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HR PEOPLE + STRATEGY'S WHITE PAPER SERIES

Talent Management Derailers

ABSTRACT

Strategic talent management (getting the right people in the right roles doing the right things) is a core process that has a direct impact on the success of any business. As with any mission-critical process, there are potential threats that can derail the process and compromise its contribution to business results. This is a summary of some of the more common threats, their potential impact, and preventive actions that can keep the talent process on track.

COMMON TALENT MANAGEMENT DERAILERS

1. NOT IN MY HOUSE

Functional managers protect talent that reports to them, as “their employees,” and do not offer them as candidates for advancement or development opportunities. They may even get upset if other managers talk to “their people” about opportunities.

The Impact

Talent pools are limited and do not reflect the real bench strength of the organization. Agile, high potential and high professional talent becomes frustrated and leaves the company. Alternatively, their careers may derail due to over-reliance on a single benefactor.

Preventive Actions

- Build a strong business case for talent from the beginning, driven by strategy. Develop a marketing plan for the business case that targets key stakeholders in all functions/businesses.
- Do not base talent discussions on the input of a single functional manager. The focus should be on having rich

talent discussions with input from all available sources. Do not use manager-only performance reviews as input to your talent process.

- Include “skip-level” meetings in the career development plans for key talent so that executives outside of the function are aware of the talent and can be sponsors.
- Include company-wide talent development targets in executive performance and incentive plans. This should be the same measure or objective for all leaders so that “we’re all in this together” is reinforced.
- Measure the ratio of high potential-to-others in a function’s bench strength and challenge the manager if it is low compared to other functions.

2. LISTS FOR LISTS’ SAKE

This occurs when talent discussions are done just to have a succession plan or back-up list in place.

The Impact

The actual hit rate on back-up lists is typically only about 15 percent, contributing little to improving organization

ISSUE 1 | 2016

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capability and providing a low return for this effort. The true capability of the total organization to achieve strategic targets is not assessed or improved. In addition, high professional (as opposed to high potential) talent, critical to maintaining a company's core competencies, is overlooked and may become disengaged. Plus, a large pool of talent that is often "under the radar" but has significant potential to grow is overlooked.

Preventive Actions

- Dive talent discussions from broad organization needs derived from the strategy, not just management succession.
- Plan for talent based on broad talent or acceleration pools.
- Review and update talent on a regular basis in conjunction with monthly, quarterly, and annual business reviews.

3. TAKE A PILL

Development of high potential talent is limited to "take a training class" rather than meaningful assignments or broader-based development.

Impact

Talent is slowly developed or not developed at all. High potential and high

professional employees get frustrated by a lack of challenging work and growth opportunities. Training budgets are usually "fickle" so development can be erratic if training is over-emphasized. The return on training investment is not realized. The same people get tapped over-and-over for key projects.

Preventive Actions

- Develop an assignment management process that considers talent for all critical assignments – project, process, and business—not just leadership positions.
- Build career development and coaching processes based on the best development experiences.
- Strive to make all training just-in-time and action-based involving intact project or work teams.
- Measure all training at the impact and behavior level, not just at the reaction and learning level.

4. HR DISCONNECT

The talent management process is disconnected from other HR systems such as selection, performance management, compensation, and career development.

Impact

Employees are confused by differing feedback. Users of the HR processes—

managers and employees—do not see the benefit in following them. The utility (cost/benefit) of the other processes is not realized. The link between the HR processes and business needs is lost, causing them to be seen as “administrivia.”

Preventive Actions

- Build HR processes upon competency-driven technology so there is a common language for talent, no matter the application. Create future-focused competency models based on behaviors of high performing employees, not the average or typical performer.
- Assign responsibility for all the talent-related processes to one function. Remove transactional processes (benefits, payroll, FMLA, pension) from the talent management function.
- Implement software systems that integrate performance management, compensation, career planning, and talent management.

5. STRATEGY DISCONNECT

Talent management is not driven from strategy and business planning.

Impact

Talent is seen as the responsibility of HR. The true capability of the company to achieve strategic targets is not improved. Critical budgeting and resourcing for talent is missed. Time devoted to talent reviews and talent development is viewed as a waste of time.

Preventive Actions

- Build clear links in the business planning process to the talent management process. Match the talent management cycle to the business planning and budgeting cycle.
- Add talent management measures to overall company scorecards. Analyze

sensitivities in the measures regularly.

- Ask talent-related questions at key junctures in the planning process, such as, “Do we have the organization capability to achieve these goals?”
- Implement employee performance management software that links goal alignment to talent management.

6. NOTHING GAINED

A lack of or inconsistent follow-up on organization development action items from talent discussions.

Impact

The long-term capability of the organization is not improved. Initial momentum for the process is eventually lost. Employees see a varying level of support for the process and wonder what’s happening. Key talent may become frustrated because they only hear words and see no action.

Preventive Actions

- Add talent management objectives to leadership performance plans and link manager’s compensation to the performance on the objectives.
- Add progress on talent review action items to regular business reviews.
- Provide consulting or coaching support to managers with significant talent issues.

7. IT’S NOT MY JOB

Managers depend solely on HR or outside coaches for development.

Impact

Talent management that is not owned and implemented by management goes nowhere. Progress lags. Coaching is focused on the wrong players providing little return on the investment. The talent dialogue and process is not con-

Select managers based on their ability to develop others.

Define and measure “talent management” early in the process. Review the measures with key stakeholders and report them during business reviews.

tinuously improved. Talent issues, both positive and negative, are not addressed quickly or effectively.

Preventive Actions

- Build coaching, feedback, and development training for leaders/managers/supervisors. Make it a competency requirement in their performance plan.
- Select managers based on their ability to develop others.
- Remove non-developing managers from pivotal positions where talent development is critical.
- Starting with the business case, build management responsibility for talent into the process. Don't proceed unless there is a clear case and commitment.
- Plan for and provide just-in-time development for managers in the talent process (usually immediately following a talent review).

8. INFORMATION BLACK HOLE

Not having a robust database to track talent information and progress.

Impact

Talent data stays as data and does not become “talent intelligence.” There is little understanding of whether the talent process is under control or not, so its unclear when corrective action is needed. Problems (turnover, productivity, no backup) are only recognized when it's too late to address them. The process is paper-intensive and managers and employees see it as a burden. The benefit of talent management initiatives is questioned.

Preventive Actions

- Define the process first but back it up with a robust database and measurements. Build the process from business

requirements not HR requirements alone.

- Define the data needs in advance and work with IT to understand requirements. Do a pilot in a smaller area to confirm the system needs.
- Measure the productivity of the process with and without effective data (time spent by key executives) to build a case.

9. JUST THE FACTS

A clearly defined and accepted business case for talent management does not exist.

Impact

The true capability of the organization's talent to achieve business goals is not identified. Resources are not allocated effectively. The process does not move beyond a very low level of maturity and loses support over time.

Preventive Actions

- Build the business case before you do anything else. Use a cross-functional team to define the effort, ideally not lead by HR. Talk to key stakeholders and identify talent issues linked to business needs and drivers. Benchmark other influential firms.
- Define and measure “talent management” early in the process. Review the measures with key stakeholders and report them during business reviews.

10. ONLY AT THE TOP

Having rich talent discussions only for top level positions.

Impact

Future talent gaps are not identified and become a barrier to growth. The capacity to complete key projects or to grow does not improve. No benefit is

realized from knowing what talent is available for resource-constrained projects. The total organization capability is not assessed. Turnover may occur at middle levels because employees do not see an opportunity to grow. There is an overemphasis on buying talent (hiring) rather than creating it from within.

Preventive Actions

- Start at the top but lay immediate plans to cascade talent discussions down through the organization.
- Plan for and create a process to assess talent pools at all levels—executive, senior manager, key manager, and an early watch list.
- Implement manager and employee self-service software that can empower lower level supervision to contribute to the talent process.

11. RESURRECTION IS MUCH HARDER THAN BIRTH

Spending too much time and resources on blocked, low learning agile, low potential employees, trying to fix them.

Impact

Talent improvement is slowed. A return on investment in Human Capital is not realized because the investment is going to those with a very low chance of improvement. High potential talent becomes frustrated and leaves.

Preventive Actions

- Assure that marginal employees are identified and that quick, “short fuse” action plans are established. Focus on pivotal roles and functions first.
- Place full responsibility for change on the blocked employee’s shoulders with clear and quick consequences if change does not occur. Do not “take the monkey.”

- Build consequences for managers that do not address performance issues quickly.

12. LIVING IN THE PAST:

Not advancing from a focus on the past to a focus on the future as the talent process matures.

Impact

Talent gaps are missed and hinder growth. Too much time is spent on reacting to talent problems rather than creating opportunities and continuously improving organization capability. The business case for talent management is not validated.

Preventive Actions

- Implement an information system that allows you to model talent over time—“what-if.”
- Gather operations, sales, and business planning data as input to the talent process.
- Include a discussion of talent implications to business plans.
- Measure the impact of talent progress on business results. Look for talent sensitivities.

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