



## 5 phases to craft talent management strategy

### *In a nutshell:*

*If we apply the “if - then” principle rather than adopt the “me too” of so-called best practice to craft our own talent management strategy we will improve the odds of organisational success in a turbulent business world.*

## Designing a distinctive talent management game plan for your business

# The genie in the lamp

If the genie released from the lamp granted our talent management wish, organisational life would be easy.

We would identify and recruit exceptionally gifted individuals (at surprisingly low salaries) at every level of the organisation, from front line employees to the senior management team. These individuals would combine the in-depth experience, expertise and skill our business needs right now with outstanding levels of versatility to take on future but unknown challenges.

This talented work force would not need expensive training or development. Retention would not be a problem either. The commitment to the organisation and fit with our values is such that these individuals are engaged fully with their work and the purpose of the organisation.

When we restructure our business from time to time to shift the configuration of roles and reporting relationships, redeployment is quick and easy. Individuals slot into new positions and get up to speed quickly to make an immediate business impact. Talent and succession reviews would continue to impress us with the breadth and depth of our pipeline, and our choice of credible and capable candidates to progress further.

Until our genie is released from the lamp we have to put in place a talent management game plan in the real world that reconciles our best estimate of the talent we need in future with our capacity to access this talent.

It is not a strategy that attempts a “me too copy” of the failing “best in class” talent management firms. Instead it is a game plan that assesses shrewdly where our organisation is now and where it wants to be, and identifies the tactics to close the gap. This is **distinctive talent management**.



# A talent management dilemma

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Founded in 1947 by Koo In-Hwoi, LG was formed by the merger of Lucky and Goldstar in 1958.



Insider Yong Nam becomes CEO in 2007, with the aspiration of becoming the global leader within consumer electronics.

Recognising the organisation needs an infusion of outside genes to bring in world class talent he also recognises the challenge of integrating non Koreans within the current culture.

## What does he do?

In this scenario Yong Nam brought in a big-hitting group of non Korean functional reports reporting to him at a senior level, but without line management responsibilities.

Instead the group formed a corporate centre of excellence to provide world class functional expertise to line managers. Yong Nam supported the new talent with best in class HR global standards within a matrix structure.

**An example of a “Talent Master”<sup>1</sup> at work? Or the beginnings of a business problem?**

# Distinctive, not best practice talent management

In recent articles<sup>2</sup> we highlight the problems of what is now accepted as best practice talent management, the generic blue print that has become the default position of the talent management community. It has largely failed, and explains much of the frustration from senior executives as well as from practitioners themselves about the modest impact of talent management<sup>3</sup>.

**Instead of importing the practices of those talent management exemplars showcased in conference presentations and best practice books we need to start with hard thinking about the distinctives of our business.**

This article outlines the critical sequence of five phases to craft a talent management strategy:

1. **Understanding the business CONTEXT and the operating model of the organisation;** clarifying the impact of the organisation's strategy, structure and culture to identify the likely demand for future talent
2. **Conducting a talent REALITY check;** determining how easily we can access the supply of talent to meet demand and if this operating model is sustainable in future given the talent that is needed
3. **Outlining a distinctive talent management AGENDA;** mapping a credible and coherent philosophy and position that identifies specific talent management priorities
4. **Building a FRAMEWORK;** assessing the maturity of the organisation - its management and infrastructure - to put in place an implementation plan and supporting processes and technology
5. **Evaluating progress to TRACK the impact of talent management to shape future priorities;** gauging what is and isn't working to guide improvement and maintain relevance to business change

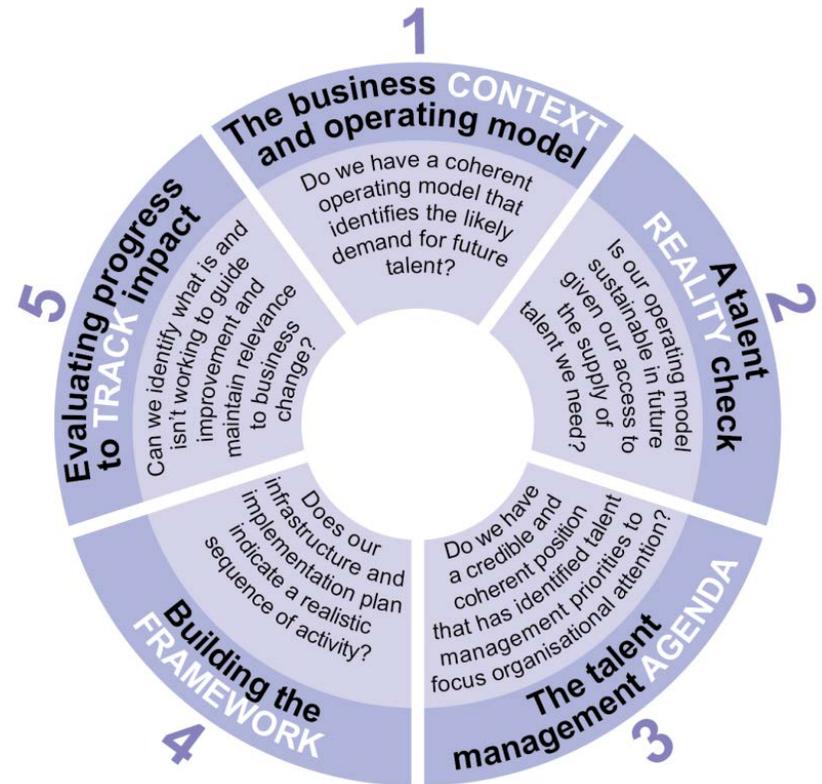


# The craft of distinctive talent management

It is true there are generic principles - decent recruitment systems, well coordinated induction, robust talent reviews - that any progressive firm should adopt. This is talent management as tactics to stay in the game, and not the basis of a winning strategy. The application of generic principles won't beat the competition.

**Distinctive talent management begins with a clear insight into context, and the dynamics of talent demand and supply given the operating model of our organisation.**

This is the foundation to determine the scope and positioning of talent management and to prioritise those practices with most business impact. It also identifies the sequence and speed of implementation and how best to evaluate the progress and impact of our talent management efforts to adapt our plans to changing circumstances.



# Phase 1: the business CONTEXT and your operating model

Phase 1 begins with an understanding of your operating model and specifically the interplay of three factors: strategy, structure and culture.

Do you have a coherent operating model that identifies the likely demand for future talent based on:

- the clarity and ambition of your business strategy
- your organisational structure and how to coordinate effort
- your culture and the expectations of how you operate



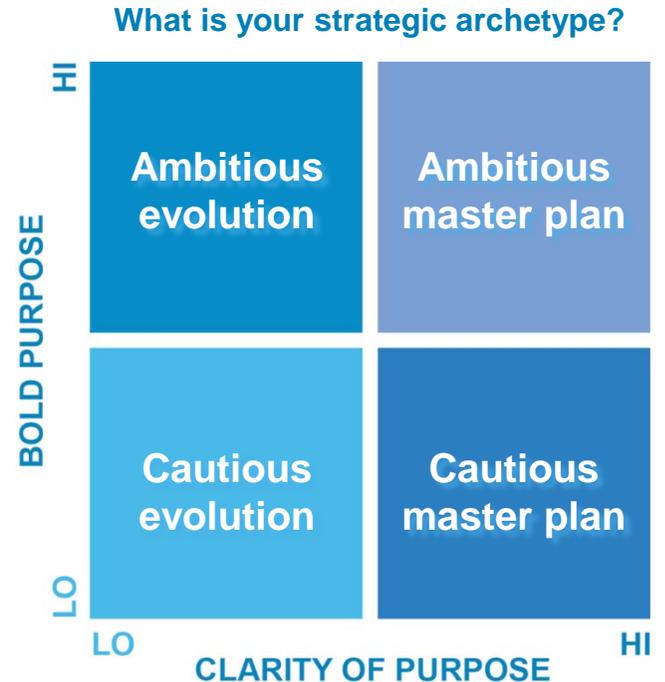
# Phase 1: the business CONTEXT and your operating model; strategy

## The clarity and ambition of your business strategy:

Do you have a strategic road map that guides clear business priorities? Or is your strategy evolving and emerging out of a willingness to improvise and adapt to changes in the market place?

Do you have a bold aspiration to compete in the market place that looks to seize the initiative to change the rules of the strategic game? Or is your business future more about ongoing incremental improvement to build on your current position?

### Notes



# The business CONTEXT and your operating model; structure

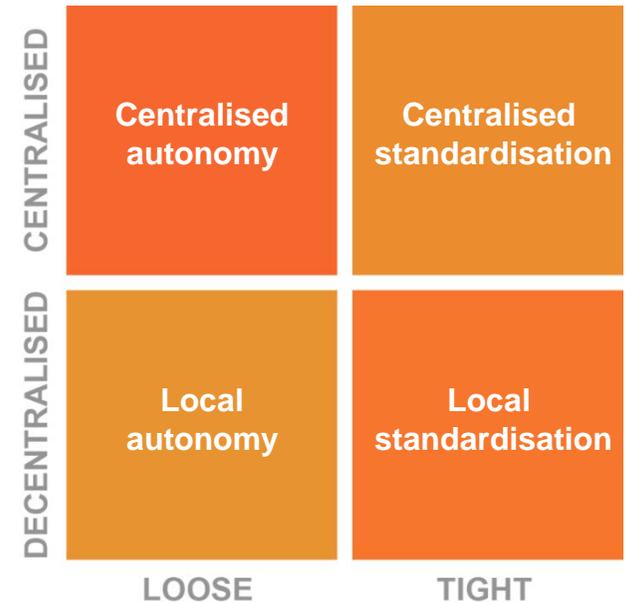
Your organisational structure and how you coordinate effort:

Are you organised around a powerful corporate core that determines and coordinates priorities? Or is your organisation more decentralised to allow scope for significant decision making within business units?

Is your organisational structure tightly defined to specify clear reporting lines and role accountabilities, or do you operate around fairly fluid and loose structures to provide flexibility?

## Notes

What is your structural archetype?



# The business CONTEXT and your operating model; culture

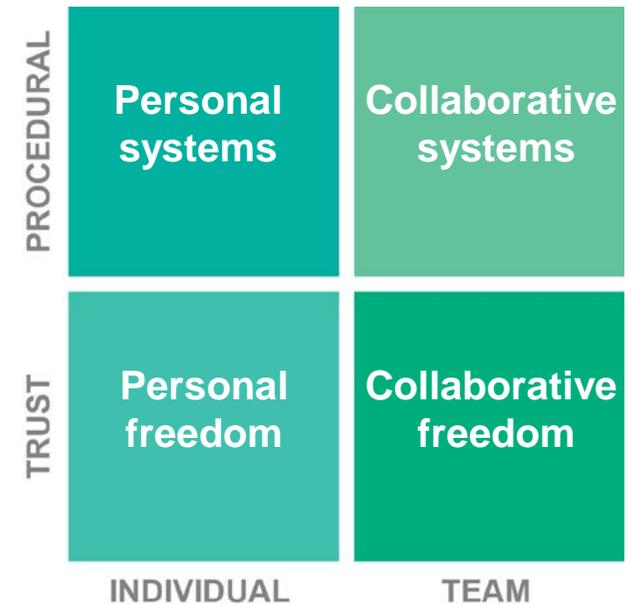
Your culture and the expectations of how you intend to operate:

Does your culture place more emphasis on the personal efforts and achievements of individuals? Or do you encourage and reinforce talent in collaboration through teams?

Is your work environment shaped by the disciplines of formal rules and procedures? Or is your approach more about trust and allowing employees to use their discretion and initiative?

Notes

What is your cultural archetype?



# The business CONTEXT: talent demand as the interplay of strategy, structure and culture

Much classic talent management operates around the assumption that:

- strategy is outlined in an ambitious master-plan to provide a clear projection of the demand for future talent
- structure is based on centralised standardisation in which the corporate core implements a detailed blue print to coordinate talent management throughout the enterprise
- culture largely operates around collaborative systems in which employees interact as part of teams within established processes and systems

This after all has largely been the organisational formula of corporate success. Increasingly it is becoming less relevant to the realities of business competition. Faced with a world of volatility, uncertainty, complexity and ambiguity, the top down strategic blue print coordinated from the centre to implement standard operating procedures is looking fragile<sup>4</sup>.

Organisations are now rethinking how they formulate strategy, the relationship between the corporate core and their different business activities, and the kind of culture they want to reinforce. And the prescriptions of best practice talent management - based on clarity of strategy, centralised structures and defined processes - are not keeping up with this shift in operating ethos.

Each organisation should locate its own distinctive operating model given the legacy of its past, the challenges it faces now and the aspirations it holds for the future, that reflects its strategy, structure and culture.

This operating model informs responses to six key questions about the demand for talent:

- how **well can you forecast your future talent requirements**; with reasonable confidence, or only forecast in loose and approximate terms?
- what **level of talent do you need to compete successfully**; is exceptional talent required, or is “good enough” talent sufficient?
- how do you **establish the demand for talent**; from the corporate core, by negotiation between the corporate core and each business unit, or by each business unit?
- how is **talent to be deployed**; largely within specialist roles to optimise in depth expertise and skill, or operating with versatility to respond to a range of different challenges?
- how much **scope is there for talent to make a difference**; relatively less opportunity for individuals to make a substantial impact, or talent has an opportunity to make a significant business difference?
- which **operating styles will best fit into your way of doing business**; which individual and team styles will and won't optimise their performance within your culture?

# The business CONTEXT: moving to the specifics of talent demand

What does your operating model indicate about:

## The kinds of roles you will need:

- **criticality**. Should you focus your efforts on a few key positions at senior levels, for example, the heavy hitters at the corporate centre? Or is exceptional talent needed within many roles at different levels?
- **types**. Is the focus of demand largely driven by specialist and in-depth technical expertise within narrowly defined roles? Or do you need talent within more generalist roles that place a premium on versatility across a broader range of skill sets?
- **shelf life**. Do stable and enduring roles make it easier to define talent requirements? If roles are in flux and relatively short-lived which resourcing tactics will provide the flexibility for you to acquire capability quickly?
- **inter-dependence**. What talent is needed in a highly inter-connected structure that involves extensive collaboration up, down and across the business vs. one in which performance is largely about effectiveness within stand alone roles?

## Notes

# The business CONTEXT: moving to the specifics of talent demand

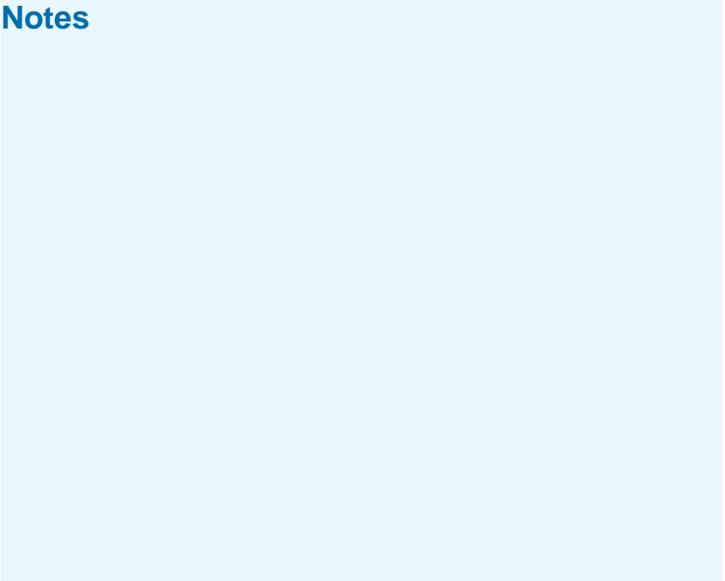
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What does your operating model indicate about:

## How you segment and deploy talent:

- **pivotal** employees whose contribution is critical to future success
- **core** employees with important skill sets
- **support** employees at the organisational periphery
- **noncore** employees, those whose skill sets are either no longer relevant to the future or can be accessed through different configurations of contractual and outsourcing arrangements
- **partnerships**, and the external talent that is accessed and deployed on an ad hoc project basis<sup>5</sup>

## Notes



## Phase 2: a talent REALITY check

This phase of crafting a talent management game plan asks if your organisation has the resource, reputation and savvy to identify and access the talent key to your business future.

How easy or difficult will it be to acquire and retain the talent your business needs? Do the dynamics of the talent management market place - internally and externally - provide **extensive options, or are you more limited** in the talent you can access?

Are you in a position to access your future talent **largely from within** the organisation, and privileged to benefit from previous progressive practice that built a breadth and depth of capability?

Or do you need to **look outside** for the talent you need?

How attractive are you as an employer to the talent you require? Are you a firm with an established reputation as a “best-place-to-work” employer? Or do you need to reach into deep pockets to offer above market compensation to attract the talent you need?

Alternatively **are your options limited**, and you need to deploy the kind of smart tactics of MoneyBall<sup>6</sup> to locate talent that has been overlooked or dismissed by more prestigious or better funded organisations. This is the imaginative insight to see beyond the usual and expensive candidates to access a bigger pool of diverse talent.



# A talent REALITY check: an evaluation of your options

## Internally

What does **the bio-demographic** pattern of the work force indicate? Which opportunities and risks, for example, emerge from the age profile at different levels?

Do current levels of **capability and performance** indicate:

- superior levels of achievement consistently throughout the organisation at all levels?
- a mixed pattern with critical gaps in specific business activities?
- a reliance on a few exceptional individuals?
- significant numbers of under-performers holding the business back?

What does the **talent pipeline suggest about the readiness** of your current talent to:

- to take on different challenges at the same level?
- to adapt quickly in the event of a major reorganisation?
- to progress to take on additional responsibilities at the next level?

Are your **retention and turnover metrics** in line with your operating and resourcing model, or are you:

- losing key individuals in critical roles? Why?
- finding it difficult to lose mediocre performers who are now blockages within the pipeline?

## Partnerships

How well established are your connections with high performing partners and suppliers who are at the top of their game? Are you able to draw on these relationships to access expertise and experience to help you compete in the market place?

Do these relationships encourage collaboration through projects and secondments to open up new sources of talent?

## Externally

Do you have trusted advisors to keep you well informed and up-to-date with insightful views about emerging developments in the talent market place?

Is your own internal capability tracking trends in the market place to identify emerging pools of talent? How effective are your own resourcing processes to bring in talent from outside?

Does your employer proposition make it more or less easy to acquire and retain talent vis a vis your competitors?

- who are you competing with (now and emerging) within the talent market place?
- how is your employer brand perceived vis a vis your competitors in the market place?
- who are you attracting? From where?

# A talent REALITY check

Reviewing the kind of talent you can access, does your analysis of the options indicate a reasonable level of confidence that you can attract, acquire and develop your target talent from a range of sources?

**Internally** your pipeline provides both **continuity and versatility** to respond to significant changes.

**Externally**, your insight into the market place, reputation, relationships and resources gives you the **influence and flexibility** to bring in talent when needed.

Or do you have to **operate within the tight constraints** of limited financial resources or a less than compelling reputation and you need to invest significantly in building talent from within? Or be much smarter in buying in unusual or neglected talent from outside?

Or do you have to **rethink the fundamentals** of your operating model:

- the scope of your business aspirations and the level of talent to achieve your strategic goals
- your organisational design and how you deploy talent
- your culture and the extent to which it is making difficult to attract and engage talent

to adopt greater realism about your talent requirements? What are the implications for your organisation's business plans?

## Notes

# Phase 3: the talent management AGENDA

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The third phase clarifies the purpose and positioning of talent management within your business, and the processes and practices which will have most impact.

A coherent talent management agenda that will guide not only what you do, but how you do it, hinges on a clear statement of:

- the **scope** of talent management to outline its ambition and focus
- your operating **principles** and the philosophy that will underpin your approach
- a **model of success** to articulate what talent means for your organisation
- the **practices** that represent the priorities with most organisational impact



# The talent management AGENDA: its scope

For a few organisations, managing supply to meet talent demand is a straightforward task, requiring relatively low levels of corporate time and energy. A strategy, for example, of more of the same, within an established structure and dominant culture simply turns an established talent resourcing and development handle. Not of course without its risks.

For many other organisations, however, the gap between demand and supply identifies a significant agenda that extends and broadens the scope of talent management activity.

- **ambition:** is talent management a **relatively modest** enterprise to do what you currently do, but better and faster? Or a **radical rethink** to transform the way in which talent is managed throughout the business?
- **focus:** do you adopt a largely **exclusive strategy** to target activity around a relatively small number of roles and/or individuals? Or do you need to be **more inclusive** to direct investment across a wider range of people/roles?
- **direction:** is your stance largely **outward facing** to buy in talent from the external market place either to fill critical gaps or to trade up and significantly improve overall capability? Or should your approach be **mainly inward** to invest in the longer-term development of the current work force?
- **range of activity:** is talent management a **relatively bounded** activity to deploy a small number of specific processes and practices? Or, does a game plan need to draw on a much **broader set of activities** and interventions?
- **level of business integration:** is talent management best **loosely coupled** and positioned as a relatively stand alone and discrete enterprise? Or does it need to be **tightly linked** to other organisational processes?



# The talent management AGENDA: your operating principles

Which **philosophy** will underpin your approach to talent management?

## **Consistency: how prescriptive should you be?**

Do you need a corporate wide template and process to coordinate talent management activity throughout the enterprise?

Or should the centre apply a relatively light touch to allow different areas to adopt the approach that seems relevant to their requirements? Here, within minimal compliance around high level metrics for corporate reporting, each business area pursues its own talent management game plan and framework.

## **Procedural: how systematic should you be?**

Should talent management be grounded in detailed and well documented work processes and procedures, and follow a systematic sequence within the corporate calendar? The upside: a defensible game plan that becomes well established and is adopted by target users. The potential downside: an activity that becomes an organisational routine that loses purposeful energy.

Alternatively, is your operating model better suited to a more informal and ad hoc approach that allows greater flexibility and responsiveness to change?

## **Transparency: how visible should this activity be?**

Is talent management a highly visible activity within your organisation and its aims and processes are communicated openly to all employees?

Or should talent management be incorporated within the day to day business activities of the organisation? This is “fuss free” talent management to embed a philosophy about people - their performance, development and progression - within the nuts and bolts of organisational planning and decision making.

## **Ownership: who takes the lead in this activity?**

Talent management, like every critical business activity, requires the support and sponsorship of the top management team for successful implementation. But is talent management best progressed through a proactive Human Resource community that draws on professional skill sets and experience to coordinate activity? Here dedicated talent management professionals establish processes, develop resources and tool-kits and facilitate key activities.

Or is talent management better introduced and implemented through a cross functional project team whose purpose is to initiate key structures and systems that users access and utilise as part of their normal work responsibilities? In this scenario, H.R. professionals focus less on hands-on implementation and more on the front end of design and the back end of evaluation.

# The talent management AGENDA: a model of success

The talent management agenda should also reflect your organisation's **model of success**, and how this model is then translated into:

- **the drivers of performance**
- **the dynamics of progression**

If we get confused in our thinking about the best way to map out performance and progression and how these maps reflect the distinctive challenges of our operating model, we will:

- recruit the wrong type of talent or pay vastly inflated prices in the market place
- develop the wrong people with little return on our investment
- promote the wrong people who lack the mind set, motivation and capability to take on greater responsibility
- introduce measures to improve engagement that in fact alienate our employees
- reward individuals for the wrong reasons
- review succession plans and listings to be forced into awkward compromises that make the wrong appointments



# The talent management AGENDA: a model of success

If our strategy is ambitious, our business is structured around local autonomy and reinforced by a culture of personal initiative, exceptional talent is a fundamental. But even if our operating model doesn't require excellence of talent at every level throughout all business activity, we need some kind of blue print to define success within our organisation.

The standard map of talent management has been a competency framework, typically a listing of 10 - 15 dimensions to summarise the inputs of effective performance.

At best this competency map provides a clear set of standards and expectations to connect behavioural inputs with key organisational outcomes. But as the critics point out<sup>7</sup>, many competency frameworks have become a kitchen sink in which the "sugar and spice of all things nice" of attributes become confused with outcomes.

This is the competency confusion that fails to make important distinctions between the causes and consequences of performance.

Our map of performance should therefore provide a vocabulary to distinguish:

- the **outcomes** of long-term organisational value
- the **tasks** which underpin successful outcomes
- the **behaviours** that optimise effectiveness in these tasks
- the **attributes** associated with behavioural effectiveness

Clarity to differentiate the different levels of performance and outline a cause and effect chain of performance also avoids the common problem within talent management practice: the battle of competing competency models. In this scenario, different frameworks provide one set of criteria for use in recruitment and selection, another for the design of learning and development activity and additional formats of talent reviews and succession plans. And it gets very confusing.

The key issues for a distinctive talent management agenda are:

- **emphasis**; which elements of your success model are given more or less coverage? Is your performance map largely focused on the "what" of outcomes to allow substantial discretion about the "how" of inputs? Or does talent management philosophy require the detailed prescription of specific attributes?
- **precision vis a vis flexibility**; what overarching model of success will provide a blue print that balances the specifics of success for today with flexibility for the future? What level of detail will incorporate sufficient insight for practical applications but is loose enough to accommodate change?

# The talent management AGENDA: a model of success

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The “holy grail” of much best practice talent management appears to have been the attempt to spot the “right stuff” of the star performers. The implicit assumption has been that only a few individuals possess the mix of attributes and qualities that drive outstanding levels of effectiveness. Talent management should therefore focus on the identification and deployment of those with this right stuff who can progress to take on the increasing demands of responsibility within the hierarchy.

Hence the popularity of high flier programmes designed to assess potential and fast track the development of the exceptional individuals with the right stuff. For organisations where demand indicates a need to accelerate the development of successors (or a pool of successors) for anticipated vacancies, this is a sensible strategy to prepare for the predictable. It targets development around a short-list of candidates to equip them for greater challenge.

However, for other organisations the strategy of the high flying right stuff has been a disastrous experiment in elitism<sup>8</sup>. Resources have been directed to the chosen few to the neglect of those whose contribution was in fact critical to the future of the business.

The problems have been:

**Exaggerating the importance of the “right stuff”.** As Groysberg<sup>9</sup> has pointed out, we’ve chased the stars, looking to attract and recruit those with the right stuff, and over-estimated the extent to which the right stuff of the stars is in fact all that transferable. Performance it seems is much more contextual than we first thought, and hinges in large part on the systems, culture and relationships within which the performer operates. The right stuff seems only right within the right context.

**Over-estimating the power of assessment methodology** to predict future effectiveness. Despite the claims of the black box assessment experts for the accurate identification of potential, the reality is that predictive power has stalled in the last couple of decades and remains fairly modest<sup>10</sup>.

**Being overly impressed by the indicators of personal ambition** rather than organisational contribution. It is difficult at times to make the all important distinction between character that does the right organisational thing for the right reasons, and the career aspiration that is motivated to achieve personal success but may be damaging to the organisation’s long-term well being.

It looks like we forget Warren Buffett’s advice: “Somebody once said that in looking for people to hire, you look for three qualities: integrity, intelligence, and energy. And if you don’t have the first, the other two will kill you.”

# The talent management AGENDA: a model of success

We are not recommending that organisations throw away their map of future requirements at different levels. Instead we suggest:

- the long-term prediction of potential is a fairly pointless exercise if our organisation's operating model makes it difficult to forecast our future talent requirement with any confidence
- the evaluation of individual versatility to take on either new or additional tasks at their current level may often be more helpful than the attempt to predict upwards progression within the existing organisational hierarchy

Distinctive talent management is sceptical of any attempt to summarise the complexity of individual's experience, expertise, skills, motivations and values into one simple index of potential. This talent score may make for quick talent reviews, easy listings and league tables, but in fact obscures key information about the different kinds of technical, professional and leadership capability our business needs in the short and medium term.

The recommendation is to focus less on global evaluations to predict the "right stuff" of the future and more on implementing a terminology and process that promotes action planning today in talent reviews and career conversations<sup>11</sup>.



# The talent management AGENDA: practices and priorities

Given the gaps between talent demand and supply, which talent management practices represent critical priorities?

Improvements on many fronts may have a positive impact generally, but this approach may also misdirect limited organisational resource from those practices that can accelerate successful implementation.

The challenge is to identify the specific high impact measures that are key to your business, given the requirements of your operating model and the options and constraints within the available supply of talent.

**Which specific practices require most investment to beat the competition?** This is the identification of the tactics that will have most business impact, including for example:

- **workforce planning and analytics**
- **recruitment and selection**
- **induction**
- **employee engagement.**
- **performance management**
- **learning and development.**
- **rewards**
- **retention**
- **career mapping and development**
- **talent reviews and succession management**



# The talent management AGENDA: practices and priorities

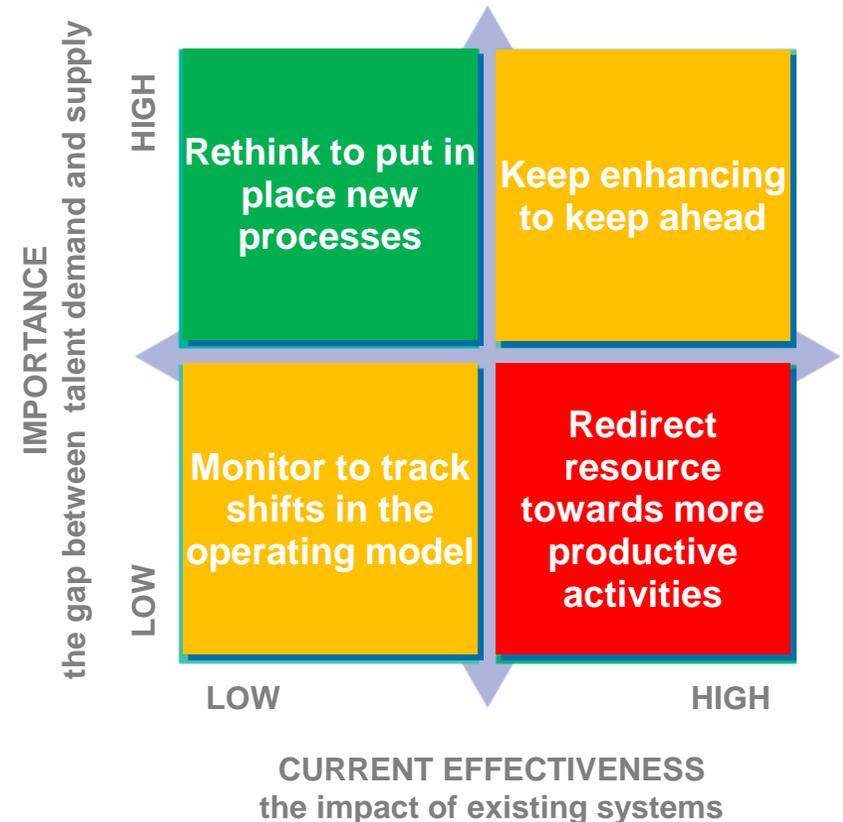
Review the spectrum of your talent management activities and plot their future **importance** - the gap between demand and supply - and their current **effectiveness**. These are the specific priorities for a distinctive game plan.

**Rethink** to introduce or overhaul. These are the high importance activities where effectiveness is low (eg there has been no past legacy to build on, or practices have lost their organisational momentum). The objective is to analyse the specific issues to design and implement imaginative and workable solutions.

**Enhance** to improve. For high importance activities that are also working well, the challenge is one of continual improvement to identify better and quicker processes to keep ahead of the competition.

**Redirect** resource. These are the activities where past activity may have built effectiveness but are now of less relevance to the organisation. This is current practice that is going through the motions, becoming disconnected from the business's operating model and misdirecting investment.

**Monitor**. Some activities we may not do particularly well, but the organisational implications are modest as they are relatively unimportant to our business. Whilst we need to monitor activity as our operating model changes over time, for the most part, these are low priorities requiring little investment.



# Phase 4: building the talent management FRAMEWORK

Phase 4 translates the specifics of your talent management agenda into an action plan and infrastructure that will introduce pace and rigour within the implementation of priority activities.

Distinctive talent management identifies the priorities for your organisation and knows how to translate them into a workable programme for implementation. This plan is shrewd in mapping out the sequence and speed of activity to incorporate:

- the **maturity** of your organisation to deliver on this game plan
- the outline of **roles and responsibilities**
- the **processes and technology** to support implementation



# Building the talent management FRAMEWORK: organisational maturity

Organisations that “get” talent management and its critical role within business success recognise that implementation is more than a set of formal policies and procedures.

These organisations see it as a shift in mind-set to move towards a different operating culture. They also recognise that talent management requires a set of exceptional skills for effective implementation.



An evaluation of your firm's maturity includes:

## At an organisational level?

- do you have a legacy of effective talent management practice to build on?
- can current systems be improved, or is the current infrastructure out-of-date or even counter-productive, and you now need to dismantle some existing processes?
- what level of investment is planned for talent management over the next 2 - 3 years? Is this sufficient to support implementation?

## What is the level of stakeholder support?

- what is the balance of advocates and supporters to opponents and loose cannons at senior levels?
- what level of support and commitment is available from the wider stakeholder population?
- who knows about the issues and can provide useful insight?
- who cares about the issues and is motivated to make a difference?
- who can tackle the issues to deliver on the talent management game plan?

## Are managers equipped with skills in:

- recruitment and induction
- managing performance
- coaching
- talent and succession reviews
- career development conversations

# Building the talent management FRAMEWORK: mapping roles and responsibilities

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What is the most effective way to coordinate effort in talent management?

What is expected at an **organisational level** in your implementation of talent management? Is there an implicit assumption, for example, that “the cream will rise to the top” and that talent management requires relatively little time and effort? Alternatively, do you need to invest in proactive measures to acquire and develop the talent you need to survive and succeed?

What is the role of the **top management team**? Is its role largely one of corporate governance and oversight? Or does it need to adopt a more visible profile and hands-on style to become involved actively in specific talent management activities?

What is the relationship between the corporate core and different **business units**? What lead should the corporate core take? Should the centre act as an informed advisor to provide information and ideas? Or does it need to be energetic in the design and implementation of organisational wide processes and protocols?

What do the heads of business units need to do to advance this agenda; keep doing more of the same but better, or shift towards greater collaboration across functions?

What commitments are now expected from **line managers**? Is talent management - its activity, outcomes and decisions - a key element within their roles? Or is talent management bounded narrowly within specific moments in the corporate calendar and largely a peripheral activity?

What is the positioning of the **H.R. function**? What model is best suited to the orchestration of talent management? A minimalist role that focuses largely on policy and compliance, or a visible and proactive role that takes the lead in implementation? Or one in which the H.R. function coordinates expertise and skill sets from a range of different external partners and suppliers?

What is the expectation of individual **employees**? Is talent management viewed as a set of formal programmes that are accessed as part of an organisational career development escalator? Or should the emphasis be on reinforcing self development as a key element of performance and progression?

# Building the talent management FRAMEWORK: processes and technology

Despite the claims of the talent technology vendors, there is no easy solution to the problem of data capture, information flows and the consolidation of talent intelligence. A cost effective solution that can be implemented quickly to provide process integration - from applicant tracking in recruitment to board level succession - with the flexibility to adapt to shifting organisational requirements remains a future hope rather than a current reality.

Indeed distinctive talent management is cautious of the big talent technology solution<sup>12</sup>. It recognises that typically the tail of technology wags the dog of the talent management agenda, and organisations find themselves managing systems designed more for the convenience of the software developers than the practical needs of the organisational end user.

This may of course change. But we anticipate that the speed and disruptive nature of technological innovation makes integrated systems less not more likely in future.

Distinctive talent management finds a solution that is right for the business's operating model rather than start with the available solutions from the talent technology vendors.

A global firm operating around a clearly defined strategy which coordinates talent management from the centre with a consistent framework to guide assessment and development activity of course needs sophistication in data capture, consolidation and report back of talent issues and trends.

But clear thinking about process and outcomes may be preferable to the purchase of a global talent management system that will be redundant in 12 months time.

For many firms the talent management infrastructure is better served by ingenuity to build and adapt systems in an ad hoc way, drawing on a mix of options - from low cost standard office packages to bespoke discrete on line applications.



# Phase 5: evaluating progress to TRACK the impact

**Phase 5 identifies the metrics that will provide an insight into the progress of your talent management activities and evaluate the business impact of their outcomes.**

**What measurement system will ensure that talent management is equipped to refocus priorities to maintain its relevance to shifting organisational requirements?**

As Winston Churchill observed, “however beautiful the strategy, you should occasionally look at the results.”

This phase is often neglected and as a consequence, talent management becomes a peripheral activity disconnected from the resourcing challenges of the business. After an initial burst of enthusiasm to introduce new processes, momentum is lost, and the different constituencies struggle to gauge the impact of their efforts, and begin to ask: “is this stuff working?”

This component of talent management puts in place measures to track the effectiveness of talent management activity to ensure current activity is having a positive impact and that key trends are identified to keep practice up to date and relevant with changing business priorities.



# Evaluating progress to TRACK the impact

There are generic measures that most progressive organisations adopt in evaluating their efforts in resourcing and development to identify the short-term financial and longer-term organisational impact of their efforts<sup>13</sup>.

Typically these include:

- the **appointments process** and measures of **efficiency** to track the speed and cost of recruitment, promotion and succession decision making. Does current activity indicate a reduction in expense and time that also avoids business disruption and the costs of lost opportunity? Measures of **effectiveness** are used to track the quality of appointments, and evaluate improvements in organisational capability.
- **business risk** and the metrics deployed to assess succession coverage or exposure and identify obvious organisational vulnerabilities. Here key indices pinpoint by business function and level any gaps that might undermine business continuity.
- the **talent pipeline** and a summary of the strength of the talent pool - its breadth and depth - at different organisational points. What percentage of employees for example, are seen as ready to progress to the next level? What proactive plans are in place for the accelerated development of targeted individuals? Are we retaining our exceptional performers and high flying prospects?

These can be useful metrics that, integrated within an organisational score card or dashboard, inform a better understanding of the firm's overall levels of resilience and versatility.

But without the context of our own operating model and talent management priorities, we may end up looking at the wrong outcomes and developing a measurement system that obscures the critical issues.



# Evaluating progress to TRACK the impact

The challenges are:

## 1. Identifying the metrics that are relevant to your operating model

A talent management game plan focused on the acquisition and retention of a relatively small number of big hitters at the corporate core will adopt a different measurement system to that of the firm whose business model and success hinges on highly engaged front line employees. The challenge is to pinpoint the indicators that matter to your business and how they will help track improvements in the specific activities with most relevance.

## 2. Ensuring that the metrics are valid

Some measures can be captured and collated easily but lack insight into the organisational realities. A succession chart can be compiled quickly by the senior management team to display impressive coverage and a breadth of professional and leadership capability. But without a check on the quality of this information the succession chart may prove a misleading analysis of the firm's talent competitiveness. Quality of insight matters more than quantity of information.

## 3. Keeping the measurement system simple

A system that incorporates a range of inputs from different business activities may provide a comprehensive set of informative analytics. This system may also rely on the sophisticated coordination of complicated processes that are not sustainable over time. The goal is to put in place simple systems for the capture and consolidation of a handful of measures that can be tracked over time.



# Evaluating progress to TRACK the impact

## 4. Avoiding spurious benchmarking comparisons

To answer the question: “how well are we doing?” we need a yardstick of comparison. If your level of employee engagement is X%, is that good or bad? Or if your 360 feedback evaluations of the senior executive population indicate an average of Y, should you be satisfied or anxious?

It is tempting to spend large amounts on money to access the databases of those consultancies which provide benchmarking services. The value of this information is not however always obvious. External comparisons against any number of best in class firms may be indicative, but no more than that. Distinctive talent management is cautious about the conclusions that can be drawn from those benchmarking projects that aggregate data from very different businesses with different operating models. Instead it may be more helpful to focus instead on your own operating model, and to track progress against the targets your organisation has set against its priorities and key practices.

## 5. Linking metrics to compensation

Talent management may be a relatively modest enterprise in which the organisation manages easily the dynamics of supply and demand within its specific niche. It may however be a fundamental programme of activity in which the organisation is fighting on a number of fronts to find ways of improving its market position. In this scenario, talent management outcomes and metrics need to be incorporated within performance management and rewards decision making to reinforce and recognise specific activities.

## 6. Debating the meaning of the data

Relevant and valid measures will highlight progress and impact and help identify what is working well, and what is proving more difficult and requires a rethink and a shift in practice. But rarely will the talent metrics themselves provide the full answers.

This requires debate at senior levels to review talent intelligence in the context of your organisation’s business performance, strategic priorities and future organisational changes. Talent management maintains its relevance through the discipline of presenting information regularly as part of the senior team agenda to trigger a debate about the results and the implications for future activity.



# The craft of distinctive talent management: conclusions

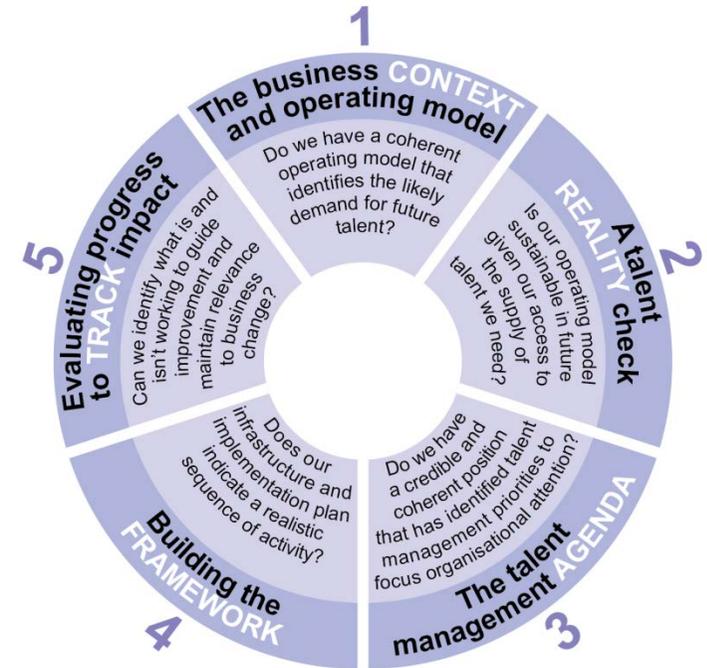
Best practice talent management promised a formula for success. It pointed to currently successful firms and their processes and practices in talent management, and suggested that if we followed this package of solutions we too could be successful.

As it turns out the research methodology of this enterprise was flawed, and its conclusions misleading. Unsurprisingly talent management has proven a frustrating exercise for many firms.

The much heralded “War For Talent” research<sup>14</sup> that promised superior business gains from its talent management formula has failed to deliver on its promise. Its “one size fits all” prescription seems to have been a better predictor of business decline than success.

Organisations that have attempted to imitate the tactics of the well publicised talent management exemplars have been disappointed by the outcomes.

Best practice is the application of one solution to a very different and complex set of problems. **Distinctive talent management** suggests that if we start by thinking strategically to identify what talent management means for our business, and apply the disciplined effort of tactical excellence to implement the activities with most leverage to close the gap between demand and supply, we might improve the odds of business success.



# About AM Azure Consulting

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.

# Notes

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