



Talent Matters



According to PricewaterhouseCoopers' 13th Annual CEO Survey, in the UK 65% of CEOs plan to increase investment in leadership and talent management and 78% plan changes to their talent management strategies in the wake of the financial crisis. Opinion about when we will recover from the crisis is divided. However, organisations that are well-led have a much better chance of survival and are able to take advantage of new business opportunities created by changes in customer demand and spending. Talent management has rarely been more critical to business success.

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The meaning of “talent”

In difficult economic times, smart organisations don't automatically follow conventional wisdom – extracting more from employees and investing little in people development. Instead, they strive to make their organisation attractive to “talented people” who already know how valuable they are. But, what do we mean by “talent”? Is it the few or is it the many? Unsurprisingly, opinions differ. Graduates, high performers, senior managers and people in short supply are frequently mentioned and the answer often depends on the organisation's culture as well as personal opinion. It's important to use

definitions and labels that don't denigrate others, especially now when many employees feel de-motivated and are wondering about job security. In 2007, research by Cannon and McGee, for the CIPD, concluded that it was possible to distil differing opinions into a definition that can provide a working basis for the development of a talent management strategy:

“Talent consists of those individuals who can make a difference to organisational performance, either through their immediate contribution or in the longer term by demonstrating the highest levels of potential.”



Interestingly, this definition applies to the few, for example the top 1% of performers in a high-growth bio-technology company, and the many, such as receptionists and restaurant employees at a 5 star hotel, who are key to an exceptional guest experience.

Terms for talent management vary too, but the CIPD's latest research report seems to sum this up nicely as:

"Initiatives and/or strategies put in place to harness the unique talents of individual employees and convert their talent potential into optimum organisation performance".

What is clear is that developing and communicating a common understanding of talent within an organisation is critical to success. This will vary considerably between organisations, but it is important to be clear about: 'what do we mean by "talent" and "what does talent management mean to us".'

Why talented people stand out

We know talent when we see it – an artist, musician, dancer or sports person – but exactly what makes them stand out? Many talent identification processes consider what people do now – their performance – and what they appear to be capable of in the future – their potential. Cannon and McGee put forward a view based on a series of indicators, as follows:

High-performance indicators – what a high-performance employee looks like:

- Consistently produces measurable results above expectations
- Self-manages in a manner that fosters learning and high performance
- Ensures that team goals are achieved within ethical and cultural guidelines
- Manages and leads teams that demonstrate a sense of loyalty and community
- Strives to deliver and exceed customers' needs
- Arranges and leverages resources within an organisation
- Has high resilience

High-potential indicators – what a high-potential employee looks like:

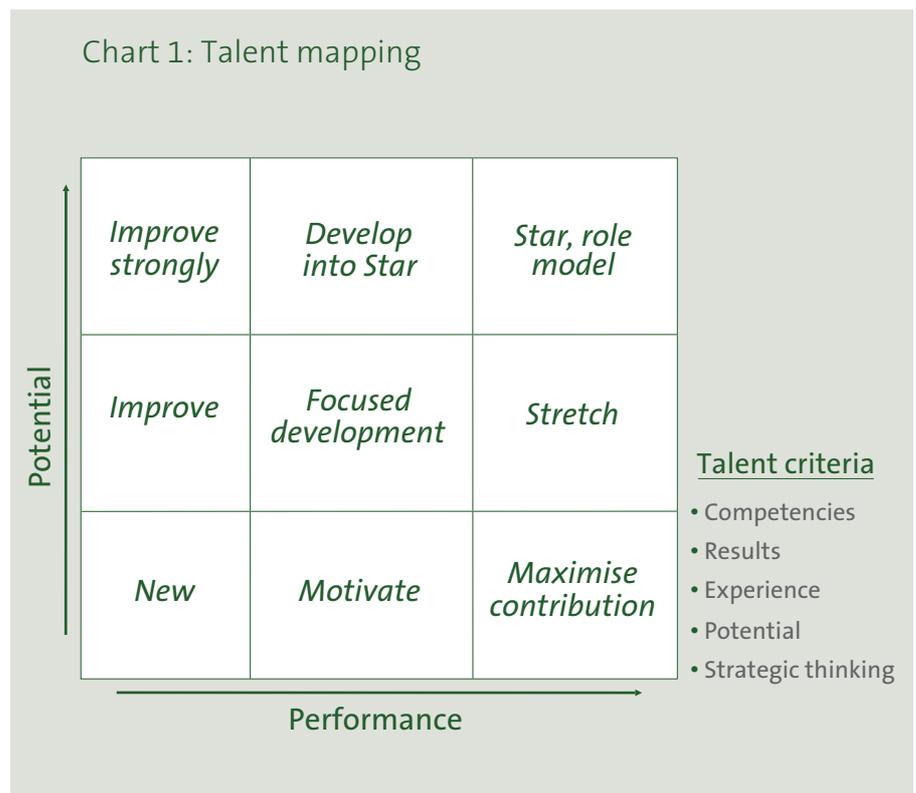
- Has the respect and trust of peers, supervisors and subordinates
- Maintains a high level of competence in their role/job
- Has a bias for action and is a proactive catalyst for change
- Thinks and solves problems creatively and from a position of inquiry (versus advocacy)
- Is open to constructive criticism and feedback
- Uses critical judgement
- Has a broad understanding of the organisation's business and their role in achieving its goals
- Has high capacity to learn.

Has your organisation identified its "talent"? If it hasn't, you don't need rocket science; existing performance management processes are a good starting point. 9-box grids (see chart 1) plotting performance and potential and competency / skills frameworks offer powerful insights about the extent to which "talent" exists. If your organisation doesn't know its talent, they certainly will.

Experiences that talented people value

In terms of developing competence and capability, what type of experiences do talented people value most? My research and client experience leads me to the following:

- Exposure to leaders (including the top leadership team) throughout the organisation – being inspired, challenged and encouraged
- Time to think at events – testing ideas, thoughts
- Formation of peer groups across the organisation – keeping in contact with like-minded talent
- Feedback on their performance – importantly how to improve
- Learning new techniques – technical, presentational
- Support and challenges from colleagues – as a team player and an individual
- Prioritising and planning – balancing creative and practical attributes
- External coaching and mentoring – creating self awareness, reflecting on different learning and developmental experiences





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- Greater involvement of / coaching by own manager – critical to post-programme, back-at-the-workplace life.

Talented people can inspire others to strive for the top and this happens in all walks of life. Steven McRae, Principal Dancer of the Royal Ballet and Graduate of The Royal Ballet School, takes time out from his dancing to meet students at The Royal Ballet School – a wonderful opportunity for them to meet one of their leading role models. *“Don’t be afraid to dream”* is one of his key messages. That’s something the lost generation of young unemployed people in the UK need to be encouraged to do right now. How many business leaders, I wonder, provide inspirational experiences for their employees?

The content of talent management programmes, of course, must be driven by organisational requirements. Examples of what’s run by three leading organisations in the pharmaceutical, financial services and food retailing sectors are set out in the *“Talent Management in Practice”* panel on the next page.

Managing clever people

In their book *Clever: Leading your smartest, most creative people*, Rob Goffee and Gareth Jones look at talent management from a *“clever people”* perspective. Clever people really care and it shows in their teams, which are found in a wide range of organisational settings. Clever people are highly talented individuals with the potential to create

disproportionate amounts of value from the resources that the organisation makes available to them. So, every organisation needs clever people. Goffee and Jones set out *“rules of clever engagement”* which include:

Do.....

Explain and persuade
Use expertise
Give people space and resources
Set objectives
Give people time
Provide boundaries – agree simple rules
Give recognition
Encourage failure and maximise learning
Talk straight
Give real-world challenges

Don’t.....

Tell people what to do
Use hierarchy
Allow them to burn out
Give orders
Interfere
Create bureaucracy
Give over-frequent feedback
Train
Build an ivory tower
Deceive

It would be interesting to compare the views of “clever people” and those who manage them, on the basis of these dos and don’ts.

A final thought

In its latest research, the CIPD found that “social networking is becoming more important, both as a driver and outcome of talent management programmes. As organisations become more fluid in terms of structure, people need to be able to work in virtual teams, form alliances across (geographic) boundaries and have easy access to knowledge and people. Contemporary talent management programmes provide a way for people to ‘bond’ with peers they would normally not have access to.” Talent definitely matters!

Top Tips

- Clearly communicate the rationale for and objectives of your talent programme or pool
- Ensure participants’ expectations in a programme or pool are consistent with the expectations of the business
- Include effective development opportunities such as coaching, mentoring and networking
- Ensure selection criteria for talent management programmes are administered consistently and you have a strategy for those who are not accepted
- Make the selection process a learning event in itself and ensure all applicants have detailed and constructive feedback
- Agree valuable ways in which the energy of previous participants can be harnessed



TALENT MANAGEMENT IN PRACTICE

The three organisational examples here are drawn from the CIPD Survey Report *"The Talent Perspective"*, Summer 2010.



Barclays provides financial services to more than 48 million customers in over 50 countries worldwide. Barclays is a major global financial services provider engaged in retail banking, credit cards, corporate banking, investment banking, wealth management and investment management services with an extensive international presence in Europe, the Americas, Africa and Asia.

Talent management: the context

'We are coming up to our second year in talent using an enhanced approach. Later this year, we will be adapting our approach by strategically aligning talent and organisational plans to give us a comprehensive picture of where we are heading as a UK retail bank.'

The focus of talent management at Barclays, for the purpose of this research, is based on the B6 community (around 1,300 staff) and the Emerging Leaders Programme (200 participants). Participants in the Emerging Leaders Programme are selected using a *'potential assessment tool'* based on drive, judgement and ambition, following line manager nomination. The programme, in its current form, has been in place for two years with four intakes a year. The programme lasts for eight months and consists of networking events, informal line manager coaching and formal training opportunities such as the Enhancing Management Capabilities course.



Astellas is one of the top 20 pharmaceutical companies in the world, employing 14,000 people globally, with a presence in 22 countries. As a young and forward-thinking company, Astellas is dedicated to improving the lives of people around the world through the introduction of innovative and reliable pharmaceutical products. Astellas Europe focuses on transplantation, urology, dermatology, anti-infectives and pain management.

Talent management: the context

The talent management approach at Astellas is aligned to achieving their business philosophy, *'Vision 2015'*, representing Astellas' goals and aspirations for the future.

The new programme, recently embedded and part of a wider employee engagement initiative, *'Employer of Choice'*, a strategic priority for the business, is aimed at senior executives in the Europe, Middle East and Africa region of the business. It comprises the top 200 individuals within the organisation, based predominantly on grade and role. Individuals are selected to participate by a combination of HR and management team nomination and new hires/promotes in role are automatically guaranteed a place on the programme. Once identified as a member of the programme, individuals attend a residential course, *'the leadership journey'*, followed by coaching and the creation of personal development plans within the context of a 360 competency framework.



PizzaExpress is a well-recognised chain of Italian restaurants based in the UK. The first restaurant was opened in London in 1965 starting a tradition of excellent food and delightful service now offered at over 375 restaurants in the UK.

Talent management: the context

The PizzaExpress approach to talent management is based on developing and retaining those individuals classified as top and lead talent, to ensure a leadership pipeline for the future, aligned to their corporate strategy.

In 2008 PizzaExpress started its *'Future Engage Deliver Programme'* with board members and in 2009 extended this to operational managers and functional heads – in total it covers around 100 people. The programme is six days, run in three sets of two days, largely focusing on building effective relationships, holding difficult conversations and the importance of engagement. The leaders help create the future of PizzaExpress and gain an understanding of their impact when they are *'playing to win'* or *'playing to avoid losing'*. *'At PizzaExpress we strongly believe that the success of the business rests firmly on the shoulders of every individual who works at the company. If people show up at work and do their best, the business thrives. If they don't, the business suffers. That's why talent management and nurturing our teams is such a critical focus at every level of the company.'* **Julie MacDonald**, HR Director, PizzaExpress

References

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