly important among respondents from organizations with under \$500 million in annual revenue.

Which are the most important outcomes of employee development programs?

(Select up to three.)



Over half of respondents (56%) said their organizations use **employee engagement and satisfaction surveys** to evaluate the effectiveness of talent development strategies. Roughly half (49%) cited **productivity levels**.

What metrics does your organization use to evaluate the effectiveness of its talent development strategies?

(Please select all that apply.)

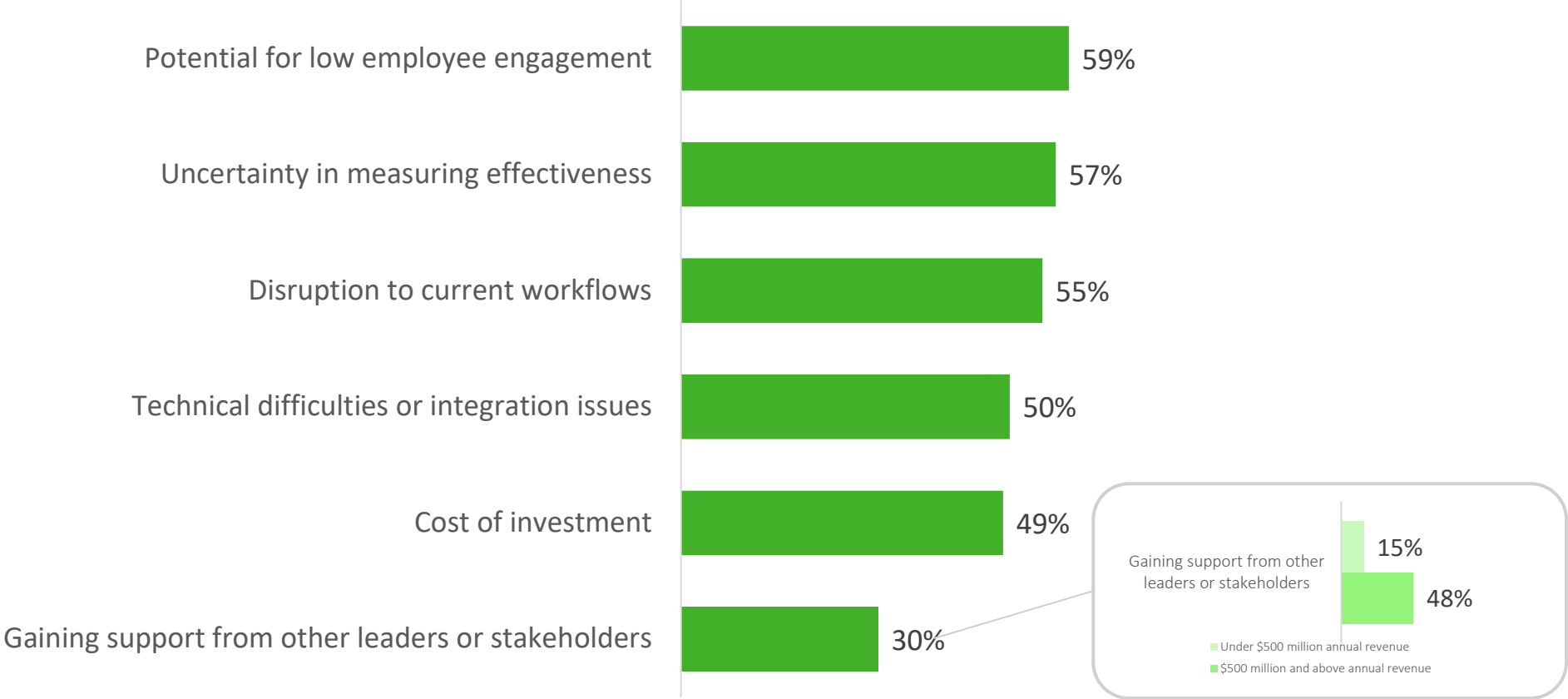


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Private company leaders surveyed indicate their organizations face an **array of challenges** when implementing new talent development initiatives. Organizations with \$500 million or more in annual revenue were **3X more likely** to consider gaining support from other leaders or stakeholders as one of their biggest challenges compared with those with less than \$500 million.

What are the biggest challenges your organization anticipates or has confronted when implementing new talent development initiatives?

(Select up to three.)

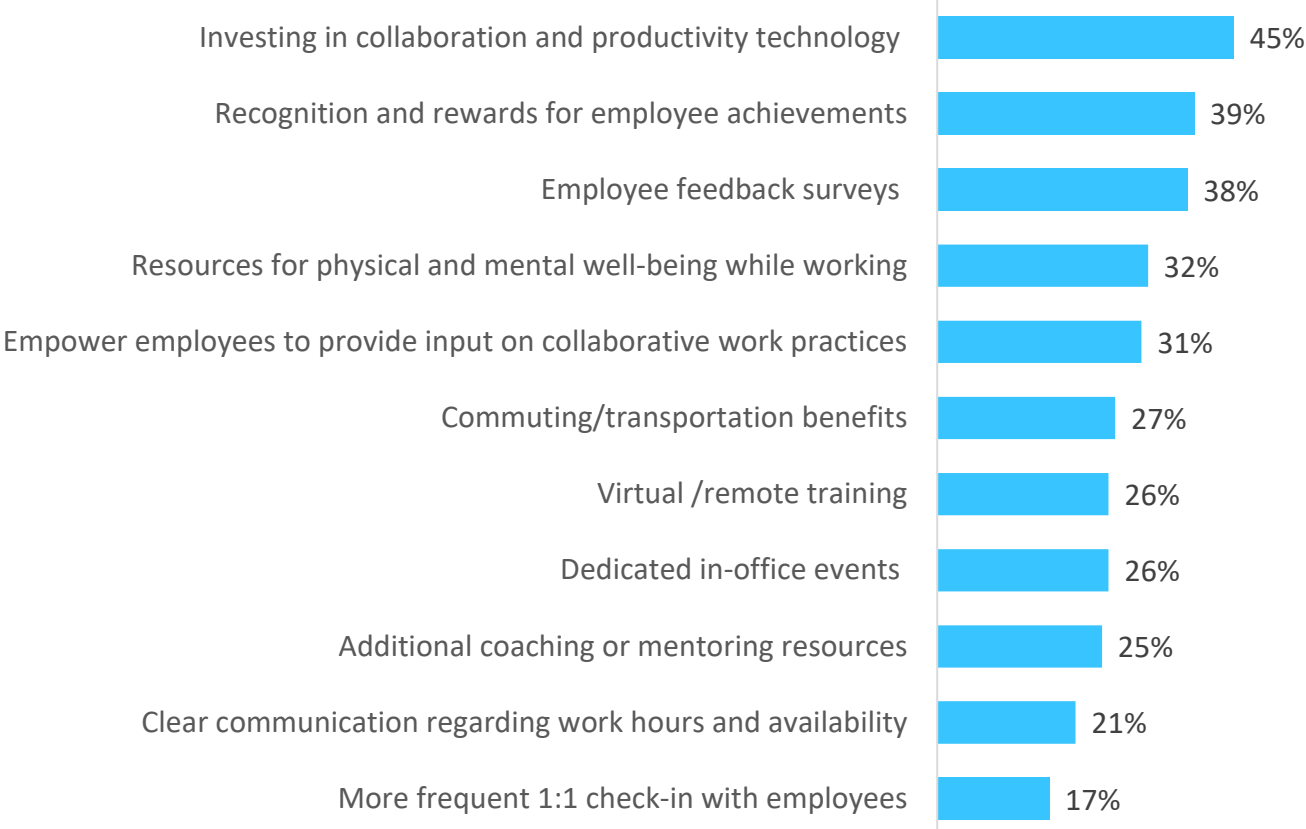


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Respondents consider investing in **collaboration and productivity technology** (45%) the most effective approach *to maintaining corporate culture in a hybrid work environment*, followed by **rewards and recognition for achievements** (39%) and **employee feedback surveys** (38%).

In your opinion, what approaches are most effective at maintaining corporate culture in a hybrid work environment?

(Please select all that apply.)

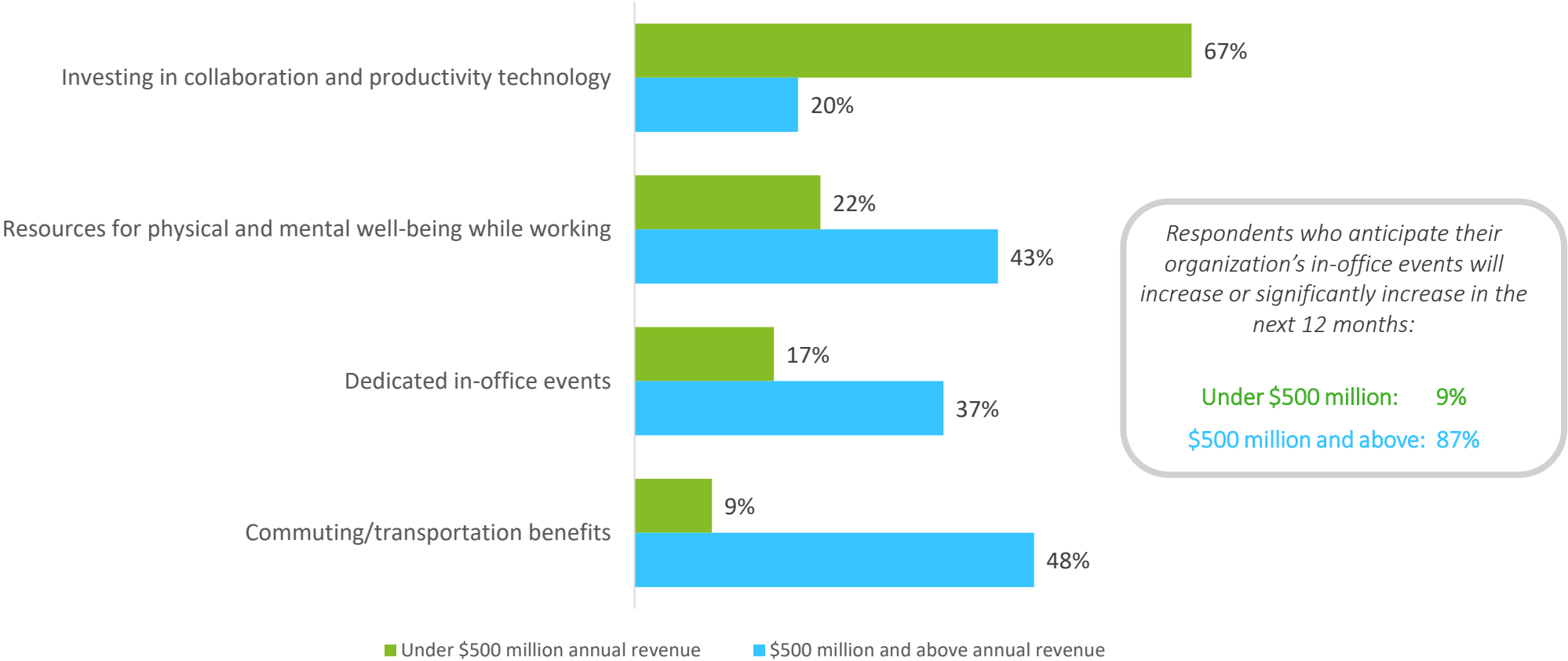


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Respondents from organizations with \$500 million or more in annual revenue more frequently cited **in-office events, mental and physical well-being resources, and commuting benefits** as effective approaches to maintaining corporate culture in a hybrid work environment than those from organizations with less than \$500 million.

In your opinion, what approaches are most effective at maintaining corporate culture in a hybrid work environment?

(Please select all that apply.)



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