



CHAPTER 7: MAKING THE TALENT MANAGEMENT PROCESS WORK

“Talent management is a system, not a series of stand-alone processes.”

Change one element of culture and everything feels the impact. Ignore or soft pedal any of the dominant cultural markers and disappointment beckons.

Talent management is a case in point. Cultural change that fails to align talent acquisition, succession, coaching, and performance management guarantees that the most popular line of conversation in the lunchroom is about to become “How long do you think he [she] will last?”

The cultural impact apart, no organization can afford to put talent management on the backburner. The loss of experience as the baby-boomer generation retires, the overall shortage of talented leaders, the need to engage and retain high-potential employees at every level of the organization, a need to manage risk, and the seemingly never-ending push for improved results all combine to make talent management a Board-level priority.

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What follows are talent management imperatives; issues that, if left unaddressed, put at risk the entire talent management agenda. These are aspects of talent management that, if not brought to life, will make the culture being sought unattainable.

It’s fair to say that, having being bombarded by articles in the business media for the past decade, most leaders recognize how important talent management is and what the building blocks of a successful talent management system are. The shortfall tends to lie in [1] underinvestment and/or lack of rigour in key areas of talent management [e.g., little or no training in interviewing on the part of managers making the hire decision]; [2] little synergy between what, in many organizations,

remain disparate pieces of the overall talent picture (e.g., coaching not linked to the organization's emerging culture). Recognizing that the challenge is far more about "how" than "what," I have developed this chapter not as a narrative description of why talent management matters but as a series of key points followed by "audit questions" that I invite the reader to explore with his/her own organization in mind.

1. The CEO is, and must be, the organization's Chief Talent Officer. Line and functional leaders who see talent management as a secondary priority quickly become a business liability.

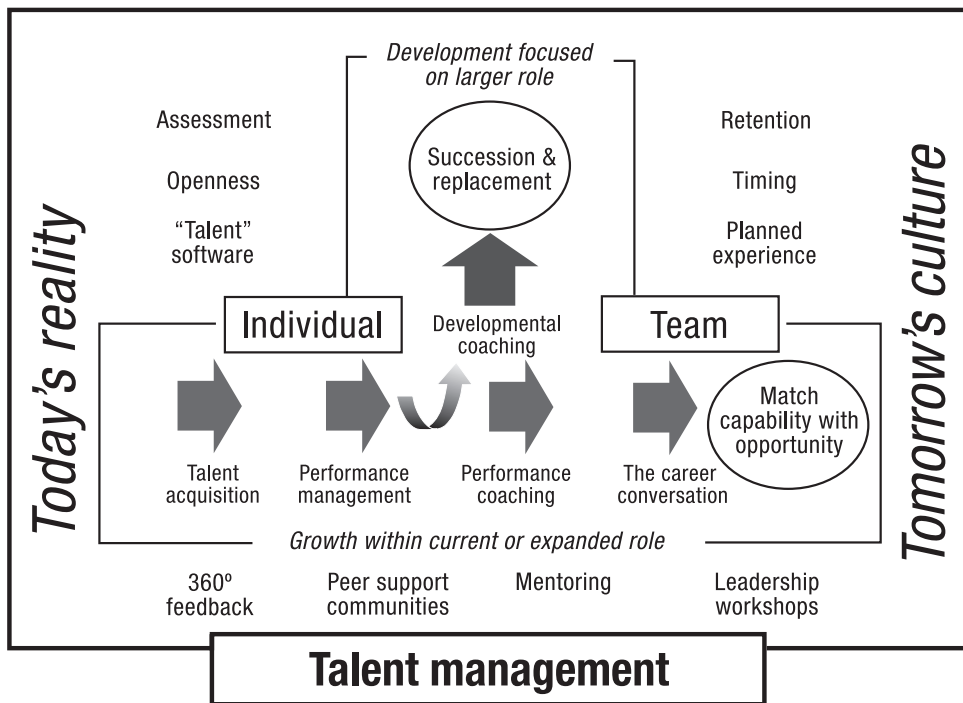
AUDIT QUESTIONS:

- ◆ As a rule of thumb, if those at the top aren't worried about the quality and delivery power of the talent management system, no one else will be. Is talent management a constant on the top team's radar screen or merely a periodic conversation quickly pushed aside by the events of the day? What can be done to expose those in key roles to the reality that if the organization isn't growing future leaders, there will be no future? What will it take to ensure that the link between culture and talent management is programmed into the consciousness of every senior executive?
- ◆ Is one person, other than the CEO, given formal responsibility for talent management? If he/she doesn't report to the CEO, how quickly can that change be made? Is the individual in question tough enough to challenge the CEO, respected enough to be given the power to act, energetic enough to keep pushing when others would have opted for political expediency, smart enough to know where to find talent, and experienced enough to recognize talent when he/she sees it? If the answer is either "no" or "I'm not sure" to any of the previous definitions of success, what changes need to be made?
- ◆ What has been done in the past year to develop the skills, capabilities, and insight of those in key leadership roles with regards to the talent management challenge? What is the plan for the next twelve months? Will the actions already in place result in a step change in talent management insight and action across the organization? What would it take for that to be the case? Coaching is an example. If masterful coaching isn't happening at the top of the house, it will not [cannot] become a systemic element in how leaders across the organization act.

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2. Talent management must be viewed as an open system,⁷⁶ not as a series of stand-alone processes (see Figure 4). It has to be seen as a system (talent management) within a system (the wider organizational culture). And, like any system, the whole can never be stronger than the weakest link. Top teams that support investment in only one or two aspects of talent management but who fail to aggressively address shortfalls in the rest of the system are inviting apathy and its good friend “indifference” in through the front door.

FIGURE 4



AUDIT QUESTIONS:

- ♦ Is the ongoing exchange of ideas around talent management framed by a simple template that allows those involved to see how the various pieces form a synergistic whole?
- ♦ What needs to happen in order that those in key leadership roles truly understand how talent management folds into the wider cultural challenge?

⁷⁶ Allows interested users to collaborate in the improvement and development of the system.

- ♦ Are the different processes covered by the talent management umbrella linked so that learning in one element feeds into and enriches the rest of the system? For example, are comments made in the engagement survey factored into future compensation approaches? Is the collective knowledge drawn from 360° feedback used in leadership workshop design? Is insight from ongoing conversation with a newly hired leader used to sharpen the way the organization goes about attracting talent? What would it take to address these issues?
- ♦ Are the organization's talent management initiatives supported by web-based learning? Is this Intranet complemented by links to best-in-class sources of distance learning? Is the style and presentation of web-based learning initiatives aligned with how today's employees access information and entertainment? See Chapter 8 on multigenerational differences.
- ♦ Are communities of practice, learning collaboratives, networking, and open space initiatives being introduced so that every aspect of talent management reinforces the value of interconnectivity and shared learning?
- ♦ Is continuous improvement within the talent management arena being driven by those who benefit directly from process excellence? For example, are those directly affected by the way the organization hires talent (line managers) closely involved in pushing the talent acquisition process to the next level?
- ♦ How is the quality of the work being undertaken within the talent management system validated? How, and in what way, is talent management part of the organization's operational audit process? Against which organizations does

the firm benchmark its talent management work? In what way would the organization benefit from using a third-party (leading-edge consulting organization) to audit your talent management initiatives?

“The organization's success in managing its talent pool defines future organizational capability.”

3. Talent management has to be aligned with “the organization we need to become.” The organization's success in managing its talent pool defines future organizational capability. Get it right and the organization will fly. Get it wrong and you won't take off. Without this link to the emerging culture, talent management is destined to remain, as it is in many organizations, an exercise aimed at fixing what, on the surface, appears to be broken.

AUDIT QUESTIONS:

- ♦ Is it fully understood that talent management initiatives are unlikely to flourish in an organization where “cultural drift” describes the prevailing approach to culture? Note: cultural drift refers to a mindset where the culture is simply allowed to evolve without direction.
 - ♦ More communication isn’t necessarily better communication. Video conferencing and web-messaging absolutely have their place, but those who make things happen need to feel that the organization’s “development promise” is real. In what ways do top leaders go out of their way to contribute both practically and symbolically to what can be described as “a learning ethos?” Do those in key strategic roles regularly show up unexpectedly at training sessions and leadership workshops? Do high-potential employees get a chance to meet members of the Board? Is a period of time spent in the training and/or human resources function seen as a plum development opportunity? Do those in positions of power talk openly and honestly about times when they stumbled? Do those whom others have come to admire have an opportunity to describe the role of a mentor in their success? What additional forums could be created for top leaders to candidly share their story?
 - ♦ Does the talent management process have teeth? Is there an edge? Are those in leadership roles who see developing talent as someone else’s responsibility quickly replaced? Are those who have inappropriate levels of “talent churn” confronted? Knowing that people have a marked tendency to hire in their own image, and no matter how difficult the leader in question is to replace in the short-term, are those whose leadership behaviour is misaligned with the emerging culture given, as step one, a reduced role in the recruitment process?
4. The engine of talent management is talent acquisition. If the talent acquisition process is found wanting, every other talent management process is marginalized. One of the implications that flows from this statement is that the value delivered by executive search firms must move beyond “We know the marketplace better than anyone else.” Their inherent capability must encompass, at a minimum, cultural measurement, role-specific competency profiling, team fit assessment, genuine expertise in candidate evaluation, and support to executive integration. All these must be complemented by the broad range of skills, insights, and resources needed to enable the search firm in question to become a full partner in supporting the organization’s talent management actions.

“*The engine of talent management is talent acquisition.*”

AUDIT QUESTIONS:

- ♦ In a world of talent shortage, there is a dramatic shift of power from the organization to the employee. Is the prevailing mindset “we select the best” or is it one that recognises a need to “attract and retain the best?” If the former, what will it take to get others to buy into the reality that talent shortfall is a strategic imperative that must be addressed today.
- ♦ In what ways do the current external providers of talent (e.g., executive search) complement the organization’s talent management process? If the talent need moves onto the global stage, does the search organization have international reach? If the search organization is a big brand player, which of its clients are off-limits? Does the firm in question have the expertise to be able to provide leading-edge advice and counsel in the area of talent management?
- ♦ Talent acquisition that isn’t drawn out of a rich understanding of the emerging culture is seriously flawed. Are external providers skilled in surfacing the organization’s emerging culture? This implies more than a series of insightful questions and points to the need for specific tools that define, surface, and measure critical cultural issues. Attempting to develop competencies and/or a balanced scorecard for the role where the emerging culture is inadequately mapped out, is the leadership equivalent of building a road on quicksand.
- ♦ A talent acquisition process built exclusively around generic leadership competencies assumes that (1) the organization has a single, homogeneous culture and (2) a key role in finance demands the same behavioural attributes as,

“*Unnecessary delay loses outstanding candidates.*”

for example, a pivotal role in sales. Common sense dictates that neither of these statements is true. What tools/ processes does the business have in place to develop **role-specific** competencies? How do external providers support the business in developing role-specific competencies?

- ♦ Is there a general willingness to explore sources and/or hire individuals who are non-conventional? Sticking to established hiring routes may give the illusion of reducing risk. What is really at stake is that by “playing it safe” the organization is often overlooking exactly the type of individual needed to challenge the status quo.
- ♦ If candidates are being hired specifically with the task of “changing the culture,” are durability and mental toughness central to the hire decision?
- ♦ Does the reference-checking process embrace questions that get at cultural “fit?”

- ♦ What would be the value of adding an assessment clinic, where culture is a central feature, to the recruitment process?
 - ♦ Unnecessary delay loses outstanding candidates. What would have to be in place for the talent acquisition process to be enacted in a shorter period? How can the time from contact to offer be reduced? If the time taken is measured in months, you are moving far too slowly.
 - ♦ Are leaders, whatever the level, who make ongoing hire decisions fully qualified to do so? No organization would allow an executive to make a million-dollar investment unless there was (1) absolute comfort with his/her expertise and (2) the appropriate checks and balances in place. It remains something of a mystery, therefore, as to why organizations allow leaders to make far more damaging decisions with virtually no formal training and little accountability for getting it right. What could be done to better audit the capability and skill of those making hire decisions?
 - ♦ Making hiring decisions without being fully trained is problematic enough. When the new actor is introduced to the role with little support, what is being played out puts the whole organization at risk. Specifically, what tools are in place to allow new leaders to move quickly and successfully into a new role?
 - ♦ How is the effectiveness of the overall talent acquisition process measured? How should it be measured?
5. A central plank in an organization's approach to talent is performance management. The most effective performance management approach balances "the what" (results) with "the how"⁷⁷ (behaviour that reinforces the organization's values). To focus on the former to the relative exclusion of the latter is to pass power to those who revel in "boss-ship," self-interest, and change through intimidation.

AUDIT QUESTIONS:

- ♦ In what ways does the compensation process reward those who push to the edge, those whose behaviour drives tomorrow's culture?
- ♦ The compensation approach is an invaluable way to create "focus." In what ways has the compensation approach been "revitalized" within the past three years? Is it time to do it again?

⁷⁷ Ideally, the emphasis being 50% on each.

- ♦ In the drive for what has become euphemistically known as “building a high performance culture,” the performance management process has moved beyond feedback and development and has become the central plank in culling the organization of poor performers. An example is the interest in “forced” ranking. Popularized by General Electric, forced ranking typically identifies top performers (20%), middle-of-the-road performers (70%), and those not worth keeping (10%). Taking out poor performers the first and even second time around is, for most organizations, relatively easy. The problem comes when – and here one has to factor in the reality of a tight labour market – the group under review are all relatively high-performers. There are three responses. (1) Rank but don’t yank! (2) Enlarge the “ranked” population. (3) Use forced ranking for two or three years and then move to an approach that recognizes and builds on people’s strengths; a process that emphasizes the language of affirmation. Does the current performance management philosophy recognize and build on success (management of exception) or does it assume that addressing what isn’t working (management by exception) is the best way to deliver performance excellence? What changes need to be made?
 - ♦ Even where a “recognize, grow, and challenge philosophy” describes the performance management approach, poor performance must be addressed. Does the organization move fast enough to address those who either (1) don’t live the organization’s values or (2) fail to meet the agreed goals? What could be done to make the process unfold faster?
 - ♦ In what ways does the compensation approach align reward with the business challenge involved? Is it recognized, for example, that business transformation is far more difficult than maintaining a successful business? How are those who run businesses that straddle a number of different cultures/countries rewarded in line with the level of complexity involved?
 - ♦ Punishing leaders who grow talent by constantly moving out his/her high-performers means that, sooner or later, those same geese will figure out that life is easier if they hide the golden eggs. How are leaders who excel at growing tomorrow’s leaders rewarded for their efforts? How should their contribution be recognized, rewarded, and encouraged?
- 6.** Coaching has to become an integral part of every leader’s thoughts and actions. A leader who can’t coach can’t provide leadership; he/she isn’t creating the space for talented employees to exploit their own strengths; he/she isn’t supporting the

organization's cultural agenda. Coaching is at the centre of the talent management system. To that end, the coach must model the leadership behaviour implicit in the emerging culture, whether the coach is part of the organization or someone from the outside hired to support the organization's coaching initiatives.

AUDIT QUESTIONS:

- ◆ How different would the organization be as a place to work if every leader was adjudged “a great coach?” What can you do that you're not doing now to move in that direction?
- ◆ Although both are of immense value, is the difference between coaching and mentoring clear? Coaching is a performance conversation drawn out of a serving spirit. At its best, it is built around listening skills, a soft voice, hard questions, working to avoid giving advice, a willingness to push for action, and the conviction that, given the space to act, the coachee will get it right. Mentoring means that a seasoned performer, not by age, shares his/her story with a less experienced performer, and the outcome is that the individual being mentored is accelerated through the learning curve. In a number of outstanding organizations, reverse mentoring (younger employees mentoring those who are more senior, e.g., mentoring around the latest trends in the internet) is alive and well. Everyone who makes it has a mentor. Success in mentoring, in turn, is built on the belief that the individual being mentored is realistic, resourceful, results-oriented, resilient, and responsible. What can be done that isn't being done to take mentoring to the next level?
- ◆ Is it understood that, unless people at the top of the house embark on a voyage of personal learning, little can change? What processes are in place to support executive learning? What consequences await an executive who makes personal growth a secondary priority? What would need to change for executive development and personal growth to become one of the key measures of overall performance success?
- ◆ Coaching cannot be sustained in a climate where “gotcha” is a way of life. Are the initiatives in coaching supported by a culture that builds on a spirit of affirmation? What three additional actions would make affirmation part of the way leaders think and act?

“Coaching is at the center of the talent management system overall.”

- ♦ Does the work on coaching recognize that coaching cannot thrive unless people know what is expected of them (goals), the role is clear (responsibility and accountability), and trust is established? What would it take to make role clarity an organizational priority?
- ♦ In what ways does the coaching work reflect tomorrow's leadership competencies? If this is a talent management shortfall, what actions would address that problem?
- ♦ How quickly, and in what ways, does and should the organization respond to those in leadership roles who are either reluctant to be coached or who, for whatever reason, display little coaching capability?

7. Central to building and sustaining tomorrow's culture is the issue of succession. When it comes to succession, more is less. Succession work that makes a lasting

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difference focuses only on those leadership roles that are truly mission-critical. The succession process must also take into account the future competitive environment; only then can the organization start to understand which of its leaders have the skills, knowledge, and potential to succeed tomorrow in the (mission-critical) role he/she holds down today. There is a huge difference between succession and replacement strategies: a leader in a mission-critical role who isn't actively developing both for his/her own role is failing to fulfill his/her fiduciary responsibility.

AUDIT QUESTIONS:

- ♦ What needs to be done to make sure that the organization focuses on both replacement and succession? Note: Replacement is the action plan that indicates who can successfully move into a key role if the incumbent is hit by a truck on the way home. Succession poses a different question: "Who do we have who can successfully move into a mission-critical role - as that role will evolve to be - two years^{7B} from now?" Are those currently in critical roles who are not deemed fully capable of succeeding into the role he/she currently holds being confronted?
- ♦ Are executives who are not developing a clear successor brought to task? Is that shortfall reflected in their financial rewards?

^{7B} This is an arbitrary timeframe that will differ from organization to organization.

- ♦ Is there an emphasis within the succession process to test those indicated as being future successors? Does that “testing” encompass stretch assignments, special projects and, where possible, deputising for the current incumbent in the succession role?
- ♦ What would it take for everyone identified as a “successor” to have an aggressive personal development plan?
- ♦ Does everyone identified on the succession plan have an external coach? Performance coaching (success in the current role) should, ideally, be delivered by the immediate team leader. An external coach can be immensely helpful, however, in developmental coaching (building the skills, competencies, experience, and insights required for the succession role). Whatever the role played by the external coach, he/she must work closely with the individual’s team leader. He/she must also display behaviour in line with the organization’s values, be very conversant with the culture the organization is seeking to create, and well qualified to deliver a rich and meaningful development conversation drawn out of the leadership competencies for the succession role in question. As a point of reference, a coach who lacks multi-country experience is a poor fit for an executive whose future challenges involve international stretch. What would be the most effective way to introduce external coaches to the organization? How soon can this happen?
- ♦ How wide are you throwing out the talent net? Are appropriate executive search groups asked to be on the lookout for talent even where there is no specific search assignment? Where no internal successor exists, do those same search groups identify people in other organizations who meet the criteria needed to fill a mission-critical role in your business? If not, why not?
- ♦ Top performers need to see a clear career path. If they don’t, they will look elsewhere. What tools are in place to successfully identify high-potential employees early? What needs to be done to ensure that the career conversation happens when it should and is conducted with a degree of mastery?
- ♦ Clearly, organizations with a global presence need to build a cadre of “successors” who have international experience. The only way to build a global talent pool is through international assignments. Invaluable as regular international travel and/or offshore projects are, they fail to provide the hands-on experience needed. Expatriate assignments have to be

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managed very carefully or the investment in human capital may well flow to a competitor. Is planning for repatriation, for example, a key consideration in your expatriate community? Does that planning work?

- ♦ If the majority of those who moved into key roles in the past twelve months came from outside the organization, the succession process isn't working. What is the one action that, were it to be implemented, would move the succession process to the next level of effectiveness? What can be done to make it more than a book exercise?

“*Talent management that thrives encourages individuals to play a role in the direction and momentum of their own career.*”

8. Talent management that thrives encourages individuals to play a role in the direction and momentum of their own careers. This speaks to transparency, risk, and allowing talented individuals to take ownership of their own development.

AUDIT QUESTIONS:

- ♦ In what ways can talented employees have an even greater say in influencing their career with your organization? In what ways can they plan the experience and learning they feel they need?
- ♦ What makes the above difficult is that when a major slice of the organization's talent goes out the door so does an irreplaceable library of knowledge (e.g., the boomers retiring). What processes are in place to capture this knowledge so that talent can be pushed into key roles earlier without putting the whole organization at risk?
- ♦ Are the criteria for determining that an employee is high-potential clear to everyone? Are high-potential employees told that they are high-potential?
- ♦ In what way is individual ambition balanced by honest and candid feedback?
- ♦ When someone stumbles, is it viewed as a failure or a natural part of how talented people grow? If the former dominates, personal risk and stretch are extremely difficult to orchestrate. What does the organization need to do to encourage risk-taking?
- ♦ A tight labour market demands an unprecedented level of flexibility regarding pay, benefits, work assignments, and development. Does the talent management

process support personal agility? In what ways could the organization allow individuals to balance career aspirations with life-style priorities? What would it take to introduce part-time employment for a period (a new parent), job sharing, working from home, sabbaticals, time off to study, and so on? How could the thinking around the talent factor better embrace multigenerational issues?

- ♦ Not everyone learns the same way. For some, learning is significantly aided by starting with the big picture. Others learn by gaining immediate hands-on experience. A third group needs to be supported as they seek to reflect on the experience they have just been through. A fourth group needs the learning experience broken down into manageable chunks. Others like to be thrown into the deep end. In what ways is an individual's learning orientation taken into account when developing a personal development plan?
 - ♦ In what ways is the effectiveness of the talent management system measured now? What isn't currently being measured that should be?
9. It's not enough to hire the best. It's not even enough to pay the highest salaries. Part of any successful talent management system has to be about building a wall around the talent the organization has. The mistaken view inside many organizations is that "when money talks talent walks." This tends to be true only if the individual in question has plateaued within the organization. Time and time again, research supports the reality that what keeps a high performer with the organization isn't money, it's the nature of the challenge combined with a culture that supports ongoing growth. This speaks to a great product/service, employee engagement, work that has meaning, a simple structure, work-life balance, clarity regarding the role, honest feedback, a leader who cares, masterful coaching, ease of access to learning and development support, and a willingness on the part of the organization to "test" talent early. It also means passing to the employee decisions that, in the past, have been the exclusive prerogative of those in the upper echelons of the business. Goodbye to "our way or the highway" and hello to cafeteria benefits, flexible work hours, and creative approaches to compensation. "I know it will mean less money, but what I really need is two months' vacation so I can go kayaking in Alaska."

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AUDIT QUESTIONS

- ♦ What real-time data does the organization collect on turnover and churn? Is that information used quickly and effectively to act on problem areas and/or problem managers? Note: Information that is even two or three weeks old amounts to closing the barn door after the horse has bolted.
- ♦ In what way does the firm regularly benchmark its retention and employee stability data against the best in the industry?
- ♦ Starting tomorrow, what can be introduced that isn't already in place to improve employee retention?
- ♦ What could be done to improve the exit interview? Is this interview followed up three months later by a third party? The advantage of doing so is two-fold. Firstly, the passage of time makes for more balanced and candid feedback. Secondly, in many instances an employee who is unhappy in his/her new role may well be more than happy to return to the organization.
- ♦ With the shortage of talent upon us, what specifically is the organization doing to retain older workers? The good news comes from the Seattle Longitudinal Study, a research project that has followed 4,000 mentally healthy adults since 1956. Their findings are that in those studied there is no discernible loss of mental ability before the age of 74. Other studies find that it is a myth that older employees take more time off, are less productive or slower to change.⁷⁹ The suggested relationship between accidents and age has also been shown to be a falsehood.⁸⁰ Add to that, there is plenty of empirical evidence to support the fact that a recently hired 50-year-old worker is going to stay longer with his/her new organization than his/her 30-year-old counterpart.



Talent management isn't new. Indeed, scratch the surface of any organization that has sustained outstanding performance and you will find that talent management sits at the heart of that success. The talent challenge per se may not be a recent concern, but the urgency and need to get it right have never been keener. And the environment has never been less forgiving to those who get it wrong.

⁷⁹ *The Department for Work and Pensions (UK), Facts and Misconceptions about Age, Health Status and Employability (2005).*

⁸⁰ *The Hilton Study (2004).*

Talent management is central to any attempt to move the organization's culture in a new direction. If the talent management system doesn't work, if it's broken or trapped in a bureaucratic maze, then cultural change just won't work.

MONDAY MORNING ACTIONS

1. With tomorrow's culture in mind, audit your organization's talent management system. Define what you need to stop doing, start to do, and do more of. As step one, train everyone who makes hire decisions in every aspect of talent acquisition.
2. Again, with tomorrow's culture in mind, conduct a rigorous assessment of the succession potential of each and every individual who holds down a mission-critical role.
3. If they don't provide genuine expertise in measuring culture, building role-specific competencies, leadership assessment, team fit, and executive integration, change your search providers.
4. Learn why talented people stay. Figure out how to do a lot more of it.
5. Build a high-potential assessment and retention process that is the best in your business sector. Start by defining what high potential means and what it is that someone who is high-potential does that makes him/her stand out from the crowd. Increase the velocity whereby talent moves through developmental roles. Invest in the solid performers with equal vigour.

Excerpt from
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