



Fuel50 Global Talent Mobility Best Practice Research

The Future of Work: Strategic Priorities of HR Best in Class
Organizations vs. "the Rest"

Part 2/6



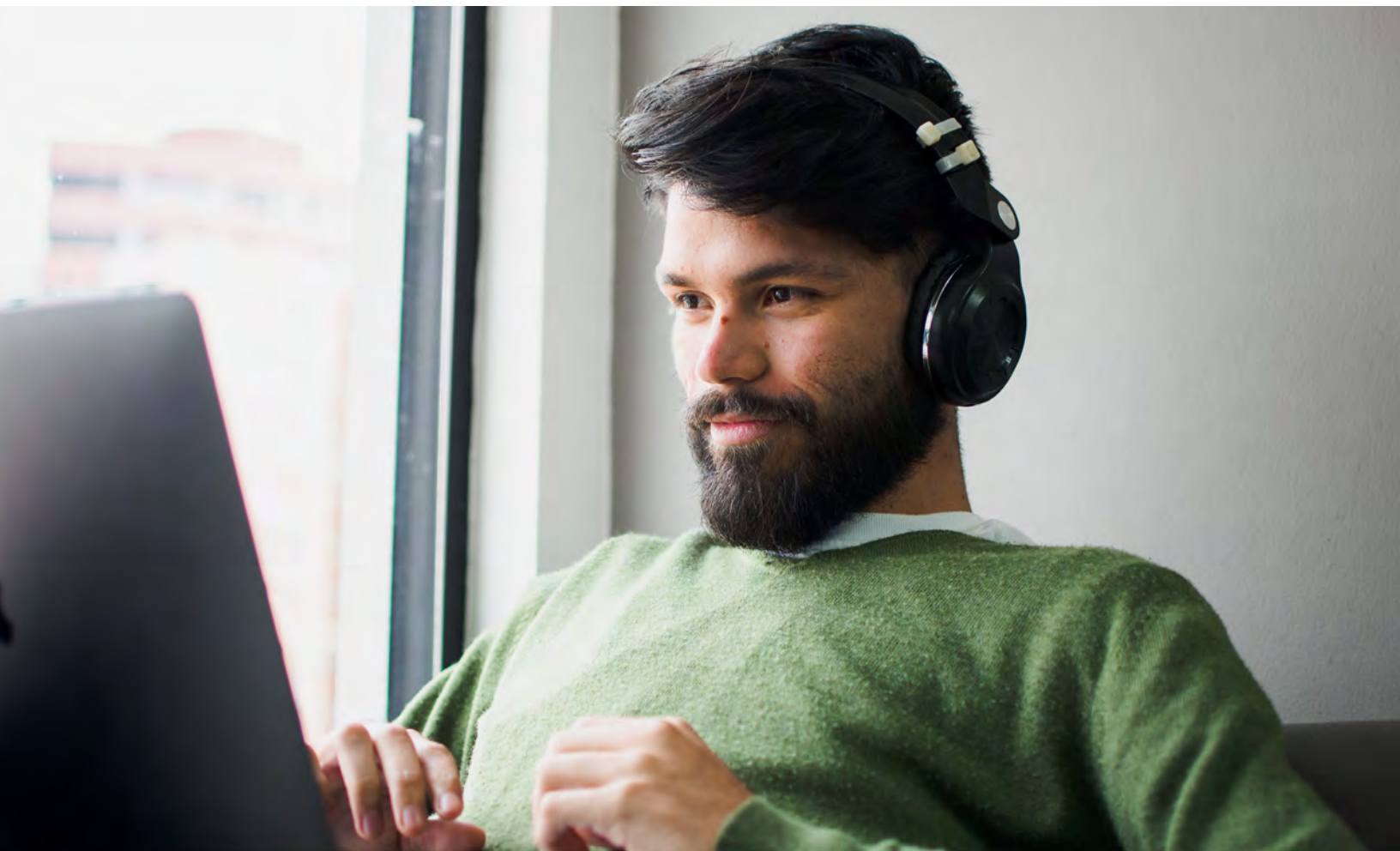
Fuel50 conducted best practices research on current talent mobility experiences, best-in-class talent mobility, and the imperatives for talent mobility in the future across high-performing organizations around the world.

This report is the second of a six-part series detailing the key findings from our research study and extensive analysis of workforce and talent mobility trends.

The goals of the study were as follows:

- To understand current trends in internal talent mobility and workforce reskilling across the globe
- To learn what best-in-class career growth and talent mobility looks like today
- To ascertain the key imperatives for talent mobility in the coming decade

Read more about our research design and audience [here](#).



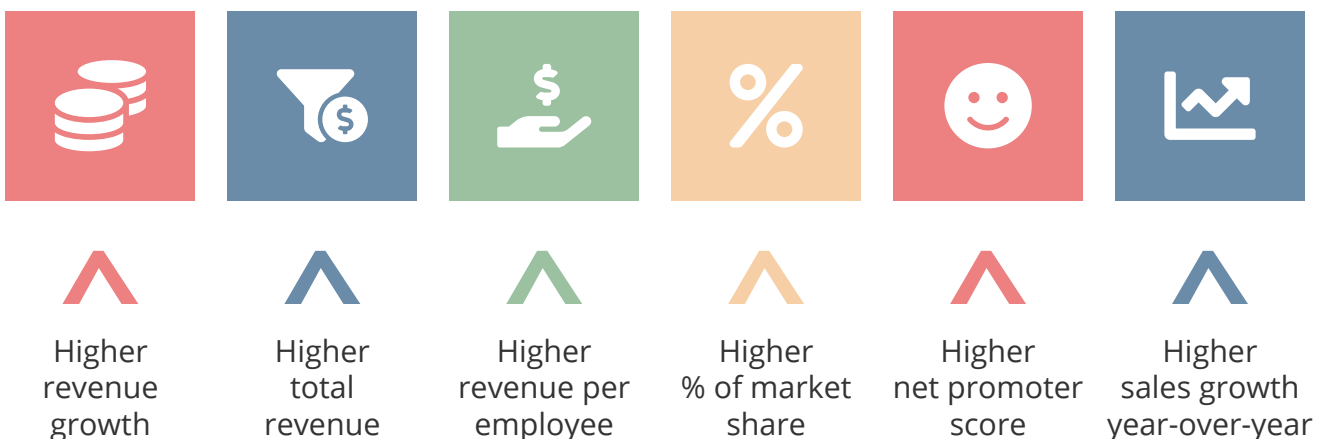
The Future of Work: Strategic Priorities of HR Best in Class Organizations vs. “the Rest”

Defining Best Practice

Our best practice research explored how talent mobility experiences differ across high-performing organizations. We categorized high performance in two ways - “Business Performance” and “HR Best in Class.”

Business Performance: We identified organizations that had performed in the top 25% of our sample audience who, in the last 12 months, had demonstrated higher revenue growth, total revenue, revenue per employee, percentage of market share, net promoter score, and sales growth year-over-year. We asked HR Leaders to rate how several business metrics have been impacted over the last year (i.e., decreased, stayed the same, increased across revenue growth, revenue per employee, percentage of market share and sales growth year-on-year).

Top “Business Performance” organizations demonstrated:



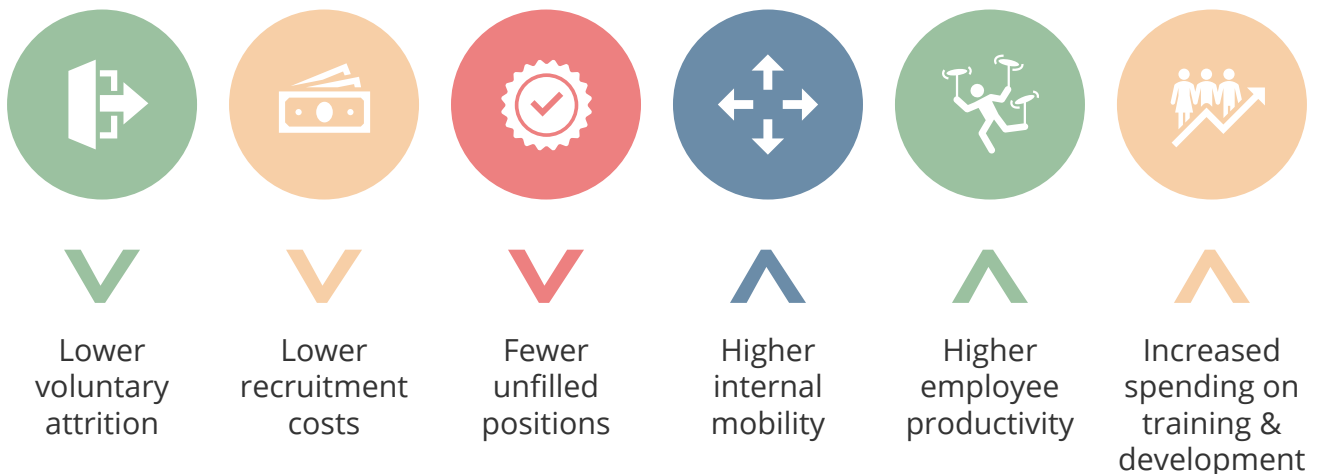
Source: Fuel50, Talent Mobility Benchmarking Study 2021

The organizations that were classified as top 25% in Business Performance had the following characteristics:

- The majority come from Professional, Scientific, and Technical Service industries (26%);
- The majority are large organizations with 10,000+ employees (35%);
- The sample includes organizations in North America, Europe, Asia, and the UK

HR Best in Class: Next, we segmented our respondents according to how several HR metrics have been impacted over the last year (i.e., decreased, stayed the same, increased). Based on their responses, we were able to identify organizations that performed in the top 17% of our sample in terms of HR Metrics. In the last 12 months, these organizations reported less voluntary attrition, higher internal mobility, lower recruitment costs, fewer unfilled positions, higher employee productivity, and increased spending on training and development.

“HR Best in Class” organizations demonstrated:



Source: Fuel50, Talent Mobility Benchmarking Study 2021

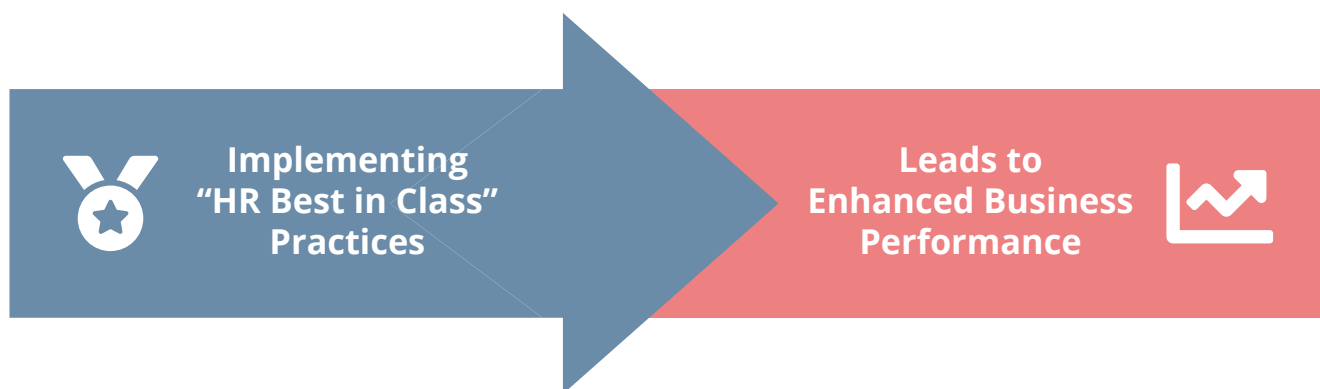
The best-in-class HR practice group had these characteristics:

- The majority come from the Professional, Scientific, and Technical Service industry (28%);
- The majority are small organizations with less than 999 employees (72%);
- The majority of spending is between USD 500-1000 a year per employee on training and development;
- The sample includes organizations in North America, Europe, Asia, and the UK

Our research found a strong link between “HR Best in Class” and “Business Performance” (r =.443 p < .001)**

Organizations in our sample that ranked as “HR Best in Class” (i.e., they had lower voluntary attrition, higher internal mobility, lower recruitment costs, fewer unfilled positions, higher employee productivity, increased training, and development spending) also outperformed organizations in business performance (i.e., they had higher revenue growth, total revenue, revenue per employee, % of market share, net promoter score, sales growth year-over-year).

Why should organizations strive to be “HR Best in Class”?



Source: Fuel50, Talent Mobility Benchmarking Study 2021

This finding, that “HR Best in Class” is strongly linked to “Business Performance” based on our research findings, provides a compelling reason for organizations to pivot their focus to implementing the tactics and focus areas highlighted in this report to drive enhanced HR practices - leading to increased business performance. Our key findings about the “HR Best in Class” group of organizations included some insights on what was being prioritized in their business.

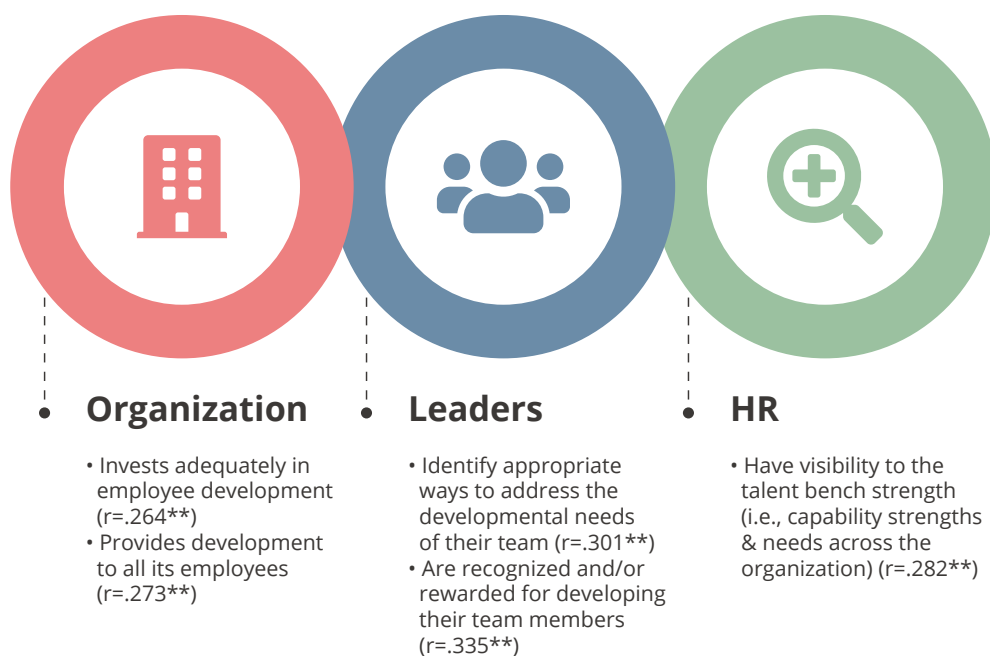
What do “HR Best in Class” organizations prioritize?



Source: Fuel50, Talent Mobility Benchmarking Study 2021

Our research found that the “HR Best in Class” group were investing in some critical levers to drive better performance on HR metrics across three audiences – the organizational lens, the leader lens, and the HR lens. Investing in employee development was strongly correlated with best-in-class organizational performance ($r=.264^{**}$), as well as enabling leaders to support employee development ($r=.301^{**}$), while HR were enabled to have talent and skills intelligence to have visibility to bench strength ($r=.282^{**}$).

The Critical Levers to “HR Best in Class”



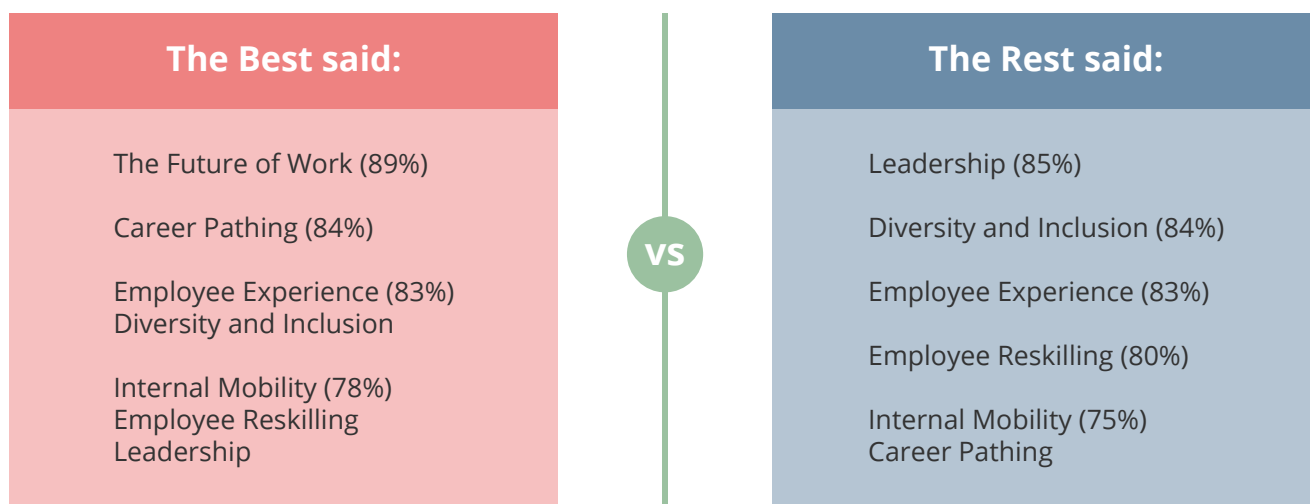
Source: Fuel50, Talent Mobility Benchmarking Study 2021

The Top Strategic HR Priorities

With the world of work evolving so rapidly, we wanted to explore what strategic HR priorities and business practices organizations are focusing on now and what they intend to focus on for the future.

We asked HR Leaders across the globe what their top strategic HR priorities are for the next two years. What we found was that “HR Best in Class” organizations are prioritizing the future of work. Whereas for the rest of organizations, the future of work didn’t even make it into the top five.

What are the top strategic HR priorities for your organization?



Source: Fuel50, Talent Mobility Benchmarking Study 2021

Progressive organizations in the best-in-class HR practice group (i.e., “HR Best in Class”) are prioritizing the future of work (89%), career pathing (84%), employee experience (83%), diversity and inclusion (83%), and internal mobility, employee reskilling & skill building, and leadership (78%).

Meanwhile, the rest are prioritizing leadership (85%), diversity and inclusion (84%), employee experience (83%), employee reskilling & skill building (80%), and internal mobility and career pathing (75%).



Top Findings on The Future of Work

The global pandemic has driven significant acceleration to the future of work, with the overnight pivot to remote work and people leveraging technology in new and innovative ways. As we shift towards an increasingly digital standard, the preferences and expectations of employees are dramatically changing. For organizations to build successful environments for their workers, more progressive strategies must be implemented.

Gartner states, “Leaders need to consider the predictions for what the future of work will look like and assess the likelihood of each trend impacting the organization.”¹

Those organizations that prioritize the future of work will be best-prepared and ready to respond to whatever the future may bring. Here are three (3) key findings on the future of work that emerged from our research:

Agile skills and project-based workforces are here to stay.

A few years ago, McKinsey observed that the agile organization was becoming the new organizational paradigm.² Fast forward to today and we now know that not only was that prediction spot-on, but that building an agile workforce has become critically important for any organization looking to grow and be highly successful for today and tomorrow.

Agility and resilience in the workforce are in hot demand right now. People are pivoting, upskilling, and being redeployed into different parts of the business so having an agile workforce that is skill-ready enough to be reassigned internally is something of incredible economic value.

According to Forbes, project-based work has clear goals, milestones, and deliverables, with defined start and end dates.³ Projects or gigs may take hours, months, or longer, with the work aligned to business needs and objectives, not specific roles. And the individuals brought together to work on projects could be permanent employees or freelancers.

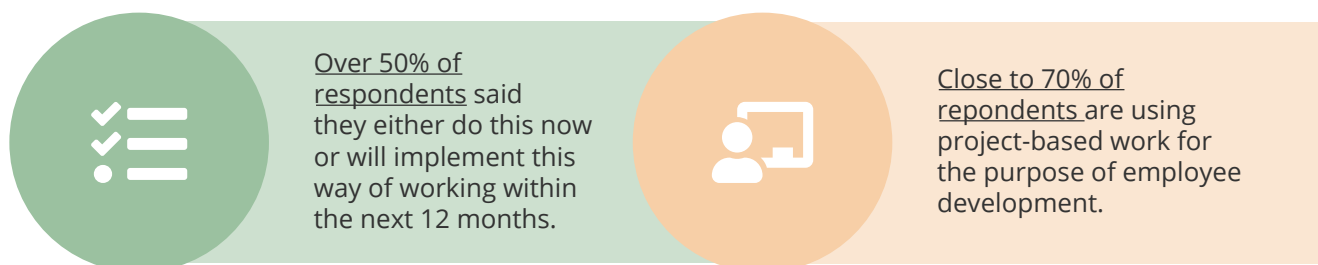
An evolving trend emerged from our research with close to 70% of respondents using project work for employee development. The feedback loop that takes place after a project or gig, for the skills and contributions that that person

has made, becomes a kind of virtuous gain cycle. It is a success spiral for the individual and for the business – a learning loop. Therefore, there is the opportunity for employee development and more workforce agility as there are more people ready, skilled, and able to support with rapidly changing business demands.

Over 50% of our respondents said they currently have a project-based workforce or intend to implement this way of working within the next 12 months. Organizations that have already implemented agile skills and a project-based workforce cite increased innovation, speed, and efficiency due to being able to draw on the required skills both internally and externally.

Based on our findings, we are confident that agile skills and project-based workforces are here to stay.

Organizations are shifting to agile skills and project-based work



Source: Fuel50, Talent Mobility Benchmarking Study 2021

Holacracy may be the future, but most are not ready to relinquish job titles just yet.

Job titles have been a hot topic of discussion over the years. It is fair to say that many people advocate for job titles as they effectively communicate the type of work someone does and their level of experience.⁴ As quoted by Harvard Business Review, your job title can have a big impact on your day-to-day happiness and engagement, says Dan Cable, professor at London Business School. "It is a form of self-expression in the workplace," he says. "It is a symbolic representation of what you do and the value that you bring."⁵

But equally, they can be vague, meaningless, and inconsistent from organization to organization. According to Fast Company, Pearl Meyer data found that nearly 30% of firms have job-titling practices that can vary from one department to another.⁶

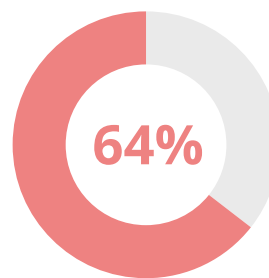
Several futurists have predicted that organizations will relinquish job titles altogether, opting for employees to be recognized simply by the skills, capabilities, and experiences they possess. In their view, employees will move from project to project rather than being restricted to a specific role or job title.

We can also look to progressive organizations such as GoreTex, Patagonia, and Zappos who are championing completely flat organizational structures,

and a way of working that does not require restrictive job titles. As Tony Hsieh, CEO of Zappos, explains, "Research shows that every time the size of a city doubles innovation or productivity per resident increases by 15 percent. But when companies get bigger, innovation or productivity per employee generally goes down. So, we're trying to figure out how to structure Zappos more like a city, and less like a bureaucratic corporation. In a city, people and businesses are self-organizing. We're trying to do the same thing by switching from a normal hierarchical structure to a system called Holacracy, which enables employees to act more like entrepreneurs."⁷

However, this vision of a work-world without job titles is not supported by our research. 64% of respondents said they have no intention of moving to a 'job title-less' workforce. This suggests that job titles are here to stay and while organizations will move to more project-based work, people will continue to play specific roles within the project teams they are members of, i.e., analyst, project manager, online marketer.

The Future of Work: Job Titles



64% of respondents said they have no intention of moving to a 'job title-less' workforce.

Source: Fuel50, Talent Mobility Benchmarking Study 2021

Talent pools are changing shape.

Introducing Horizon Talent Pools

Our research has revealed that many organizations are now seeking to move to a broader view of their talent, what we call “Horizon Talent Pools.” Horizon Talent Pools emerge when an organization utilizes the skills and capabilities of both its internal talent pool and a contingent workforce (i.e., part-time employees, contractors, and gig workers). But for organizations to mine the skills internally and externally, they need technology to enable visibility to their talent bench strength.

We found that 55% of organizations currently utilize a contingent workforce to draw on part-time employees, contractors, and gig workers to source the skills they need. However, only 30% of respondents have visibility to their talent bench strength across both internal and external populations.

Our prediction is that acquiring technology to enhance talent visibility will be a strategic priority for organizations over the next 24 months to ensure that they can effectively leverage the capabilities and skills available to them. This prediction is supported by our finding that one in four respondents intend to increase their scope of visibility to talent within the next 12 months.

Organizations are seeking a broader view of their talent

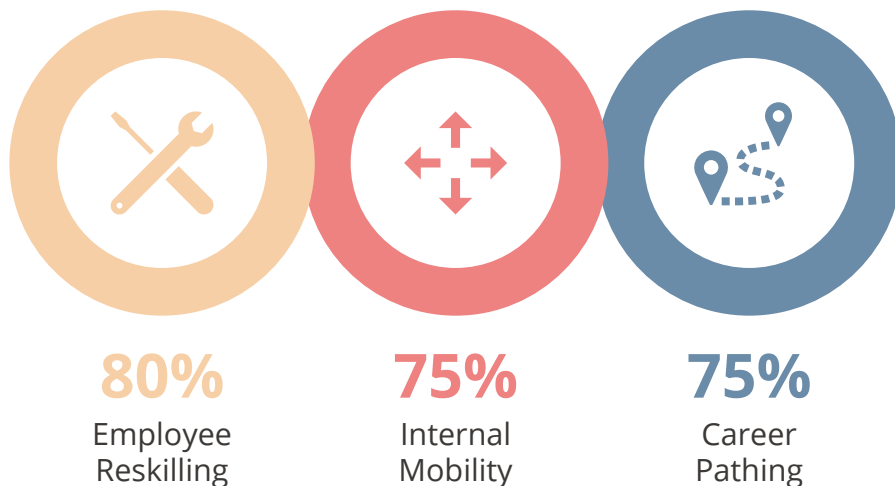


Source: Fuel50, Talent Mobility Benchmarking Study 2021

Talent Visibility is a Crucial Component

Despite over 75% of organizations having strategic HR priorities aimed at understanding, building, and mobilizing their talent, less than half of HR leaders had visibility to the skills and capabilities within their organization.

HR Leaders' strategic organizational priorities for the next 2 years



Despite this, **only 43% of HR leaders have visibility to their talent bench strength** across the organization (rising slightly to 47% for critical roles).

Source: Fuel50, Talent Mobility Benchmarking Study 2021

If organizations were to give HR leaders visibility to their employees' capabilities and skills, they could start to unlock the full potential of their workforce and do incredible things. Too often there is an unrealistic expectation that HR and business leaders should be able to drive positive change in an organization, without critical information on the talents, skills, and experience that already exists their employee population.

Revealing the hidden talent in any organization requires transparency to the skills and capabilities that people currently possess, as well as those that they are willing to grow and develop. However, 39% of HR leaders said their HR teams do not have access to tools to help them search for skills and capabilities across the organization to build talent pipelines.

What we know about organizations with high visibility to their talent

Those organizations and HR teams that had high visibility to their talent bench strength (i.e., capability strengths & needs), with tools to help them search for skills and capabilities across the organization to help build talent pipelines, were more likely to fill positions internally and have better diversity practices.

Benefits of High Visibility to Talent Bench Strength



Source: Fuel50, Talent Mobility Benchmarking Study 2021

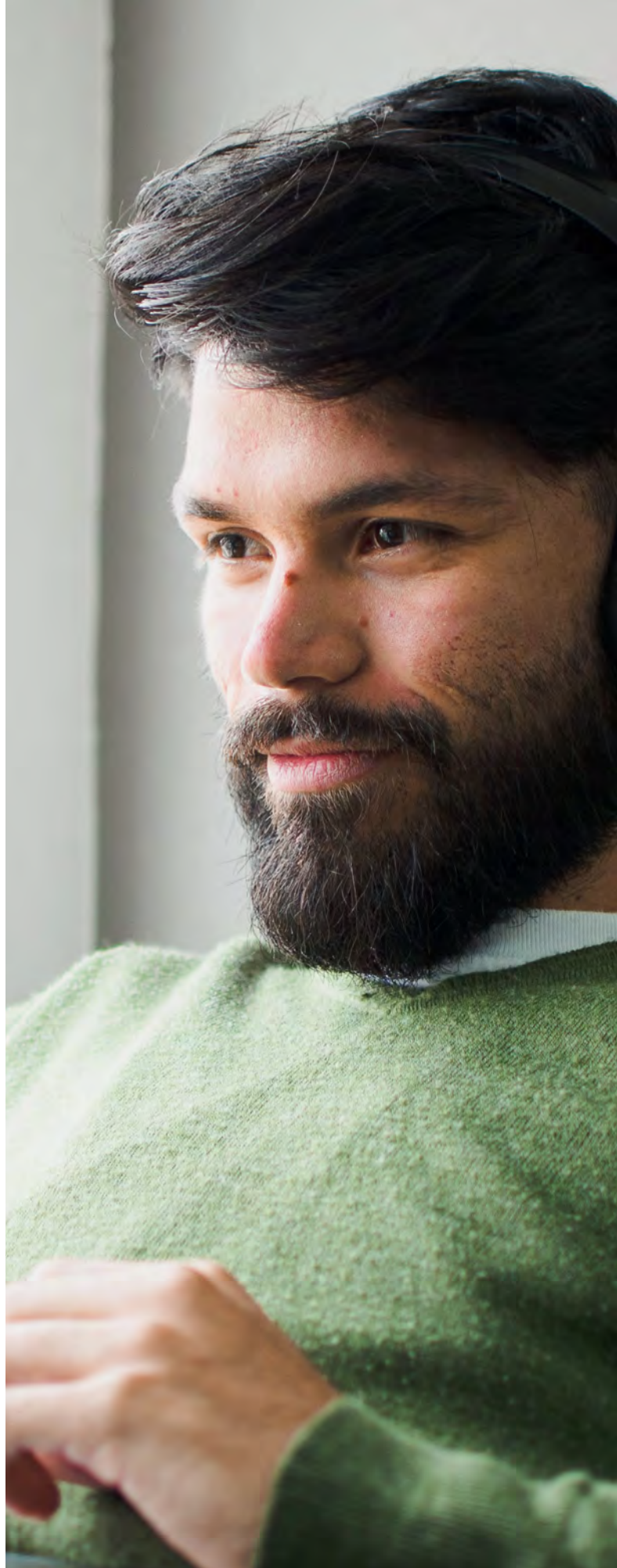
1. More Positions Filled Internally

Organizations with high visibility to their talent were more likely to have well-embedded and effective internal recruitment practices. This gives them the ability to find and fill roles internally, rather than relying heavily on external recruitment practices.

Providing visibility to employees' capabilities and skills also gives HR leaders and teams the ability to approach employees about open positions. The benefits of this include reduced recruitment costs and increased time to productivity, while increasing talent retention and engagement.

2. Better Diversity Practices

Organizations with high visibility to their talent were more likely to prioritize and promote diversity and inclusion. More specifically, they were enabled to actively promote diversity at all levels of the organizational hierarchy. They were also able to identify and actively retain diverse talent, focus on diversity and inclusion practices as a strategic goal, and set diversity-related recruitment goals. As a result of this, they were then able to report publicly on their diversity and inclusion people metrics.



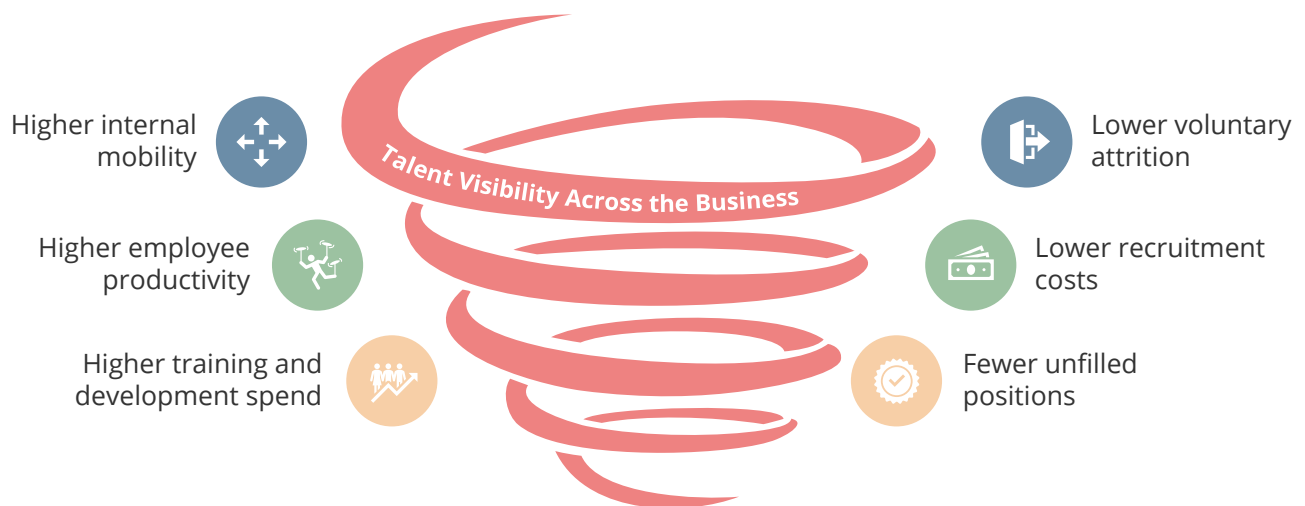
What business outcomes did organizations see from giving HR increased talent visibility?

Our research found that those organizations with HR teams that had visibility to talent across their organization, possessing tools and technology to help them build talent pipelines, were more likely to have:

- Higher internal mobility
- Higher employee productivity
- Higher training and development spend
- Lower voluntary attrition
- Lower recruitment costs
- Lower unfilled positions

Best-in-class organizations are investing more in training and development to achieve these gains.

Business Outcomes from Giving HR Increased Talent Visibility



Source: Fuel50, Talent Mobility Benchmarking Study 2021

As aforementioned, our findings show that HR leaders have the desire to expand their visibility to talent to include both internal and external employee skills and capabilities. However, less than 33% of organizations currently have the technology to see their talent and only 25% want to acquire technology to enable this visibility within the next 12 months.

How can organizations increase their levels of talent visibility?

Future-ready organizations are leveraging technology — like AI — to create talent marketplaces that focus on employee connectivity and make a significant impact in the transformation of a workplace. This technology really helps open doors for not only employees, but the HR teams who are tasked with recruiting and retaining the best teams possible.

With AI, companies can determine where to redeploy people based on their core talents and interests, or by identifying projects that employees might be interested in across the entire organization. Overall, this puts the power into the hands of employees (both internal and external) and allows them to have more access to open job and project opportunities, as well as increases their ability to connect with potential mentors, career paths, and necessary tools to grow future skills.

Investing in Talent Mobility

Results show that best in class career pathing and development practices are connected to improved HR functions and better business performance at large. A closer drill down into these relationships shows that best career engagement practices lead to business return primarily by building internal talent bench strength.

Top performing organizations built a broad and diversified internal talent pool, which provided them with sufficient internal talent to address strategic challenges. Leveraging Fuel50 Career Engagement Benchmark Practices, they were able to correlate overall revenue growth and revenue growth per employee with improvement on a range of key HR performance metrics including reduced attrition, reduced absenteeism, and lower overall recruiting costs ($r=.421^{**}$).

Source: [Fuel50 Career Engagement Benchmarking Research](#)⁸

The Future of Work Belongs to the Flexible, Agile, and Resilient

Ultimately, HR teams and leaders have an important role to play in this new world of work. As David Perring, Director of Research at Fosway Group highlights, “Organizations achieve through their people. So, the opportunity to create higher-performing organizations is really at HR’s fingertips – if we choose to harness it.”⁹

But despite what many futurists and analysts are saying, most organizations are not ready for the future of work yet.

Most Organizations are Not Ready for the Future of Work



Source: Fuel50, Talent Mobility Benchmarking Study 2021

People practices, business practices, and strategic HR priorities will need to be better than they were last decade. More human-centric, intelligent, more robust in their skills and capability matching, more learning and growth-oriented, more enabling, and better able to deliver the talent optimization that organizations will need in the coming decade.



For organizations and HR leaders striving to be best-in-class, talent intelligence and talent decision-making right now are critical. Companies should ensure they have critical talent where they need it most and a talent supply to support that. That visibility to talent intelligence is gold dust for any organization.

Smart, forward-thinking organizations will focus on prioritizing this demand for talent visibility and will work to implement a new set of norms that both enable and encourage internal mobility.

There needs to be a deep systemic organizational commitment, investment, and passion for the growth of people and their skills, and within that, a commitment to harness internal mobility as a lever for building skills and growing talent.

Those that do this will be far more likely to thrive in the future of work.

About the Authors



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Anne Fulton the author of *The Career Engagement Game* (a blueprint for workforce agility), worked 20 years as an Organizational Psychologist, and is currently founder and CEO of Fuel50. Josh Bersin, Global HR Industry Analyst, describes Fuel50 as the leader in its thinking, conceptualization, and execution of the Talent Marketplace. Anne is recognized as a talent futurist, with her team supporting some of the world's leading organizations and brands like United Nations, Verizon, HPE, Coca-Cola and CVS, and many more who are innovating on the employee career experience. Anne is a true thought-leader in the HR space - and has been described by SIOP as "one of the best keynotes I have heard over the last three decades of attending conferences in our field."



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Marija is an Industrial/Organizational Psychologist and leads Fuel50's team of Workforce Architects. Marija is responsible for Fuel50's career architecture design approaches, and ensuring they drive business outcomes. Marija supports across Fuel50's clients, leading the design and delivery of career architecture. Marija's experience spans over 15 years of high impact consulting working in organizations such as IBM (London & Auckland), Kenexa, Imperial Tobacco and more. Marija is a sought-after speaker in the well-being, career management and organizational change space.

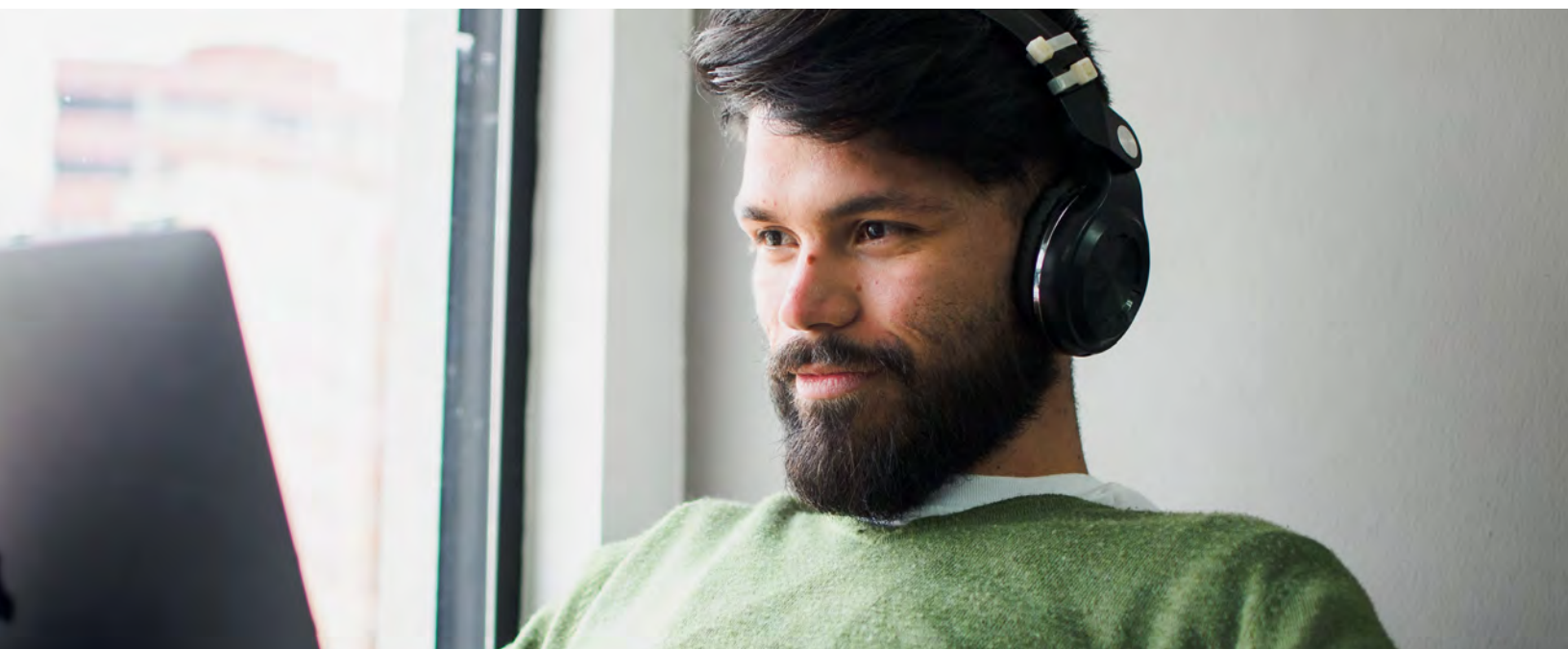
Research Design

Fuel50's Global Talent Mobility Best Practice Research was conducted to understand current talent mobility practices, best-in-class talent mobility, and the imperatives for talent mobility in the future across high-performing organizations around the world. We invited both HR Leaders and Employees to complete the survey via social media posts, direct email reach outs to Fuel50's valued community of clients and thought leaders, and by asking attendees at our virtual FuelX Conference in April 2021 to respond.

Within the sample of HR Leader respondents, the largest proportion worked for organizations within the industries of Professional, Scientific, and Technical Services (25%), followed by Finance & Insurance (9%). 37% of the HR Leaders were from organizations with over 10,000 employees. The majority of respondents organizations had a presence in North America (74%), followed by Europe (44%) and Asia (42%).

Within the sample of Employee respondents, 41% have been in paid, full-time employment for over 20 years, with 35% identifying as being in an Individual Contributor/Specialist role and 29% as a Senior Specialist. Most respondents (41%) worked in the industries of Professionals, Scientific, and Technical Services.

More than half (53%) of the sample were in North America, with the remainder located in Australasia (Australia and New Zealand) 17%, Europe 11%, Asia 11%, and the rest of the world 9%. [Click here for more details on the research design.](#)



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Thank You

This report is the second of a six-part series detailing the key findings from our research study and our extensive analysis of workforce and talent mobility trends.

We would love to hear from you. If you have any questions, suggestions, or feedback, please contact us at hello@fuel50.com.

We look forward to sharing more learning with you!

Fuel50 is the AI Talent Marketplace solution that delivers internal talent mobility and workforce reskilling.

With hyper-personalized AI and a deeply embedded commitment to diversity and inclusion, Fuel50 activates your talent. Fuel50's ethical AI matches your people to opportunities in real-time, automatically maps your workforce architecture, and provides deep data insights for predictive talent and workforce planning.

Over 80 organizations around the globe saw immediate impact since deploying Fuel50, with up to 65% increase in lateral movement, 35% increase in internal recruitment, and 60% reduction in employee churn.

Fuel50 powers the workforce of the future.

Learn more: www.fuel50.com

