

The 8 big trends and opportunities for Talent Leaders to deliver value in 2023



By Stephanie Peskett, David Bernal, Lisa Sprenkle, Michael Lehman, Lynn Collins, Lianne Yee, Jim Perry, Jerry Connor, Larisa Balleani, Andrew Burns, Brad Chambers

As 2023 kicks off in a flurry of economic uncertainty, political turmoil, and lingering pandemic impacts, Chief Talent and Learning Officers and their peers are doubling down on preparing their leaders and teams to survive, and more importantly thrive, in the new year.









We are seeing eight major trends in leadership, talent, and learning emerge as priorities for CLOs and CTOs in 2023. Furthermore, we have also identified the critical points where high performing leaders are making the most impact to transform their organizations.

Leading edge companies will be doubling down on:

1. Making bold investments in core leadership skills tailored to equip the enterprise to navigate economic uncertainty, deliver growth, and ensure business continuity.
2. Accelerating the talent system to deliver enterprise outcomes in times when there are fewer chips to play.
3. Scaling the learning culture to help people adapt to the constantly changing market environment.

To move the needle in your own organization, tap into the following eight big ideas.

The trends at-a-glance

Priorities	Trends
Make bold investments in core leadership skills tailored to equip the enterprise to navigate economic uncertainty, deliver growth, and ensure business continuity.	 <p>1. Unlock front-line leader capability to close the gaps that Covid left and deliver value at scale</p>
	 <p>2. Create change-ready mid-level leaders to steer the business through economic conditions, manage profitability and prepare for the next stage of growth</p>
	 <p>3. Secure business continuity through the economic storm with proactive, systematic CEO and C-Level succession planning and onboarding</p>
Accelerate the talent system to deliver enterprise outcomes, in times where there are fewer chips to play.	 <p>4. Embed an employee-focused leadership framework and language that sets the bar on expected leadership performance during 2023's market challenges</p>
	 <p>5. Implement a high potential selection and development approach that reflects the speed and agility needed in the market</p>
	 <p>6. Scale an effective external candidate acquisition process to triumph in the war for talent</p>
Scale the learning culture to help people adapt to the constantly changing market environment.	 <p>7. Ramp up your culture through meaningful development for people around capability, values, and behaviors at scale. Embed for persistent impact, demonstrating true return on people investment</p>
	 <p>8. Create a learning ecosystem for your teams to adapt quickly to changing circumstances by democratizing and personalizing learning at scale</p>

The 8 big ideas:

Make bold investments in core leadership skills tailored to equip the enterprise to navigate economic uncertainty, deliver growth, and ensure business continuity.



1. Unlock front-line leader capability to close the gaps that Covid left and deliver value at scale

What's not working today

Expectations of front-line leaders – which make up the majority of an organization's leaders – have significantly expanded. Covid left massive deficits in these leaders' capabilities, and they continue to remain the most under-served when it comes to professional development. The quick hit "learning events" used during the pandemic have left gaping holes in capability and a near empty bench.

What great looks like

Front-line leaders across the enterprise who have the capability to transform the business from within, have successively built capability, and accumulated a body of knowledge over the years.



2. Create change-ready mid-level leaders to steer the business through economic conditions, manage profitability and prepare for the next stage of growth

What's not working today

Leaders of leaders are positioned at the core of organizations, with the most potential to impact culture and business results. They wear multiple hats and feel pressure from executives to achieve challenging enterprise and functional objectives, while getting pushback from their teams. Yet they have little support for how to be successful in this complex role, putting this high-value leader population at high risk for burnout and departure..

What great looks like

Mid-level leaders who are progress-makers with a systems perspective. They navigate uncertainty with grace. They build deep connections across and outside the company, shape the culture and drive the business towards customer success into the future.



3. Secure business continuity through the economic storm with proactive, systematic CEO and C-Level succession planning and onboarding

What's not working today

The road to CEO and C-Suite success is rocky, yet many Boards and leaders leave the process of succession at the top of the house to chance and have poorly designed processes and approaches. They compound the problem with insufficient onboarding to ensure success in these high-risk roles. With Baby Boomers retiring, the odds of success are increasingly uncertain.

What great looks like

Clear, planned C-level transitions that reduce risk and create value for Boards, shareholders, customers, and employees. Continuity that builds confidence and creates calm in economic uncertainty.

Accelerate the talent system to deliver enterprise outcomes, in times where there are fewer chips to play.



4. Embed an employee-focused leadership framework and language that sets the bar on expected leadership performance during 2023's market challenges

What's not working today

Well-intentioned HR teams or external consultants use generic frameworks and integrate them into HR systems and processes without any significant input or awareness from the people who they impact the most – the employees. The focus is on what the framework says, not on how it will enable leaders to act differently, particularly in times of challenge.

What great looks like

An embedded leadership framework owned by individuals that enables the organization to build a vibrant talent pipeline and provides an inspiring guiding light in a time of uncertainty.





5. Implement a high potential selection and development approach that reflects the speed and agility needed in the market

What's not working today

While the importance of identifying and developing high-potential talent has increased, the data show inconsistent success in talent identification and succession, with failure at each step of the process. Organizations are often unable to fulfill long-term requirements through effective high-potential talent management. Talent pools are poor quality, and critical role coverage and succession is lagging, especially with the state of the talent market.

What great looks like

A talent strategy that equips the next generation of leaders with transparent identification criteria, leadership capability, and high levels of accuracy in suitability and readiness. Development experiences that are thoughtful and aligned to strategy, which include coaching to generate meaningful growth even during turmoil.



6. Scale an effective external candidate acquisition process to triumph in the war for talent

What's not working today

Organizations spend time and resources implementing generic talent acquisition assessments that produce mediocre results. At the same time, they optimize their talent acquisition tools and processes for the needs of the business, as they should, but to the exclusion of considering the candidate experience. This sends the message of "good enough is good enough" to organizational leaders and candidates alike, and results in the less-than-optimal hiring results.

What great looks like

A co-created assessment experience that teaches candidates about the realities of the role and provides insights into candidates' capabilities aligned to the role. A digital experience that enables scale and "employer brand intimacy" all at once.

Scale the learning culture to help people adapt to the constantly changing market environment.



7. Ramp up your culture through meaningful development for people around capability, values, and behaviors at scale. Embed for persistent impact, demonstrating true return on people investment

What's not working today

Few organizations align their approach to embedding culture such as values, purpose, and leadership expectations, in a systemic way. Instead, there are pockets of culture activity. Disconnected activities don't lead to lasting change. Talking about values doesn't enable people to live them in everyday decision making. Change doesn't occur when we "sell and tell."

What great looks like

Learning experiences that fundamentally unlock people's mindsets and capabilities by "teaming, coaching, collaborating" to drive unprecedented personal change at scale.



8. Create a learning ecosystem for your teams to adapt quickly to changing circumstances by democratizing and personalizing learning at scale

What's not working today

Current learning solutions have too often proven ineffective, as the formats, methods, and content fail to engage and deliver on their promise. Yet learning needs remain more critical than ever, with high demand for a holistic, effective learning experience for leaders that scales, engages, and is unconstrained by corporate resources and availability.

What great looks like

A fully adaptive and agile approach to learning when and where it's needed most.

Explore the trends further



1. Unlock front-line leader capability to close the gaps that Covid left and deliver value at scale

What's not working today

Expectations of front-line leaders – which make up the majority of an organization's leaders – have significantly expanded. Covid left massive deficits in their capabilities, and they continue to remain the most under-served when it comes to professional development. The quick-hit "learning events" used during the pandemic have left gaping holes in capability and a near empty bench.

What we believe great looks like

Leadership development must consider the entirety of internal and external forces which impact Front-line leaders. The best-in-class approach to Front-line leader development is holistic and leverages the unique combination of research and methodology to offer a blended modality learning experience. We think differently about developing leadership talent. Leadership development begins with a mature business perspective, occurs during specific leadership moments, requires a fundamental mindset shift to change behaviors, and the learning journey must be immersive, flexible, integrated, and supported.

A company that has led the way

A Fortune 500 Oil and Gas company embarked on an ambitious initiative to prepare 3,000 of its managers to lead the future of the organization. The organization sought to address the scalability, flexibility, and content in its approach to learning, and integrate both people and business leadership. To do so, managers identified critical capabilities and outcomes. Over a unique four-month blended journey, managers experienced on-the-job application, pods, workshops, and simulation. All development activities were aligned to the organizational strategy and essential job-related outcomes. As a result, there was a marked improvement in managers' capabilities with demonstrated business impact in:

- Generating more cash
- Reducing costs and simplifying processes
- Improving the delivery of projects
- Better implementation of technology solutions

From	To
Front-line leaders doing what others did before them.	Front-line leaders across the enterprise who have the capability to transform the business from within, have successively built capability and accumulated a body of knowledge over the years.



2. Create change-ready mid-level leaders to steer the business through economic conditions, manage profitability and prepare for the next phase of growth

What's not working today

Leaders of leaders are positioned at the core of organizations, with the most potential to impact culture and business results. They wear multiple hats and feel pressure from executives to achieve challenging enterprise and functional objectives, while getting pushback from their teams. Yet they have little support for how to be successful in this complex role, putting this high-value leader population at high risk for burnout and departure.

What we believe great looks like

Today's modern leader isn't about being perfect, but rather being Change-Ready. As leaders take on increased responsibilities, navigating their world becomes more complex... messy. Our approach to developing this population of leaders leverages five key attributes that reflect the mindsets and skills needed to be highly effective in the role. The best leader development is holistic, and focuses equally on the human and business side. Elevating connections will unearth truly effective leaders. Modern leaders should lean into their role with curiosity and proactively explore multiple future scenarios so that they become increasingly comfortable with experimentation and risk.

A company that has led the way

A large online commerce and payment ecosystem in Latin America was growing at an unprecedented rate, expecting to double its workforce in the next five years. This population was composed largely of first-time managers, who faced the typical challenges of new leaders in a rapidly changing environment. The organization began its development journey with deep engagement from stakeholders and input from the leadership team to diagnose the root cause of its challenges. With this foundation in place, the organization created a fully customized approach to change. This included a customized simulation modeling the role of the leader, a customized assessment to set expectations, and personalized coaching. The change was championed via sponsorship and guidance from leadership. As a result, the organization experienced significant development on the job. 49 out of 380 participants were promoted in the next year, 75 percent of supervisors were rated "above average" on quality of feedback, and there was a 16 percent improvement in understanding of the evaluation process. 14 percent of teams reported improvement in feeling supported by their team. Moreover, in a country-wide "Great Place to Work" competition, the company increased its standing from 4 to 3.

From	To
Mid-level leaders who are problem solvers and functional experts focused on their immediate team.	Mid-level leaders who are progress-makers with a systems perspective. They navigate uncertainty with grace. They build deep connections across and outside the company, shape the culture and drive the business towards customer success into the future.



3. Secure business continuity through the economic storm with proactive, systematic CEO and C-Level succession planning and onboarding

What's not working today

The road to CEO and C-Suite success is rocky, yet many Boards and leaders leave the process of succession at the top of the house to chance and have poorly designed processes and approaches. They compound the problem with insufficient onboarding to ensure success in these high-risk roles. With Baby Boomers retiring, the odds of success are increasingly uncertain.

What we believe great looks like

A rigorous C-suite succession process starts with insight into the enterprise strategy and future needs, and a success profile that creates clarity and resulting criteria for selection. The success profile and evaluation framework guide sourcing and assessing candidates, both internally and externally. The result is a short-list of leaders prepared for C-level roles, with specific strengths to leverage and gaps to close before they are ready for the seat. Moving from strong operating executive to steward of the company's growth, driving shareholder value and championing organizational culture, is a significant step for even the most experienced leaders. Great C-level succession processes include investing in the development of individual C-level leaders and transitioning them into the role, which potentially can include executive development coaching prior to promotion, as well as coaching through the critical transition period.

A company that has led the way

A CEO candidate – one of three internal options – was extremely highly regarded as a leader and as a person by the organization, the CEO, and the Board. His leadership skills and widespread success within the organization made him the frontrunner. However, the current CEO had identified obstacles that could derail an otherwise strong candidacy. A life-long learner, he seized on the opportunity to work with a coach to rapidly get back on track. An assessment provided actionable data on the leader's gaps to inform the coaching. He worked through an action plan to help him build trust, articulate, and communicate his vision for the company, and connect more deeply with the organization. Ultimately, the leader was able to make small changes in his behavior with big impact, at surprising speed, and was offered the CEO role with even stronger support and buy-in than he believed possible. He has since delivered on the bottom-line growth and organizational change initiatives to position the company for the next era of growth and innovation.

From	To
Risky selection process and unprepared transitions.	Clear, planned C-level transitions that reduce risk and create value for Boards, shareholders, customers, and employees. Continuity that builds confidence and creates calm in economic uncertainty.



4. Embed an employee-focused leadership framework and language that set the bar on expected leadership performance during 2023's market challenges

What's not working today

Well-intentioned HR teams or external consultants use generic frameworks and integrate them into HR systems and processes without any significant input or awareness from the people who they impact the most – the employees. The focus is on what the framework says, not on how it will enable leaders to act differently, particularly in times of challenge.

What we believe great looks like

Creating and implementing a leadership framework within an organization that defines how leaders can show up every day on the job to be successful requires three critical components:

- **Co-Create** – Authorship is ownership. Leaders own what they create. This results in a framework that is unique to the business, values, and strategy rather than from a competency library.
- **Activate** – A change in information will not lead to a change in behaviour. Making a leadership framework tangible and real is key for employees at all levels to feel the case for change, understand how they can contribute and experience putting shifts into practice in the cadence of their daily work.
- **Embed** – A leadership framework must drive the talent strategy and be embedded in the talent lifecycle.

A company that has led the way

A global tech retail company sought to build a new leadership framework to support the new strategy for its next phase – moving from high growth to high growth and maturity. To do so, the organization wanted buy-in from all levels. To begin, the C-Suite authored a set of leadership expectations, which served as the common framework defining the critical capabilities and pivotal moments that were aligned to a more mature way of operating. The organization's top 200 leaders experienced the framework through a simulation to practice the new behaviors in a safe way. The insights from the simulation were used to provide the organization with a critical understanding of its existing talent pool and create assessments that were consistent with the next phase of the business. The organization embedded the framework into its leaders' performance management system to support a vibrant talent pipeline. C-Suite feedback included, "We now own a leadership framework of how we want to lead captured in our own language. It will allow us to kill old habits that were limiting our success and begin to make changes that we need to make." Leaders at every level say, "Finally I see what it means to lead here. I am reminded of how I should think and act in critical leadership moments."

From	To
A leadership framework disconnected from the leaders it is supposed to support.	An embedded leadership framework owned by individuals that enables the organization to build a vibrant talent pipeline and provides an inspiring guiding light in a time of uncertainty.



5. Implement a high potential selection and development approach that reflects the speed and agility needed in the market

What's not working today

While the importance of identifying and developing high-potential talent has increased, the data shows inconsistent success in talent identification and succession, with failure at each step of the process. Organizations are often unable to fulfill long-term requirements through effective high-potential talent management. Talent pools are of poor quality, and critical role coverage and succession is lagging, especially with the state of the talent market.

What we believe great looks like

A successful high potential selection and development process requires four critical steps:

- 1. Identification:** Ensure the right talent is identified, incorporating future back thinking and a diagnostic of the bench and roles for talent identification
- 2. Assessment:** Ensure the right capabilities are at the center of the approach, incorporating a multi-method assessment along with simulation related to complex roles and the environment
- 3. Accelerate readiness:** Focus on the end goal, providing targeted development to accelerate readiness based on insights from the assessment
- 4. Ongoing monitoring and flexible approach to development:** Continue to monitor growth, readiness and preparation for future roles providing just in time learning as talent requirements change and gaps open up. Re-evaluate, reprioritize, and engage leaders in new development activities until they ready for their next move and then identify the right talent to help them prepare again for future roles.

A company that has led the way

A rapidly growing consumer goods company had ambitious goals for its future growth and profitability in key high growth markets. The organization needed to build a pipeline of GMs to fill this critical and difficult to hire-for role, which was essential for successfully executing the company's long-term growth strategy. The organization adopted a three-phase strategy to build its pipeline. The first phase defined what is expected of a GM of the Future, built potential, and developed awareness on how GMs were doing relative to those expectations. Through personalized development, leaders were able to make key shifts to respond. In the second phase, the organization built a global network of GMs and potential GMs, which enabled learning, collaboration, and connection. Leaders were equipped with practical approaches to develop their People Leadership skills and their Business Leadership skills, enabling them to inspire action, bring out the best in others, lead the day-to-day business, and plan for the future. In the third phase, the insights from the experience were used to inform high potential successors for larger sites and new acquisitions.

From	To
An identification and development initiative.	A talent strategy that equips the next generation of leaders with transparent identification criteria, leadership capability, and high levels of accuracy in suitability and readiness. Development experiences are thoughtful and aligned to strategy with the coaching to generate meaningful growth even during turmoil.



6. Scale an effective external candidate acquisition process to triumph in the war for talent

What's not working today

Organizations spend time and resources implementing generic talent acquisition assessments that produce mediocre results. At the same time, they optimize their talent acquisition tools and processes for the needs of the business, as they should, but to the exclusion of considering the candidate experience. This sends the message of "good enough is good enough" to organizational leaders and candidates alike, and results in the less-than-optimal hiring results.

What we believe great looks like

The employment decision goes two ways. Both the organization and candidate seek critical information needed to make the best decisions possible. To achieve this, organizations must focus on contextualization and candidate experience. This starts with an assessment that captures the whole person in a way that feels realistic and relevant to candidates and in the context of the job. This enables the experience to both assess candidates' capabilities and provide them a realistic job preview. Onboarding and candidate success are part of talent acquisition. Enabling employees to perform at their fullest requires learning from the acquisition process, and equipping employees with the tools, knowledge, and support to have maximum impact.

A company that has led the way

A financial services organization struggling to secure high-performing talent sought to launch an engaging hiring process that allowed candidates to experience first-hand the realities of the role to better enable them to make informed decisions. At the same time, the company wanted to collect valuable insights on candidates to make optimal hiring decisions. They achieved this by leveraging a custom virtual individual assessment, which evaluated the critical capabilities necessary for success on-the-job in a simulated organization that mirrored the realities of the role. The assessment facilitated the involvement of key stakeholders and decision-makers to gain support for assessment decisions and feedback. The results were:

- Millions of dollars in measurably greater productivity among the candidates selected
- Reduced turnover, translating into \$63M annual training cost savings
- Increased candidate perception and understanding of the business, enhancing successful hiring results

From	To
Simply buying a pre-employment assessment to gather information about job candidates.	A co-created assessment experience that teaches candidates about the realities of the role and provides insights into candidates' capabilities aligned to the role. A digital experience that enables scale and "employer brand intimacy" all at once.



7. Ramp up your culture through meaningful development for people around capability, values, and behaviors at scale. Embed for persistent impact, demonstrating true return on people investment

What's not working today

Few organizations align their approach to embedding culture such as values, purpose, and leadership expectations in a systemic way. Instead, there are pockets of culture activity. Disconnected activities don't lead to lasting change. Talking about values doesn't enable people to live them in everyday decision making. Change doesn't occur when we "sell and tell."

What we believe great looks like

When you engage and inspire people with a new way of doing or being, you will create an unstoppable movement for change. It's the job of C-suite executives to coalesce around "Where are we better together and what do we all want," and then lay out the compelling vision to get there. Learning experiences in the organization that focus on maximizing the ripple effect throughout the organization drive unprecedented personal change at scale. Consider, "what will fundamentally unlock our people's mindsets and capabilities?" Great organizations know that if its people can team, coach and collaborate, everyone wins. Start with this mindset deliberately and scale it to create a wave of rapid change.

A company that has led the way

A global manufacturing organization launched a new strategy to sustain its growth and maintain long-term viability. The organization built its new strategy around goals it wanted to achieve and hurdles that it needed to overcome in three categories: safety, new growth, and performance. The organization identified coaching as a unique capability that transcended its silos and would reinforce the three major strategic pillars. In an initiative sponsored by the executive team and modeled by leaders across the organization, the organization worked to build coaching capability in over 2,000 leaders in the flow of work. At one manufacturing location, eNPS improved by 14 points, engagement improved 15 percent for people leaders and 16 percent for their direct reports over a 12-month period. Safety maturity, operational efficiency, and production levels all improved even when measured 12 months after the initial experience.

From	To
Learning and change that is aligned vertically by budgets and functions instead of by the needs of people and organization.	Learning experiences that fundamentally unlock people's mindsets and capabilities by "teaming, coaching, collaborating" to drive unprecedented personal change at scale.



8. Create a learning ecosystem for your teams to adapt fast to changing circumstances by democratizing and personalizing learning at scale

What's not working today

Current learning solutions have too often proven ineffective, as the formats, methods, and content fail to engage and deliver on their promise. Yet learning needs remain more critical than ever, with high demand for a holistic, effective learning experience for leaders that scales, engages, and is unconstrained by corporate resources and availability.

What we believe great looks like

We believe in the power and potential to democratize and personalize learning in the moments of need for everyone in the organization. This means that learning should not be confused with training and one-off activities. It is about constant practice, and often occurs in the flow of work. The future of learning is an ecosystem that is a mix of push and pull and entices leaders to love and embrace learning. The shift from episodic and reactive towards continuous and agile is the future of learning.

A company that has led the way

A major oil and gas organization needed to simplify and improve its employee learning experience, and at the same time reduce spend by creating a deliberate learning strategy that synchronized development across the enterprise. The organization's business leaders created an architecture leveraging its employee needs data and voice of the employee focus groups. The resulting framework encompassed three major pillars, which people loved and were inspired by. The framework was supported by a broader set of adaptive learning solutions with updated content across 16 functions and 25 countries worldwide.

From	To
Only offering a slow programmatic approach or episodic learning events, pushed to the employee.	A fully adaptive and agile approach to learning when and where it's needed most.

Take action now

As we head into the uncertainty of 2023, now is not the time to switch to survival mode. As a strategic talent leader, this is your opportunity to make sure your company emerges from the downturn more resilient than ever with a clear, value-rich, high-impact people strategy. Use these eight trends to guide your priorities and optimize your investments—you'll find you're ahead of the curve when you look back on the year.