



## Talent management as conversations

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### Why we need to talk about careers

Instead of getting bogged down in the complexities of the technology of HR information systems or the current muddle of assessment methodology, we can deploy simple online technology to ask the right people the right questions. And if we have conversations we can do something with the answers to connect the talent management agenda to career development.

# Challenges in fighting the “war for talent”

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“Right now our talent management systems measure HR-related impact, but many of the reasons employees stay or go, grow or stagnate are not addressed.”

Lisa Haneberg

The “War For Talent” continues, and organisations still experience problems in:

- connecting the discussion of future business challenges to the review of current and emerging talent
- differentiating levels of current performance and future contribution to target investment on key individuals
- going from plotting the conventional 9 grid performance-potential matrix to put in place the practical measures that drive retention and career progression
- involving line managers fully in the talent management process to engage their interest and commitment to the follow through
- connecting talent priorities to individuals and their career development

**This article outlines how the complexity of talent management frameworks, practices and systems can make it difficult to have conversations.**

**And how a rethink in our assumptions about the dynamics of success and a shift in how we manage talent intelligence makes it easier to have the kind of discussions that drive career development and build talent “from the bottom up”.**

# Going beyond top down talent management

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“Career conversations between managers and employees are the single most important factor in building, motivating and developing a highly skilled professional work force. As important as ever, these career conversations are becoming more difficult.”

Caela Farren



Workforce planning and succession management are of course important disciplines in risk assessment and strategic decision making. This is sensible corporate governance to identify those roles that are becoming increasingly critical to the organisational future to highlight succession coverage and exposure.

But often this is talent management as an exercise in impression management to provide key stakeholder groups with an analysis of the resourcing opportunities and risks facing the organisation. No bad thing, but succession plans and talent analytics do not advance the organisational agenda to develop technical, professional and management capability or build organisational responsiveness and resilience.

**Individuals think “me and my career” not succession. A talent management strategy that fails to connect to the employee career experience will find itself lost in the abstraction of talent metrics and organograms.**

## The heads of the department have recently conducted a talent review exercise: Each of the heads now has the responsibility of providing face-to-face feedback with their reports

“Why would any sensible line manager want to have a conversation with a high performing employee who has been evaluated as low potential?”

**Individual:** So how did the talent review go?

**Head:** Pretty good I think...OK.

**Individual:** As we've discussed I feel really good about the initiatives this organisation is taking. I want to be part of its expansion. I feel I've really got to grips with my role and I think I'm ready to move on to take on a bigger job. I've been looking through this prospectus...this MBA programme looks strong...

**Head:** Well we reviewed... the problem is that at this moment in time you weren't seen as being high potential...

**Individual:** What...but I'm performing well...you said so in our last appraisal. You know I'm keen, I'm motivated, I'm really keen to learn...so why am I not seen as high potential?

**Head:** It's quite difficult to explain. Potential well ..it's more than how well you're doing now..it's...you're not seen as ready to progress.

**Individual:** Why? What am I doing that's wrong? What am I not doing? Tell me.

**Head:** Look. This wasn't my decision. There is a feeling with the other guys that you're not...you don't quite ...you lack gravitas.

**Individual:** What does that mean?

**Head:** I don't know...you just...can we discuss this later, I've got another meeting scheduled in five minutes.

# Talent management as a series of powerful conversations

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Do our frameworks of success, assessment processes and the flow of information about talent make it easy to have high impact conversations?



- 1. within the Board to ensure that risks have been highlighted and that contingency plans are in place?** This is also about the Board challenging the CEO and top team about the stewardship they are providing to identify options for internal and external succession.
- 2. between the CEO and the top team to create an ongoing dialogue about the future of the business, the scenarios it faces and available talent?** This conversation helps to rethink resourcing requirements in the face of different strategic challenges. It also asks tough questions about the role that each team member is personally playing in the development of the organisation's next generation of leadership.
- 3. between each top team member and their executives** and the ongoing discussion about business priorities, capability and the importance of proactive talent management within each business area. This conversation is also played in talent reviews to break down silos and overcome any cross functional conflict that might be constraining the free flow of talent.
- 4. between line managers and their direct reports?** This is the candid review of performance and future contribution, and the conversations that challenge under-performance, motivate the talented individual who is coasting, and provide career coaching to guide those talented individuals.

# Three big questions in talent intelligence

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## What frameworks are in place to inform the judgements and decisions we make about individuals?

- the factors that are key to the organisational “model of success”
- how the outputs of past success are integrated with the inputs of future success

## Who conducts the assessment, using which methods?

- top down, largely based on the personal judgement of the top team?
- line management evaluations?
- HR driven, drawing on additional data (e.g. assessment centres)?
- bottom up in which individuals complete career profiles?
- the process of data consolidation and integration to summarise talent intelligence
- the choice of technology ranging from a paper shuffle of returns, ad hoc email attachments, integrated talent management vendor solutions, or dedicated bespoke systems

## How is talent data used in decision making and action planning?

- processes for review, debrief and development planning
- optimising the impact of talent reviews and career conversations

# What frameworks do we use? And where not to start

Nine box plotting is the standard methodology of talent management, with a legacy that can be tracked back to the 1950s, a very different world to the one in which we now operate. Mapping evaluations of current performance against a forecast of potential to take on greater responsibility in future has the virtue of simplicity and speed. But it may be a tool that is no longer able to differentiate today's professional and management talents or tomorrow's career expectations and aspirations.

“ *The nine-box category system is crude and clumsy* ”

Professor Adrian Furnham,  
University College London

**The basic definition “the work that one can do in future” is obvious.** But it doesn't answer: which types of work; over what time scales in future? Presumably not any and every work activity.

**It is a vague concept,** and typically little more than a loose evaluation to indicate some kind of value to the organisation.

**Attempts at precision are misguided.** Spuriously scientific, the charts of potential by time scale (readiness to progress within a defined period) and level (the capacity to attain a defined organisational level) are unrealistic given the realities of human nature and development and organisational change.

**Defining potential is trying to “hit a moving target”.** Why does the listing of high potential managers keep changing year after year? Because strategy, structure and culture and operating requirements don't stand still.

**The potential word doesn't make it easy for line managers to have career development discussions.** Meaningful development focuses on the individual and the specific issues they face within their current role or in realising their aspirations for progression. Overall indices that provide an evaluation of “bad to good” do little to set the scene for a constructive conversation.

# An alternative framework for sustainable success

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We need to rethink our fundamental assumptions to implement insightful models of the dynamics of sustainable success.

Firstly to make sense of the proliferation of different theories and frameworks; everything from corporate values, experience, competency and expertise, to personality and emotional intelligence

Secondly, to provide a blue print to improve the processes for assessment, deployment and development to make it easier for line managers to have career conversations.

Our approach has been to work backwards from the questions which the top team ask of their organisation's emerging leadership. Based on our experience of working with different top teams in succession reviews, it is clear that Boards do not systematically work through the formal competency documentation.

Instead they focus on four overarching areas<sup>1</sup> :

Our approach has been to work backwards from the questions which the top team ask of their organisation's emerging leadership. Based on our experience of working with different top teams in succession reviews, it is clear that Boards do not systematically work through the formal competency documentation.

Instead they focus on four overarching areas<sup>1</sup> :

- is this individual **credible?**
- is this individual **capable?**
- does this individual display **character?**
- is this individual proactive in **career management?**



<sup>1</sup> [Rethinking Leadership Realities: the dynamics of the Four Cs](#)

# Rethinking the dynamics of success: Four Cs

how **credible** is this individual?

- do they have a track record of relevant experience and outstanding achievement?
- do they have the respect of their peers?
- have they built up a reputation across the industry?

how **capable** is this individual?

- what is the breadth and depth of management competency?
- which technical expertise and skills can be deployed with proficiency?
- what kinds of business challenge will they be most and least effective in tackling?
- what indicators are there of progression to take on greater responsibility?

does this individual display **character**?

- is there integrity of ethical purpose?
- are they resilient under pressure?
- do they have the distinctiveness to stand out as different?

does this individual understand **career realities**?

- is the individual's career motivation consistent with organisational requirements?
- is this individual effective in self management?

## Credibility

background credentials and connections to build confidence as a potential leader

## Capability

the functions, tasks and skills to be deployed to meet the problems of leadership and to be effective

## Character

the values and attributes which provide leadership purpose and meaning for the longer-term

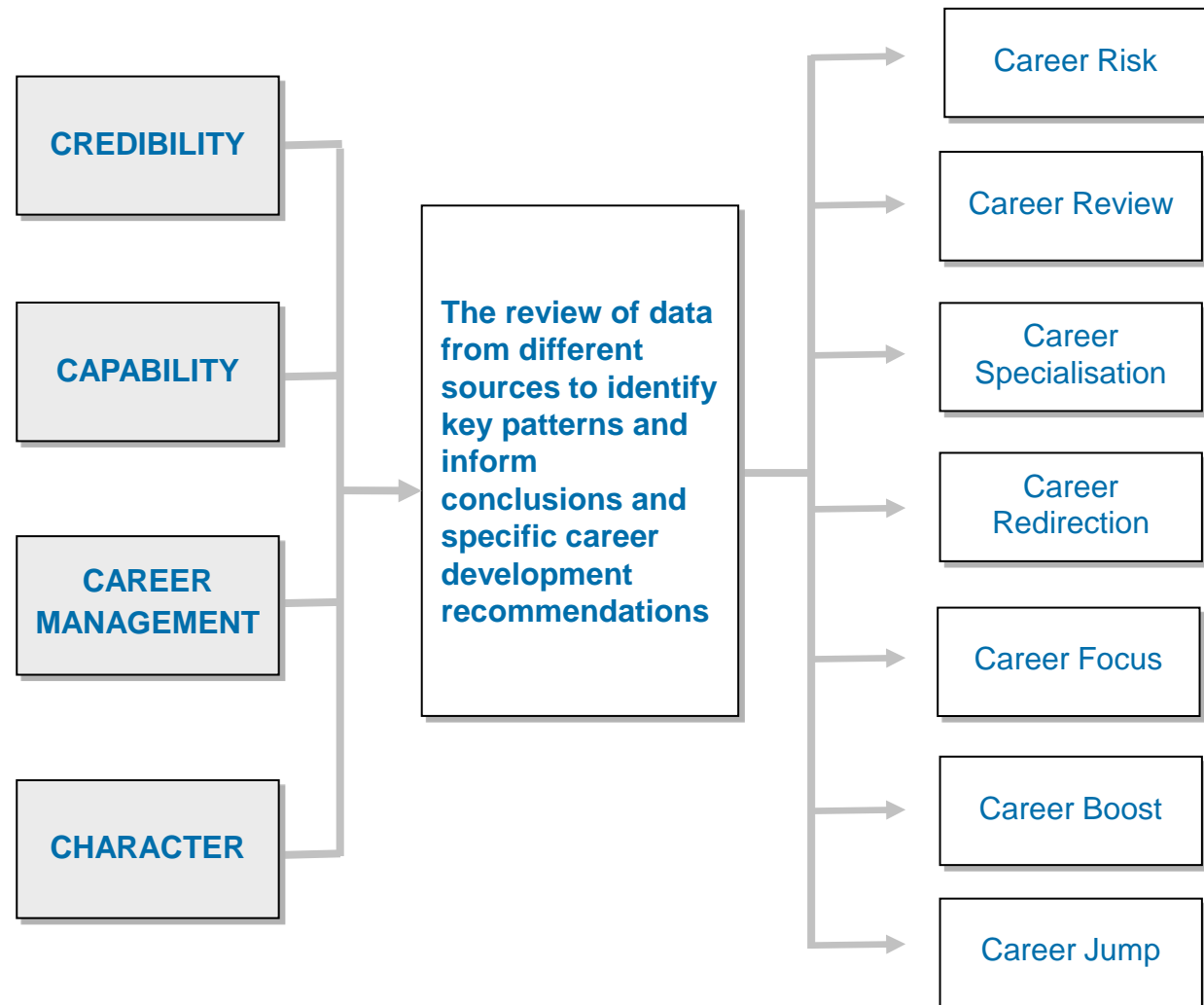
## Career Management

self management and political savvy to navigate through organisational realities

# Four Cs and career mapping

The aim of a talent framework is to map out how the building blocks of effectiveness combine to identify different “career segments” that inform career progression options and development planning.

This is to move from the index of potential, essentially “good vs. bad guys”, to think more insightfully about the range of different professional and management permutations, and identify the specific responses that will accelerate development.



# Four Cs and powerful questions

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## Powerful questions to evaluate:

### Credibility

- Track record of business achievement
- Exposure to different sectors
- Business experience
- Organisational knowledge
- Peer regard and profile
- Senior team visibility

### Capability

- Breadth and depth of technical/professional expertise
- Management competency and versatility
- Exceptional talents
- Performance, impact and improvement

### Character

- Character in action
- Question marks

### Career Management

- Career aspirations and path
- Development commitment
- Professional contribution
- Political savvy
- Risks of derailment

If we ask the right questions in the right way we may gain a better understanding of individuals, and those whose career is best advanced through in-depth technical excellence, or who will broaden their expertise to build professional mastery, or tackle organisational challenges outside their functional background to develop versatility, or those best equipped to take on positions of business leadership. Or the individuals whose career interests are best served in another part of the organisation or to pursue a different career path.



# Who conducts talent assessment?

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If the first challenge is to put in place a framework of success that sees talent management through the eyes of the individual and map out different career patterns, the **second challenge is to implement processes for assessment**. What assessment methods are used, who takes responsibility for this assessment, and how is this information integrated to inform decision making and action planning?

Does the **top management team** conduct a first cut overview of the population to identify “key individuals”. This approach has the advantage of speed and efficiency. Typically however the top team may lack meaningful exposure to the target group and the discussion relies on “corporate hearsay” and subjective opinions.

Or, do we ask **line management** to provide detailed evaluations of their direct reports for review with their peers in a calibration exercise? Here the virtue is one of greater access to work performance to identify indicators of talent and progression. It also reinforces line management accountability for the development of their people. This strategy to be effective of course requires maturity of managerial judgement. It also runs the risk of the “beauty parade” in which evaluations are more a reflection of parochial functional interests than broader organisational needs.

Alternatively, **individuals** provide a self-assessment of experience, capability and motivation as part of talent information flows. At best this accesses the detail of accomplishments, technical know-how, skill, and career aspirations from those who know. At worst, this can be an exercise in impression management in which self promoting advancement out-manoeuvres genuine expertise and experience.

Or do we think that **talent management professionals**, accessing a range of assessment options, should kick-start the talent information flow? In this scenario assessment specialists introduce psychometric testing and assessment centres to establish greater objectivity and consistency within talent intelligence.

**And just how useful is objective assessment?**

# How good is the “assessment industry” at predicting future effectiveness anyway?

What difference does objective assessment make to talent management practice? Here, there are two questions:

1. the empirical question: **what predictive power can objective assessment in principle contribute to improve talent evaluations?**
2. the practical question: **what impact does this predictive power in reality have on organisational decision making?**

The quick answer to the first question is that objective assessment can add significant value to talent assessment, but nothing remotely of the order claimed by much of the assessment industry.

Clearly specific tools and instruments will have more or less validity in any given predictive scenario, but we can summarise the overall patterns in the evidence base of the common methodologies to identify the relative predictive power of the assessment options<sup>1</sup>.

The validity coefficient, an index indicating the strength of the relationship between the assessment predictor and the work outcome, on a scale from 0 (no prediction) to 1.00 (perfect prediction) can also be expressed as a percentage of explained variance in effectiveness. A validity coefficient of 0.3, for example, amounts to a prediction of 9% of future effectiveness.

<sup>1</sup> <http://www.amazureconsulting.com/files/1/39199746/FairyTalesFactsPredictingLeadershipEffectiveness.pdf>

# How good is the “assessment industry” at predicting future effectiveness anyway?

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**General cognitive ability** continues to be the most stable and consistent predictor of work performance (around .5) across a wide range of jobs and occupations, with validity increasing with the complexity of the work task.

**Assessment Centre** validity has been steadily falling since the glory days of the 1970s; the latest review in 2009 suggests a validity of around .27.

**Personality tests** continue to be the focus of much controversy. Although decent measures of the Big Five claim to provide a combined validity of around .39, it is questionable how much predictive power is in fact achieved in selection scenarios because of the complexities of impression management in self report measures.

The initial studies claiming breakthrough findings for **Emotional Intelligence** validity in fact proved nothing of the sort. EQ measures seem to add little predictive power to conventional psychometric tests.

The **interview**, in large part due to the introduction of greater structure, has improved its validity, potentially to the order of .3 to .4, with the indication that interviews which focus on past behaviour provide greater predictive power than those based on responses to future situations.

**360° feedback** data indicates promise, in particular peer evaluations of colleague effectiveness and impact, with validity of around .36.

**Situational Judgement Tests** indicate a validity of around .26, but most evidence is based on concurrent studies utilising job incumbents rather than applicants.

**Biodata**, structured questions that capture information about past experience and achievements, have validity around the .32 mark.

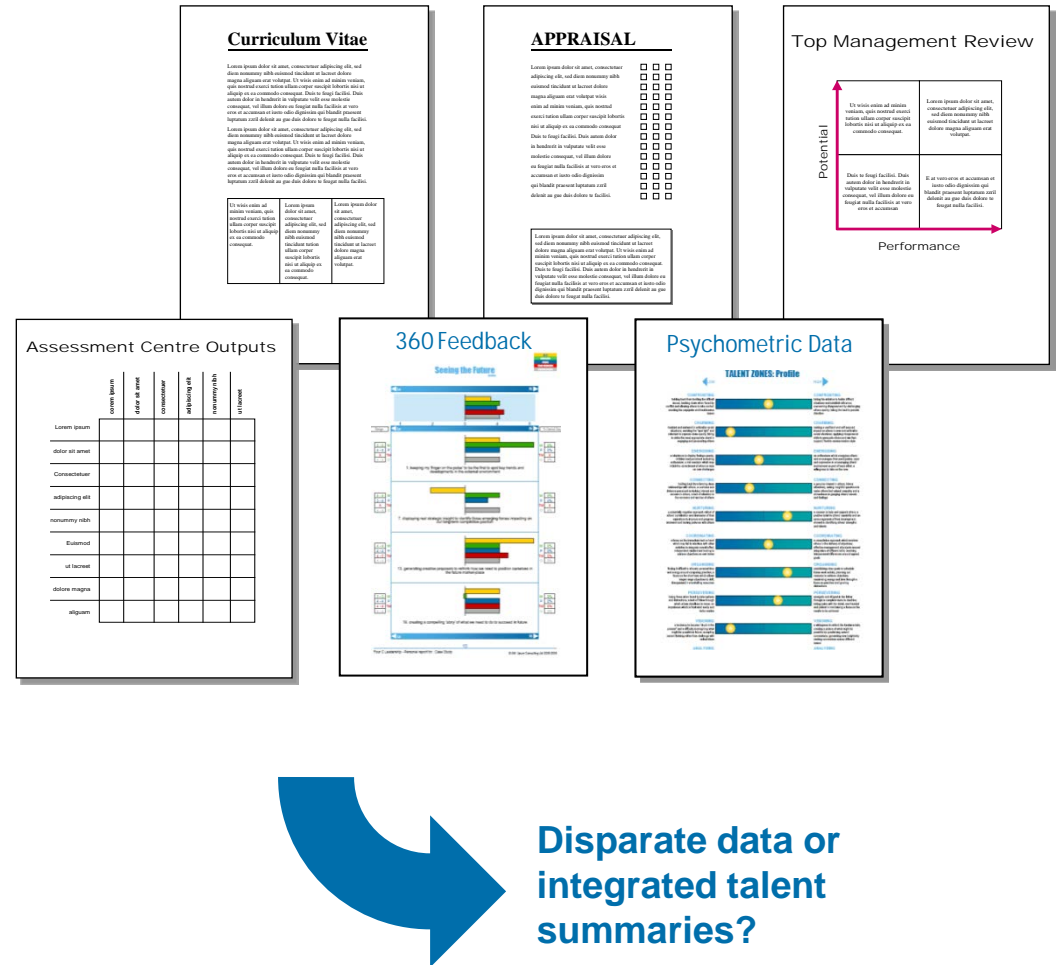
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# Assessment and the integration challenge

Despite the extravagant claims, there is no indication that the assessment experts have made serious inroads to improve the predictive power of assessment methods over the last 20 - 30 years. Yes, objective assessment has the potential to improve talent decision making, but its success largely resides in a short test of cognitive mental ability. And the much derided interview in fact fares quite well in the predictive stakes provided it is conducted in a reasonably structured way.

And it is questionable just how well this predictive potential is realised. One major constraint for objective assessment has been the challenge of integrating and weighting the data to inform organisational judgements and decisions.

This is the practical issue of assessment usage and the logistical difficulties organisations often face in integrating assessment data with other information. There is a range of assessment activity and outputs, but the data is often trapped in folders and filing cabinets, or dispersed across a range of systems and networks. In the absence of integrated talent intelligence, organisations go back to the square one of intuitive judgement.



# Technology and talent intelligence

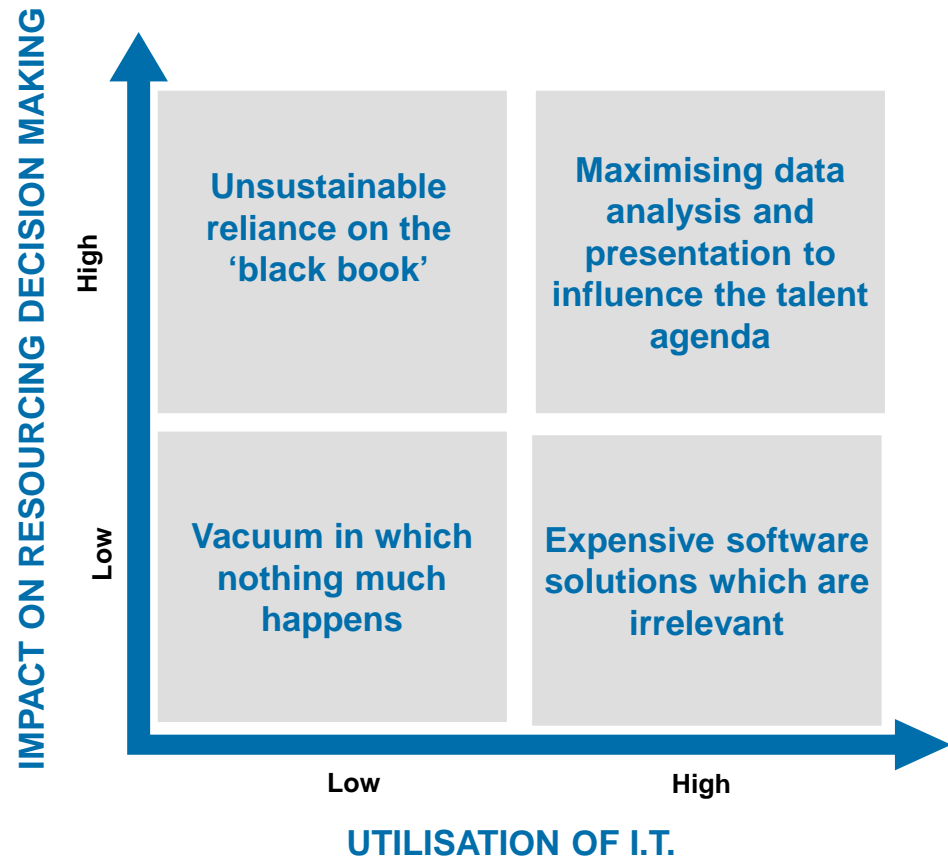
We may have moved on from the “black book”, that listing of names maintained by the “succession chess master to guide senior level appointments, and office software applications have replaced folders in filing cabinets, but organisations continue to struggle with the technology of talent intelligence.

“Big” systems sold as complete solutions to “join the dots” of talent management activity promise a suite of integrated modules for full functionality. The reality has been over-engineered and expensive complexity that makes for long lead times and a short shelf life, and an end user experience that lacks responsiveness and flexibility.

With the recent round of consolidation in the vendor market, genuine integrated and cost effective talent technology will probably emerge over the next few years, most likely from a new player. But we’re not there yet. In the meantime, stand alone applications are more likely to provide a better solution for:

- speed and simplicity of data capture and outputs
- busy end users who are preparing for talent reviews or career conversations
- cost effective flexibility to adapt quickly to organisational change

that is critical to ensure talent intelligence drives action.

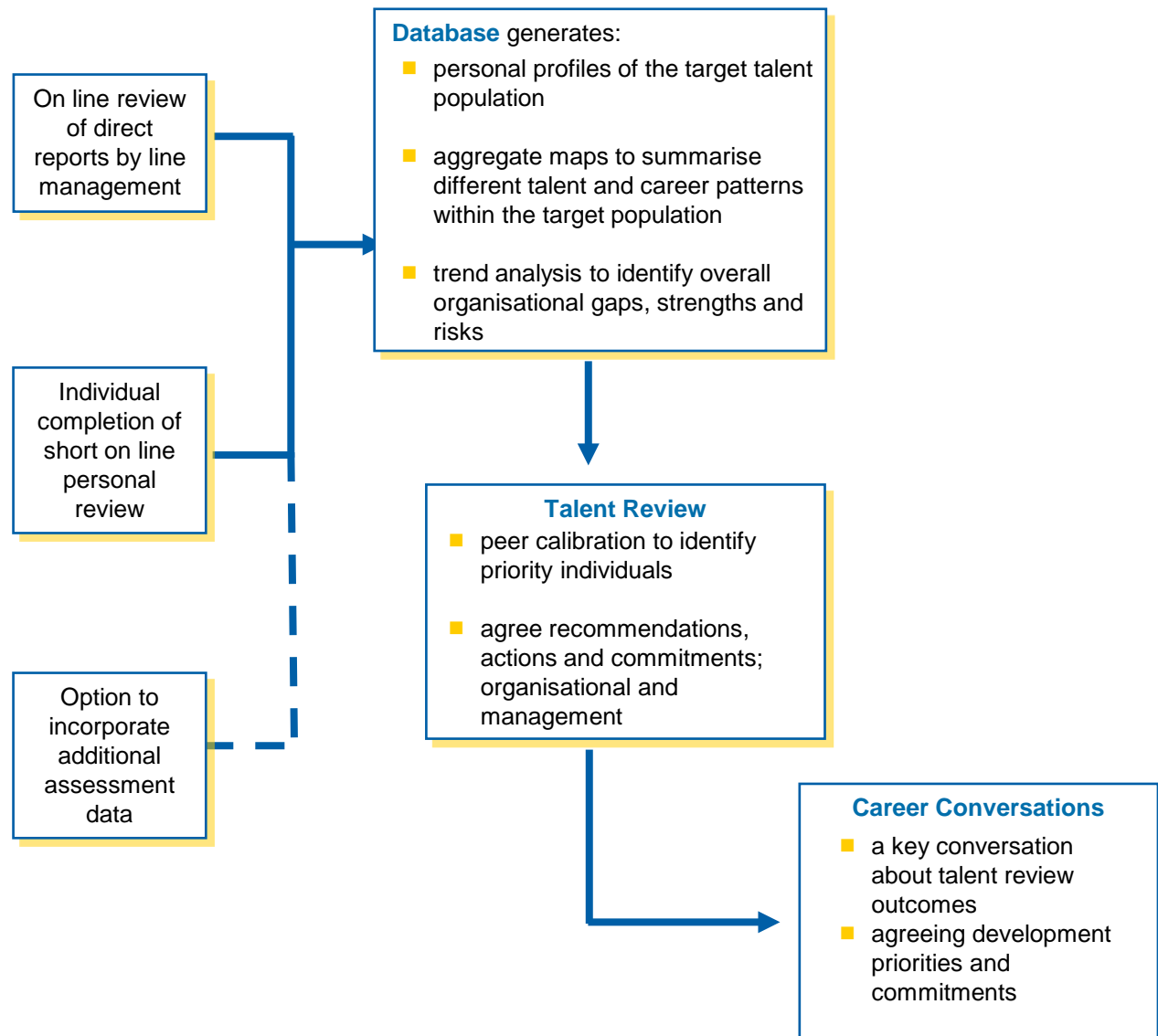


# Simplifying the information flow of talent management

This approach to talent intelligence ensures the end focus is a career conversation with each individual.

To optimise the quality of this discussion, line managers participate in a talent review with their peers to share the results of the initial assessments, a combination of individual, line management evaluations alongside any additional assessment that may be available.

This peer review puts individual results into a broader business context, informs recommendations that require organisational investment, and helps line managers prepare for credible one to one debriefs with their direct reports.



# How is talent data used in decision making and action planning

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“Software vendors compete with each other to add more functionality, just like the USA and Soviet Union did with their nuclear weapons, but what’s the point of the myriad of features unless you actually use them?”

Charles Fiddes Payne

If challenge one is rethinking our frameworks of success, and challenge two is the speed and simplicity of assessment and integration, the **third challenge lies in the practicalities of translating talent intelligence into key investment decisions for specific individuals to put in place the measures that drive development.**

Here the focus is on talent conversations: line managers in discussion with their peers to identify priorities for the business unit and individuals requiring broader organisational attention, and one to one conversations between line managers and their direct reports to agree commitments and development actions. This requires a clear understanding of expectations:

- what is the individual's own role?
- what is the line management responsibility?
- what should the business unit do to make this work?
- what the organisation must implement to provide the underpinning infrastructure

and a mapping of information flows between individuals, line management, the business unit and the overall organisation.

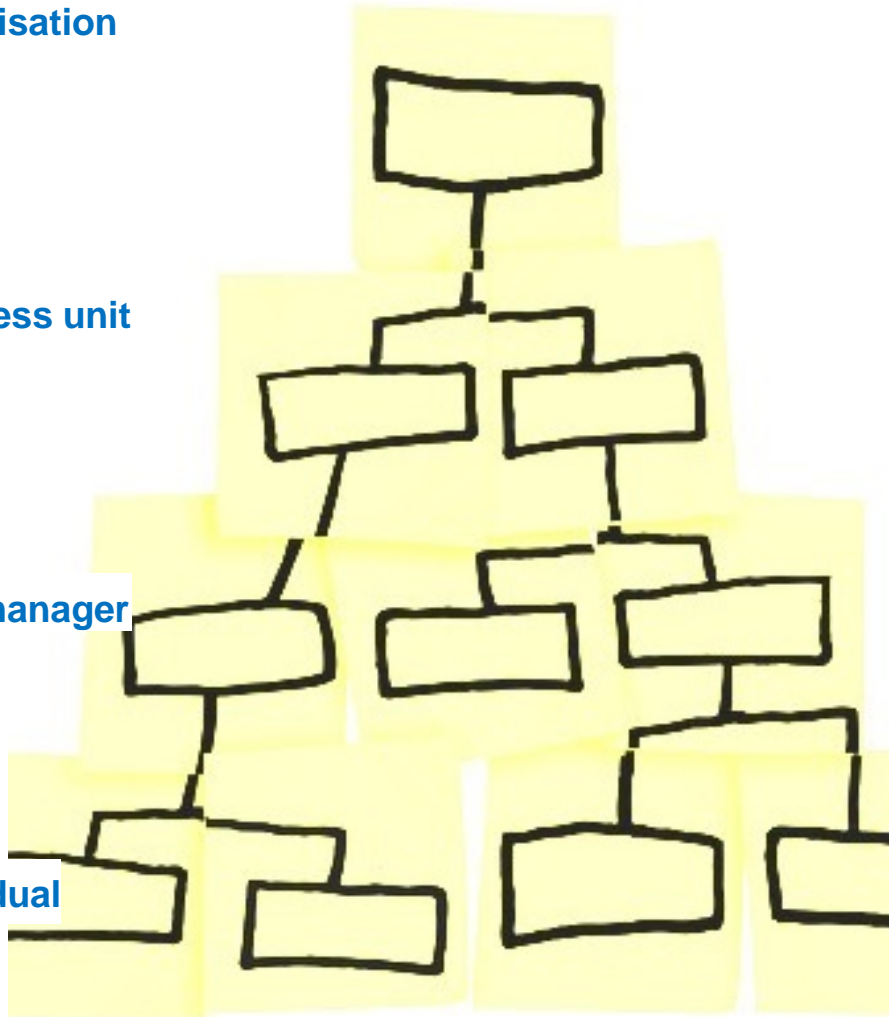
# Seeing the big picture of talent management

## Organisation

## Business unit

## Line manager

## Individual



### Setting an agenda for strategic resourcing

- clarifying future capability requirements against strategic imperatives
- reviewing and agreeing successors for business critical roles
- managing the appointments process at levels X and above
- agreeing major development investment for key individuals

### Driving development throughout the business unit

- managing the appointments process proactively
- tracking succession coverage and exposure to highlight risks and vulnerabilities
- providing investment for the development of key managers and professionals

### Identifying resourcing requirements and priority individuals

- highlighting resourcing “pressure points” and risks
- “filtering” those individuals whose retention, development, progression requires a response from the business unit or where performance/impact is constraining the “pipeline” of talent

### Reinforcing performance management

- ongoing feedback on impact and contribution
- coaching and guidance to develop effectiveness
- formal review of achievements and capability
- review of career aspirations

# Talent reviews as a key lever

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The talent review is the forum for the collective review of resourcing and development priorities within the business area as part of the wider organisational debate. At best they provide a robust analysis of:

- **blockages within the pipeline** to highlight those individuals who are holding back the next generation of professionals and managers
- **targets for retention** and those individuals whose loss would be disruptive to the business
- individuals who need **proactive development** and organisational investment to accelerate their progression to make a greater contribution

But often these reviews are reliant on:

- hazy views of performance and contribution
- subjective evaluations of potential
- ad hoc comments from senior management
- vague recollections of past assessment activity

And typically undermined by:

- time consuming and cumbersome preparation
- bad behaviour among participants
- circular discussion without productive conclusions
- the absence of agreed actions and accountabilities



# Optimising the conversation within talent reviews

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Define the **scope of the review** and its authority, specifically how its outcomes inform wider resourcing decision making.

**Be disciplined in the preparation** for the session, but make it easy for participating managers to conduct a review of their people. Don't overload the process with cumbersome "paperwork".

**Apply filters** to prioritise a quality debate about a few individuals rather than a superficial overview of the many.

**Don't overplay the formality of the meeting;** attend to the physical environment and interpersonal dynamics of the session. Use newspaper clippings, images and photographs to highlight the business impact of a productive review.

**Clarify operating ground rules** around the importance of candour to encourage frank debate and shared ownership of talent rather than the protection of functional favourites.

Keep the agenda focused around business problems and talent solutions to **avoid "talent tittle tattle"**. Keep the discussion grounded in evidence.

**Conclude with action points**, commitments and accountabilities and a process for follow up.

# Career conversations

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Line managers, for understandable reasons, are often reluctant to embark on this activity, not least because of the opportunity for misunderstandings and confused expectations. There are sensitivities; for the individual in sharing their aspirations and concerns, as well for the line manager who may be uncertain about business plans or organisational change.

And as has been noted, any conversation based around the evaluation of potential is never going to be straightforward. High potential individuals may stake their claim for a higher salary or promotion. Low potential employees will assume they have no organisational future, and motivation will fall. Unsurprisingly then, few organisations disclose the outcomes of talent reviews.

The reality is that if line managers don't acknowledge the career agenda of their people:

- individuals in the wrong role at the wrong time will continue to under-perform
- high performing employees requiring a fresh and different challenge will begin to coast
- exceptional individuals will leave in search of other opportunities

“ *High quality career development discussions with individual employees can be challenging.* ”

Fans Van de Ven



# Making it easier for line managers to have career conversations

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**Follow a process.** Everyone is different. Some employees will have a clear and realistic view of their career development; others will have little more than a fuzzy set of hopes and aspirations. But career conversations to become more than a vague conversation about the future require a structure and format. Put in place the sequence of steps and supporting tools, from preparation, meeting agenda, and follow through to help individuals and line managers navigate through the career review.

**Powerful questions are more important than knowing all the answers.** This is the career review as the art of conversation rather than conventional career planning. Sensible individuals do not expect either the organisation or their managers to provide a definitive road map. But they rightly want a sense of the issues and options as they look to progress the next steps in their career development. Honesty and authenticity of discussion grounded in the organisational realities of the criteria for performance and progression count for more than extravagant promises.

**End with realistic commitments.** If the career review is being conducted as part of a wider talent management exercise, line managers will have a good sense of the individual's relative status and the extent to which their development will be supported at a business unit and organisational level.

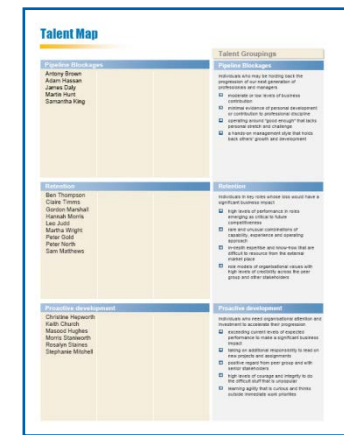
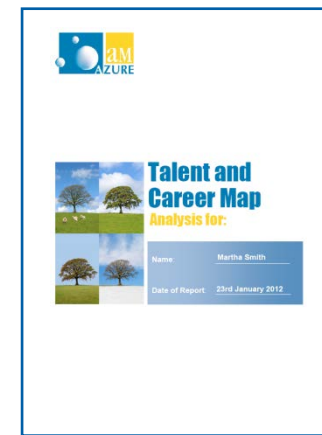
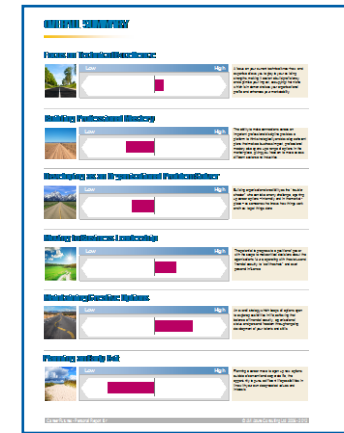
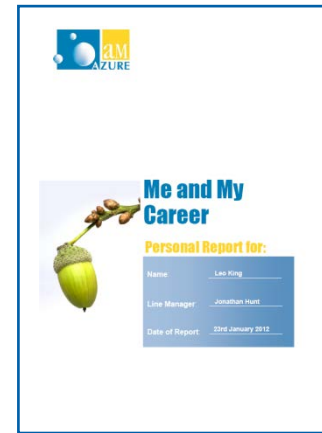
Whatever the outcome of the career conversation, conclude with a clear summary of: what the individual undertakes to do themselves; the line management commitment to access opportunities within the wider work area; and the organisational measures available to accelerate development through additional investment.

# AM Azure: how we support clients in talent and career management

Whilst we await genuine integration from the vendors of talent management technology, our approach focuses on:

- bespoke development for stand alone on line systems that help line managers prepare for talent reviews and one to one career conversations with their team members
- providing powerful content to incorporate a choice of options, from short simple questions and check-lists to more extended assessment modules
- smart algorithms based on the career patterns of success to summarise data into high impact reports for career development planning, the mapping of talent priorities, and trend analysis to identify organisational opportunities and risks
- quick and cost effective implementation to minimise the time and expense of prolonged project methodology or systems integration

to make **individuals and their career development key** to the overall strategy for talent retention and development and put **line managers in the driving seat of talent management** in supporting career conversations with their people.



# About us

Established in 1994, AM Azure Consulting works with a broad portfolio of clients – in the UK and internationally - in the design and implementation of online services in recruitment and selection; management assessment, development and career management; online leadership tool kits, 360° feedback; performance management and talent and succession management.

If you are interested in our approach to talent management, our consulting expertise, assessment tools and talent planning software:

Call us: 44 (0) 1608 654007

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Or visit our website [www.amazureconsulting.com](http://www.amazureconsulting.com) for further information, including articles which you can download for free.



We:

- summarise complexity to provide solutions that are pragmatic and build and maintain momentum for our clients.
- help trouble-shoot the messy organisational problems to see the key issues, identify options and put in place actionable plans that make progress.
- cut to the chase to focus on the distinctive challenges of our clients. We enjoy the innovation that results from our clients with ideas and we help translate them into practical applications.
- draw on an extensive research base, library of resource and range of tool kits, and up-to-date thinking to help design and implement practical solutions quickly.