

The A&DC Thought Leadership Series

Talent Management

Making the Business Case



Talent Management – Making the Business Case

When it comes to intellectual property, getting the best out of people can be an organisation's most important task. Encouraging key talent to continue to generate fresh perspectives and innovative ideas to maintain competitive advantage is frequently critical to business success. But what do organisations need to do to ensure that they attract key people, allow talent to thrive and, most importantly, avoid losing the talent to the competition?

The dynamic nature of global business is putting an ever-increasing pressure on companies to be constantly on the lookout for exceptional talent in a market where demand far exceeds supply. Given the current focus on the linkage between talent and an organisation's business challenges and strategies, effective strategy execution requires sufficient numbers of the right people with the right skills and knowledge, in the right roles. This has made talent management one of the most pressing issues facing senior business executives. Pressing business imperatives, such as increasing turnover as the economy improves, globalisation of markets and labour forces, aggressive competition and heightened corporate oversight, have intensified the need to acquire, develop, deploy, motivate and retain key talent.

The focus on key talent is underpinned by a fundamental revisit of the people agenda. From slogans such as "people are our biggest asset", the new world is about hiring the right people, for example, Larry Bossidy's: "If you don't get the RIGHT people, you'll never fulfil the potential of your business." Building on that point, one of the fundamental premises that sets the tone for strategic talent management is a quote from Jim Collins: "People are not your most important asset. The RIGHT people are."

Within the constant pressure of getting it right, what does right mean? Defining right is based on two key principles: first, there is no single definition of right - what may be right for one organisation may be different from another; second, there is no standard global best practice to follow.

While a number of organisations are recognised as having world-class policy and practice, there is no single global standard. It is the effectiveness of talent management in the organisation, as an outcome, which tends to drive evaluation as world-class. Not all world-class practice will be right for every organisation. Each organisation has a different style and culture, alongside different business needs and priorities. It is critical to start with the right definition of what people needs must be satisfied by talent management for the organisation.

The Definition of Talent

So, what do we mean by talent management? In the broadest possible terms, it is the strategic management of the flow of talent through an organisation. Its purpose is to assure that the supply of talent is available to align the right people with the right jobs at the right time based on strategic business objectives. But talent management is a lot more than yet another HR process. It is a mindset that goes beyond the rhetoric towards a holistic and integrated approach to leveraging the greatest competitive advantage from people. Talent management is about those thoughts and actions that, consistently, over time, become organisational culture. Talent management is more than something to do; it is something to be, a way of working and achieving both short and long-term success. It is a belief that talent differentiates organisation culture and breeds competitive

advantage, with benefits for both the individual and the organisation. Furthermore, the talent mindset is not just another HR fad. It is embedded in the entire organisation – championed by the leadership, modelled by the management, supported by a range of initiatives jointly developed by the business and HR.

Some organisations have taken the view that all of their people are talented and that talent management initiatives should be applicable to everyone – but however laudable that philosophy, it may not be practical. Talent management is about the few, not the many, developing key people as leaders and role models for others.

Defining talent management will also clarify who is excluded as well as who is included:

- Is talent management a global or a local definition?
- Is it about managing generalists or specialists?
- Are you only interested in future board members?
- Do you want people who can change the way the business operates?
- Is it a tough club to get into?
- Is membership for life or for a year?
- Are you looking for the best people or the right people?
- How effective are you at managing poor performers?

There are no right answers. Decisions need to reflect company philosophy and values.

The Business Case for Talent Management

There is strong recognition of the reality that it is easier to invest in talent management and related initiatives when the business is performing well. There are two important considerations that come into play. First, switching between a long-term and short-term view can send out a strong message that talent management is merely nice to have rather than being a strategic imperative; leaving people to determine whether this is a good place to pursue their careers.

Second, the positive effects of demonstrating a continuing commitment will be enhanced when times are hard. There is a clear message about the commitment to personal development and to the longer term, and this will attract and/or continue to motivate people with the right personal values and competencies.

Some of the questions companies should consider when building a business case for talent are as follows:

- What is your business case for talent?
- What are the key outcomes you expect to achieve?
- Who is your key sponsor(s)?

- Is there a commonly held definition for talent or does it mean different things for different parts of the business?
- What is your minimum threshold?
- Have you defined entry requirements to be considered for the talent pool?
- Is there an expectation that successful members of the talent pool would achieve a specified number of career moves within a 2 or 3-year time-span?
- Do you name your A list or your high flyers? Is this a transparent programme or a hush-hush campaign?
- Have you defined a talent cycle – an integrated set of initiatives from talent attraction to talent deployment?

Defining talent will also clarify the in-list:

- Skills based: Critical skills? High performers? High potential? Knowledge workers, innovators?
- Level based: Leadership population? Organisation-wide? Function-specific? Management-level specific?

Finally, it is important to consider geographic spread: should talent be managed on a local, national, international, continent-wide or global basis? What problems does the decision taken present in terms of definitions? Is it all about managing generalists or specialists? Should the focus be on potential or actual performance?

Implementation

External research and empirical evidence suggest that companies that implement winning strategies for attracting and retaining the best people tend to base on four major principles:

- Build a winning environment that people want to belong to.
- Establish a talent management mindset, which embeds ownership and accountability for optimising talent and potential.
- Create tangible means to identify, select and deploy people of outstanding talent.
- Fully engage talent, use it and manage it intelligently.

Building a Winning Environment

When looking to build a winning environment companies typically seek to answer at least two questions: Why would outstanding talent want to join our organisation; and what, specifically or uniquely, would they be likely to get by joining us?

The incentives companies should be seeking to provide include: opportunities to excel for at least 80 per cent of the time, by using people's strengths; personal and professional challenges which stretch the individual; opportunities to create productive impact and leave legacies; constant new ideas and projects to work on; opportunities for continuous learning, development and personal

growth; talented leaders and great team mates, who provide a rich mix of talents and a consequent powerful sense of synergy and involvement; and rewards and aspiration to lifestyles that appeal to people and their families.

Establishing a Talent Management Mindset

Talent management is a critical and essential part of any executive's role. The right talent management mindset is underpinned by trained competence in some key areas of leadership and management capability. Coaching essentially seeks to help people to see and do things differently – better, faster, more effectively. Through a combination of feedback and reflective questioning, coaching progresses the trainee through a process of: opening up awareness; creating understanding; encouraging exploration and experimentation; taking responsibility; committing; taking action; and reviewing action and taking the next steps. Primarily, coaching concentrates on improving performance in a current role and at a specific stage in the individual's career.

Mentoring is the process of developing and growing the individual for future (often unspecified) roles. Mentoring works on a person's perceived potential and how this might be realised in the foreseeable future. It is likely to focus on aspects of potential such as the transferable competencies, for example: helicopter quality (the ability to see higher and wider than the immediate situation); the ability to influence upwards, within (or outside) the organisation; the capacity to grip a situation, in a crisis, especially when superiors are not present; high innovative ability and the capacity to provide new solutions to challenges; high adaptability and an ability to operate successfully in a variety of different cultures; high common sense in dealing with everyday situations; steadiness under pressure; and the consistent ability to deliver (as opposed merely to talking about things).

Empowering is about letting go, so that others can get going. Successful empowering involves setting clear boundaries for autonomy – freedom within a framework – so that there is absolute clarity and agreement about what is mandatory and what is discretionary. Essentially, empowering people is about establishing focused, productive independence of thinking and action, within defined boundaries of interdependence, in the organisation. Empowering, therefore, always needs to be considered in the context of delegation, where specific parameters and imperatives give sharper definition to the boundaries and invest in the exercise of autonomy with purpose, direction and significance.

Sponsoring is the process of opening doors, removing blockages and penetrating unnecessary bureaucracy, on behalf of a talented (often young) people, so that they are brought to the attention of senior executives and other pivotal players in the organisation and, therefore, are more able use their talents to make a bigger, or more appropriate, contribution to the business. The ideal sponsor may be summed up as a committed professional, who knows and understands what is wanted, who cares about achieving results, who can make things happen within the business and who will make it happen.

Creating the Means to Identify and Deploy Outstanding Talent

This amounts to knowing what you are looking for, that is, what talent you need for the business, now and in the foreseeable future; knowing how best to source such talent; recognising it when you meet it; and going for it, getting it and deploying it for optimum effect within the business.

Fully Transform and Energise Talent

This should follow as a natural, but professionally managed, consequence of the first three imperatives. Energising talent means using it intelligently and mobilising it in alignment with corporate and functional goals, so that the individual can add maximum value by exercising his/her principal strengths at every opportunity. Typically, making the most of talent and developing it through the medium of directed work and coached performance includes:

- Giving early responsibility in significant areas of contribution to the business.
- Early leadership roles and positions of accountable influence.
- High-value, high-profile assignments.
- Specific profitability improvement projects.
- Cross-functional roles.
- Opening up a new business within organisational boundaries.
- New global roles.
- Working abroad.
- Being allowed to fail, learn quickly, move forward and succeed.

Talented people in organisations give of their best when they have confidence in managers who value their contributions – by actions, not just the right words. Winning the hearts and minds of talented people is not a matter of quick fixes, glib, easily broken promises or lip service. Commitment to talent management is a process based upon mutual respect and informed, intelligent professionalism. It is an area of leadership, perhaps more than most, where leader credibility and example are tested to the full.

The supply of leadership talent is critical to any organisation's prosperity and is, therefore, a central element of talent management. Differentiation comes with company leadership programmes such as leadership Development Centres and on-going coaching programmes.

Conclusions

It is vital to start a talent management programme with building the right business case and supporting it with a carefully designed and integrated set of initiatives, clearly linking desired outcomes to business results.

The following golden rules apply irrespective of context:

- Prioritisation means talent management is about the few, not the many.
- Ongoing sponsorship from the highest level is essential.
- Organisations need a common and consistently interpreted view of what talent they are seeking and wish to retain.

For further information please email us at info@adc.uk.com or contact us on 0845 688 782

About A&DC

Founded in 1988 by Nigel Povah, author of 'Assessment and Development Centres', A&DC is one of the leading experts in the Assessment and Development field. We combine our expertise in business psychology and behavioural change to create and deliver end-to-end solutions to HR issues across the talent management spectrum.

We work in partnership with our clients to unlock human potential, using best of breed processes to enable them to select, promote and develop talented people who can contribute effectively to business growth and cultural enhancement. Always, we apply recognised best practice, putting our clients in a position where they can minimise risk and optimise return on investment in these critical areas of people strategy.

Based in Surrey, our Consultants operate across the UK. Through our international partners, we ensure that our comprehensive portfolio of products and services is delivered through specialists with a high degree of local cultural and business insight.

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