



**Head
Light**

Developing your Talent Management Strategy – Part Three

part of our White Paper series

The Talent Cloud Platform

Developing Skills. Encouraging Performance. Boosting Recognition.





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About this series of White Papers

Part Three is the final part of our series of White Papers aiming to support HR leaders as they put into place the foundations for talent management or to review and update the current talent management strategy of their organisation.

Across the series of these White Papers we have:

- Examined the key elements of talent management;
- Suggested how you can review the current position of your organisation and to understand the role talent management needs to play in your business;
- Flagged the areas which may 'block' your implementation of talent management across the business;
- Considered the role of competencies and values in the development of your talent management strategy;
- Provided a guide based on successful good practice and hard lessons learnt across a range of talent management activities.

In Part One and Part Two of this series we considered what adopting and implementing a talent management strategy could do for your business as well as how to lay the foundations of this through developing a competency framework which takes account of your organisational values. We considered how to enhance your recruitment, assessment for promotion and performance management activities.

Whilst assessing people for internal moves is, of course, an element of succession planning as it is part of how you identify, manage and promote key talent within your organisation, we shall consider in Part Three how this and other more sophisticated and advanced talent management activities, can be implemented.



Effective succession planning

The importance of succession planning

Having a joined-up, coherent and strategic approach to managing the flow of talent is likely to be an on-going theme in a period of continued uncertainty, ensuring that you have the right people in the right place at the right time. Succession planning is essentially the process by which you identify people to fill key positions. A broader definition might also include the processes by which you develop and promote these people. Some see succession planning as being focused on leadership and senior positions, whereas others take a more inclusive view and extend the process to a wider range of key roles such as product developers, creative leads, client managers and technical experts. Wendy Hirsh (2000) defines succession planning as “a process by which one or more successors are identified for key posts (or groups of similar key posts), and career moves and/or development activities are planned for these successors. Successors may be fairly ready to do the job (short-term successors) or seen as having longer-term potential (long-term successors).”

This definition introduces the concept of readiness, something that we will be looking at later in this section. When considering the efficacy of your current succession planning efforts, consider these questions:

- Who are your High Potential individuals? Where are they in the organisation and how are they being managed?
- Which of your High Potential individuals have an increasing risk of leaving you?
- Which of your Succession Plans are at greatest risk of failing to deliver?
- On which high performers should the organisation be focusing its retention efforts?
- Who, for example, speaks Spanish, wishes to move internationally, has high level commercial skills and experience in the past of working with the community?

How did you do? Or alternatively, could you provide:

- Succession plans for specific managers or critical posts, or for high-risk individuals that are likely to leave or retire in the next 12-24 months?
- A list of those who are immediately ready to take on new challenges in specific business areas or roles?
- Potential new team members, matched to deliver a specific programme such as a merger?

HayGroup, in their 2007 paper ‘The War for Leadership’, identified seven key practices which differentiated the top 20 companies (in terms of quality of their leadership) from their competitors and the rest of the Fortune 500. In actively managing their high potentials the top 20 companies are more likely to:

1. Have a formal process in place for identifying individuals who are likely to assume leadership roles in the future;
2. Provide career tracks for high potential professionals or individual contributors that are separate from those for high potential leaders;
3. Provide formal programs which accelerate the leadership development of high potentials (e.g. stretch assignments and developmental job rotations);
4. Look across the whole business (including corporate services such as marketing and HR) when seeking high potential, future leaders;
5. Fill middle management positions with internal candidates;
6. Find internal candidates for senior positions;



7. Promote CEOs from within.

This clearly highlights the role of succession planning in both the broader talent management strategy, and its contribution to the performance of an organisation. In reality most organisations find it difficult to execute a talent strategy on an organisational scale, with different elements being developed by different teams or individuals and with parts of the process having different ‘owners’, or with different divisions or parts of the company operating effective succession planning processes locally, but with limited mobility on a cross-functional, location or divisional scale.

What are the risks of failing to do it? And what are the pitfalls of taking a structured approach to succession planning?

The importance of career planning: the flip side of succession planning

The importance of a structured succession plan is evidenced above. But what does this bring to the individual employee beyond that of being entered into a talent pool? With the structures, language and resources in place for succession planning, you are able to promote the benefits of ‘career planning’ to each individual within the organisation as:

- Career pathway options within your organisation can be viewed easily;
- Different career routes can be planned, and modified by the individual who is trying out ideas;
- The organisation’s commitment to long-term employee retention and development is seen;
- They can identify themselves for potential roles or willingness to relocate;
- They are able to assess their own knowledge, skills and experience gaps for the roles they want to pursue.

Getting succession planning wrong

The CIPD’s recent survey - ‘The war on talent? Talent management under threat in uncertain times’- found that talent management (and therefore, succession planning) has become more important since the economic downturn. In periods where costs are tightly controlled and every business activity is scrutinised for added value, it is crucial to understand where talent lies within an organisation and how individuals can be developed in order to meet business critical issues, in both the short- and long-term.

The risks, however, of not doing it include:

- Operational risk due to loss of key staff, knowledge, skills and experience;
- Loss of competitive advantage as critical staff leave and are not replaced quickly;
- Increased cost of recruiting to fill a position with external candidates; the cost of replacing an individual role can be many times his or her annual salary;
- Increased cost of ‘onboarding’ new recruits in the form of induction, systems and process training, probation periods and settling people into a new culture and environment;
- Lower levels of engagement within the organisation due to a lack of perceived promotional opportunities, clear development plans and career paths.

Approaches to succession planning

Many organisations do succession planning on a more fluid and informal basis. As one client told us:

“Succession planning has to be flexible; even if there was a formal plan in place, strategies change and structures often change with it. The important thing is to ensure a continuous pool of talent available to fill roles. In our environment there would be a number of people primed to take positions up within an area but there is no reliance on one individual to mentor and grow a specific successor for their post.”



No-one is indispensable. We create pools of talent and use them when an appropriate opportunity emerges.”

Where roles are more clearly defined, more stable and less prone to radical change, it is perhaps possible to create a more formalised process with key talent being tracked through the organisation, career paths defined and individuals earmarked for specific roles.

The risks of being overly prescriptive are also worth considering, and include:

- Creating a process which is unwieldy and difficult to adapt as the business and roles shift and change;
- Failing to monitor the effectiveness of the succession planning process by not having data to demonstrate that it provides a return on investment or that it does deliver the intended successors ‘on time’;
- Causing disengagement among those who are not part of a talent pool, or who are not part of any succession planning process;
- Creating a source of ‘knowledge is power’ that could be open to abuse; those who have access and ownership of the succession data would need to ensure that there is clear agreement and acceptance of the appropriate and legal uses of the data collected;
- Losing those staff who are in talent pools, or who are earmarked as high potential, to competitors who can offer them similar target positions in a shorter timeframe, or with a bigger salary;
- Creating high expectations among the talent pools which may not be matched with actual opportunities;
- Not engaging employees in their own career the by failing to include their views and aspirations.

Clearly, the need to have a flexible system for capturing data, track the flow of talent and to provide evidence for the predictive validity of the assessment criteria used to identify ‘successors’ becomes critically important. As does the need to constantly review and monitor the efficacy of the process with key stakeholders and the need to ensure there are alternative programmes and opportunities for development and promotion among the rest of the population. Managing expectations, careful communication and ensuring an inclusive approach to talent management are all things that need to sit alongside succession planning efforts.

The main activities

In large organisations, (or even medium-sized ones), it would not be practical to line up a successor for each and every position. So most organisations need to determine which positions are ‘critical’.

Determining the critical positions

When identifying which are the most critical positions to plan for the future, the factors which are often considered include:

- Which roles and positions are key to achieving the strategy? Which are critical for growth, survival and organisational success?
- Who are your High Potential individuals? Which of these is at risk of leaving?
- Which roles require highly specialised knowledge, skills or technical expertise that would be difficult or expensive to recruit in from the outside?
- Are there individuals who possess critical experience or knowledge of the organisation or its clients?



- Which of your talent pools may fail as there are no employees ready to succeed in the short-term?
- For which managers are there no successors in place? Which of these are facing retirement, at risk of leaving or high performers?
- For which roles is it actually desirable to bring in new talent from outside the organisation – or best filled by internal people?

Identifying the successors

Once these issues have been agreed and the critical roles identified, the next logical step is to develop the means by which you identify 'successors'. This might involve:

- Analysing the target roles to determine the requisite knowledge, skills, behaviours, experience and competencies necessary for success in the role.
- Determining the early markers of potential for success in these roles – what could individuals reasonably show at earlier stages within their career that would indicate potential for the target position? Increasingly, we are seeing a focus on 'learning agility' (see our blog on this subject) as being a characteristic that high potentials tend to possess.
- Developing an assessment process aimed at determining who currently demonstrates the 'potential criteria'.
- People who see themselves in the role – or where their manager believes that a future role is achievable and right for the individual.

After identifying these people (and those that did not meet the criteria have been carefully managed), the 'successors' are often allocated to a talent pool.

Creating the talent pool

Entry into a talent pool is often accompanied by a structured development process. The progress of these individuals then needs to be tracked – as we said above, it becomes clear that an effective HR metrics system needs to be in place in order to manage, administer and evaluate the effectiveness of succession planning activities.

Targeting when a position is available

If we return now to the Performance/Potential grid we looked at in Part Two, many organisations use a variation of the 9-Box Grid for tracking talent and making decisions about who to promote when a target position becomes available. A common approach is to have 'Talent Review Boards', where senior managers and key stakeholders get together to review the performance of their talent pools and plot individuals on the grid with regards to their current performance, level of potential and readiness for promotion.

The following diagram shows an example of how the 9-Box Grid might be used in succession planning.

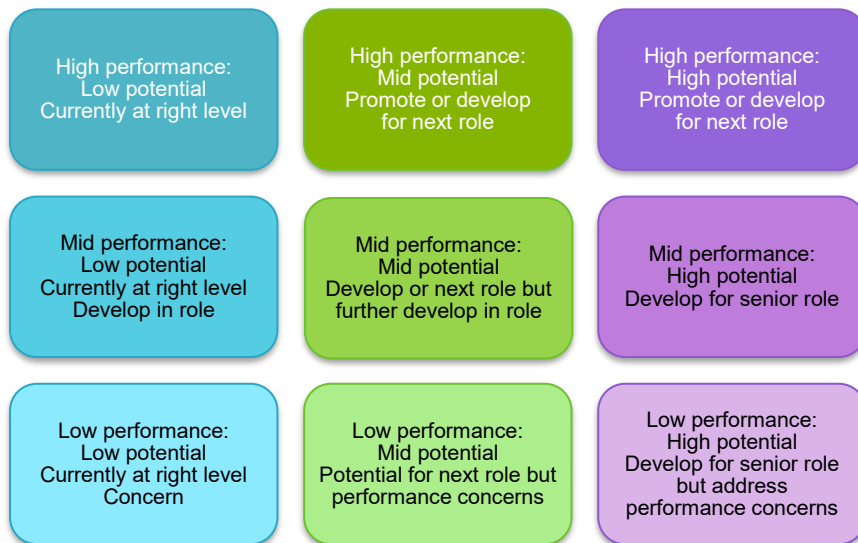


Figure 8: Example of a 9-Box Grid

Often, there is a further assessment stage at the point of promotion, which is usually focused more on the broader range competencies that are important within the role, rather than on the early indicators of potential. The objective here is to determine who, within the talent pool, has demonstrated that they have developed in the specified areas and who shows the closest match to the requirements of the role.

The process for developing a succession plan might therefore look like the following:



Figure 9: Developing Succession Plans

The roles of Learning & Development, performance management and 360 review in succession planning

As we have said, having the means by which talent can be ‘spotted’ and assessed as having potential for another role is clearly critical to effective succession planning. 360 and performance management could obviously play a key ‘gateway’ role here. The challenge is to ensure that your current systems are capable of measuring those things that would identify future potential, rather than just focusing on performance against deliverables in the individual’s current role.

Once key roles and positions have been identified and talent pools created, it is then important to ensure that the ‘successors’ develop the skills, knowledge, competencies and experiences that are critical to success in the target position. This is usually achieved by exposing them to the right opportunities, lateral moves, mentoring, knowledge-sharing, peer-learning, formal training, professional qualifications or a period of study and coaching. This reinforces the importance of effective job evaluation (you need to know what those critical skills, knowledge, competencies etc. actually are) and the need to ensure that you have a range of developmental offerings in place. Cost effectiveness should, as always, be a key consideration and making use of informal learning opportunities can be a way of increasing this. For instance, many organisations pay scant attention to how knowledge is shared, transferred and stored within the organisation, although these things may happen organically. However, knowledge is power and unless people are incentivised to share knowledge and ensure that the organisation is not exposed to the loss of key people (and therefore critical information and knowledge), organisations risk not being able to fill those key roles with someone who has the requisite knowledge, even if there are clear succession planning processes and talent pools in place.

Entering into a talent pool often means embarking on a formal process of development, en route to promotion into the target role. A typical journey for a talent pooler might be:

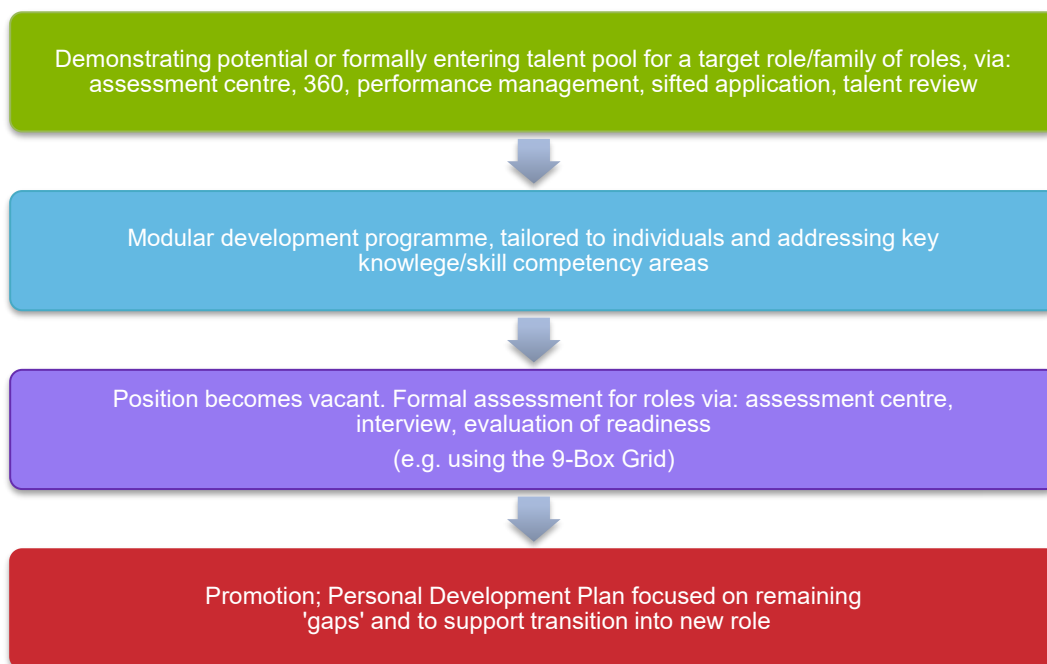


Figure 10: Talent Pool Journey

In summary, succession planning is a complex process that needs to be flexible, clearly linked to business strategy, aligned with other HR and L&D processes and subject to constant review and



monitoring. However, the benefits of doing it in a focused, systematic way are clear and, when building the business case, it is worth considering how investing in the succession planning process can add value and focus to other areas such as recruitment, individual career development and performance management.

Succession planning tools (such as Head Light's Succession Planning Checklist) and software (such as Head Light's Talent Successor®) can help you to get started and to provide you with the capability to create and then interrogate talent pools within your business. This specialist software can help you to plan how best to increase talent mobility within the organisation, to manage interims, to streamline succession planning and mitigate the business risk of your top talent leaving.

Identifying 'high potentials'

Assessment centres, performance management and 360 degree feedback are among the most commonly used methods for identifying those with potential. As previously highlighted, an aspect that many organisations have not addressed is the need to adjust these processes to focus on the early indicators of high performance. Another common pitfall here is overlooking the need to manage expectations among those who are identified as high performance. Given the financial pressures that most organisations are facing, there is a clear need to be realistic about the opportunities that might be available. Researching and making use of low cost development options, being open and honest regarding the 'offering' and ensuring that you don't create too much of a bottleneck are all important here. Once you have identified your 'high potentials' (HiPos), how do you develop them, keep them engaged and retain them?

Having a career development planning policy in place is essential; this should be driven by individuals with career goals linked to internal opportunities and business priorities where possible. Providing tailored and flexible development opportunities is also critical to ensure your HiPos are able to realise their potential with exposure to the right experiences and learning.

Some questions to ask if you are developing your own HiPo programme:

- Potential for what? By carrying out stakeholder interviews or focus groups you can ascertain what kind of potential you need to be looking for. It is important to determine the business drivers for a HiPo programme: are you looking for creative, entrepreneurial or technically excellent individuals who will help drive product development or create business opportunities? Are you looking for people who have the potential to progress quickly through the organisation? Or are you looking for people who have the potential to get to the top of the organisation to help build the business's pipeline of future leadership talent? Figure 11 shows our generic model of Leadership Potential, which involves assessing four key areas: interpersonal flexibility, learning capacity, emotional intelligence and strategic agility.



Figure 11: Assessing Leadership Potential



The factors that influence success within your organisation may be slightly different to this, but determining bench strength in these areas has been shown to provide accurate predictive data as to future success and performance in senior leadership roles (e.g. McCall et al, 1994, Dulewicz and Higgs, 2000). Our experience of assessing high potential for leadership roles within client organisations has also shown these four competency areas to be the best predictors of performance at senior levels and can be adapted to fit cultural and organisational requirements.

- **How can we build on what's already happening?** Any HiPo identification process should build on and integrate with existing competency frameworks, other Talent Management activities and assessment methodology. Internal research with key stakeholders allows you to minimise costs and make optimal use of existing processes and resources.
- **What are the early markers and indicators of HiPo here?** Develop future-orientated HiPo indicators (measures) through a range of techniques, including:
 - Establishing future direction and strategy of the business (with a 3- to 5-year timeframe) through expert panel interviews and scenario planning.
 - **Surveys or focus groups to gather data** on questions such as; what are the key requirements for future high performance in this area? How do you know that an individual has potential in this area? What do you have to do to get promoted? What have you seen people doing that sets them apart from others?
 - **Career Interviews with successful and high-performing individuals in the target area.**
 - **Repertory Grid sessions with key observers**, focusing on what sets individuals apart and what leads to high performance in the given area.

Once these issues and measures are established, create or realign your assessment and development activities, so they actively assess and are underpinned by the early indicators of potential within the given area and with the business drivers firmly in mind.

In order to ensure that HiPos can develop the rounded set of skills, knowledge and competencies that they will need at higher levels in the organisation, development options need to be linked to the outputs of any assessments, such as 360 or assessment centres. Head Light's Talent 360® includes this functionality:

 **Development Option Detail**

Area	Learning
Skills	Drive and Motivation
Level	Level 3
Description	See Stephen R. Covey - 'The 7 Habits of Highly Effective People'. ISBN 0-684-85839-8 916 characters remaining
Min Score	30
Max Score	90
Overview Uri	http://www.amazon.co.uk/The-Habits-Highly-Effective-People/dp/0684858398/ref=
Book Me Uri	
Per Delegate Cost(£)	8.12

Example 6 – Performance Indicator-aligned Development Options



Example 6 shows a Development Option that is triggered for an individual when they receive a score, in this case, of between 30% and 90% in the area of drive and motivation.

In this example, a development goal to read the book suggested would be put in their development plan and suggested as part of their feedback report.

Other assessment and development activities could include:

- **Psychometric profiling:** select suitable predictive instruments according to their ability to measure the key indicators of potential. Ensure that your tests are valid, reliable and, when used in conjunction with other parts of the process, that they provide a holistic picture and go beyond the interpersonal, relationship aspects of personality and contribute to the assessment of competencies such as strategic judgement, planning, decision-making, problem solving, drive and goal setting. A psychometric assessment of motivation (drive) can also be useful, particularly when compared with perceived levels of effectiveness. This sort of information can be used to tap into potential – i.e., areas in which the individual may have untapped strengths or is currently limited by their role as to how much they can demonstrate or exercise particular competencies.
- **Bespoke, business-focused assessment/development centres,** involving:
 - Business case studies or decision-making exercises, looking at key internal and cognitive competencies such as solving problems, prioritising, analysing issues, developing strategies, planning for implementation and commercial awareness.
 - Business presentations, where individuals are asked to analyse data or create a solution to a business issue, to present their ideas or plan to a senior stakeholder.
 - Role plays, focusing on key interpersonal competencies such as communication, building relationships, engaging people, influencing, inspiring, motivating or developing others.
 - 360 degree feedback that directly taps into the HiPo indicators. The advantage of 360 is that it can be administered to large numbers of people reasonably cost-effectively, make best use of technology based systems, and provide rich developmental feedback for both those who are successful and for those who are not. 360 also helps to avoid ‘manager-bias’ that can often impact the traditional performance appraisal process.



Mapping career paths

Careers themselves are seen differently today than in the past. The metaphor for a career has traditionally been the ladder, which is rigid and vertical and comprises a series of rungs, usually within a single or certainly a very small number of employers.

Today, a closer metaphor for a career could be a climbing wall, which has a broad face that is generally vertical, but can also be traversed horizontally, and has a series of handholds and footholds by which you can manoeuvre across the rock face. You may go straight up the rock face, or you may go at an angle, or you may go up for a while, move over to find a different path and then continue on. In a career context, each one of these hand and footholds can be thought of as a 2-5 year experience on a particular project or assignment, or in a role. More and more careers are defined not necessarily by permanent jobs but by roles that might be an aspect of a job or a temporary assignment.

Career maps

Identifying career maps or paths can be a useful step in the development of a talent management strategy; by being clearer about how people move through the organisation you can identify potentially new pools of talent for key positions and ensure the support structures are in place to help people realise their career aims. There are generally two kinds of career maps.

1. The pro forma career map, which shows how the organisation wants people to progress. It is designed by working backward from a destination job to identify the feeder jobs that will allow a person to get there.
2. A career map which is built on data about how, and how quickly, people move through roles to reveal the pathways people actually take to get to that destination job. This type of career mapping often reveals pathways the organisation wasn't aware of. It also provides information about how long it takes to follow a particular career path. If an organisation knows it will need 20 more specialist or functional managers in the next 10 years, for example, it can look at how long it has taken historically to get from entry point to manager and then determine if this progression is sufficient to meet the needs of the business. If it isn't, the company can design interventions to alter or speed the process.

By mapping how people are actually moving through the organisation, the organisation can gain insights that will help the company make interventions that will benefit the business. This type of mapping may uncover pinch points where people get stuck or leave the organisation and where the organisation needs to take special care to make sure the right employees get through.

Specialist software can both help the organisation gain a clearer picture of how individuals are progressing through the organisation and identify the career paths and options which actually exist. Head Light's Talent Navigator® provides not only the structure to have relevant career discussions with employees but also enables you to adopt a strategic view by looking at the most popular destination roles. It also provides you with the information to consolidate training and development needs and highlight immediate, medium and long-term employee career steps. As a result, internal mobility, employee retention and employee engagement will be enhanced and your people will understand the actions they need to take to become a more desirable candidate for internal promotion. The outputs from systems such as Talent® support clear planning across the organisation, at both an organisational and individual level.

From Career Maps to Career Apps...

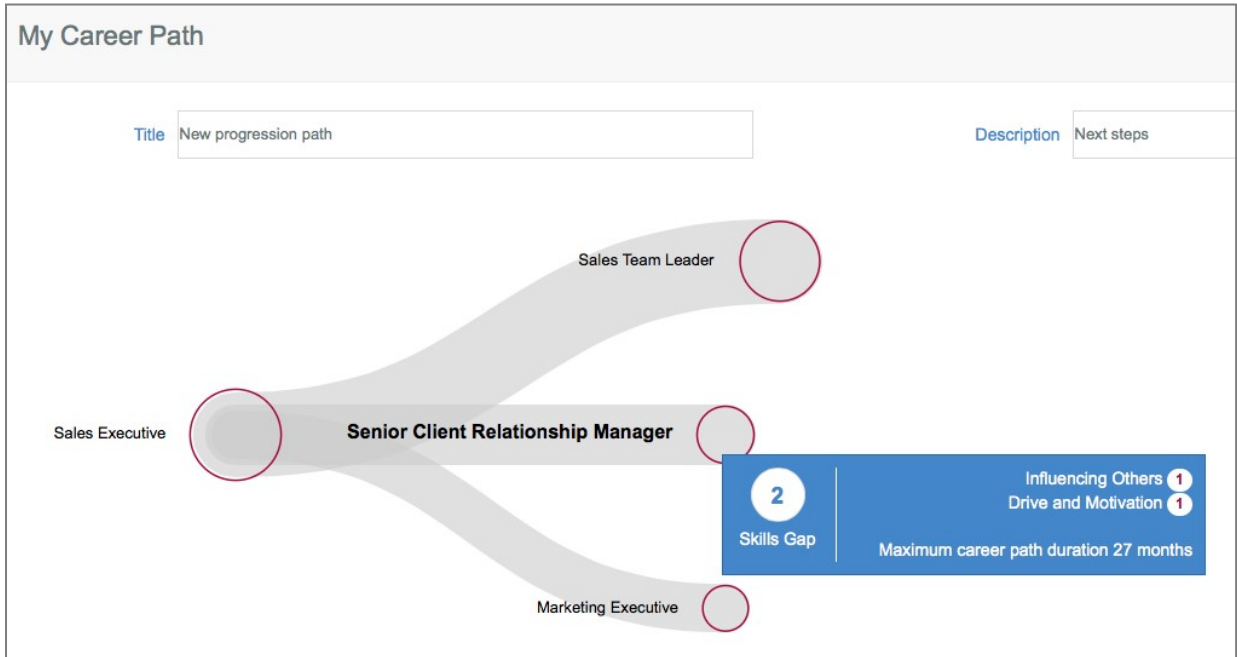
With career planning being a dynamic and highly personal activity that relies on role profiles, skills matrices and development options, some traditional career planning web sites and tools may not be sufficient as they are too rigid, or not concrete and actionable enough.

Career planning and development requires people to do things, to experiment, to explore in order to make things happen in their careers. In order to enable career planning to have real impact,



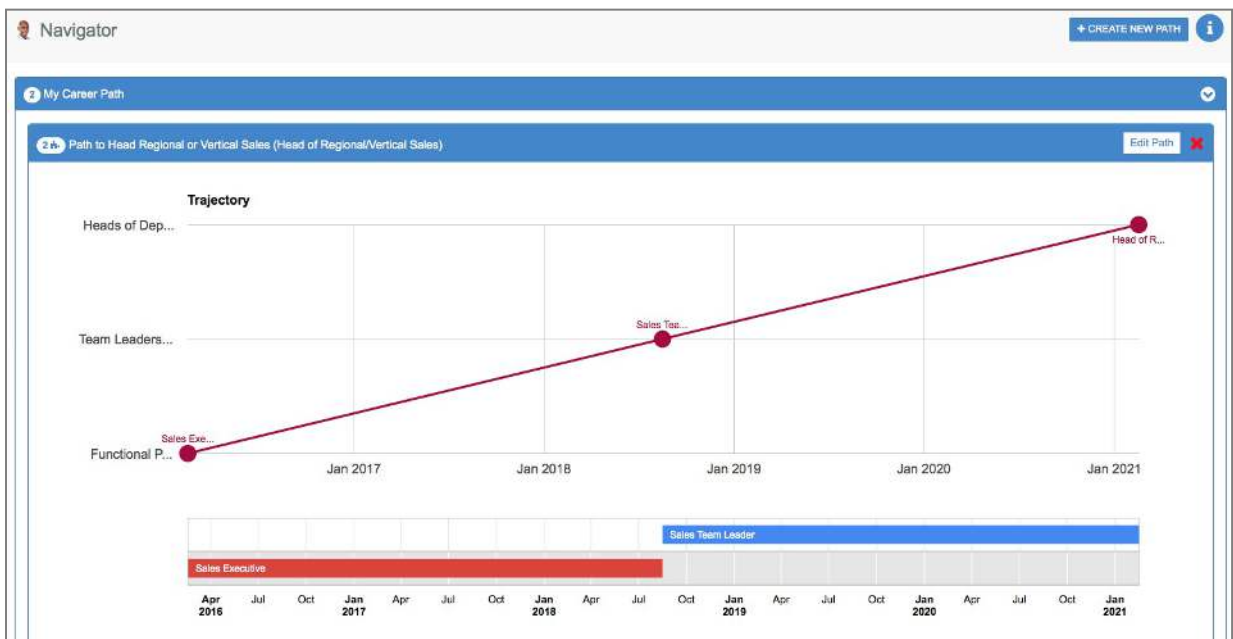
organisations are moving towards more dynamic, flexible, ‘app’ type approaches, where employees have much greater involvement in, and ownership of, the management of their careers.

For instance, the chart below shows an employee’s current career options together with an assessment of the match of their Skills, Qualification, Experiences and Preferences with that of the role.



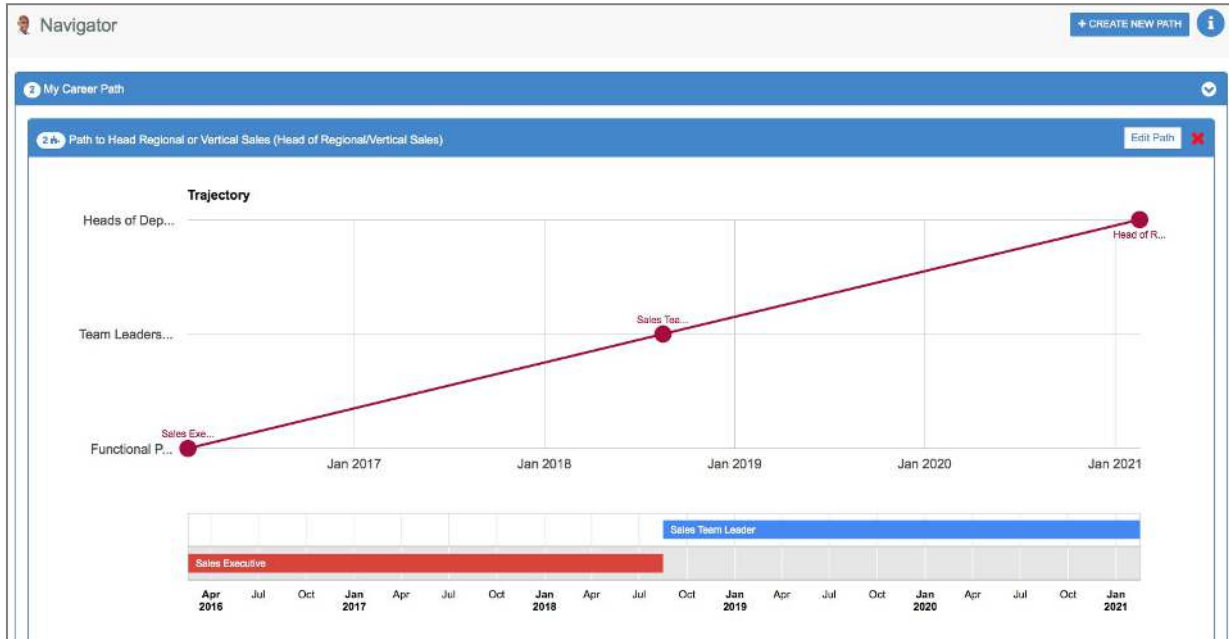
Example 7 – Career Options

The chart below shows how an employee could expect their skills to grow over time in line with a career path. A career path expressed in terms of successive roles over time with higher ‘grades’ or levels.



Example 8 – Career Path and Skills Growth

A career path expressed in terms of successive roles over time with higher 'grades' or levels



Example 9 – Career Path Showing Successive Roles

Retaining and engaging key people as part of career management

Career management (see previous section) refers to the tools and activities in place to influence employees to make the career decisions that match with the organisation’s talent management aspirations. An organisation can’t direct somebody’s career; however, it can influence it to improve engagement and retention.

As employees come to points at which they make career decisions, the career management tools and processes guide them toward those decisions that the organisation would like people with those skill sets to consider. With your talent management strategy including the identification and retention of your most effective people, giving them the opportunities and flexibility to manage their own careers is one way in which you can help to build a more engaged, committed and productive workforce.

The challenges

There are some challenges for organisations to overcome if they want to be able to retain, develop and progress their people. Historically, careers developed within functional silos with distinct hierarchical layers. As individuals progressed in their careers, they simply took their manager’s job or moved up a few points on a grading scale. But today, as organisations have become more complex, more matrixed, much flatter and vastly more fluid: in short, it’s become harder for employees to see where the career prospects might lie and how to work their way through the organisational maze. It’s also become harder for organisations to ensure that people reach certain stages in their careers with the right experience and skill sets. As a result, some organisations find that they have to recruit senior management from outside because it’s so difficult for rising talent to get the right experience inside. In addition, when employees get lost in the organisational career maze, they may decide to advance their careers elsewhere.

Figure 10 shows the direct talent management connections to employee engagement. An effective talent management strategy will incorporate a number of activities that have been found to improve engagement levels, many of which have been covered in this paper. It is likely to be cost-effective to consider your talent management strategy and the employee engagement agenda concurrently; are there things you can be doing to drive up levels of engagement as part of your talent management efforts? Or vice versa?

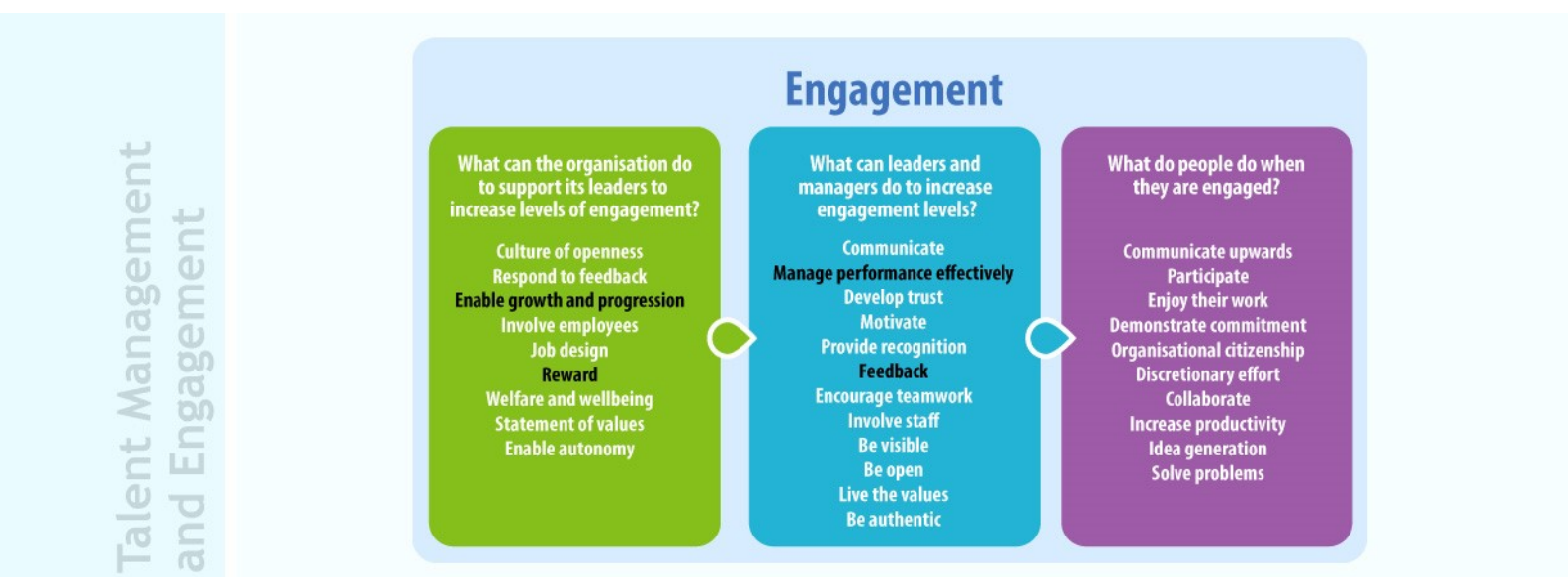


Figure 10: Talent Management and Engagement

Building on your current talent management practices

We've looked at how you can add rigour to your talent management practices and, in doing this, how you can greatly increase the return on investment in your talent review efforts. In this section, we cover some of the things that are typically not given sufficient attention or consideration within talent management processes and provide some suggestions as to how their utility can be improved.

Four key principles of effective talent management

Our four key principles for more effective talent management practices are:



Figure 11 – Key Talent Management Strategy Principles

Engage

What goes on at Talent Review Boards, assessment centre wash-ups, promotion boards – and the whole talent management strategy – can be something of a mystery to most employees. Clear and open communication of the purpose and mechanisms of these processes to all staff is essential in order to get buy-in and genuine engagement in talent management activities. As we highlighted in the first part of this paper, you may also need to reconsider who it is that is considered to be 'talent'.

An inclusive definition of talent could be:

“The skilled, experienced and knowledgeable employees (and those who have the potential to develop those skills, knowledge and experience) required for the sustained growth and success of the organisation”.

By this definition, your 'talent' would be anyone who makes an important contribution to the company, not just people who have the potential to progress upwards through the ranks. Every organisation needs a solid bedrock of people who have critical skills and knowledge but are happy to remain at their current level. If you have people who are not considered to be talent, using this definition, then why are they employed? Using this definition, talent management is probably carried out via the usual people management practices and HRD offerings. If you include all important contributors as your 'talent', then there is less chance of creating a disaffected population who could be consider themselves to be 'not talented'. You might then consider those who show potential for something beyond their current role, your rising stars, as your HiPos and have additional offerings and discussions around how these individuals are best managed and developed, perhaps through Talent Acceleration Programmes.

Creating as much individual accountability and ownership of talent management is also important. Consider the degree to which employees are involved in things like the performance management process. Do they have the opportunity to assess their own performance? Do they have a say in the setting of their objectives? Are they able to ask for or collect feedback from a range of people to help them learn and increase their self awareness? Are they encouraged to actively plan their own development?

Plan

Alignment and cohesion between different aspects of the talent strategy are key; if the processes don't support each other in a meaningful and efficient way, and are not helping the organization to achieve its strategic objectives, then what is the point of doing them? Doing each of the talent management practices listed in Part One of in this series of White Papers in isolation will yield very little return; effective talent management requires careful planning and execution.

Most organisations find this a challenge; not least because of the constantly shifting environment and dwindling internal resources. However, combining our first and second principles, devolving some responsibility for planning down to business units, teams and individuals can help to engage people across the business. For instance, enabling individuals to take ownership of their personal development and career planning; giving them the tools and information they need in order to proactively manage their careers can both increase levels of engagement and provide valuable information for talent review processes. Do you have systems that allow people to review requirements at elevated roles and self-assess themselves against them? Do employees have access to information about potential career pathways, lateral moves and international opportunities?

Systems and process have a key role to play here – can you provide tools to your managers and employees and in a 'mix' that reflects their work, role and your organisation's maturity? And then can you grow them without having to get more software developed?

If not, then the portfolio of Talent® products can slot in to deliver the tools you need to align all these processes more closely with each other and to enable strategic talent planning to take place.

Clarity

Clarity of the talent management processes, their purposes, the criteria which underpin them and the information that is yielded by them is absolutely critical.

It is worth looking carefully at the measurements used by those involved in any assessments and how they arrive at their ratings. What's your measuring stick? For instance, are all managers using the same criteria to determine levels of potential?

Think about the following – could any of these increase the quality of the decisions you make about individuals, or the fairness with which different individuals are treated?

- **A consistent understanding of what potential is** and how it is measured and identified across business areas, across functions, specialities and roles is critical. Robust, valid research into what 'potential for higher roles' looks like at an early stage in an individual's career within your organisation is necessary. Managers are likely to use their own value system, and will be more subject to the biases described above if they do not have a clearly defined set of criteria against which they can assess individual potential.
- **Having a range of measurements** which can be triangulated and cross-referenced will increase the chances of reliably identifying genuine high potential. In addition to managers' ratings of performance and potential, do you also use self-assessment of potential, 360 degree feedback providing a holistic view of an individual's performance against the early indicators of high potential, or a hard measure such as ability testing? There are few tests on the market which can provide an indication of a person's potential for higher-level roles, but the Cognitive Process Profile (CPP), for instance, indicates a person's learning capacity and an estimation of the complexity of work they are likely to be able to manage in the future.



- **Critically review your indicators of potential** and check that people have the opportunity to demonstrate these. Many organisations use competency frameworks and performance management data to inform both performance and potential levels. Since these are generally focused on performance in current role and against current requirements, there is a limitation to how valid predictions made on this basis can be. Assessments of potential need to be made on the basis of evidence, but need to be forward-looking. The skills a person needs in order to perform well in a higher role may not be required or easily demonstrated within their current post.
- **How do you determine 'readiness'?** Readiness can be expressed in time (months/years) or in moves or roles. Ready now, in current role? Or ready after next role? Or 2 or more roles required before person is ready? This latter approach encourages managers to think more about the skills, experience and exposure necessary to develop the required competencies and capabilities for the target role and can be more useful than trying to subjectively generate a length of time.

Feedback

Feedback, feedback, feedback. What's often missing after Talent Review Boards, assessment centres, performance appraisals and other talent management practices, is a clear plan of action which allows people to gain the experiences necessary to help them realise their potential and actually make the moves that it is suggested they are capable of making. What do you actually do with talent once you've populated your 9-Box Grid, beyond taking your stars into an accelerated learning programme?

Emerging from the talent review process should be a robust talent plan which, if implemented properly, will ensure that the organisation is getting the most from its employees, managing all of its talent at an optimal level and managing the risks associated with losing HiPos or failing to manage poor performers.

Also often missing is individual feedback to employees. It is important to follow up with individuals after the talent review to discuss outcomes and next steps with them, and to ensure that decisions and actions are captured in individual career and development plans. The individual again should be allowed input to this – they may have development suggestions or ideas not considered at the Talent Review Board.

Using integrated talent management software can support you in keeping track of the organisation's talent, storing data and generating management information to demonstrate that your talent management efforts are paying off.



In summary

The summary at the end of this Paper is probably the place to stress the importance of analysis, evaluation and fine tuning your talent management efforts; evaluation is something that few organisations invest fully in, so it is important to make this process as slick, cost effective and easy as possible so eliminate objections before they arise. Listed below are some areas for consideration:

- Link your talent management efforts to key business metrics, such as Health & Safety, individual output and performance, errors and omissions, cost management and customer satisfaction.
- Use data readily available as a basis for analytics: productivity, engagement measures (measuring behavioural correlates of what an 'engaged' employee actually does), return on investment in training, development or assessment, transfer of learning, strategic retention rates, and the qualitative impact of talent management programmes.
- Develop case studies as, from an internal communications perspective, it's a worthwhile activity to articulate and demonstrate the successes and positive results that have resulted from talent management activities (for example, stars that have been promoted and the results that they've got). Collect and tell stories that illustrate the impact of a good manager or leader on a team/the organisation. Talk about what the best teams do, how they operate.

This series of White Papers aimed to highlight some of the practical steps – and pitfalls – associated with the process of developing a talent management strategy.

Effective talent management might be good for the bottom line, but there are likely to be serious budgetary restrictions in place for most organisations at the moment. Talent management does not need to be a costly exercise and with the right tools and approach there may be an opportunity to find more effective ways of doing what you are doing, refreshing and refocusing your efforts and bringing it all together to ensure it is strategically aligned.



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Next steps

If you would like to take a closer look at developing your Talent Management Strategy, please get in touch.

About Head Light

Head Light is an award-winning talent management and talent retention software and consulting firm that works with clients to define and implement impactful talent management strategies.

Talent Cloud® is our cloud-based portfolio of integrated talent management platform tools designed for those who expect the maximum return from talent management processes. Our training and consulting services uniquely complement our platform that engages employees, managers and senior leaders in the selection, development, and progression of people in their businesses.

Companies in the FTSE 350, public sector, large and small, from retailers to high tech innovators have all benefitted from our tools, techniques and expertise. Founded in 2004, we are headquartered in the UK.

Head Light has attained the ISO27001 standard for Information Security. Certificate No 217613.





How do I...

transition to Continuous Performance Management

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introduce robust Succession Planning

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spot High Potentials and Future Leaders

How do I...

boost Recognition

How do I...

drive Engagement through Career Conversations and Development

How do I...

embed new values and improve culture

How do I...

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