

TALENT MANAGEMENT

The roles and functions to be performed by human resource managers when the organization's leadership recognizes that it is essential to develop its bench strength in order to staff new business or replace senior leaders who leave

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As with all human resource strategies, an effective talent management program should be an integral piece of an organization's human resource agenda and must align with the company's vision, culture and overall strategy. Many talent management programs focus on succession planning alone--that is, identifying high-potential employees, earmarking them for succession to senior leadership positions and expending resources on those individuals only. The advantage of this paradigm is that it is less costly than focusing efforts on the entire workforce. There are several disadvantages, however. If the chosen individuals decide to leave prematurely, all of the resources expended on them are lost. Also, another individual must be identified and groomed as a replacement. Even more important, however, is the message sent to the organization--that only certain people are worthy of special training and treatment.

The author's recommendation for an effective talent management model is different. It is a way of life for the organization, a common thread that runs through every aspect of the organization and is an important part of the culture. The HR department is integral to making the program successful. Once the senior management of an organization has defined its vision and mission statement, the HR department should work in alignment with them in a six-step process.

1. Facilitate in designing the ideal culture of the organization.
2. Create a staffing strategy.
3. Create a learning organization.
4. Create a rewards and incentives program.
5. Create a performance management system that measures what matters.
6. Create an aligned promotion process.

The following sections outline these steps in greater detail.

Step 1: Facilitate in Designing the Ideal Culture of the Organization

The ideal culture represents the "should be" state of the organization. Senior leadership must be able to agree upon the desired culture of the organization. Once the "should be" is defined, HR should work with senior leadership to determine the critical success factors necessary for its employees to have as a means to achieve the "should be" status. In the case of a start-up operation, it is easier to accomplish this step than it would be in an already existing organization. In an already existing organization, a gap analysis may need to be performed to distinguish the gap between the "as is" and the "should be" and then to identify action steps necessary to bridge that gap.

The vision or the "should be" must clearly explain what matters in the organization. In other words, what are the organization's values? If we look at the values of organizations such as Johnson & Johnson, we see that they are clear. Johnson & Johnson places a high value not only on products and services that provide high-quality health-related benefits, but also,

more importantly, on the fact that nothing the company produces or does will cause any harm to its customers or the community. The company's actions have been tested against its values and have tested true. When the author was employed by Johnson & Johnson in the early 1980s, it was evident that this organization meant what it said in its credo. Not only that, but also it hired and promoted individuals who embodied these values.

Hence, an effective talent management model includes specific criteria defining the attributes that will result in effective hiring practices, employee promotions and career advancement opportunities.

Step 2: Create a Staffing Strategy

This phase of the plan includes the development of an organizational chart that outlines the talent necessary at each level, as well as a plan that will attract recruits who have the core competencies that flow into the promotion criteria as defined in Step 1. HR should work with the management team to develop a set of resources and tools for managers to use toward the achievement of this goal. This "toolbox" should consist of the following items:

1. *Job descriptions*: HR should work with line managers in the form of a needs assessment to determine the accountabilities of each position in addition to the skills, abilities, knowledge, experience and other attributes that are necessary for recruits to meet the requirements of each position. For each discipline within the organization to be developed, HR should lead a task force consisting of senior leaders within the discipline and question them to determine how many levels are necessary within the "job family" and what the distinguishing factors are between each level. From this brainstorming exercise, the position purpose, job accountabilities and minimum requirements are formulated. The main question to ask the taskforce is, "What is/are the specific deliverable(s) that you expect from each of these positions that makes it different from the others?" This particular exercise is an important one because it forces the leaders to drill down and defend their argument for creating each level within the organizational chart. An important byproduct of this exercise is that it is educational for the leaders themselves. It forces them to think through their real needs and diminishes the possibilities of title inflation and the creation of unnecessary positions within the organization. Another byproduct for the leaders in larger organizations is that the exercise affords them the opportunity to network with their peers throughout the organization who may have similar responsibilities in other geographic or account-based areas with whom they may not have had the opportunity to work on other business-related projects.
2. *Career paths*: Once the job descriptions are written, a career path can be set. The career path shows in an at-a-glance fashion the career progression from one job to the next. Main points are taken from the job descriptions and written in the career path so that one can tell what the basic requirements are for each position without having to read the entire job description. The career path is a useful tool for several purposes.
 - a. *Recruiting*: In conjunction with the job description, which is used to ensure hiring qualified candidates, the career path shows the candidates their potential for advancement within the organization within this particular job discipline. The candidates can see very easily what the gaps in requirements are for each position.
 - b. *Performance management*: As part of the performance management process, the career path can be a useful tool in helping employees see whether they are

meeting the minimum requirements of the job and where the performance gaps exist, if any.

- c. Career advancement/promotions: As part of discussions between management and employees, the career path can serve as a useful tool for the employees to see at a glance the gaps that exist between their current capabilities and those necessary in order to move up to the next position in the career path.
 - d. Training and development needs: As an adjunct to performance management and career advancement, the career path can serve as a useful tool to determine whether any specific training is appropriate in order for the employee to either improve his or her performance or to be eligible for promotion to the next rung on the career ladder.
3. *Needs analysis forms*: A third tool that can be used as a part of this process is a needs analysis form. These forms are designed to mirror the job description but in the form of a rating sheet. Individuals are rated on a scale of 1 to 5 in each core competency. The core competencies are weighted based on importance to the overall performance of the job. In the case of multiple raters, the raters must decide up front the level of qualifications that are equal to a 1, 2, 3, 4 and 5. While there will invariably be some level of subjectivity in these decisions, by doing this exercise, the possibility of rater bias can be minimized. The individual with the highest total score is the most qualified individual. The needs analysis form can be used for the following purposes:
- a. Hiring decisions: The hiring manager uses the tool to rate each candidate. Since this method is objective and is used in conjunction with a structured, behavioral interview process, it has high validity and can be used to defend any challenges to the hiring decision. As a result of its validity, the chances of hiring individuals who possess the core competencies defined in Step 1 increase.
 - b. Terminations/downsizings: Again, the manager uses the tool to rate incumbents to ensure that decisions to terminate individuals are based on legitimate, nondiscriminatory business reasons. The incumbents with the lowest scores are the least qualified, the poorest performers or the ones who best meet the criteria established by the downsizing policy (e.g., seniority, performance, etc.)
 - c. Performance evaluations: The manager uses the tool to rate staff members against the accountabilities of the job. Final review scores are given based on the overall scores from the needs analysis forms.
 - d. Promotion decisions: The manager uses the tool to rate staff members against the requirements of the higher-level position. Promotions are awarded to the employee(s) with the highest overall scores.

Step 3: Create a Learning Organization

Once the job descriptions and career paths are established, the next phase of the program should be designed to consistently lead employees to learn the skills associated with the success competencies outlined in Steps 1 and 2. This next phase is the learning phase. The learning phase contains three components:

1. *Training needs assessments*: Training programs should be designed to help people improve the skills necessary for them to:

- a. Perform their current jobs more effectively.
- b. Prepare them for the next job in the career ladder.
- c. Prepare them for a job in a different discipline.

2. *Mentoring programs*: An effective mentoring program provides a broad range of benefits for today's organizations and the individuals who represent them. With an effective mentoring approach, organizations can link career development, diversity, new employee orientation and current strategic initiatives to create a seasoned and productive workforce. Specific benefits often include:

- a. **Increased productivity**: An effective mentoring program enhances the performance of the mentee due to the acquisition of additional skills and resources. Additionally, the natural desire to perform well for both self-satisfaction and to live up to the mentor's expectations can result in increased motivation. Mentoring helps an individual develop his or her full potential, not just learn tasks.
- b. **Improved organizational communication**: Mentoring provides networking at its best. As a result of the program, more accurate and positive communication occurs, often across departmental boundaries.
- c. **Skill-based growth**: Skill strengths and developmental needs become more evident, enhancing human resource planning and effectiveness. Positions are filled based on qualifications versus duration in a position.
- d. **New employee orientation**: Mentoring provides an efficient mechanism to orient new hires and enables them to function more productively sooner.
- e. **Recruiting advantages**: Facilitated mentoring attracts talented new employees by demonstrating the organization's commitment to continuous learning. This is an extremely valuable feature in today's workplace.
- f. **Cost-effectiveness**: In an increasingly cost-conscious world, mentoring focuses on "in-house" resources, inexpensively spreads existing organizational knowledge, can save time and money on recruiting and orientation, and can be customized to support organizational objectives that might otherwise require additional programs and funding. (Rhodes and Drahosz 1997)

3. *Team-based projects*: When employees are allowed to work on team-based projects, they are afforded opportunities to cross-train and become more acculturated. In addition, working within the framework of a team often creates more accountability since team members hold each other accountable for their portion of the work product. Successful teams have a tendency to breed future successful teams. It is a common mantra among many coaches of sports teams that "there is no I in team." Employees have the ability to win together. Senior-level team members have the opportunity to teach the junior members of the team. Employees have the ability to improve their interpersonal skills by practicing empathy with their team members. Empathy is a critical skill for leaders to possess if they are to maximize their effectiveness.

Step 4: Create a Rewards and Incentives Program

By aligning the rewards and incentives program (both cash and non-cash compensation) to the success criteria identified in Steps 1 through 3, the organization will ensure that it consistently attracts and retains the right talent and that the appropriate behaviors receive the correct rewards. "Whether dealing with monkeys, rats or human beings, it is hardly controversial to state that most organisms seek information concerning what activities are rewarded and then seek to do (or at least pretend to do) those things, often to the virtual exclusion of activities not rewarded" (Kerr, 1995). "Rewards systems must be tied to results" (Maister, 2000).

Step 5: Create a Performance Management System That Measures What Matters

Defining expectations + feedback on how the employee is doing + continual coaching = PERFORMANCE MANAGEMENT

While an entire manuscript can be written describing how an effective performance management system will add value to the firm's bottom line, for the purposes of our discussion on talent management, an effective performance management system must be able to accurately communicate to everyone in the organization which behaviors are success-related. It should also be able to assess the gap between the "as is" and the "should be," discussed in Step 1. If the organization has performed Step 2 effectively, then the toolbox used in Step 2 should link to the performance management system. If all of the critical success factors and core competencies have been identified and delineated accurately in the job descriptions and weighted accurately in the needs analysis, then we have a method to rank and measure the behaviors that matter to us most.

A heavy emphasis should be placed on performance/career coaching as part of this talent management program. It is a key element to prepare the next tier of managers for the next level of responsibility.

Since a large percentage of performance breakdowns occur as a result of a lack of communicating standards/expectations, effective coaches will identify expectations and standards by defining "what a good job looks like." Performance appraisal systems must answer questions such as, "Do the appraisals that feed the compensation decisions result in substantive, constructive feedback and guidance to the person being evaluated?" And "Does the employee know why he or she received this evaluation, and what can be done about it?" Zauderer (2000-2001) argues, "Breakdowns in performance can almost always be traced back to the quality of conversation between people involved in policy development and implementation [...] The theory of dialogue suggests that the cause of many breakdowns in performance is rooted in how human beings perceive the world." Coaching helps people take risks and make mistakes. Also, effective coaching takes managers out of the role of judges. An effective coach needs to be vulnerable. Sadly, only few corporations understand the value of coaching. The following tools can be used as part of a coach's toolbox:

1. *Regular feedback*: Employees need feedback in order to feel confident and to know that they are doing the job right. By receiving regular, honest feedback, people have a better opportunity to improve their performance to match the definition of "what a good job looks like," which has been identified for them up front. The likelihood is that they will spend less time in endeavors that do not provide the most value. The environment should foster an atmosphere free from the fear of feedback. "Organizations profit when

executives seek feedback and are able to deal well with criticism. As executives begin to ask how they are doing relative to management's priorities, their work becomes better aligned with organizational goals" (Jackman and Strober, 2003).

2. *Performance evaluations:* Periodic formal performance evaluation meetings provide an opportunity for managers and employees to:
 - a. Discuss career goals and corresponding training or educational needs.
 - b. Tie individual goals to departmental, business unit and company objectives.
 - c. Discuss individual development needs in the context of improved customer service.
 - d. Determine if job duties remain static year to year so that they can consider opportunities for cross-training in other departments.
 - e. Engage in transformational coaching (preparing person for the next step in his or her career).
3. *Progressive discipline:* When employees are not performing to stated expectations and initial coaching feedback has not been effective in improving performance, the next step in the coaching process is progressive discipline. Progressive discipline is a tool to be used for nonperformance up to, and including, termination. Progressive discipline is done in a staged, step-by-step process. The ultimate goal is to develop the talent that the organization has spent time and resources attaining and developing rather than discarding it prematurely. Having said that, however, the organization must be willing to discharge non-performers.

Step 6: Create an Aligned Promotion Process

Staff assessment tools can be effective in objectively identifying and assessing employees' skills, experience, education, strengths and areas of developmental need. The exercise requires the manager to evaluate the employee's promotion quotient in terms of the next position that the employee would be qualified to fill as well as the amount of time before the employee is ready to move into that position. The goal is to groom the manager's successor. A good question for senior leaders to ask their next-level leaders is: "If you were to leave the organization tomorrow, who would fill your shoes?" It should be incumbent upon each manager to groom his or her successor. Not only does this ensure continuity in the manager's position should the manager leave, it also allows the manager to become free to be promoted himself/herself.

Conclusion

Since people generally do not like ambiguity with respect to their lives (personal as well as professional), the fact that a structure that they can depend upon and make plans according to exists frees up their minds to better focus on their jobs. People want to know what lies ahead for them in life. They want to have the road map to mark the way to their destination. If managers withhold or fail to identify this information to their people, the people may naturally assume that they have no career advancement opportunities and will exit the organization in order to find these opportunities elsewhere.

In my experience, I find that many managers believe that their employees don't really care about structured talent management programs. The truth is that the senior managers themselves don't place a high value on the actual structure, career paths, development opportunities and succession plans for their people, but the people actually care very much. People like to see where they fit in an organization, both now and potentially in the future.

They want to know what their positions are relative to their co-workers. They want to understand exactly what they need to know and do in order to be rewarded and promoted.

If there is a talent management plan in place that encompasses all of the areas described above, the likelihood is far greater that high-potential and high-performing people will remain with an organization because people like stability. They want to stay with organizations where there are opportunities for them to advance, grow and leave legacies.

References

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