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LEAVING NOTHING TO CHANGE

A WELL-DEFINED TALENT MANAGEMENT STRATEGY ASSURES THAT THE RIGHT PEOPLE ARE IN THE RIGHT JOBS WHEN AND WHERE THE BUSINESS NEEDS THEM.

By Lois Webster

A company's health has always depended on the ability of its employees to work in concert to achieve company goals. In the past, whether or not this happened was largely a matter of chance. What was missing was the integrated oversight that comes from a well-defined talent management strategy.

Today, talent management has become a high priority for many companies because organizations are under pressure to cut costs while increasing productivity. Still, very few organizations have a clear talent management strategy in place to drive the creation of the optimal workforce. By using an integrated approach to talent management and a set of best practices, companies can achieve optimal business impact.

INTEGRATING THE TALENT MANAGEMENT PROCESS

Tom Hilgart, a partner in State Parkway Partners, a Chicago-based consultancy that helps businesses manage their investments in human capital, notes that an integrated talent management process is critical

for both effectiveness and efficiency. According to Hilgart, the two prerequisites for this integration are collaboration of top-level personnel and the use of technology to share information across silos.

"Senior HR and learning executives need to sit down with senior business leaders to review current and future business strategies, identify the critical jobs and the competencies needed to drive the business forward, and come to an agreement on why an integrated talent management process is essential for business success," says Hilgart.

A talent management process should focus more on pools of talent rather than on specific individuals. It is no longer about hiring the best person for a position now, but about hiring people who may qualify for key positions in the future.

This broad focus necessitates a change in how data is collected and analyzed. Traditionally, companies have managed employee information in different departments or in HR silos such as staffing, training and benefits using function-specific software. The

new talent management process, however, requires the integration of all HR information to permit the development of complementary initiatives to help achieve business objectives. There are numerous benefits of combining all talent-related information in a single database, including:

- eliminating duplication of data and effort
- providing a more complete picture of the company workforce
- determining where the current gaps are, whom to recruit, how to develop the existing workforce, and how to compensate employees with those competencies
- quantifying how much HR is spending on recruiting and comparing it to how much could be saved by upgrading the skills of current employees
- using the performance management function to generate measurable metrics that can be combined with competency data to create a clear picture of the current workforce's strengths and weaknesses.

At Chevron Corporation, Taryn Shawstad, general manager of global workforce development, keeps a database on about 60,000 employees from approximately 180 countries. "In the past, we were siloed by country," she says. "Now, instead of looking at the United States or Indonesia or Nigeria, we can look across the globe at job families, capabilities, supply, and demand. If you don't have the data, it's difficult to do the analysis."

EXPANDING THE REACH OF SUCCESSION PLANNING

Traditionally, succession planning has encompassed about 2 percent of the workforce—high-potential employees in senior management positions who may one day move into the position of CEO or other top executive slots. Companies have long collected data on these prospective high-level executives because current leaders needed to know how would-be successors rated on certain assessments and the experience and competencies they possess.

By studying the available information on potential successors, a company can then determine how specific individuals should be developed and where they should be placed. Perhaps they need more global experience. If so, they will be assigned to a post in another country. In other words, they chart a path to move individuals up through the ranks to give them the proper exposure and experience for a future top leadership role.

The new integrated talent management paradigm expands the scrutiny of succession planning to the

entire workforce. In this way, successors can be developed for all positions, not just the top tier jobs. This is a daunting but necessary task to assure and sustain long-term corporate success.

ADHERING TO FIVE BEST PRACTICES

Hilgart believes an integrated talent management system will succeed if the organization adheres to certain practices, such as making long-range plans, conducting regular progress checks, connecting business strategies to needed competencies, developing a talent mindset among company leadership, and integrating all talent-related initiatives. Let's look at each one in detail.

Long-range plans. The talent management planning process begins with the setting of long-range, achievable goals. What competencies will the company need in one to two years, or in three to five years? In the case of executive development, a plan may be laid out for the next 15 years.

According to Jeff Oberlin, president of Jeff Oberlin, Inc. in Elmhurst, Illinois, from line employees all the way up to the CEO, companies need to ensure that they have a long-range view of where they are going, what type of talent they will need, the competencies required in particular jobs and across the board, and also the number of employees needed with certain skill sets.

"Many times we forget to count the noses that are going to be required within an organization," Oberlin says, "and quantities definitely have to be taken into consideration as you start developing or acquiring certain types of talent."

Recently, Chevron experienced such growth that the company now focuses on forecasting future demand five to ten years out. Shawstad says she and other members of senior management examine supply, identify gaps, and then develop plans to address those gaps. One such plan is a formal training program called "Horizon," which focuses on making sure employees have the technical skills they need for the next five years.

Progress checks. Once an organization devises a strategic plan that affects the acquisition and development of talent, it should conduct annual progress checks with quarterly reviews. Such reviews should assess changing strategies and explore emerging marketplace threats and opportunities, which could necessitate adjustments to the plan. According to Oberlin, companies often build competency models and never revisit them. This reduces their effectiveness over time.

Attention should be focused in the right direction to

CHOOSING TALENT MANAGEMENT SOFTWARE

In the new integrated approach to talent management, senior business leaders will work with senior HR and learning executives to set strategic goals and realize them. They will need a comprehensive database that places talent information at their fingertips. Here are five factors to keep in mind when choosing talent management software:

- 1) Consider a comprehensive suite of modules. Although a number of modules are available which can stand alone or be integrated, the three essential modules that need to be linked together in a talent management system are learning management, performance management, and talent planning.
- 2) Address integration issues. One software provider can supply a single interface and eliminate problems resulting from vendor interdependence within a suite of modules. Such true integration results in shared data across all modules, consistent security, a master profile of each employee, shared competencies, a unified user interface, shared workflow, and embedded analysis.
- 3) Implement configurable process management. Choose applications with the flexibility to match the organization's business processes, rather than adjusting HR processes to fit the software. Ideally, it should be possible to leverage multiple configuration options to meet geographic and organizational needs.
- 4) Consider global needs. The capability of a system to operate in multiple languages permits integration on a global scale.
- 5) Ensure secure and scalable architecture. Software tools hosted in a protected environment on the Internet relieve companies of the burden of managing their own server architecture.

the talent management planning process. This means connecting business strategies and the competencies needed to implement them. Personnel in critical or pivotal positions in implementation projects can immensely influence the success or failure of strategic plans.

performance work life. This requires constant attention and should be part of the annual talent planning process.

"I've had my best success when I have the senior leaders of the organization buying into the competency

For example, a company's business plan might call for a new initiative such as reducing long sales cycles, conducting a Six Sigma quality improvement program, or making a commitment to solving environmental issues. Whatever the initiative, change can only happen if the company has the right competencies in place. If it does not, the options are to hire new talent, develop existing talent, or transfer personnel internally. Oberlin believes that implementation of strategy is a facilitative process.

"It doesn't happen magically, or in a black box, or in the software. It has to be teased out with the right kind of functional participants or leaders," he says.

Developing a talent mindset. Leadership throughout the organization needs to have a talent mindset that drives them to actively participate in the acquisition and development of talent. Because company culture is the soul of an organization, top executives need to help create and sustain a purposeful, engaging, rewarding, and high-

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models for the key jobs throughout the organization,” Oberlin notes. “That has a tremendous impact.”

Integrating all talent initiatives. All of the initiatives a company undertakes to attract, recruit, onboard, engage, direct, develop, reward, and retain talent have to work consciously in concert. People who perform these functions should participate in the annual talent management planning process and the quarterly reviews, along with the business leaders they support.

When Oberlin helps companies plan new strategies, he finds that businesses that have integrated their talent management data can analyze it comparatively and better answer questions, such as, “Why are certain salespeople or certain technicians more successful than others?”

“A whole variety of things could be indicators of why certain individuals perform better than others,” he says. “If I’m guessing at it, I don’t know why. But if I have a means to manage and analyze this talent by looking at the data, it will let me predict which other employees will be successful in certain areas.”

A fully integrated talent management system helps answer many questions concerning development needs.

A CEO may ask, “Do I have the executive talent to lead an initiative?” or “How long before we have enough knowledge and skills within the organization for the initiative to take hold?”

HR can then respond, “One quarter of the employees have participated in quality circles at some time in their careers.” HR can also point out the high-performing professionals already inside the organization. It is, however, still up to the people in key leadership roles to evaluate this information and make implementation decisions accordingly.

The talent management process coupled with improved technology greatly enhances business communication. It increases the information exchange between HR personnel and top business executives, allowing them to create and implement strategic plans. Its ultimate outcome will be an integrated approach that leaves nothing to chance. It will assure that the right people are in the right jobs when and where the business needs them.

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