

2024 REPORT

The State of Talent Optimization

We surveyed more than 200 Human Resources (HR) professionals, executives, board members, and business owners on the most pressing talent-related issues for our annual State of Talent Optimization Report. The results confirm: Perhaps more than ever before, **HR is at the center of the business orbit.**



Introduction

Businesses are asking today's HR professionals to administer benefits, address public safety concerns, assess emerging AI, and help temper labor force unrest—often all in the same week. Throw in an election cycle fraught with tension, a tenuous economy, and execs harnessing new leadership habits, and it's no wonder:

HR and People Operations are viewed as integral to business strategy.

The talent universe is always expanding, evolving with the world of work and adjusting to constantly shifting employer-employee dynamics. The demands on people professionals—those who sit at the center of the talent universe—are more pronounced than ever.

Seventy percent of respondents affirmed that HR is an essential piece of the leadership puzzle. That represents a sea change in mindset from previous years, when a minority of respondents held that opinion. But mindset only takes a business so far.

70%

Say HR is an essential piece of the leadership puzzle

The State of Talent Optimization will help you put that puzzle together and become the leader you need to be.

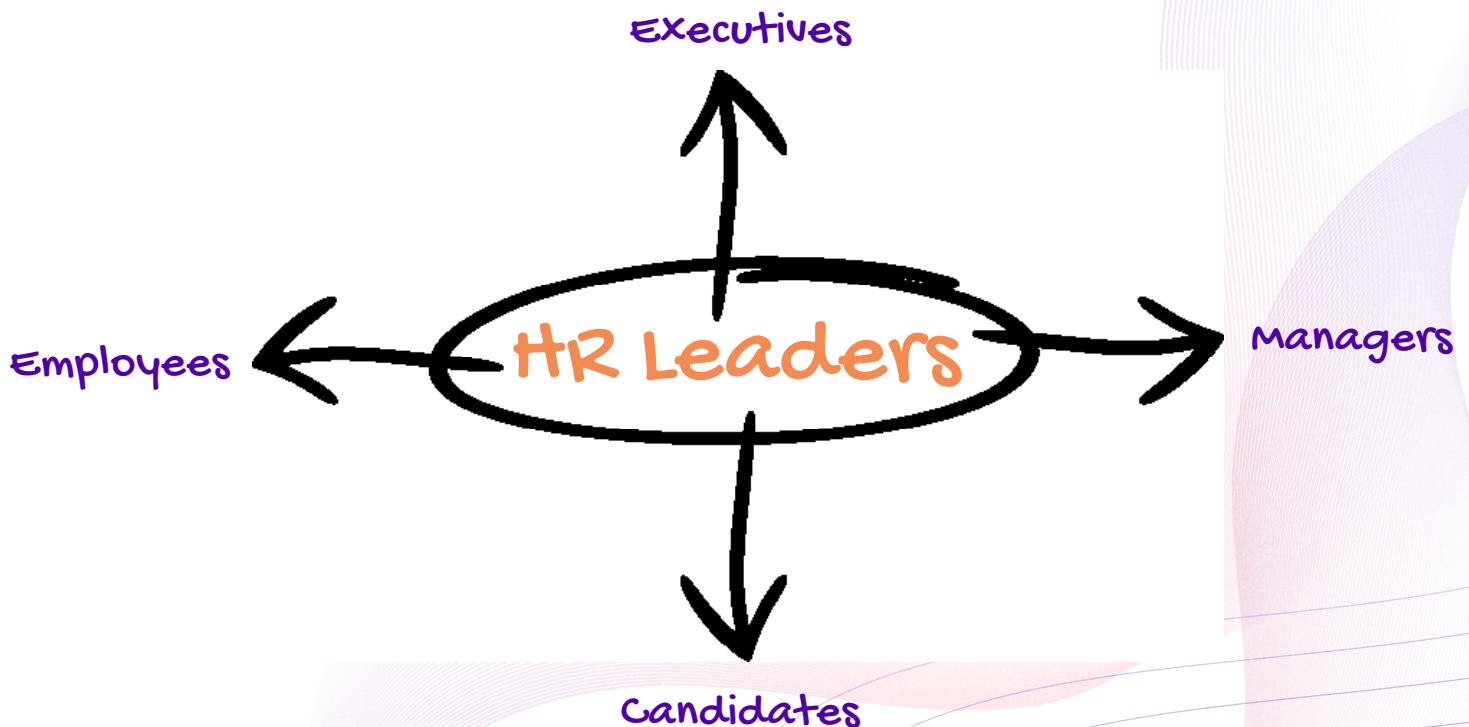


Keeping a pulse on the organization

HR Leaders are the executive team's MVP, communicating thoughtfully throughout the business—but not in the same manner with every person, or for every problem. They know people's quirks, and often understand the dynamics at play across the organization better than the people who “run it.”

It's that sort of disconnect that HR professionals are distinctly positioned to fix. But in order to do so, you need to communicate effectively across every dimension of the business universe, addressing each challenge according to its unique effects on each party. And to do that, you need the right tools and the right data.

The four core stakeholders:



Talent Optimization applied by HR leaders

All roads lead through the HR hub. Talent Optimization (“TO”)—the practice of aligning business and talent strategies—gives those roads direction. As a talent professional in 2024, you’re seen as the link to four stakeholders of the business particularly pivotal to its success:

- **Managers** who might struggle to lead effectively
- **Candidates** who don’t always fit their jobs, whose potential is unclear
- **Executives** who worry about aligning on organizational objectives
- **Employees** who are disengaged, lacking motivation, connection, and appreciation

Talent-optimized organizations are uniquely positioned to support these stakeholders and the challenges they often face.



Key takeaways

- **Less than half** of respondents (47%) are satisfied with the job their managers are doing.
- **63%** of respondents saw at least **5% turnover** in the past year.
- **76%** of respondents say leadership is **occasionally involved** in talent decisions.
- **57%** of respondents said employees **left in the past year**.

CHALLENGE #1

Unsupported managers



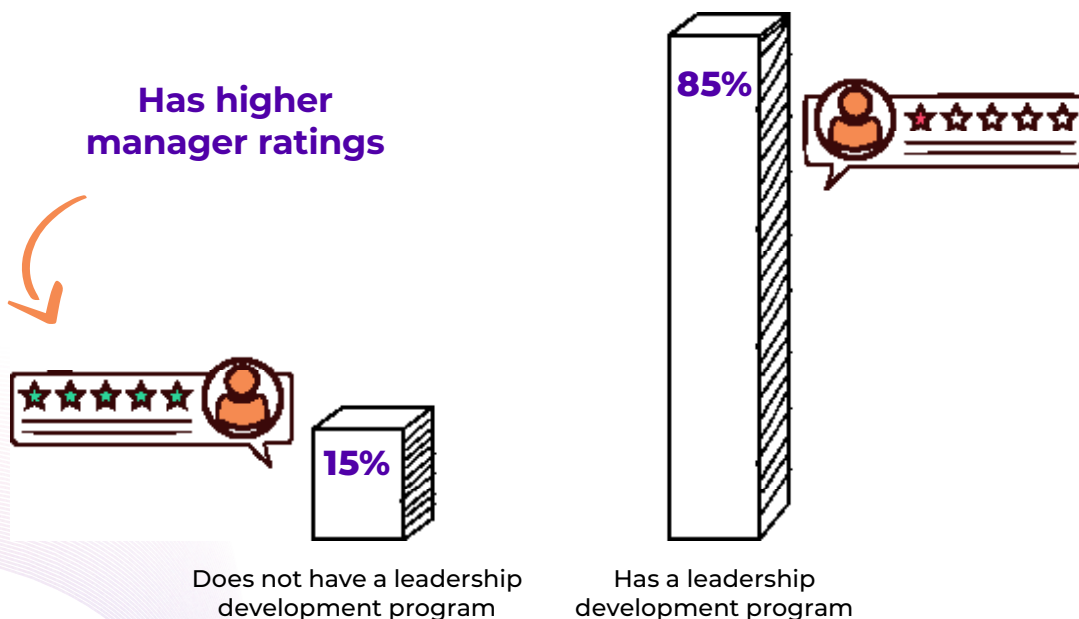
Managers are still being asked to do more, despite being equipped with less.

Much [as we saw in 2023](#), when managers were too often overwhelmed and overtasked through turnover, there remains a disconnect between what managers need and what most of them are provided.

For example, respondents who said they received interpersonal complaints from employees “regularly” or “occasionally” were far less likely to arm their managers with any sort of behavioral data. In other words, the people often tasked with handling said complaints may not have adequate information—like how best to communicate, or what behaviors are strongest—on the people whose conflicts they’re being asked to mediate.

Meanwhile, though [the vast majority \(85% of organizations say they have some sort of leadership development program in place](#), those who don’t are actually more likely to give their managers high ratings—*despite* the fact that they’re seeing turnover rooted in poor employee-manager fit.

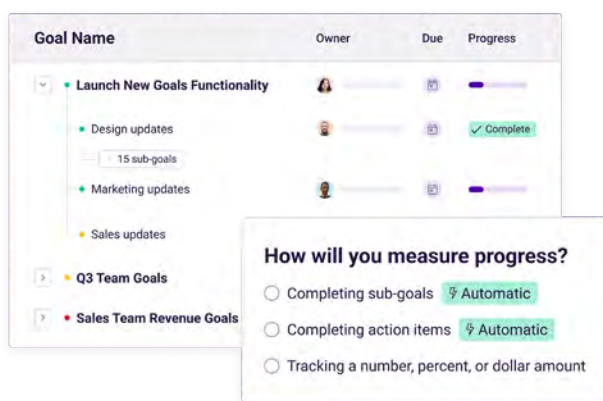
Organizations that don’t have leadership development programs in place tend to have artificially high manager ratings. By investing in a leadership development program, you are teaching employees how to measure performance, resulting in more accurate and actionable performance management data.



UNSUPPORTED MANAGERS

Is there a dissonance at play here? Denial? Or is it possible that organizations who don't codify leadership training are less capable of connecting the dots?

Organizational success hinges on effective leadership. In competitive labor markets, investing in leadership development strengthens corporate culture, boosts morale, and enhances productivity while reducing turnover. Conversely, losing top leaders can trigger negative ripple effects throughout the company.



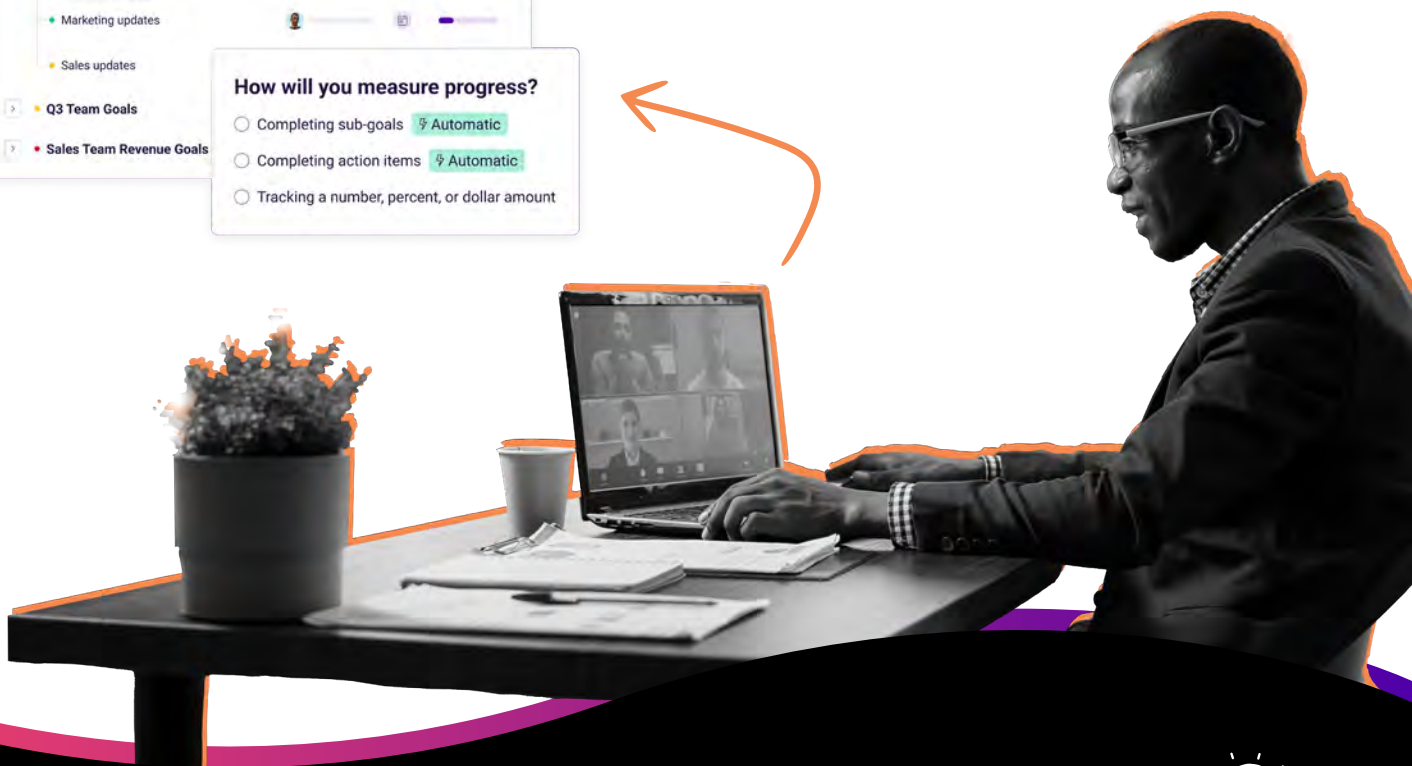
Goal Name	Owner	Due	Progress
Launch New Goals Functionality	[Avatar]	[Calendar]	[Progress Bar]
Design updates	[Avatar]	[Calendar]	Complete
15 sub-goals			
Marketing updates	[Avatar]	[Calendar]	[Progress Bar]
Sales updates			
Q3 Team Goals			
Sales Team Revenue Goals			

How will you measure progress?

Completing sub-goals 🔗 Automatic

Completing action items 🔗 Automatic

Tracking a number, percent, or dollar amount



How to support managers using Talent Optimization

Develop managers by arming them with tools such as behavioral data. Set managers up for success by enabling them to set and track clear goals, enhance visibility into meetings, and make sure accountability isn't amorphous.

CHALLENGE #2

Costly candidates



Most companies still struggle with time-to-hire.

Hiring is harder in certain industries due to talent shortages. Will the practice change dramatically in 2025? Not without a clear process that puts a premium on people’s time (that of the hiring team and the candidate). Understanding candidate cost is crucial for companies to optimize their hiring process effectively.

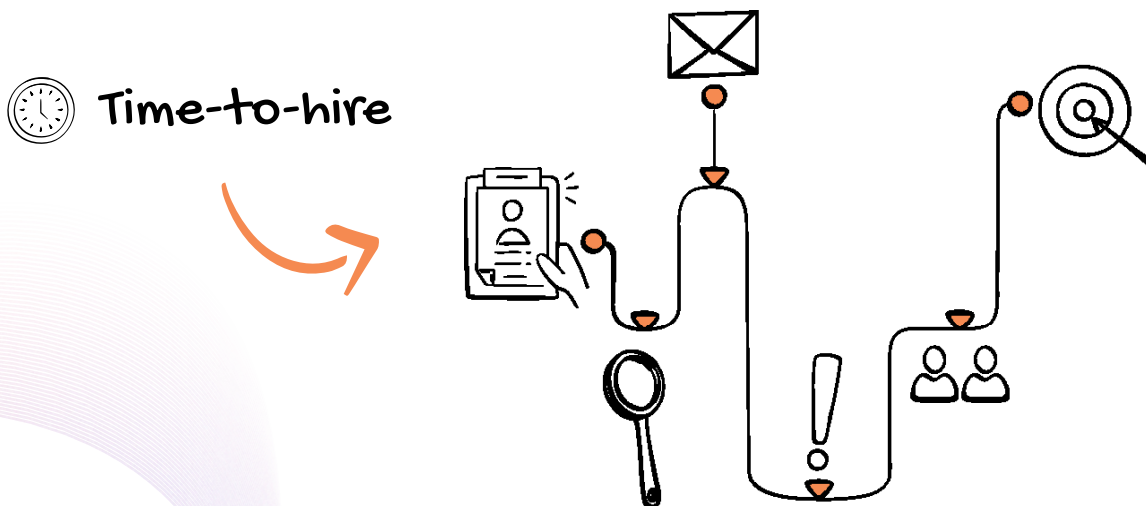
This includes tracking turnover and time-to-hire, which nearly half of survey respondents admit they don’t do at all. Without firm figures that connect to dollars, it’s hard to understand the ramifications of a shaky hiring process.

The vast majority of survey respondents (86%) say they have “an effective, repeatable process for hiring.” Yet most companies still struggle with time-to-hire, needing more than a month to fill their roles.

This discrepancy suggests a need for better

measurement and process improvement. It’s generally more efficient to promote from within, but you need competent, upskilled people to feel confident in doing so. Too often, the “solution” seems to be making a speedy hire. And that’s a dice roll, especially if you’re not matching the candidate to the behavioral requirements of the role.

Leaning on the right data helps bring clarity to a murky process. The best hiring teams know what they need in a role, and they can visualize who fits the team and the job’s behavioral needs, to shorten the assessment curve. By measuring costs and outcomes, companies can continually refine their hiring process, ensuring they’re making improvements rather than unintentionally exacerbating existing issues.



COSTLY CANDIDATES

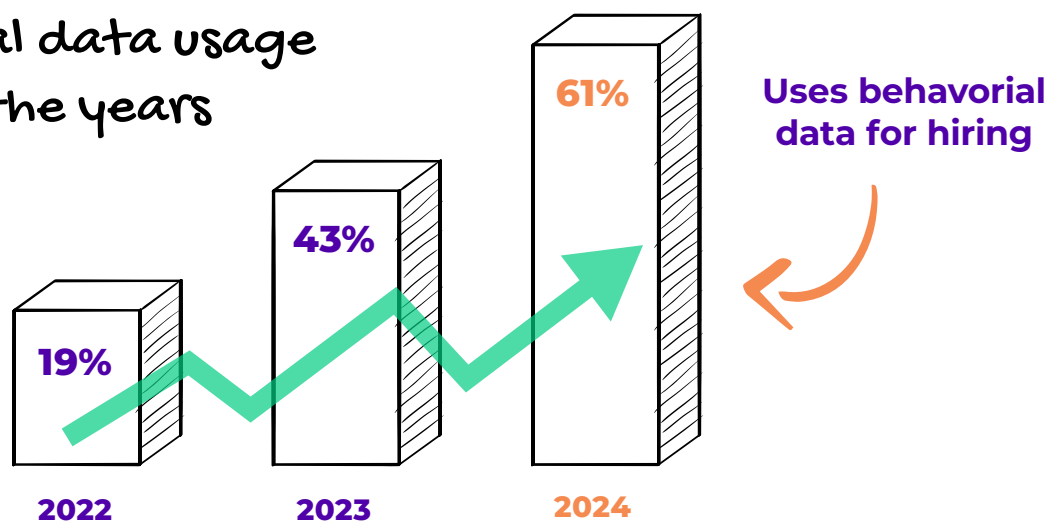
Some **61% of respondents say they use behavioral data for hiring**—an uptick from past years—with often-profound impact. Compared with those who said they don't, or only “sometimes” use behavioral data in hiring, this group also:

- **Shortened its time-to-hire**
- **Was happier with its hiring success rate**
- **Saw less turnover**

Job fit can be fleeting. It's an abstract concept made a little simpler by science-backed people data that solidifies the behaviors and drives correlated to success in a specific role.

Used at scale, it can significantly ease the burden for hiring teams, HR partners, and executives alike. And it saves time for candidates who don't fit the role, but might do well elsewhere, by allowing them to move on with their search.

Behavioral data usage through the years

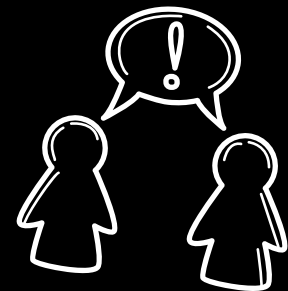


How to support hiring teams using Talent Optimization

Equip hiring teams with more than just resumes and job ads. Optimize the entire candidate experience, from sourcing through onboarding, by aligning the stated needs of the role with the behaviors that lead to success in it.

CHALLENGE #3

Executive misalignment



Leadership isn't always attuned to the work being done.

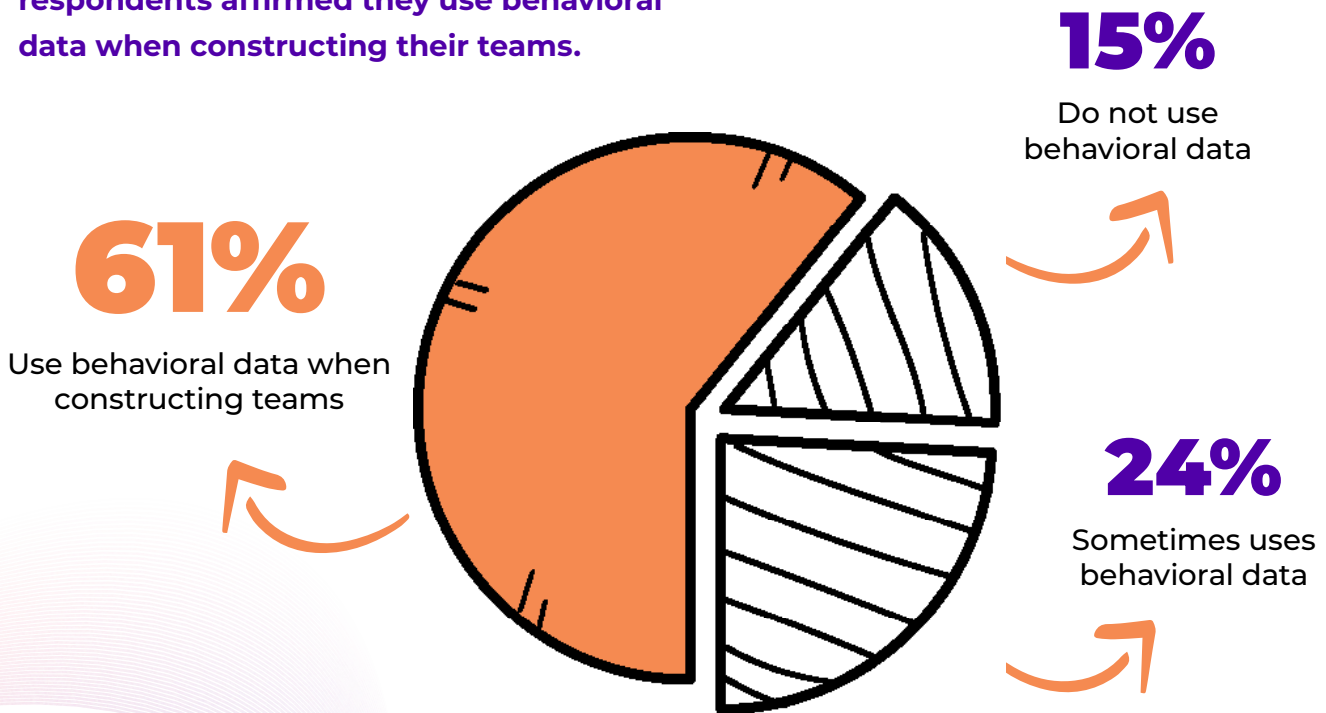
A lack of clarity on roles and responsibilities means more time spent figuring out how to get things done rather than actually getting the work done.

When leadership isn't attuned to the actual work on the ground, their messaging tends to fall flat. It's probably not a coincidence that companies who focus on developing leaders, using behavioral data regularly and having more productive, accountable meetings, also tend to view HR on the same level as the executive team.

Of that group, 98% also have a leadership program in place. They were also far more likely to say HR is "always" an integral part of the leadership team, and, perhaps unsurprisingly, they confirmed that leadership is usually involved in talent decisions.

The takeaway? HR not only bridges the gap between leadership and management, but their involvement in decision-making can have a profound impact on the culture of an organization.

A large majority (61%) of the survey respondents affirmed they use behavioral data when constructing their teams.

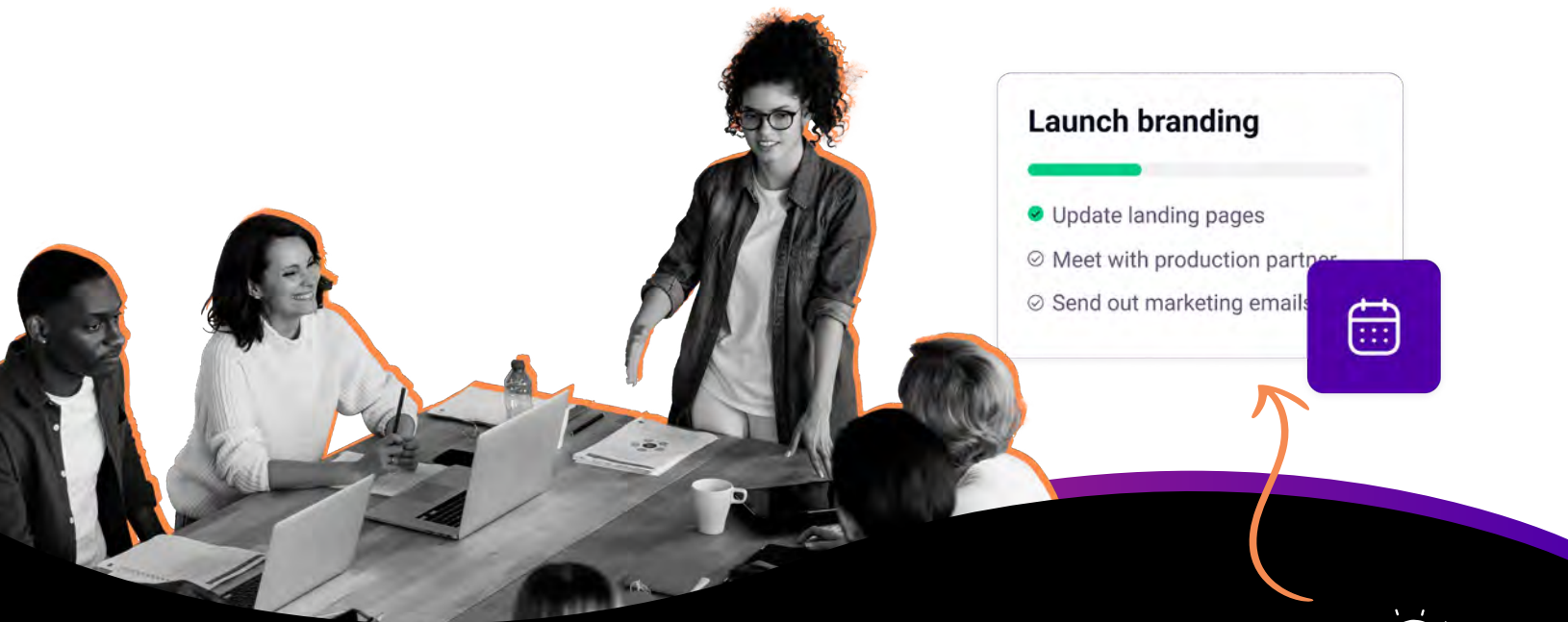


EXECUTIVE MISALIGNMENT

The best talent professionals engender trust across the organization. They are the hub that connects every spoke. Trust strengthens when it's bolstered by a sense of understanding and self-awareness—at every level of the organization.

Take, for example, the fact that while 88% of respondents say their company receives at least occasional interpersonal complaints from employees (no shock there), the 12% who said they “never” get such information also responded that they don't use any behavioral data when communicating with employees.

That sort of silence speaks volumes. More often than not, it's indicative of a culture that lacks self-awareness, and as such, fails to foster fluid, frank feedback. It's unlikely that conflict isn't occurring within the companies of that 12 percent—it's likely just not being reported, **because there's no foundational tone of trust set at the top.**

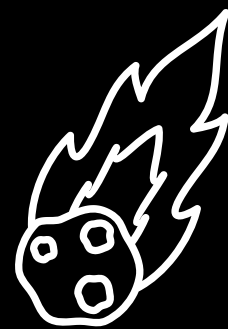


How to support executives using Talent Optimization

Make the most of that seat at the decision-making table. Set the expectation from the top that transparency is the norm—that company-wide decisions and goals will be communicated early and often, with an eye toward how they connect to the work people are doing on a daily basis.

CHALLENGE #4

Crumbling cultures

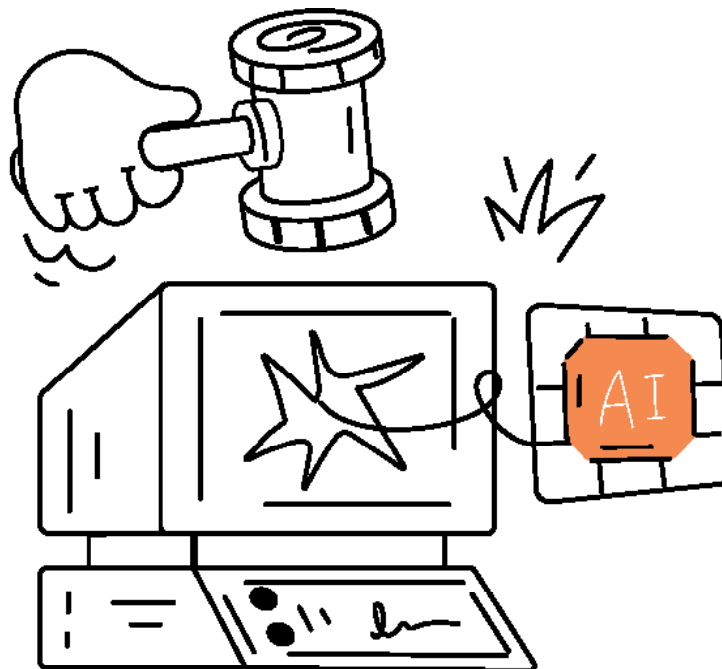


Feeling connected to the purpose of the organization is non-negotiable.

People want to feel they belong—but it goes beyond that. [A sense of psychological safety](#) is equally essential. Creating that safety can entail a lot of things, but a common thread among people-driven cultures is transparency. That often means sweating the details—communicating clearly the rationale behind key decisions, but also documenting the little stuff.

Every workforce, across nearly every industry, is adapting to seismic change at a breakneck pace, often without adequate information. Generative AI adoption continues to outpace education. Uncertainty and stress often result in conflict, insecurity, stalled production, and, in some cases, turnover.

It's a scary time for a lot of workers, thanks to the sheer gravity of the unknown.



CRUMBLING CULTURES

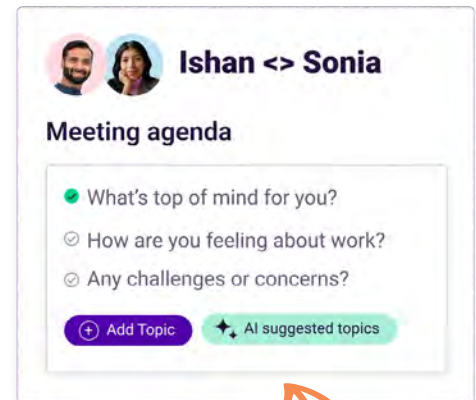
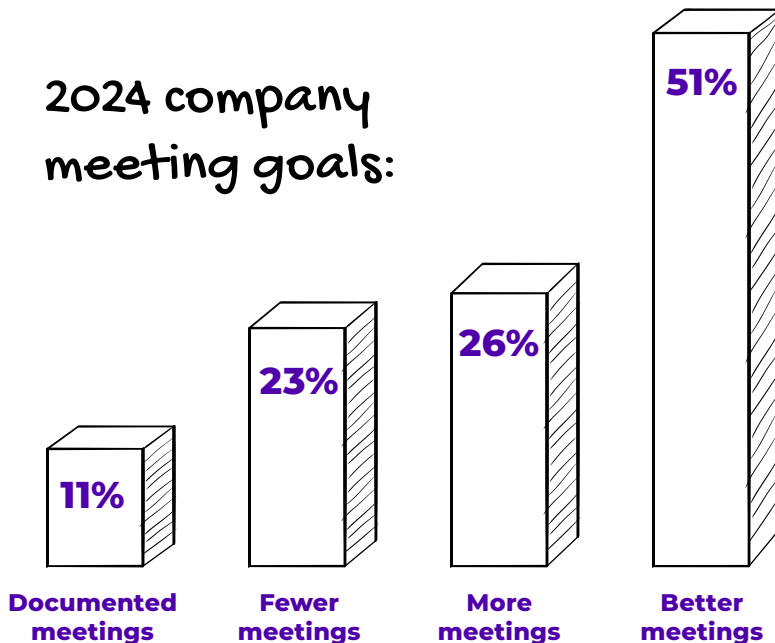
People leaders need to ask themselves: How are we implementing emerging tech, and [how is that stance communicated?](#)

Perhaps more to the point: How are we communicating any emerging-tech adoption in accordance with our stated mission, vision, and values?

Asked about their meeting goals for the upcoming year, more than half (51%) of respondents said “having better meetings” was the priority, even more so than having more or less. And given the choice between two response options, **an additional 11% said they want to “better document meetings.”**

That includes documenting decisions, whether they’re related to new tech adoption or budgetary changes, as a means of ensuring people stay connected to the mission and vision.

2024 company meeting goals:



How to support culture using Talent Optimization

Give people the sense they have a stake in company success, every step of the way. Encourage kudos, and stoke engagement at every level - from leadership on down - so everyone feels equally invested.



Talent Optimization as the bridge for the HR business partner

The landscape is primed for Talent Optimization. In fact, many businesses are already practicing components of it, whether they realize it or not.

Amid a tight hiring market, there's a dire need for employee and leadership development solutions. HR partners can accelerate those initiatives by enabling:

- **Better candidate sourcing, selection, and onboarding**
- **Clearly defined pathways for learning, training, and professional development**
- **Rewards and recognition that support a culture of transparency**
- **Better engagement and performance, buoyed by analytics**

[The Predictive Index](#) serves as the all-in-one entry point, putting names to the initiatives many TO practitioners already have in motion. But every team needs a champion—someone who promotes internal adoption and models talent-optimized behavior.

Meet your people where they are by bringing Talent Optimization to *them*.

