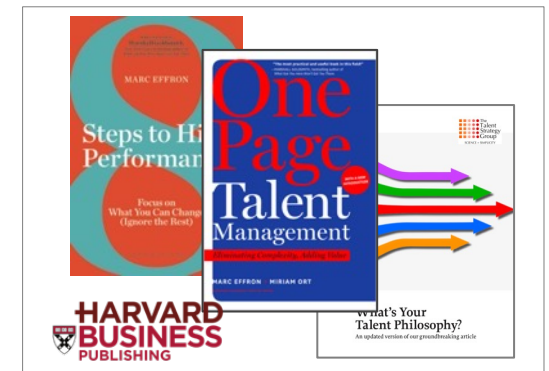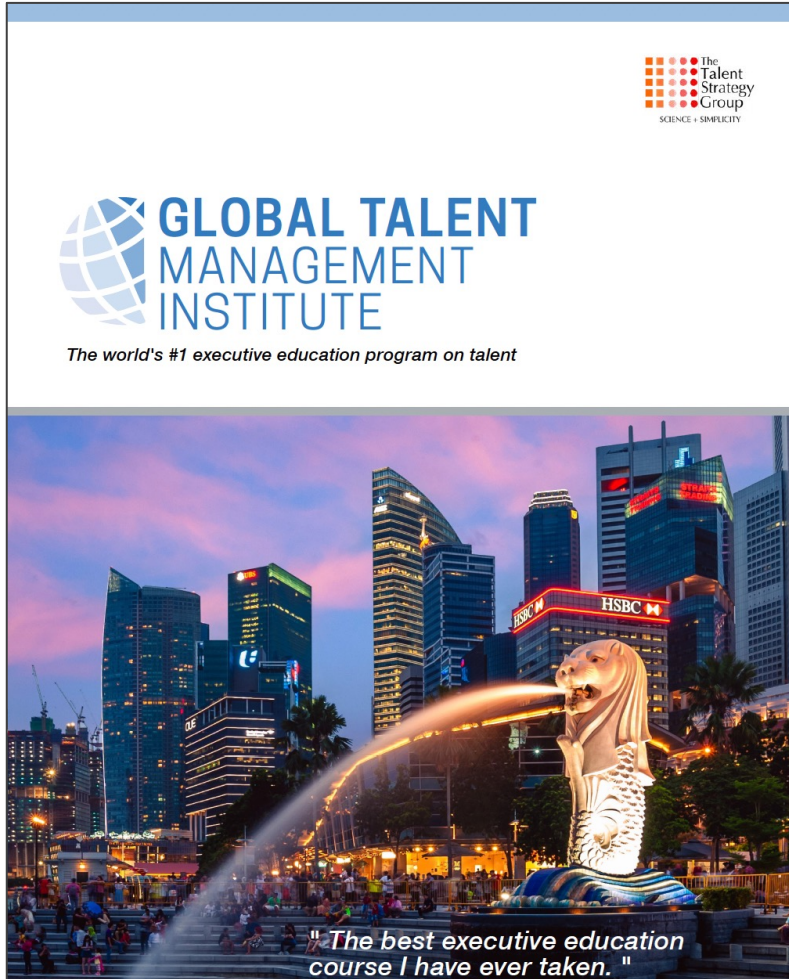# Agenda

- What the data shows

- Your thoughts on the implications for us in HR

- What differentiates how the highest performing companies manage talent?

- Our conclusion

- Q&A

- The world's #1 executive education programme on talent; more than 7,000 graduates

- Turns HR leaders into talent builders – increases their *influence* and their *ability*

- Programmes in USA, Europe, MENA and APAC

- Next APAC programmes – Sydney, Oct 7-9; Singapore, Oct 15-17, 2025

We hope to see you and your team there…

CRITICAL ROLES REPORT 2025

The Talent Strategy Group — SCIENCE + SIMPLICITY

- HR people from 250+ companies (no consultants)
- Global responses, all regions and sectors (36 from APAC)
- 10 questions
- 36% publicly listed, 50% privately owned
- 26% > 25,000 employees, 46% < 5,000 employees
- Data collected late 2024

THE GOOD NEWS (1)

DO YOU IDENTIFY CRITICAL ROLES?

NO, 14%

YES, 86%
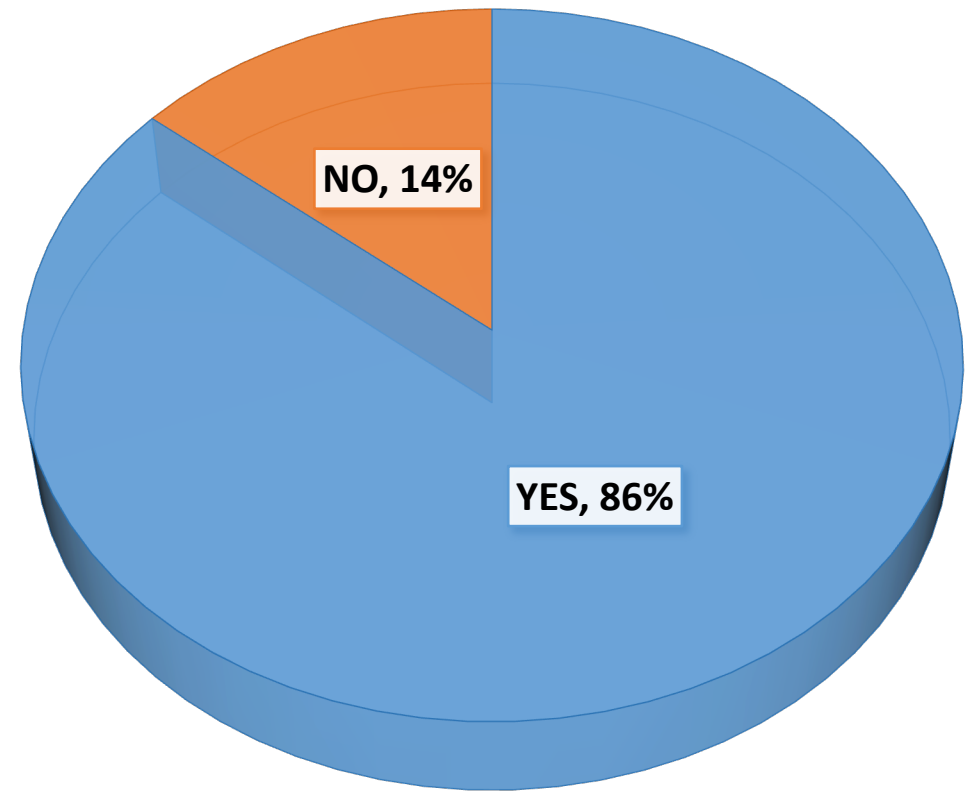
- Europe 78%, Americas 87%, **APAC 92%**. MEA 93%

- No meaningful differences by company size

How do you define critical roles?

There are a wide variety of definitions in use

Criteria	Description
Strategic Impact	• Roles essential to achieving strategy, business continuity, long-term growth, driving execution and transformation
Financial and Business Value Impact	• Roles with large revenue generating impact • Roles contributing significantly to cost efficiency and profitability and financial sustainability
Risk and Business Continuity	• Role where absence would severely disrupt operations and pose major business risks • Single points where operational failures are untenable • Succession risk (limited internal and external availability)
Talent Scarcity and Specialised Expertise	• Hard to fill roles – niche skills, deep expertise, market scarcity • High barriers to entry – education, certifications etc

How do you define critical roles?

There are a wide variety of definitions in use

Criteria	Description
Leadership & Influence	• Executive and senior leadership roles • Roles with high decision making and stakeholder influence • Experts in critical functions and hold core institutional knowledge
Competitive Advantage and Market Differentiation	• Roles that drive future value creation through innovation, customer experience or scaling growth • Roles that maintain customer relationships, compliance and brand reputation
Impact on Core Business Processes	• Roles integral to product development, supply chain, customer service and other critical business interdpendencies
Defined Critical Role Frameworks	• Grading and position related models (WTW, CEO-1, EVP-1 etc) • Short term v long term critical roles

THE GOOD NEWS (2)

Most companies use appropriate criteria to select critical roles

- 80% (86% APAC) of respondents - "Roles which disproportionately impact the ability to achieve strategic or value creation objectives"
- 78% - "Roles with an immediate and noticeable impact on revenue, operations or risk"

BUT…
How sophisticated, rigorous and data driven is your strategic analysis to identify this critical impact at the level of individual roles? (in our experience this can often be more anecdotal than analytical)

THE LESS GOOD NEWS

A substantial minority still use questionable selection criteria

- 58% (72% APAC) include hard to find/hard to fill/urgency to fill roles as critical
- 33% (36% APAC) select critical roles by seniority level
- And 6% (0% in APAC) include in their definitions the incumbent in the role (they are great, therefore the role must be critical!)

These are all classic mistakes in classifying these roles in our view

More data…

What do you call these roles?

High Value roles 5%

Pivotal roles, 1%

Other, 11%

Critical roles 83%

APAC 93%

- Critical roles
- Other
- High Value roles
- Pivotal roles
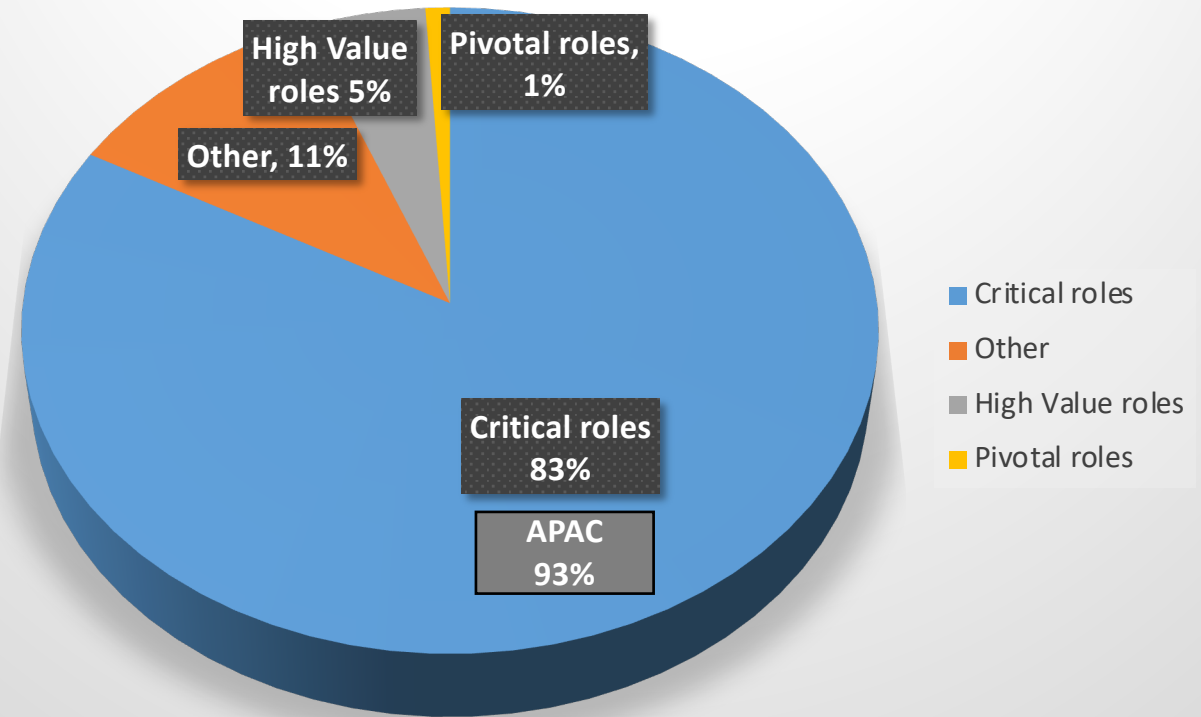
11% Other = Key positions, high impact, critical value roles, critical contributors

How long have you talked about critical roles?
- 48% of respondents > 3 years (39% APAC)
- 21% in their first year (25% APAC)
- Some correlation to company size (larger companies have been at it for longer (on average 3.4 years)

WHY IS THIS HAPPENING?

Identified but not activated

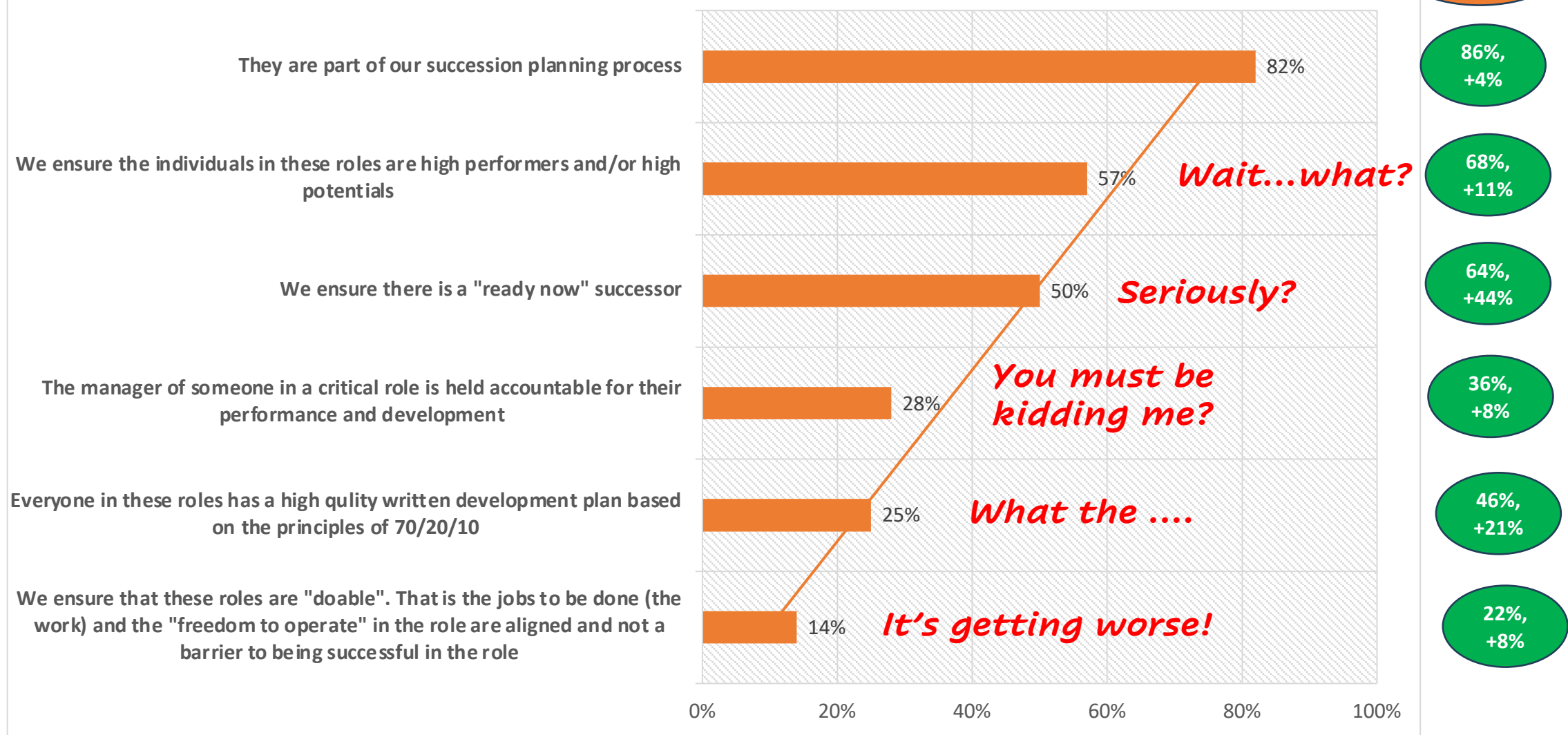They are part of our succession planning process — 82%

We ensure the individuals in these roles are high performers and/or high potentials — 57%

We ensure there is a "ready now" successor — 50%

The manager of someone in a critical role is held accountable for their performance and development — 28%

Everyone in these roles has a high qulity written development plan based on the principles of 70/20/10 — 25%

We ensure that these roles are "doable". That is the jobs to be done (the work) and the "freedom to operate" in the role are... — 14%

0% 10% 20% 30% 40% 50% 60% 70% 80% 90%

WE SEEM TO GOOD AT TICKING THE BOX

- 86% define critical roles ✓
- A majority have robust definitions ✓
- 82% include them in succession planning ✓

But then the practical, logical and obvious HR follow-up actions don't occur in a significant majority of companies

LET'S DISCUSS WHY

Does the thinking on "critical" extend beyond roles?

Pivotal Talent

Which roles and/or talent pools, people and people capabilities make the biggest difference?

Pivotal Teams and Organisation Interfaces

Where will enhancing team and interface effectiveness make the biggest difference?

Pivotal Behaviours

What behaviours will most drive strategy execution and shape culture?

- Inspired by the original work of Professor John Boudreau on strategy "pivot points"*

- **26%** - said they identified critical behaviours
- **18%** - said they identified critical teams
- **9%** - said they identified critical organisation interfaces

- Even though the numbers are low, the are probably overinflated as well from our experience

Where a change or improvement will make the biggest difference. Where does raising performance from poor to good or good to great going to contribute most to strategic success

BEFORE WE CONCLUDE:

WE ARE OFTEN ASKED WHAT DIFFERENTIATES HOW THE HIGHEST PERFORMING COMPANIES MANAGE TALENT

HOW DO THE HIGHEST PERFORMING COMPANIES MANAGE TALENT?

Nearly every organization of size:

HAS THE SAME PRACTICES
- TALENT REVIEWS
- SUCCESSION PLANNING
- CRITICAL ROLE IDENTIFICATION
- PERFORMANCE MANAGEMENT
- LEADERSHIP MODEL
- DEVELOPMENT PLANNING
- HIGH POTENTIAL DEVELOPMENT
- ONBOARDING
- LEADERSHIP DEVELOPMENT
- EXECUTIVE COACHING
- STRATEGIC WORKFORCE PLANNING

USING THE SAME TOOLS

- PERFORMANCE X POTENTIAL GRIDS
- SUCCESSION CHARTS
- ASSESSMENTS ON PERSONALITY OR INTELLIGENCE
- TALENT PROFILES
- DEVELOPMENT PLANS
- TALENT DASHBOARDS

SUCCESS WON'T COME FROM TALENT PRACTICES & TOOLS ALONE.

•

IT WILL COME FROM FLAWLESS EXECUTION OF WELL-DESIGNED TALENT PRACTICES THAT ARE SIMPLE AND SCIENCE BASED

TRENDS ARE IN THE "HOW" NOT THE "WHAT"

MANAGERIAL ACCOUNTABILITY

TRANSPARENCY

THE ACCOUNTABILITY LADDER

HOW MUCH ACCOUNTABILITY IS REQUIRED TO GET A LEADER TO DO WHAT THEY SHOULD DO?

HINT: USE THE LIGHTEST TOUCH POSSIBLE

10	You can be terminated or promoted for your action/lack of action
9	Your career progress sharply accelerates or decelerates
8	You receive meaningfully more or less compensation
7	You receive a higher or lower performance rating
6	Many others know about your success/failure
5	You receive praise or critique from manager
4	You feel strong cultural pressure to do/not do something
3	A few others know about your success/failure
2	Only you know about your success/failure
1	Many others know what your responsibilities are
0	There are no consequences for your actions

MANAGERIAL TRANSPARENCY

ABOUT PERFORMANCE, BEHAVIORS AND POTENTIAL TO ADVANCE.

NO CULTURAL EXCUSES (WE'RE A "NICE" CULTURE!)

MEASURE THEM ON IT (SIMPLE SURVEY QUESTIONS)

SO, WHAT DIFFERENTIATES SUCCESS?

GREAT TALENT PRACTICES NEED TO BE IN PLACE, BUT THEN . . .

1) **A SHARED EXECUTIVE MINDSET**
   - "WE WIN WHEN WE HAVE THE HIGHEST QUALITY TALENT"
   - WE KNOW THE FEW BEHAVIORS THAT DIFFERENTIATE GREAT TALENT AT THEIR COMPANY

2) **FLAWLESS EXECUTION OF THE FUNDAMENTALS (DRIVEN BY ACCOUNTABILITY)**
   - LEADERS ARE HELD ACCOUNTABLE TO BUILD THEIR TEAMS
   - SIMPLE TALENT PROCESSES ARE REGULAR AND DISCIPLINED

Our conclusions on the Critical Roles Research

- The results overall are somewhat (very) disappointing….(APAC better)

- LinkedIn comments on the research point reinforce this

  - *"It is a wake-up call for many organisations"*

  - *"let's identify critical roles then promptly ignore them"*

  - *"when HR is disconnected from the strategic planning process, we can expect results like this"*

  - *"HR clearly does not have enough influence on the key talent allocation decisions"*

- Getting this right gives you a strategic edge over your competitors

- Take a step back – how can your organisation improve?

  - In the **definition and strategic analysis** of which roles are critical?

  - In the **involvement and sponsorship** of senior leaders?

  - In the **execution** of the HR/Talent Management processes that should support the people in critical roles?

  - In holding relevant leaders accountable for doing this well (including the HR team!)

- If you want some help we are here!!

TALENT MANAGEMENT INSTITUTE - APAC
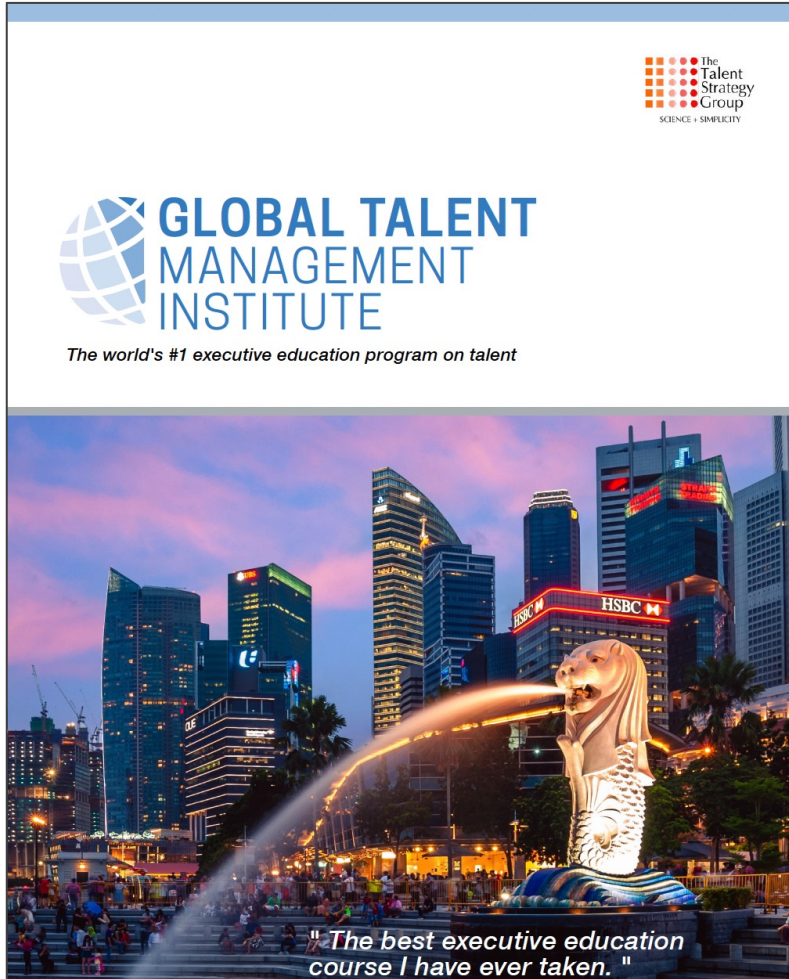
- The world's #1 executive education programme on talent; more than 7,000 graduates

- Turns HR leaders into talent builders – increases their *influence* and their *ability*

- Programmes in USA, Europe, MENA and APAC

- Next APAC programmes – Sydney, Oct 7-9; Singapore, Oct 15-17, 2025

We hope to see you and your team there…

QUESTIONS? THOUGHTS?