



# Human Resources and Allied Professionals Program



# Talent Management

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# Human Resources and Allied Professionals Program



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## Part 1: Why Talent Management?

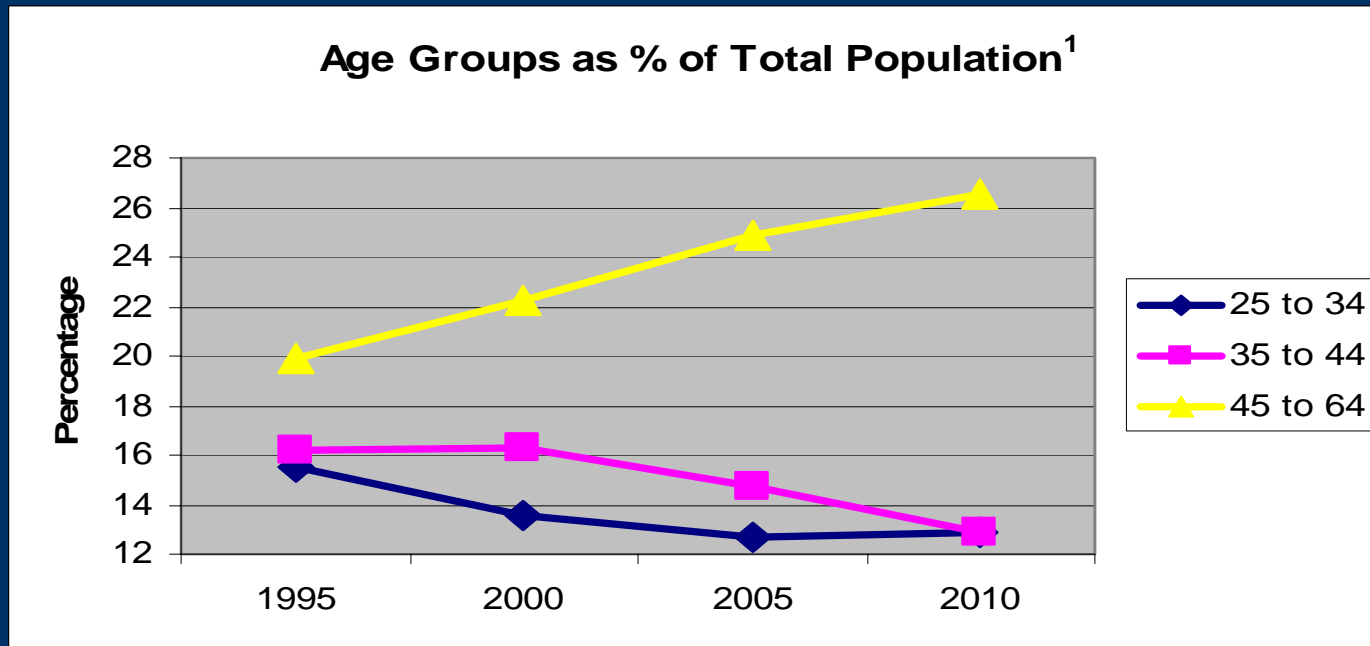


# 1. Talent Loss Has High Costs

- Turnover is expensive
  - "... average cost to replace an employee is one and half times her average salary."<sup>1</sup>
- "Crisis" hiring
- External hires
  - "New candidates can take more than a year to master their jobs."<sup>2</sup>
  - Salary compression issues



## 2. Talent Shortages Are Growing



- 35-44 yr old group shrinking (mid-managers)



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## 3. Talent Drives Performance





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# CEO View

- *Jack Welch*: "Any strategy, no matter how smart, is dead on arrival unless a company brings it to life with people—the right people."
- *Larry Bossidy*: "To put it simply and starkly: If you don't get the people process right, you will never fulfill the potential of your business."



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# Manager-Led Development Has Significant Performance Impact

- Direct increases in employee efficiency and productivity: **16%** improvement
- Indirect increases through improvement in attitudes and behaviors: **9%** improvement





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# Part 2: The Evolution of Talent Management



# First Come Succession Planning . . .

<b>Focus</b>	<b>Replacement Planning</b>
<b>Benefits</b>	<b>Tactical</b>
<b>Leadership</b>	<b>HR</b>
<b>Development</b>	<b>Classroom (external)</b>
<b>Communication</b>	<b>Secretive</b>
<b>Timeframe</b>	<b>1 – 3 yrs</b>



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# Succession Planning Challenges

- Organizational change
- Incumbent bias
- Bureaucracy
- Replacement candidates expect promotions
- Secrecy
- Heavy reliance on external courses



# Then Came Succession Management

<b>Focus</b>	<b>Replacement</b>	→ <b>Talent Pool</b>
<b>Benefits</b>	<b>Tactical</b>	→ <b>+ Flexibility</b>
<b>Leadership</b>	<b>HR</b>	→ <b>HR + Line</b>
<b>Development</b>	<b>Classroom</b>	→ <b>On-the-job Action learning Mentoring</b>
<b>Communication</b>	<b>Secretive</b>	→ <b>Open</b>
<b>Timeframe</b>	<b>1 – 3 yrs</b>	→ <b>1 – 3 yrs</b>



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# Succession Management Challenges

- Lack of integrated people processes undercuts benefits
- Lack of manager accountability for employee development

# . . . And Now Talent Management



<b>Focus</b>	Replacem't	Pools	<b>Systems View</b>
<b>Benefits</b>	Tactical	+ Flexibility	<b>Strategic</b>
<b>Leadership</b>	HR	HR + Line	<b>CEO + HR</b>
<b>Develop't</b>	Classroom	On-the-job Action learning Mentoring	<b>Similar More job rotations</b>
<b>Communi- cation</b>	Secretive	Open	<b>Open</b>
<b>Timeframe</b>	1 – 3 yrs	1 – 3 yrs	<b>3 – 5 yrs</b>



# Connect the Dots: An Interdependent Process

## ATTRACT TALENT

- Talent attracts talent
- Selection is critical

## RETAIN TALENT

- Relationships key
- Compensation
  - Necessary not sufficient
- Opportunities
- Low performers

## DEVELOP TALENT

- Leaders develop other leaders
- Experience is the best teacher
- Feedback is essential



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# Conference Board Study Shows Focus for Integration

**Recruitment**

**Performance  
Management**

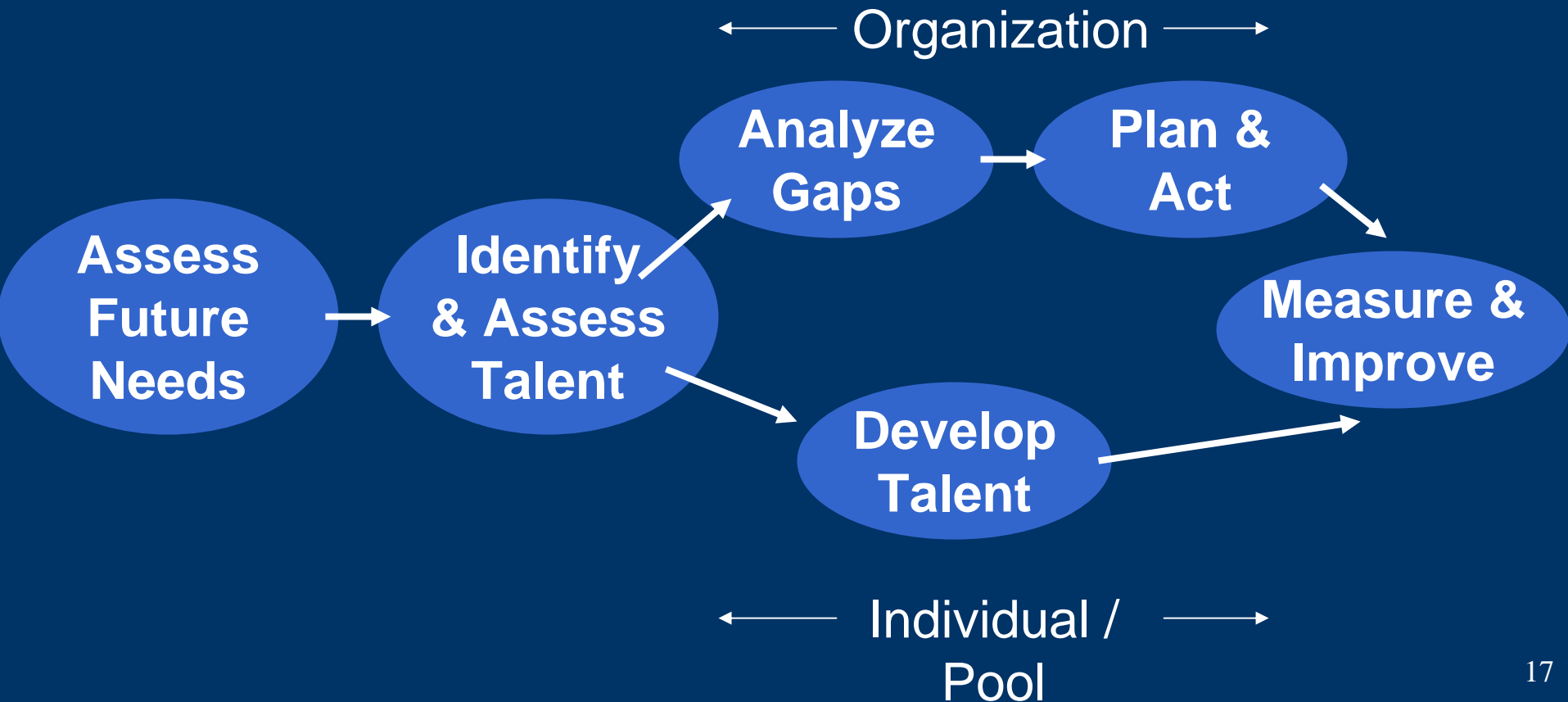
**Leadership/  
High Potential**

**Culture**





# Typical Process





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## Part 3: Key Principles



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# Key Principles

1. *Experience* is the best teacher
2. Develop talent at *all* levels—pipeline view
3. Leadership levels differ a lot
4. Line-HR partnership is key



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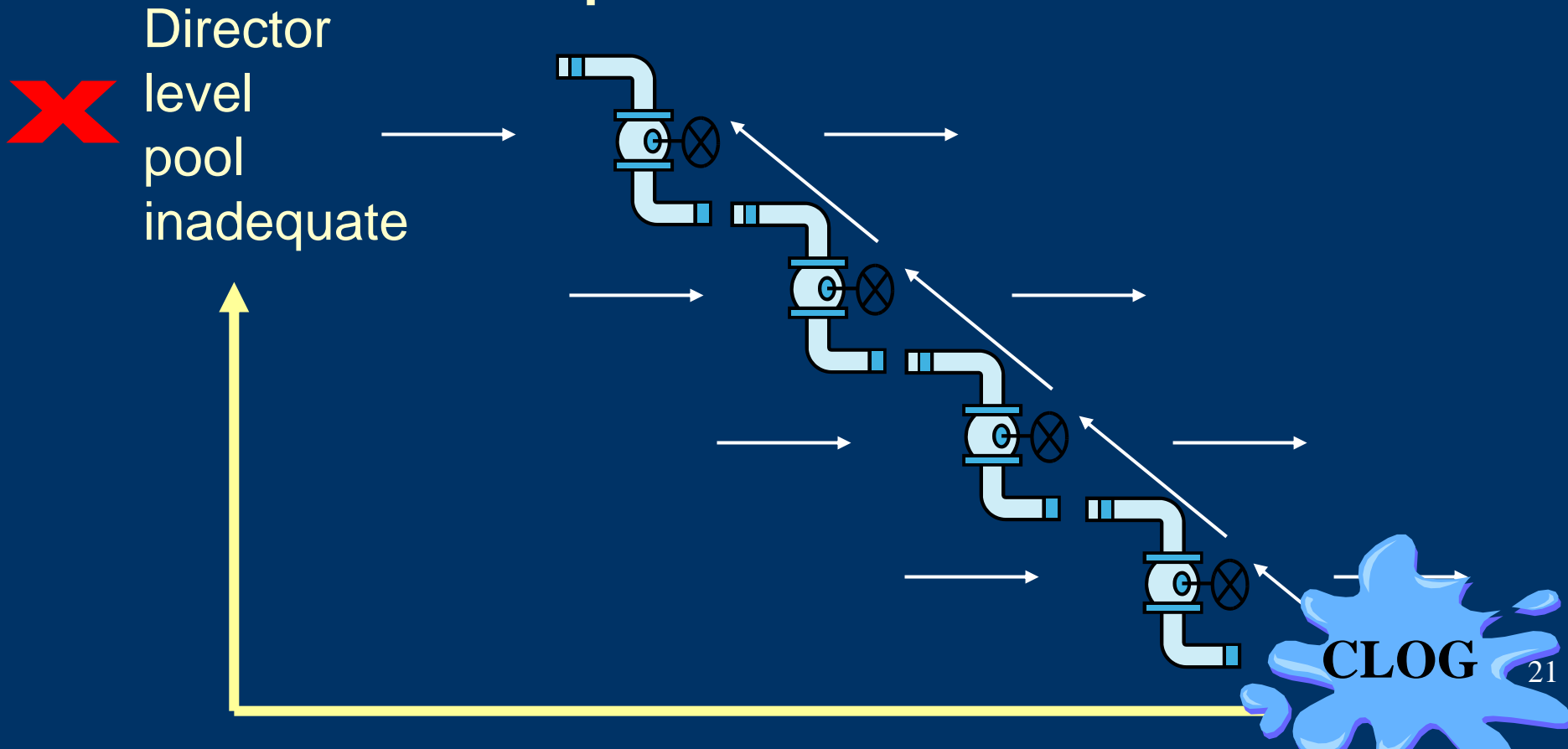


# 1. Experience is the Best Teacher

- Creative Leadership (CCL) studied how people learn to manage and lead. They found:
  - Job Assignments (most frequent response)
  - Other People (bosses, mentors, peers)
  - Hardships
  - Formal Training and Development Programs

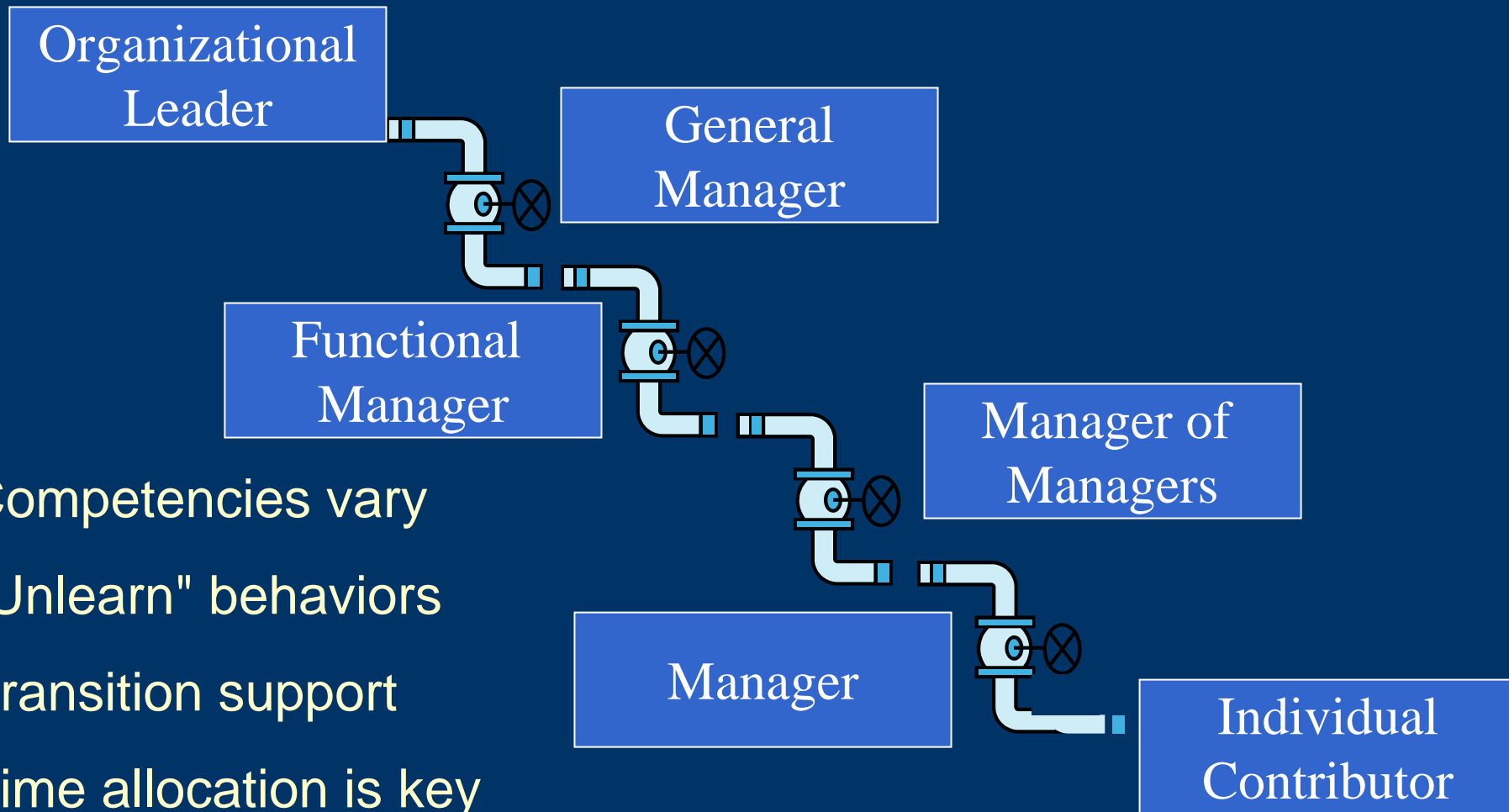


## 2. Develop Talent at All Levels: Pipeline View





### 3. Leadership Levels Differ A Lot



- Competencies vary
- "Unlearn" behaviors
- Transition support
- Time allocation is key



## 4. Line-HR Partnership is Key

### Managers & Leaders

- Define needs
- Set priorities
- Attract, retain, and develop



### Human Resources

- Strategy development
- Expertise
- Cross-HR integration
- Analysis
- Administration

Conference Board identifies success factors as: "CEO active participation" and "alignment with strategic goals."



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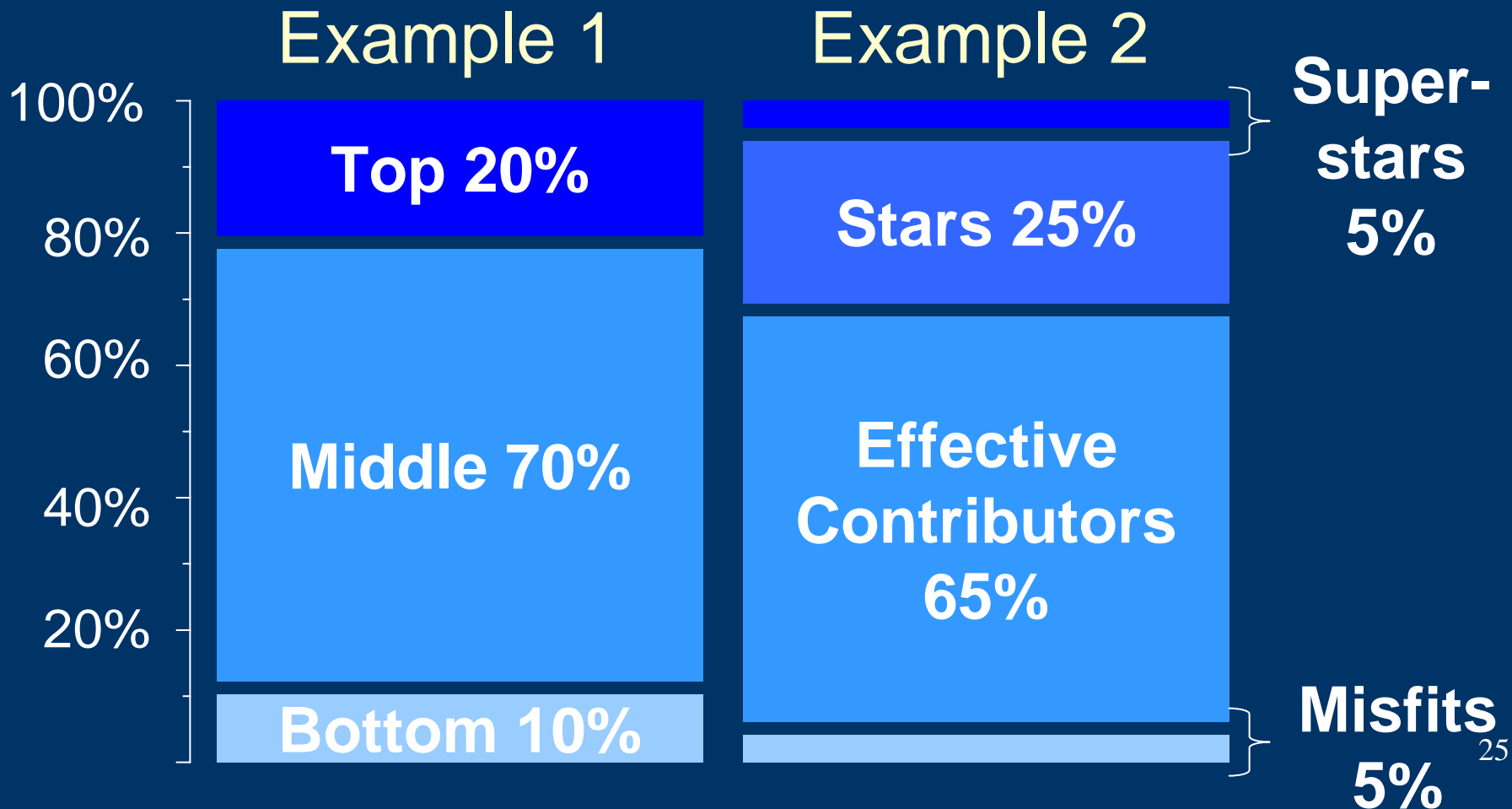


## Part 4: Common Tools





# Performance Standard Examples





## Competency Model

- Differentiated by leadership level
  - 7 – 15 competencies per level is common
  - Proficiency required may also vary by level
- May include corporate values
- Often built from vendor-supplied model
  - Customize / prioritize based on specific needs
- Generally included in performance review



# Identifying High Potentials





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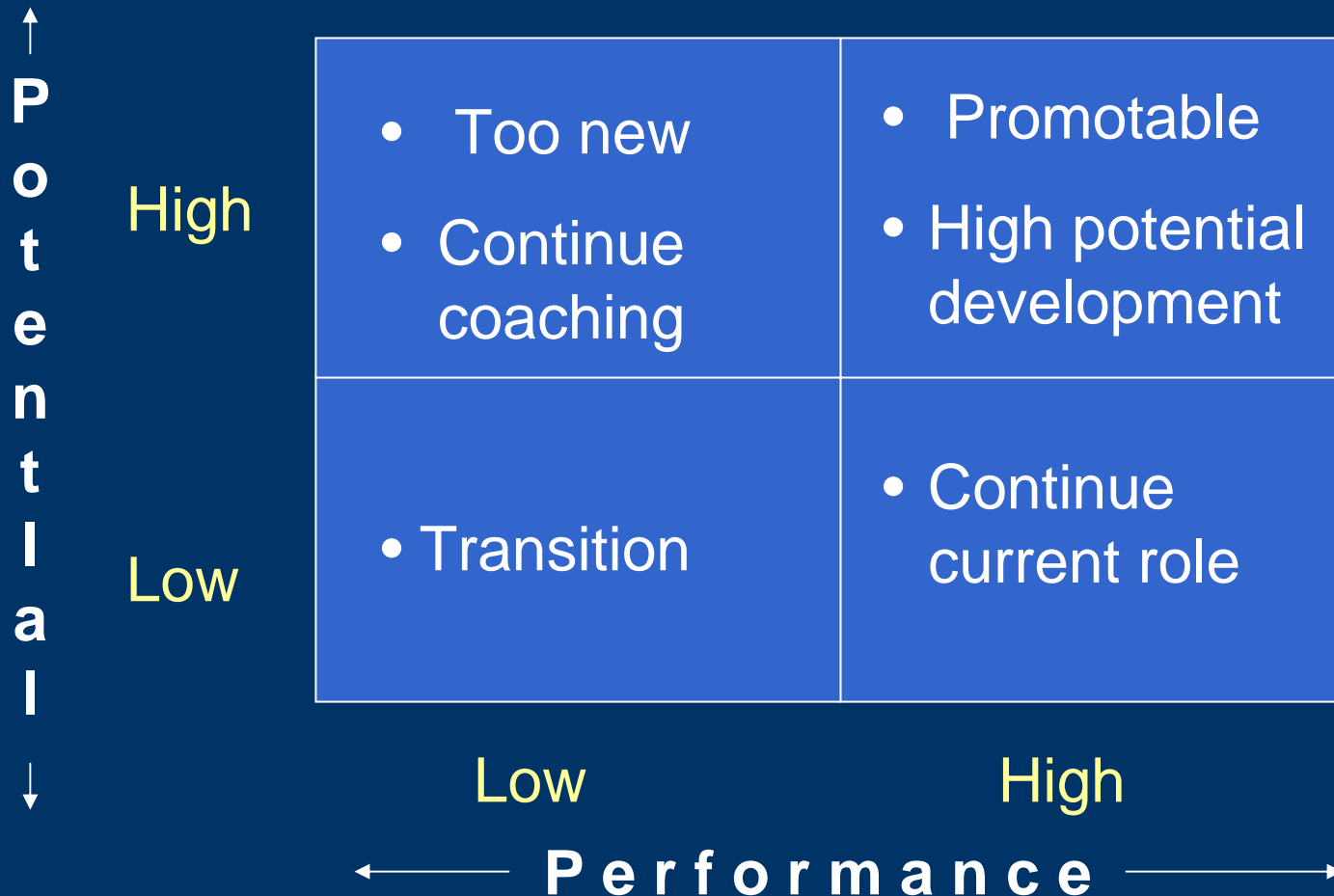


# Talent Review

- Management team dialog about people's performance and potential
  - Discuss 2 levels below (most common)
- Collective ownership of talent development
- Multiple views of performance
- Broader opportunities for development
- Annual or bi-annual most common



# Performance – Potential Matrix





# Individual Development Plans

Follow through  
is key!

**Manager:**  
• Dept needs

**Organization:**  
• Future needs

**Employee**  
• Aspirations

**Individual  
Development  
Plan**



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## Conclusion



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# Remember . . . Individual Managers Can Do *A Lot*

- Let talented employees know they are valued
- Dialog with people about their future
- Provide multi-rater feedback
- Ferret out developmental opportunities like task forces and special projects
- Delegate a “stretch assignment”
- Provide opportunities to interact with leaders a level or two up





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# Making It Work

- Put people first (not mechanics) – KISS
  - But systematic, repeatable processes are a must
- Customize for your organization—one size does NOT fit all
- Communicate openly
- Start small and build over time—it's a journey



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## 3. Talent Drives Performance

