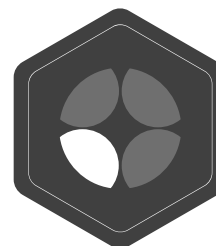# 2023 Talent Health Index: Your holistic guide to talent success

New global research takes a pulse on today's talent programs, detects where organizations are most challenged, and provides actionable steps for a future-fit talent program.

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Introduction to the Talent Health Index

» The challenges of the last three years have been remarkable in their apparent strength and impact on the world of work. But changes in the workplace didn't start in 2020.

The needs of employees have been evolving for decades. New innovations in manufacturing, customer experience, cloud computing, modern healthcare practices, and more have created new roles that didn't exist a decade or two ago. AI, rapid new cycles of talent development, and a workforce in flux impact businesses today.

The scope and pace of change arguably remain steady, though. What has changed is that organizations have a license to acknowledge these challenges and discover or invent new ways of actually addressing them.

2020 gave us a shove in the right direction, but a mandate to do something about the workforce wasn't 100% clear. Our research over the past few years has identified two critical ways to improve the way organizations address talent development: mature and High-Performing Organizations close skills confidence gaps and improve talent health differently than ordinary ones.

We used our past research to rethink how we could capture a truly holistic, well-rounded picture of the talent landscape in our reimagined **Talent Health Index (THI)**.

Taking inspiration from both the <u>Global Skills Report</u> and the <u>Learning Health Index</u>, we captured both a top-down and bottom-up view of how organizations are managing their most significant talent challenges.

We conducted this analysis across all levels of organizational maturity, categorizing the results into High-Performing Organizations, Average performers, and Laggards.

✦ **We define "talent health" as the holistic condition of an organization's entire talent management program.**
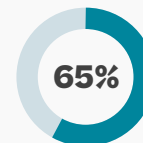
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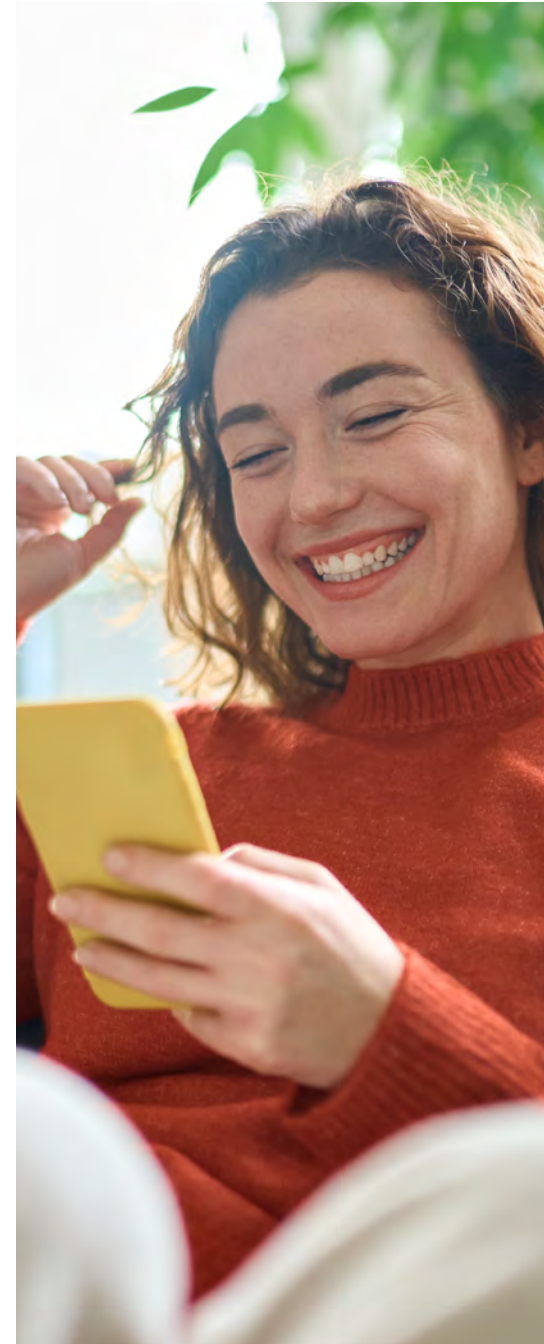
Executive summary

Talent development is a fascinating and ever-changing field of finding the right content, for the right person, in the right moment, and within the right organization — and then doing it tens, hundreds, even thousands of times over depending on the size of the organization. The most mature organizations in the Talent Health Index are doing it successfully and help guide organizations who are taking the next step in their talent development journey.
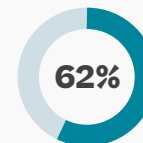
In this year's report, some of the highlights include:

- Across total respondents, talent health maturity is middling. The average Talent Health Index score fell in the second of four levels, suggesting room for improvement. Organizations in this level have established a foundation for their talent programs but are looking to make their processes more automatic and better position the HR department as a strategic partner for the business.

- Since our 2020 report, there has been a consistent 30-point confidence gap between employers and employees regarding organizations' ability to develop key skills, which persisted in this latest report.

- High-Performing Organizations, in comparison to Average or Laggard organizations, exhibit notable operational differences and variations in talent health maturity, particularly in areas such as Content Strategy, Skills Strategy, and Performance Management. They are classified as "high-performing" because they rated themselves higher in customer satisfaction, productivity, employee retention, and overall performance.

- Four Talent Health Index Areas that High-Performing Organizations excel at include best practices with technology, fostering knowledge networks, and embracing the transformative power of AI and Machine Learning.

- To rank in the fourth and highest level of talent program maturity, organizations must adopt skills as a common language across the business, foster a self-driven learning culture, and implement automated processes that connect people, job roles, and skills data.

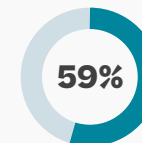**Employees express a strong desire for:**

65%
Additional skills development content

62%
Personalized coaching and mentoring

59%
Tailored and comprehensive career guidance

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2

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How talent development is dramatically changing

How talent development is dramatically changing

The question on every leader, every employee, and every executive's mind is how their organization can cope with a seemingly unending pace of change in the workplace.

With organizations spending on average $1,280 per employee on training, organizations are also trying to figure out how to make the most of every dollar.

Skills transformation, continuous learning, and improvement are on the agenda for everyone. Past predictions that as many as 85% of jobs that exist in 2030 haven't been invented yet are a reminder that the demand for agility persists. Innovations like AI, unmoved by the struggles and pace of modern learning, continue nonstop.

The programs in a talent leader's toolbelt like learning and development, talent mobility, performance management, and the technology at the heart of all of them, are in a state of flux as well. Best practices are nearly obsolete before they are written.

Innovation and broad change alone don't explain it all, though. Employee expectations have shifted as well. Driven by their own universe of uncertainty (some estimates show as many as 89% of employees fear job loss), they expect personalized guidance and skills development. They want unprecedented visibility into a career path that is, more often than not, difficult to define. They also need comprehensive programs that are able to meet them where they are on their development path.

These desires are coming at a time when employees are facing work-driven burnout and organizations are being pulled in new directions.

✦ **Analyst David Wilson, CEO of U.K.-based Fosway Group, puts the changes in clear terms.**

"Companies are under tremendous pressure to react, evolve, respond, and cope with so many different drivers of change currently. All of these impact our people — what they know, what they can do, and how they respond to the changing needs of the business.

"Skills, business agility, and resilience are at the heart of all of this, and to thrive, companies have to be leaders in all three. This is about upskilling and reskilling their organizations continually. But, it is also about building a culture of learning, opportunity, and success — empowering people to grow and achieve the best outcomes for themselves and for the organization.

"Doing that well systemically and at scale is a huge challenge, but that's what differentiates the real leaders and why they will continue to outpace their competitors and achieve further growth and success."

A deeper look: Understanding the Talent Health Index

We felt this uncertainty and pressure keenly through past Cornerstone People Research Lab reports. So, to better understand the ever-changing talent development landscape, we developed the **Talent Health Index (THI)**. The Talent Health Index is a comprehensive view of the state of talent development in organizations.

It measures four overall maturity levels of global organizations:

Foundational   Administrative   Sophisticated   Transformative
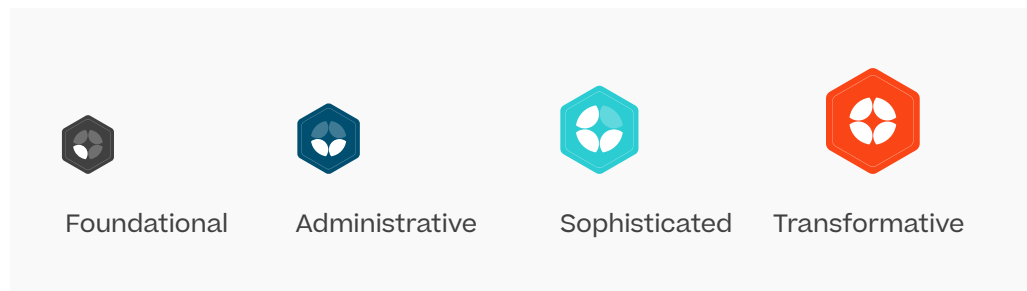
The next pages define organizational attitudes toward and programs for talent development at each maturity level in the Talent Health Index.

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Foundational

Organizations are focused on the building blocks of talent programs and meeting the basic talent needs of their business and employees. Foundational talent programs are ad hoc in nature and compliance driven. The processes in place may be manual and may not have formal governance yet.

While potentially interested in the role skills can play in talent management across the organization, Foundational talent programs have yet to prioritize the identification of existing or needed skills. HR departments in these types of organizations often put higher weight on basic, yet essential, HR programs like recruitment and compliance.
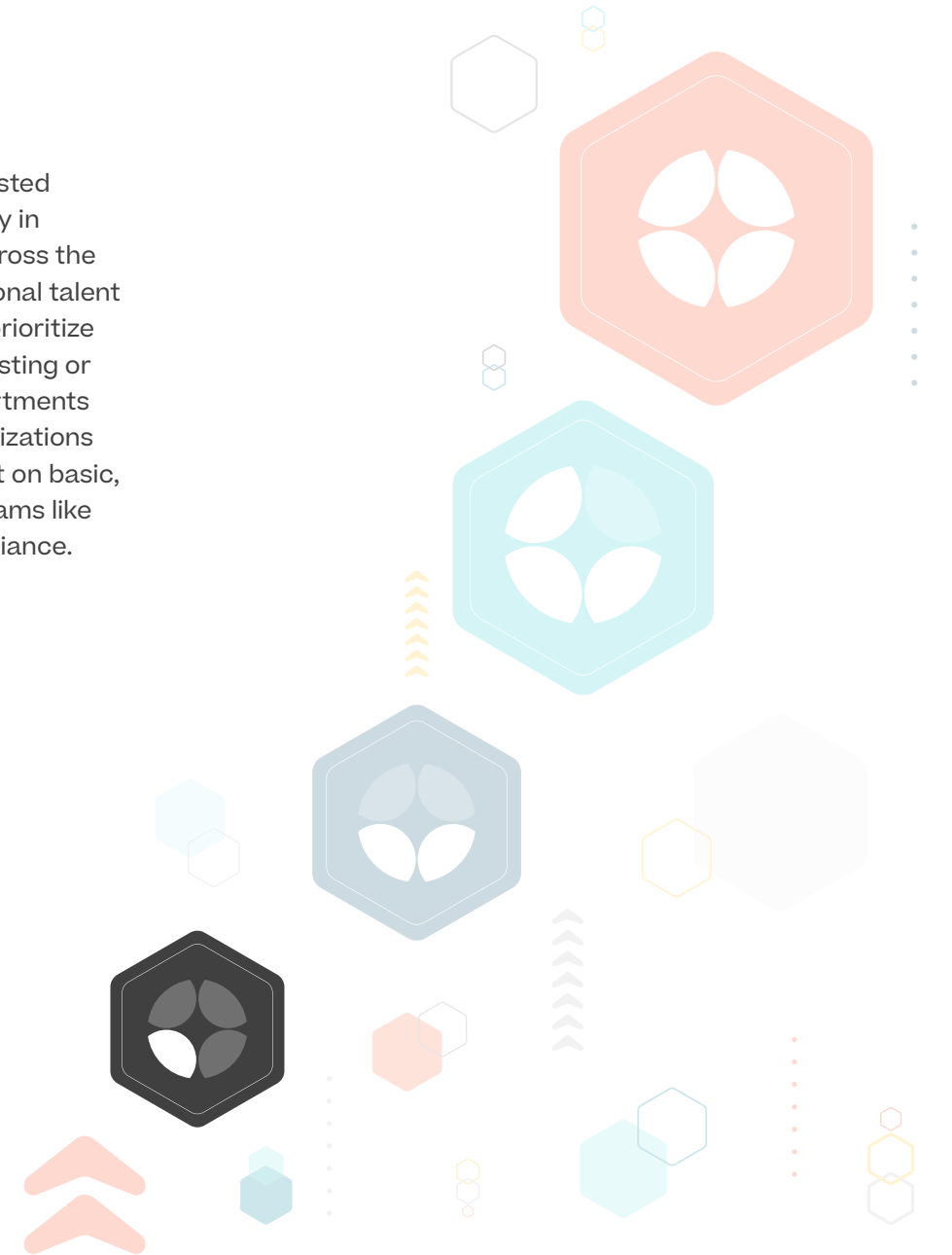
Administrative

Organizations have established a foundation for their talent programs and are starting to explore more strategic initiatives that are gaining traction. Administrative talent programs expand beyond compliance and offer some skill-building opportunities for employees. However, skills have yet to become a common language across the organization.

Within Administrative talent programs, processes — while often manual — are beginning to become automated. These HR departments are beginning to gain steam as strategic partners for the business; although, most budget decisions are still top-down.
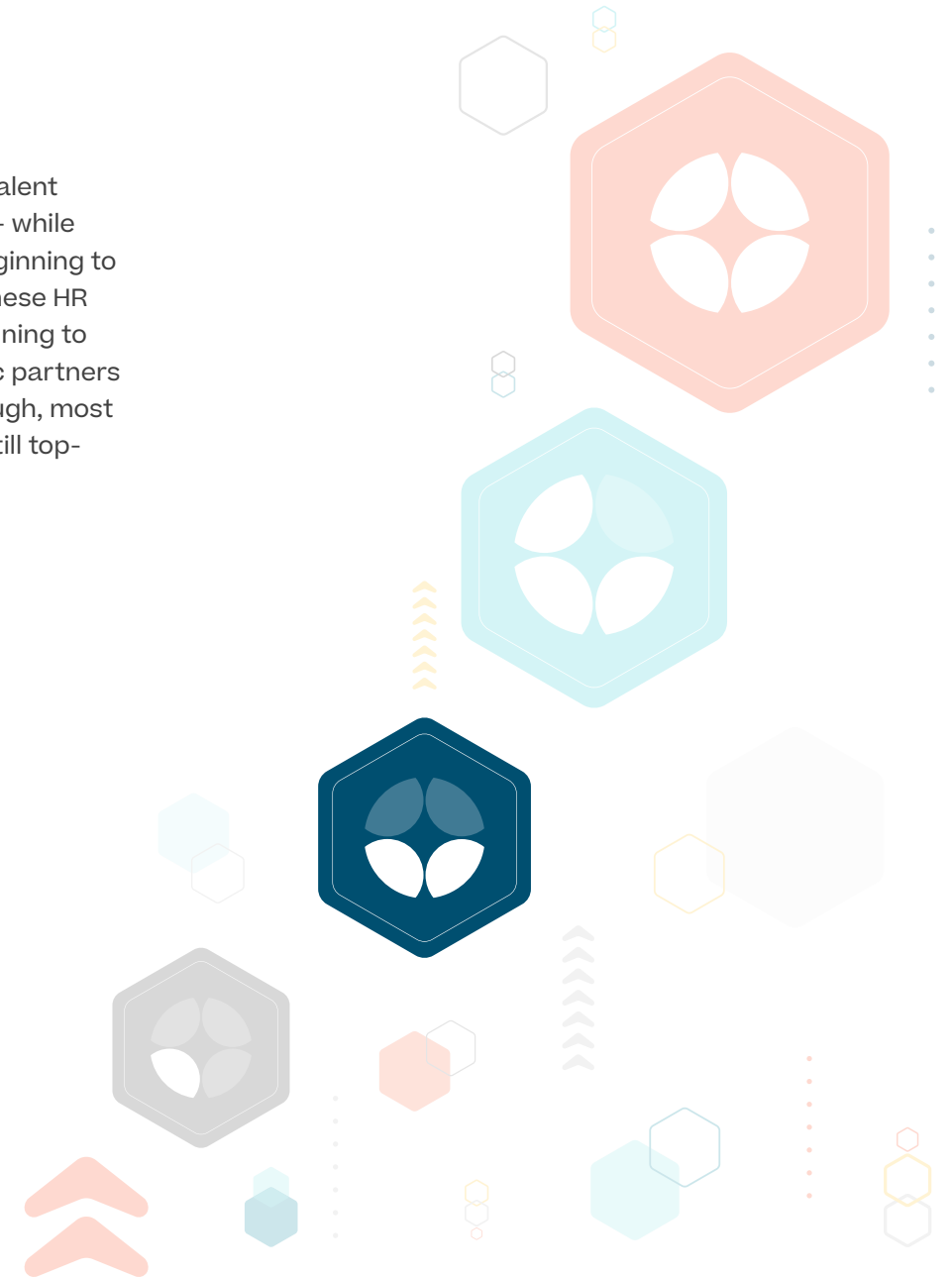
Sophisticated

Organizations have made great strides in building a strategic talent program and established processes, and adopted tools to drive optimization. Sophisticated talent programs have a strong learning culture and use some analytics to meet employees' developmental needs.

These organizations are starting to use skills as a common language across the business to identify skills gaps but may still lack skills data to make strategic workforce decisions. Sophisticated talent programs have processes that are largely automated, and the CLO and CHRO are valued as strategic business partners. In many cases, talent investment is seen as valuable and is democratized.
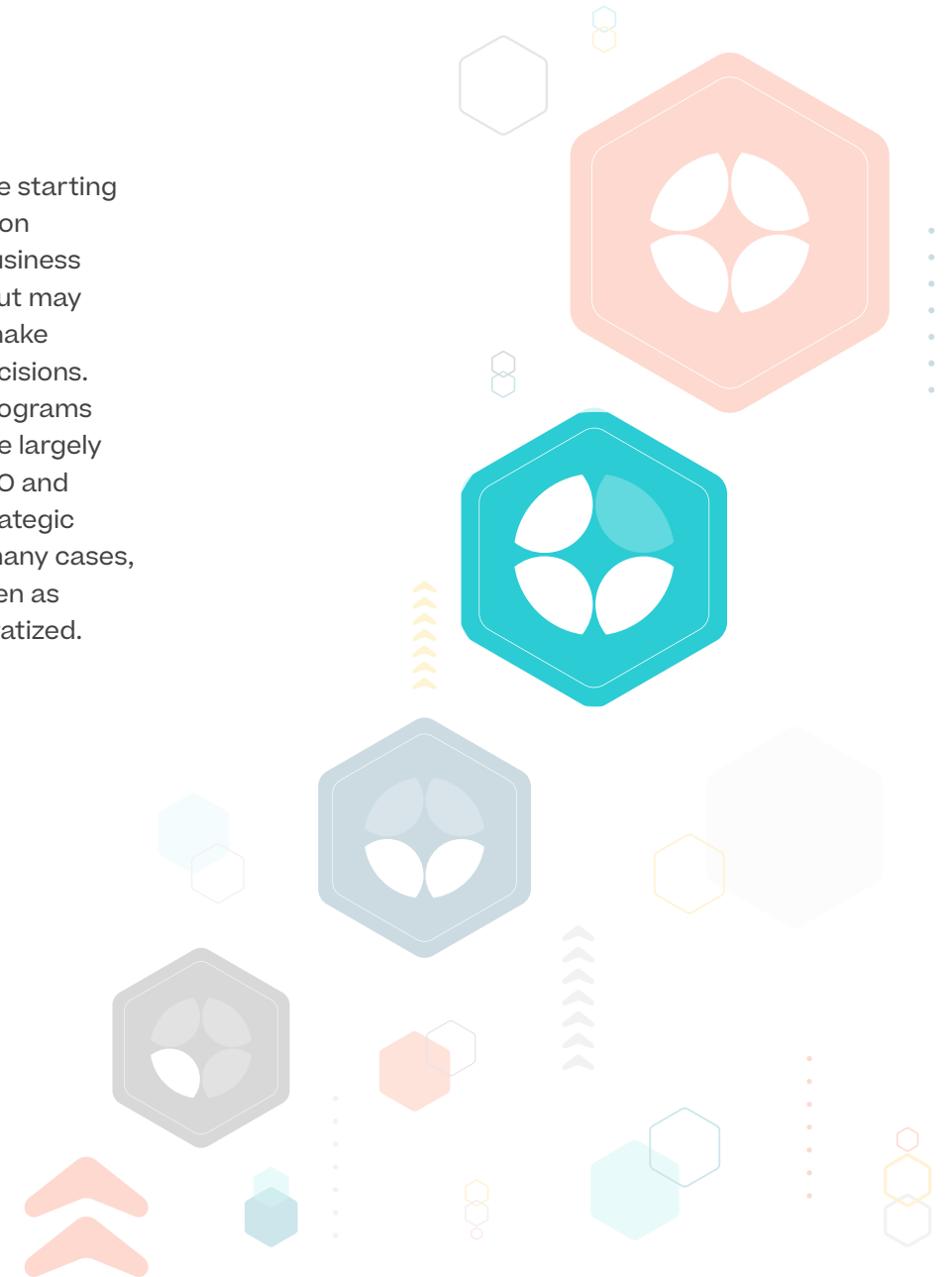
Transformative

Organizations have built talent programs that foster a highly self-driven learning culture and have adopted skills as a common language across the business. Skills are identified, analyzed, and leveraged to support workforce planning and make strategic business decisions.

Transformative talent programs implement automated processes that are integrated with people, job roles, and skills data to inform workforce decisions. The HR and talent leaders from these organizations are valued as strategic partners whose teams help drive organizational and business outcomes.
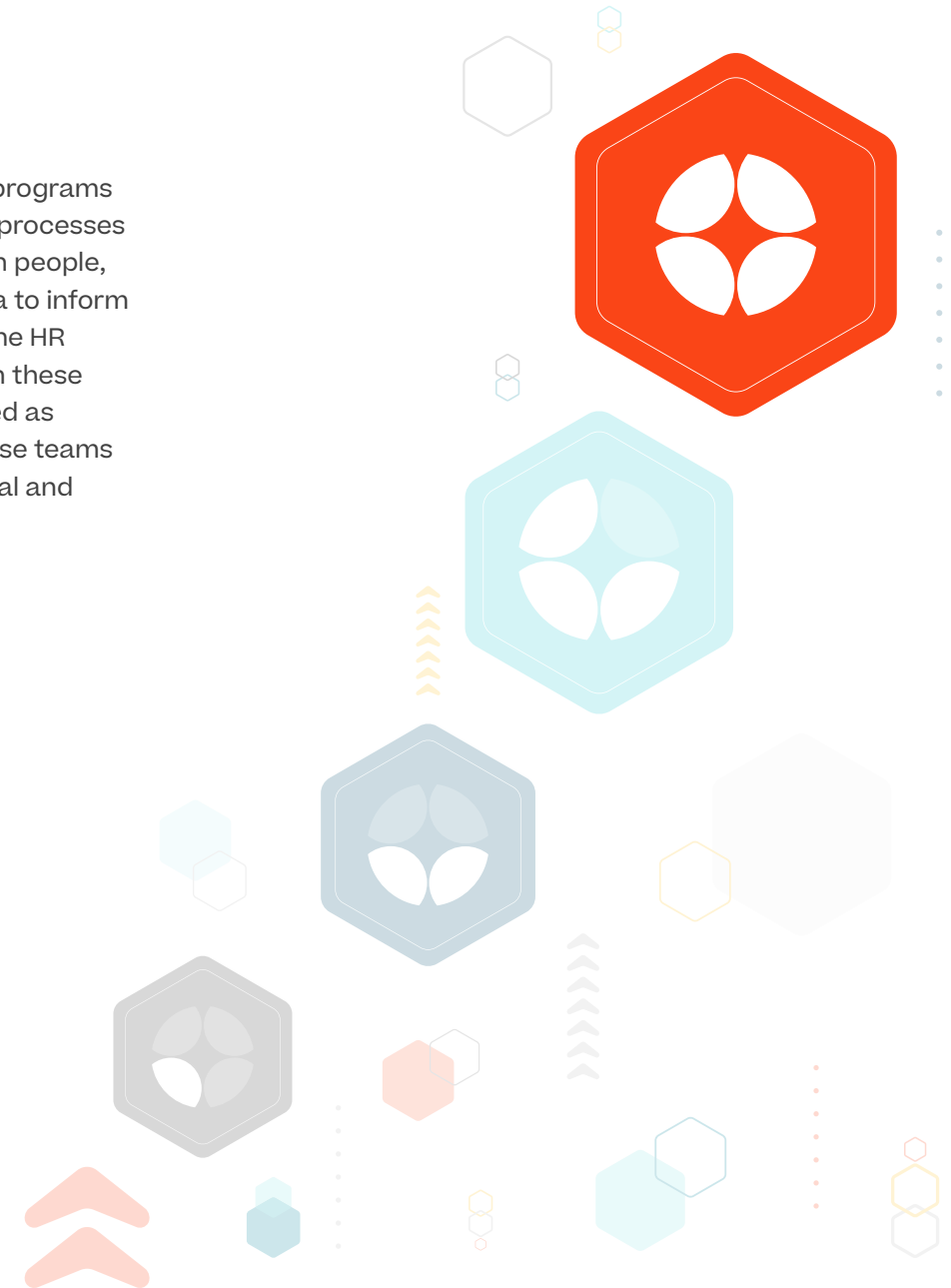
These maturity levels are measured across seven critical dimensions of talent health; each dimension has its own maturity-level placement within the four THI levels outlined above. This approach makes the model highly useful in diagnosing improvement areas with granularity not found in other maturity models.

1. Culture & Technology

In this dimension, mature organizations have implemented a wide range of cutting-edge HR and talent technologies that are propelling the business forward. The CHRO participates in strategic planning processes and drives the people agenda for the organization. Across the organization, learning and knowledge sharing are viewed as strategic differentiators for the core business. Skills are viewed as the mechanism for addressing both current and future challenges across the business.

2. Skills Strategy

In this dimension, mature organizations can not only identify skills across their workforce but also have proactively tackled skills gaps by transforming the business into a skills marketplace for workforce planning.

3. Learning & Development

In this dimension, mature organizations have implemented more than just a robust and formalized learning program. The organization has transformed into a proactive skills marketplace that not only empowers employees to build skills needed for their own personal development journeys but also helps organizations identify skills needed now and for the future so they can develop their people and improve workforce agility.

4. Content Strategy

In this dimension, mature organizations' content is likely a critical element of their learning and development program. Learning content is likely curated regularly and is directly tied to business challenges as a solution. Employees are likely empowered to self-curate content, load, and educate the rest of the organization.

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5. Performance Management

In this dimension, mature organizations have leaders who drive performance as a strategic process to achieve business outcomes. The HR team is likely reviewing data and spotting trends and biases, and the workforce has full visibility and transparency into performance goals, metrics, and results.

6. Talent Mobility

In this dimension, mature organizations have succession planning driven by management and deliberate action across the organization. Recruiting is proactive, both internally and externally, and employees are given transparent insight into open positions, projects, and gigs, as well as the job requirements and skills needed to move about the organization.

7. Talent Reporting, Data, & Analytics

In this dimension, mature organizations utilize centralized reports, and managers have access to self-service reports. Organizations rely on visual dashboards and likely have a dedicated HR analytics team. They are likely using data to inform people and business strategy and are exploring predictive analytics to anticipate business needs for the future.

Building skills remains a key challenge

Given the outsized role and evolution of skills at work, we're continuing to report on the persistent gaps between High-Performing Organizations and Laggards, as well as the perception gap between employers and employees about the strength of their skills development programs.

Our detailed breakdown of skills prioritization, development, and outcomes is critical to understanding the broader talent health.

All of this is combined into a comprehensive report that seeks to uncover the state of talent health and skills development.

The state of today's talent health programs

So, what is the state of talent health for organizations? Well, it depends on whether your organization is a high performer or not.

The average participant scored 88.1 points on the Talent Health Index, placing them at the Administrative level. Organizations also have consistent scoring across all seven dimensions of the THI with no significant peaks or valleys in any of the dimensions.

It's clear that most organizations are not starting out at square one. They have made some investments in their talent strategy and are seeing results. However, there's ample room for growth and improvement that will push them into higher maturity levels.

Average score: 88.1

88.1

60	80	100

Foundational	Administrative	Sophisticated	Transformative
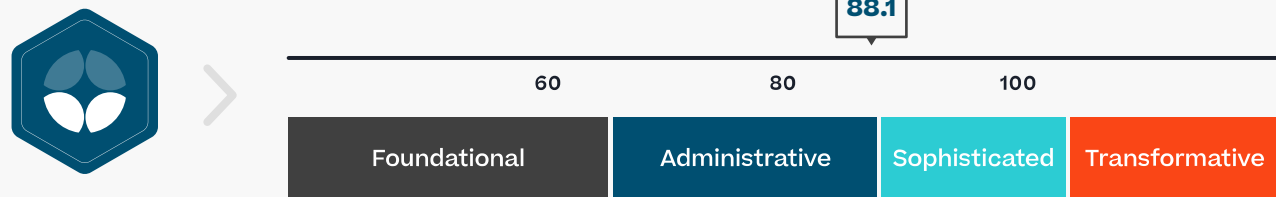
Average scoring across all seven dimensions of the Talent Health Index

- Maximum
- Leaders
- Laggards
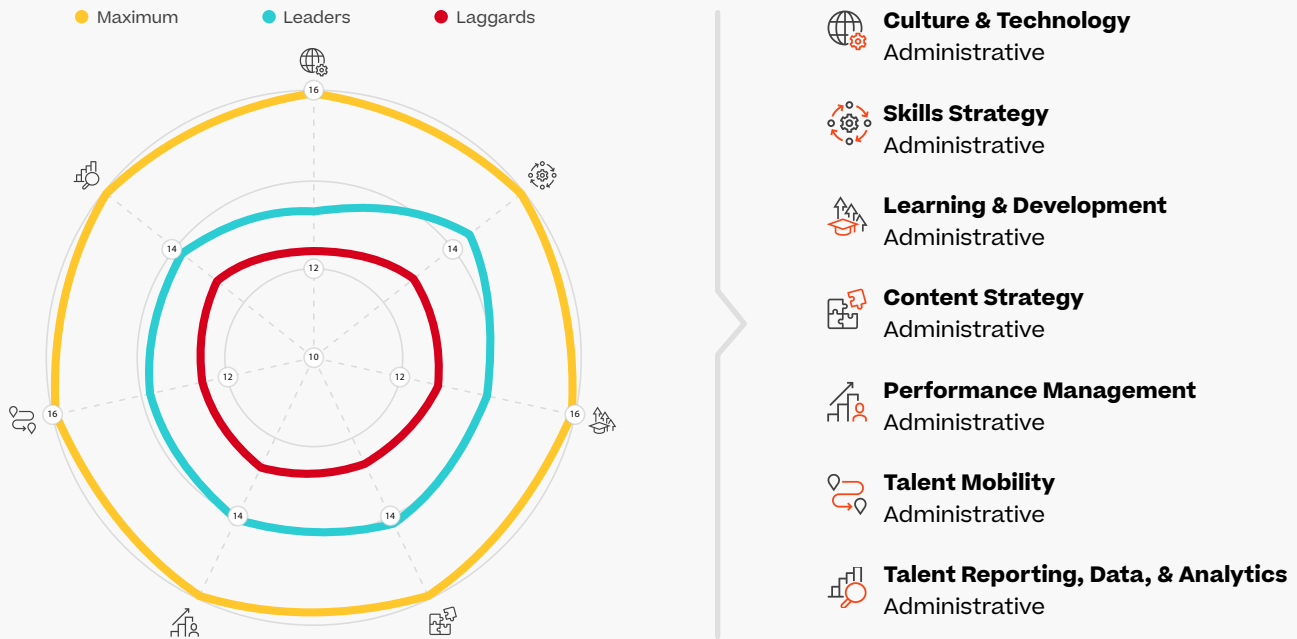
The highest dimension score is 16.

Culture & Technology
Administrative

Skills Strategy
Administrative

Learning & Development
Administrative

Content Strategy
Administrative

Performance Management
Administrative

Talent Mobility
Administrative

Talent Reporting, Data, & Analytics
Administrative

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Explaining the Talent Health Index scoring

With 32 weighted questions across seven dimensions of talent health, the end overall score has a range from 28 to 112. Some examples of the types of questions we asked include:

- How does your organization identify and handle skills gaps?

- To what extent are your organization's learning solutions accessible, flexible, and available on an "anytime-anywhere" basis?

- To what extent is talent data provided for and used in your organization?

- How integrated are your talent development platforms and technologies with other HR systems?

Based on the answers, we calculated overall maturity scores on the following scale:

Foundational
<65

Administrative
65-88

Sophisticated
89-111

Transformative
112

Average THI score

88.1

| 60 | 80 | 100 |

| Foundational | Administrative | Sophisticated | Transformative |
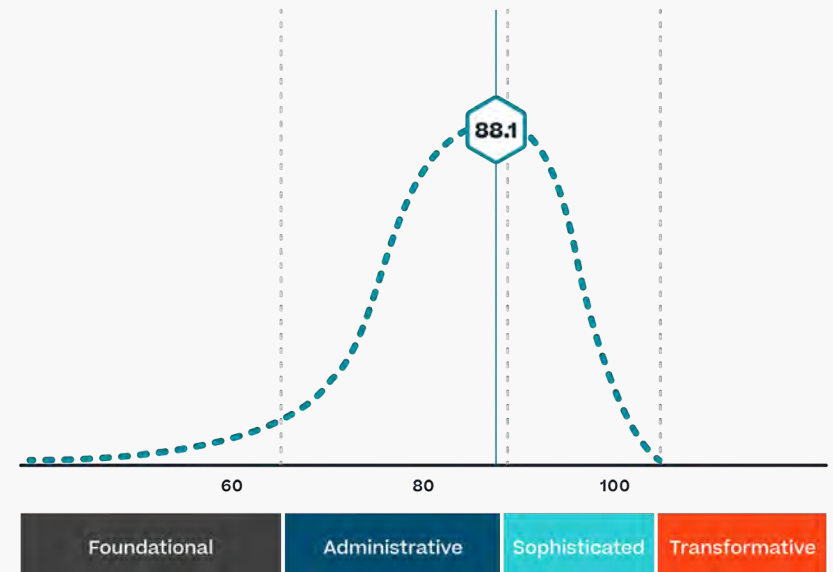
High-Performing Organizations' talent health is significantly better than Average or Laggard organizations

» The averages don't tell the whole story, of course. What we found in the Talent Health Index was a significant difference between High-Performing Organizations (see sidebar for definition) and Average, or Laggard organizations in all measures.

✦ **How we define High-Performing Organizations**

What is a High-Performing Organization? In both our surveys, we asked respondents to rate their organizations across key talent and business performance indicators.

Specifically, we asked about tangible investments in areas like customer satisfaction and productivity, the amount of focus on talent areas like employee development and retention, and how they rated their organization's overall performance in the previous 18 months.

The ratings were then aggregated into a composite score and statistically analyzed to segment respondent organizations into three categories: Laggards, Average, and High-Performing Organizations.

As we dive deeper into this report, you'll see that High-Performing Organizations aren't just highly rated across the board for business and talent practices. From investing in key programs to driving employee satisfaction, High-Performing Organizations differ significantly from Laggard and Average organizations across almost every measure.

In overall maturity, High-Performing Organizations fall into the Sophisticated range. Laggards fall in the Administrative level with many falling into the Foundational level.

22-point difference
in overall maturity between High-Performing and Laggard organizations

	THI Total	Culture & Technology	Skills Strategy	Learning & Development	Content Strategy	Performance Management	Talent Mobility	Talent Reporting, Data, & Analytics
Mean Total Response	**88.1**	**12.3**	**12.8**	**12.7**	**12.6**	**12.7**	**12.7**	**12.4**
Leaders	97.8	13.3	14.5	14	14.2	13.8	14.2	13.8
Average	89.1	12.5	12.9	12.8	12.7	12.8	12.8	12.5
Laggards	75.7	10.8	11.2	10.8	10.7	10.8	10.9	10.6

High-Performing Organizations also have at least a three-point difference on nearly every Talent Health Index dimension.

While High-Performing Organizations do better in every dimension, they are performing particularly well in Content Strategy (3.5 point difference), Skills Strategy (3.3 point difference), and Performance Management (3.3 point difference). Meanwhile, Laggard organizations struggle most with Talent Mobility, Content Strategy, and Talent Reporting, Data & Analytics.

Even when you get down to each of the 32 questions we asked as part of the Talent Health Index, High-Performing Organizations easily surpassed Laggard organizations in all subdimensions. One of the key factors that make High-Performing Organizations so impressive compared to Average or Laggard organizations is how comprehensive and well-rounded they are in their Talent Health Index maturity. While some differences exist between categories and scores, companies in this cohort stay remarkably consistent. As we found in last year's report, this balanced approach is the key to High-Performing Organizations' success. They don't just do one or two aspects of their programs well; they do it all.

EMEA lags behind other regions in employee perceptions

One of the most significant differences found in our global survey results is how employees in different regions rated organizational success in developing and ensuring each of the following talent outcomes and priorities:

- Diversity and inclusion
- Employee engagement
- Employee development
- Leadership development
- Quality of hire
- Internal mobility

These regional differences are in spite of companies investing similarly in various business dimensions including customer satisfaction, productivity, profitability, innovation, talent attraction and growth.

What accounts for this disparity?

Organizations in EMEA place less emphasis on the importance of key learning outcomes, including:

- Providing additional skills development content
- Providing more coaching and mentoring opportunities
- Providing more tailored, comprehensive career guidance

Based on our research, employers in EMEA need to invest in more learning and development opportunities for their employees if they want to stay competitive in a global talent environment.

Regional differences

● EMEA ● NAM ● APAC

Success based on talent outcomes and priorities:

Diversity and inclusion
- EMEA: 37%
- NAM: 72%
- APAC: 59%

Employee engagement
- EMEA: 35%
- NAM: 52%
- APAC: 58%

Employee development
- EMEA: 36%
- NAM: 53%
- APAC: 54%

Leadership development
- EMEA: 40%
- NAM: 46%
- APAC: 55%

Quality of hire
- EMEA: 37%
- NAM: 50%
- APAC: 53%

Internal mobility
- EMEA: 36%
- NAM: 46%
- APAC: 46%

Importance of key learning outcomes:

Providing additional skills development content
- EMEA: 89%
- NAM: 37%
- APAC: 71%

Providing more coaching and mentoring opportunities
- EMEA: 81%
- NAM: 40%
- APAC: 67%

Providing more tailored, comprehensive career guidance
- EMEA: 76%
- NAM: 36%
- APAC: 66%

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Getting to Transformative: Four Talent Health Index areas that every organization can work on

In the Talent Health Index, it is clear that High-Performing Organizations are significantly more mature in almost all dimensions. However, there are four areas where even High-Performing Organizations can continue to invest and build upon their work. These areas include:

1

Using technology to tap into internal and external knowledge networks and enable social learning.
Just 31% of organizations **and 34%** of High-Performing Organizations have a Transformative approach in this dimension.

2

Organization-first talent culture.
Only 29% of organizations have created a culture where team members are fully supportive of each other when setbacks occur.

3

Using AI or Machine Learning.
While High-Performing Organizations are leveraging AI at a higher rate than Laggards, **only 38%** of companies are currently using AI to its fullest potential in their talent programs. Surprisingly, those companies with over 10,000 employees use it the least.

4

Making the most out of performance management.
Just 40% of High-Performing Organizations (versus the 38% average) embed performance management technology into the flow of work and offer continuous support to employees.

» Even for the best-performing organizations in our research, there are areas of improvement.

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How DHL Group is delivering skills-first careers powered by AI

DHL Group, formally known as Deutsche Post DHL Group, is the world's leading logistics company. DHL Group is made up of a family of close-knit business divisions all working together to meet customers' needs.

They turned to Cornerstone's skills ontology offering — an AI-powered skills engine that identifies capabilities within the organization, which can then be matched to jobs within the company and pinpoint potential skills gaps.

In choosing the right partner, DHL Group set out clear objectives to answer both the needs of its employees, fluid career paths, and the needs of the business — retaining its talent and future-proofing itself.

The results: Millions saved on external recruitment costs, creating a sense of purpose for employees and plugging the skills gap.

Read the full case study

Skilling challenges: Present, persistent, and addressable

Because skills development plays such an outsized role in talent health, we spent considerable effort to understand these strategies through the lens of two global skills reports in 2020 and 2022. That effort continues in the Talent Health Index.

By leveraging three years of longitudinal data, we gain a comprehensive understanding of the present-day challenges within the context of historical trends. This allows us to identify persistent challenges year after year, while also pinpointing areas where organizations have the potential to enact meaningful change.

The new challenges of the present

There are three areas where the preferences of employees and the performance of employers have shifted from past research. These are challenges that are unique to today.

1

Employers and employees feel differently about whether they are equipped to develop needed skills.
While a vast majority of employers feel confident that they can equip their employees with skills, employees agree to a far lesser extent. A 28 percentage-point gap exists between employers' and employees' perceptions of abilities.

89% vs. 61%
89% of employers **feel confident that they are equipped** to develop the skills of employees vs. 61% of employees.

2

Employees are unsure about how much employers care about them and their experience.
Do employers care? Employees showed hesitancy in fully endorsing their employee experience or believing that their organization cares about their career development.

61% **of employees agree** that their organization strongly cares about its employees and the overall employee experience. The agreement here was higher for smaller companies.

58% **of employees agree** that their organization shows a sense of responsibility to its employees and seeks to help develop their careers.

3

Employees need more help from their employers.
The top three areas where employees are looking for help include:

65% Additional skills development content

62% Personalized coaching and mentoring

59% Tailored and comprehensive career guidance

Persistent challenges of yesterday remain today

What skills development challenges aren't new? Unfortunately, even with the massive amount of change inside organizations to address these issues, they remain fairly consistent year over year.

The skills development confidence gap isn't new.
Unfortunately, the employer and employee confidence gap in building skills isn't just a 2023 issue.

On average, there remains a **30 percentage-point gap** between employers and employee perceptions.

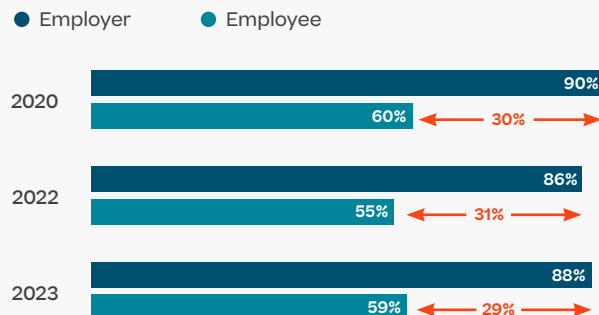Despite a bigger focus on skills development, this gap persists.

The employee skills needs may have changed but the skill-building priority has not.
While the percentage of employees who need help in certain areas has shifted, the places where they need support haven't changed. Providing additional skills development content, providing more coaching and mentoring opportunities, and providing more tailored, comprehensive career guidance were the top three in both 2022 and 2023.

Sources of information stayed the same.
In spite of tremendous change in the workplace, the information people use to build skills, as well as ideal sources of information, have remained remarkably consistent year-over-year. In total, employees continue to prioritize the skills development platforms their organizations provide, as well as internal mentorship and internal career guides.

I feel confident in our/my ability to develop skills

● Employer   ● Employee

2020
Employer: 90%
Employee: 60% ←— 30% —→

2022
Employer: 86%
Employee: 55% ←— 31% —→

2023
Employer: 88%
Employee: 59% ←— 29% —→

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Addressing challenges: High-Performing Organizations show us it's possible

Our findings indicate that organizations perceive their efforts to date as good investments. However, given the multitude of emerging and persistent challenges in skills building and talent development, many organizations recognize the need for further action.

High-Performing Organizations do almost everything differently compared to Average and Laggard organizations. They invest more comprehensively across talent and skills development. The differences between High-Performing and other organizations show up in some significant ways in our research, though.

They use the technology and tools at their disposal.

High-Performing Organizations have a higher reliance on their skills and development platform.

64% vs. 35% for the average.

They care about employees and their experience.

Employees at High-Performing Organizations feel like their organization strongly cares about them and their experience.

96% vs. 42% for Laggards.

They take a sense of responsibility to help employees develop their careers.

Employees at High-Performing Organizations feel like their organization shows a sense of responsibility to employees and helps them develop their careers.

96% vs. 40% for Laggards.

That effort doesn't go unseen in the bigger picture, either. The outcome of these combined efforts is a smaller gap in confidence between employers and employees.

In High-Performing Organizations, 98% of employers feel confident in their ability to develop skills vs. 92% of employees

98% of employers **vs. 92%** of employees.

That's a **5X** smaller skills confidence gap compared to the average.

Regardless of the organization, that perfect combination of being able to offer many programs and personalization at scale means the challenge is never over, even for the best organizations.

Our research continues to prove that organizations have options to make changes that impact their employees and success.

Your holistic guide for a fit talent future

Improving an organization's talent health isn't usually a one-and-done action.

Factors such as limited resources, inadequate training programs, lack of leadership support, rigid organizational structures, and insufficient emphasis on learning and growth can hinder organizations from effectively fostering employee development.

What we find is that, like a rising tide, comprehensive changes across multiple areas are needed to move from one level of maturity to the next.

Across all seven dimensions of talent health, organizations have the capability to improve and grow their talent development programs and practices.

Improving Culture & Technology

Creating a culture of talent development is key to scaling learning and growth inside the organization.

From self-directed courses to more ad hoc learning, organizations can create moments that get people engaged in the topics that make a difference. By letting employees pick their type of learning and pairing it with adaptive technology that allows them to learn from anywhere, people can begin a learning and growth habit that follows them through their careers and lives.

Unfortunately, organizations are often hampered by outdated technologies and tools that don't help their leaders or employees create the best environment for development and growth.

A little more than a third of companies **(37%)** say their organization leverages learner-centric tools and technologies to streamline the flow of talent processes and information.

Customer story: How Assurance created a successful employee-centric culture of learning

Assurance, a Marsh & McLennan Agency, creates value by minimizing risk and maximizing health for over 6,000 businesses and individuals across the country via a suite of insurance solutions.

They worked with us to design a talent solution that met their unique needs. "I knew that Cornerstone could be configured to meet the needs of a small HR team and accommodate the company's 12% growth rate. With Cornerstone, you can make your talent solution anything you want it to be. The sky's the limit," said a human resources manager at Assurance.

They designed a system that:

- Ensured scalability so that they could continue to grow

- Streamlined compliance reporting so that they could track continuing education

- Improved feedback process to boost day-to-day performance so managers feel empowered

- Created a centralized place for all of their learning content

- Set the stage for succession planning and career pathing conversations that focused on performance and development goals

Read the full case study

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Improving Skills Strategy

As noted previously, research from the Institute for the Future reveals that <u>a staggering **85%**</u> of the jobs that will exist in 2030 haven't even been invented yet. Employees need to be adaptable, able to pivot, and ready to take on any challenge.

How do organizations create a skills strategy that can meet the needs of their employees whilst keeping an eye on their own workforce planning?

Organizations need to take more comprehensive action to improve skills, which includes:

- Making skills needs visible to employees

- Aligning skills to internal mobility and future growth opportunities

- Identifying adjacent skills and critical roles

- Developing gig or project assignments to build new skills

- Considering the impact of DEIB on skills development

The good news is, AI for HR is changing how organizations can improve skills strategy as well. Using AI, HR and business leaders can more effectively upskill and reskill employees to meet shifting business needs and objectives — whatever demands the future may bring.

With the right application of Machine Learning and AI technologies, employers can go beyond tracking skills to enable action-oriented talent strategies like never before.

Skills intelligence is one area where business leaders can truly unleash the potential of AI to discover employees' key skills and strengths and how they relate to both current and future career opportunities. But, they also can't forget to ensure they cover all areas of a skills development strategy.

65% of employees ranked providing additional skills development content as the number one way employers could improve their learning.

> "
> Skills development has now become one of the top priorities of the CEO. This means that Chief Learning and Talent Officers need to look at all aspects of development: training, internal mobility, stretch assignments, mentoring, and building what we call 'Capability Academies.' This is a new world: one where skills, learning, development, and growth are all tightly linked together. Companies that build these kinds of programs and solutions will outperform and grow, despite today's chaotic environment."
>
> — Josh Bersin, Global Industry Analyst, CEO The Josh Bersin Company

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Improving Learning & Development

Most organizations need to take steps to drive an overall improvement in learning and development — that includes making your learning programs more enticing for employees.

How can organizations help employees embrace learning solutions?

1

Connect learning to career growth.
Show employees what's in it for them when they use learning by connecting it to their own career objectives and goals.

2

Enable easy access.
Most employees spend just 24 minutes per week on formal learning. With better anywhere access, employees are more likely to spend extra time with your carefully designed learning opportunities.

3

Deliver personalized, relevant content (with an AI assist).
Employees expect a learning platform that supports personalized learning. Organizations must be able to play matchmaker between employees and valued content. AI-powered tools can automate this process, surfacing employee interests and skills gaps while reducing manual lift for people leaders.

4

Promote social learning.
Learning is most effective and engaging when it's a social and collaborative experience. Learning with peers creates community through mutual interest and engagement, simultaneously building individual confidence and team cohesion.

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When it comes to skills development solutions, employees in High-Performing Organizations believe that their organizations have to do it all.

High-Performing Organizations — I believe skills development solutions should:

96%
Improve my growth

94%
Help meet business goals and priorities

94%
Give employees the ability to acquire skills that interest us

94%
Cover a wide breadth of topics

92%
Be simple to use

94%
Provide employees with a guided, personalized career trajectory

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✦ **Customer story: See how The Ohio State University ensured compliance across a complex campus**

A top public university, The Ohio State University (OSU) system maintains a broad network of institutions, including the flagship campus in Columbus, Ohio, The Ohio State College of Medicine, six satellite campuses, and numerous global programs. With over 100,000 learners worldwide and a storied learning legacy to protect, the university is taking compliance training seriously.

BuckeyeLearn combines compliance training and professional development, an all-in-one system that empowers people with personalized, scalable learning to foster self-driven growth. The system automates learning across OSU's diverse community, distributing, tracking, recording, and reporting.

OSU has used BuckeyeLearn to deliver self-paced online courses, instructor-led classes, videos, infographics, surveys, and evaluations on critical non-academic topics such as health, safety, security, discrimination, and more. The university has also used Cornerstone Learning to surface the needs of smaller groups and create customized training specific to those needs.

A Cornerstone client since 2015, OSU has introduced a more manageable, relatable, and ultimately effective learning strategy. And, the partnership continues, with The Ohio State University continuing to develop its learning offerings and Cornerstone continuing to connect OSU leaders and learners with critical knowledge, innovative ideas, and constant support.

Read the full case study

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Improving Content Strategy

While many organizations focus on technology and processes for learning and talent development, content should also be a part of your talent development strategy as well. It's not just about having great, relevant content — though that is critical.

Content partners should be helping you:

1
Find relevant content with an assist from AI.
Using AI and Machine Learning technology, a talent leader should easily and quickly be able to compare vendors when searching for the right content for the right audience.

2
Ensure content aligns with business objectives.
Organizations need to easily curate content based on company strategy and organizational needs with a level of agility to pivot as needed.

3
Tie content to skills.
Talent leaders and managers need to be able to connect content to the skills they're looking to develop in their organization to create customized content collections that drive growth.

4
Build informed learning programs using data insights.
Once a Content Strategy is created, organizations should be able to utilize the data to understand how well they've covered skills, relevant topics, and determine which courses people are consuming the most — or not at all.

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A great Content Strategy also thinks about how it is delivered and consumed.

Knowing that some content can be consumed on the go while other content might be better for dedicated training is key to making content part of your strategic growth and development plan.

For example, Cornerstone Content Anytime was critical to helping the County of San Mateo upskill and reskill its people while increasing employee engagement with internal promotion and innovative content delivery. Without a solid Content Strategy, this wouldn't have been possible.

46% of employees looking for a resource to find information and build skills, they rank their organization's skills and development program as the highest priority.

66

All major enterprise assets must be supported by well-crafted strategies so that ongoing investments yield the best business outcomes. This is obviously the case with an organization's workforce, arguably its primary source of competitive advantage, but it applies to other very consequential enterprise assets as well — including its portfolio of learning content. Continuously delivering the most impactful and relevant content to all corporate learners is only made possible with an optimal content strategy, one that accounts for all key content creation, curation, and performance monitoring aspects."

— Steve Goldberg, HCM Industry Analyst, Advisor, Influencer, HR Tech Advisor

Improving Performance Management

Performance Management is intrinsic to both employee engagement and the overall employee experience. While historically, employee engagement and Performance Management have been measured and tracked separately, organizations are increasingly linking the two. The writing is on the wall: better employee engagement means better individual and business performance.

The relationship between managers and employees is increasing in importance, and managers play a critical role in both performance and engagement.

How do organizations best manage performance throughout the entire employee development lifecycle?

1

Review and assess the goals, performance, and skills proficiency of an employee. This is the crucial first step in establishing how an individual's performance will be managed and evaluated.

2

Set tailored goals by identifying what employees want to achieve and assessing skills gaps to determine where development is needed.

3

Conduct consistent check-ins to give employees access to feedback and coaching, as well as learning recommendations and the chance to update their proficiency levels.

4

Hold development conversations to continuously revisit goals, discuss persisting skills gaps and make a development plan that is adhered to.

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Performance is also linked to overall learning and development success. McKinsey revealed that businesses that focused on a "performance through people" strategy provided an average of 74 hours of training per employee.

As a result, their revenues grew 2x faster, and they were 4.3x more likely to maintain strong financial performance for nine out of 10 years.

Performance working alongside engagement and development is critical to long-term productivity and growth.

45% of organizations say that Performance Management is viewed as a two-way collaborative process, supporting the business and the individual. It is highly personalized, with the use of outcomes supporting value-added pay for performance.

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Organizations have been struggling to find the right approach to Performance Management for years. Our data shows that organizations that pivoted from highly structured to unstructured performance management models are now reassessing those drastic changes, due to frustrated feedback from employees lacking clarity in how career growth and compensation decisions are being made. Today's organizations must find a balance between continuous feedback and regular reviews based on clearly defined measures and skill assessments that are used for fair and equitable compensation and promotion decisions. We aren't talking about going back to the days of forced ranking and defining your bottom 10% but rather creating a forward-looking approach that values both performance and skills equally while giving leaders the tools they need to manage those evaluations with less bias. Organizations that achieve this balance give employees room to engage with their leaders informally, while also providing a clearly communicated pathway for growth."

— Stacey Harris, *Chief Research Officer & Managing Partner, Sapient Insights*

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Improving Talent Mobility

In our 2023 Talent Mobility study with Lighthouse Research & Advisory, we found that many of today's Talent Mobility programs have several common elements:

- Employees need more visibility into internal career development opportunities.

- Managers are torn between meeting the organizational needs (meeting critical business objectives) and the needs of their team (retention and growth of their people).

- The majority of surveyed employees prefer to use self-service technology to begin exploring career development opportunities.

In last year's skills report, we also found that:

80% of employees in High-Performing Organizations see stretch assignments as important to advancing their career. Only 37% of employees in Laggard organizations felt that way.

95% of High-Performing Organizations give their employees the ability to acquire skills that interest them compared to just 61% of Laggard organizations.

These points of overlapping conflict are inherent with Talent Mobility programs. But, as succession planning becomes more critical for organizations and career paths become more flexible, it's clear that better Talent Mobility strategy and execution will be important for companies to navigate effectively.

Leveraging technology that gives employees and managers visibility, connecting it with skills and career paths, and is built for Talent Mobility are key ways organizations can manage the complexities of Talent Mobility today.

95% of employees in High-Performing Organizations ranked providing more tailored, comprehensive career guidance as important.

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Through horizontal and vertical career movements, employees can gain new experiences and skills that not only benefit their own career development but also contribute to the overall success of the organization. This creates a strong succession plan, where employees are prepared to take on leadership roles in the future, reducing the risk of a talent gap, and ensuring the long-term success of the company."

— Quincy Valencia, Vice President & Research Director, Ventana Research

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Improving Talent Reporting, Data, and Analytics

Overall, better data, reporting, and analytics can be powerful tools for improving talent development. By using data to identify talent gaps, develop targeted learning and development programs, and track the outcome of their initiatives, organizations can make better decisions about how to invest in their people. This can lead to improved employee performance, increased productivity, and a more competitive workforce.

Unfortunately, talent and learning involve large volumes of data, disconnected sources, and a lack of insights that keep organizations from getting to the point where they are comfortable using it for decision making.

In the best-case scenario, organizations get access to user, content, channel, group, search, and structured content analytics to help get both a big-picture view and the ability to drill down into the data to understand what's working and what's not.

CTOs, CHROs, and CEOs can use an open architecture approach to reduce pain points related to data sharing, data silos, interoperability, integration, customization, and agility. Open architecture allows HR and learning teams to leverage APIs and customizable workflows to get the data and analytics information they need to make better decisions and align with business needs.

Less than 40% of organizations are leveraging AI and Machine Learning for known use cases and have built internal capabilities.

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Research shows that unclear, disorganized data costs employers millions of dollars each year. If that's true with financial or supply chain data, why wouldn't it also be true when it comes to skills data across the workforce? Having a clear strategy for what skills matter, where they are used, and which employees are developing them is a differentiator that sets high-performing companies apart from the rest. Without that strategy, there's little chance a company will successfully meet its skill development, acquisition, and deployment objectives."

— Ben Eubanks, Chief Research Officer, Lighthouse Research & Advisory

Once you've prioritized and taken action on the areas that are most critical for success, the journey isn't over. Changing employee and employer expectations for talent and skills development will keep leaders on their toes for years to come.

Take the next steps to nurture your talent health: Analyze, advise, and prioritize

With all of the challenges of managing and developing a workforce today, it's hard to prioritize where exactly to start.

In an environment of near-constant change, improving the health of your talent and skills development can feel daunting.

Our Talent Health Index gives organizations a place to start diagnosing their most significant areas of opportunity, create a roadmap, and take action across the seven dimensions we covered above.

Because we've already benchmarked hundreds of organizations like yours, our self-assessment will tell you exactly where you need to improve relative to competitors and your own goals.

Companies with high maturity and high performance show that creating a mature, high-performing talent development program is within reach of every organization.

Take the Talent Health Index self-assessment

Start an individualized approach to uplevel your program based on your personalized assessment.

Benchmark your program today

Explanation of the methodology

The Talent Health Index is a two-part survey deployed in Spring 2023. Our employer survey captured 701 business leader responses — defined as those with decision-making responsibility in key talent and business functions — across three regions: North America (NAM), Europe, the Middle East and Africa (EMEA), and Asia Pacific (APAC).

We captured responses to 32 questions divided across the seven Talent Health Index dimensions as well as questions focused specifically on skill development challenges.

The second part of the survey was to 1,453 employees across the same regions to understand their perceptions of skills development and investment in their organizations.

We segmented results into High-Performing, Average, and Laggard cohorts based on how they rated their organizations across key talent and business categories.

About Cornerstone

Cornerstone powers the future-ready workforce with a next-generation talent experience platform designed to unite technology, data and content and inspire a work environment of growth, agility and success for all. With an AI-powered, skills-forward, experiential platform, built on an open architecture designed for neutrality and scale, we help organizations modernize their learning and development experience, deliver the most relevant content from anywhere, accelerate talent and career mobility and establish skills as the universal language of growth and success across their business. Cornerstone serves over 7,000 customers and 100 million users and is available in 180 countries and 50 languages.

Create a work environment that inspires growth and success for all. Join the thousands of organizations and millions of people worldwide who use Cornerstone to power their growth and meet the future, ready.

Learn More

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