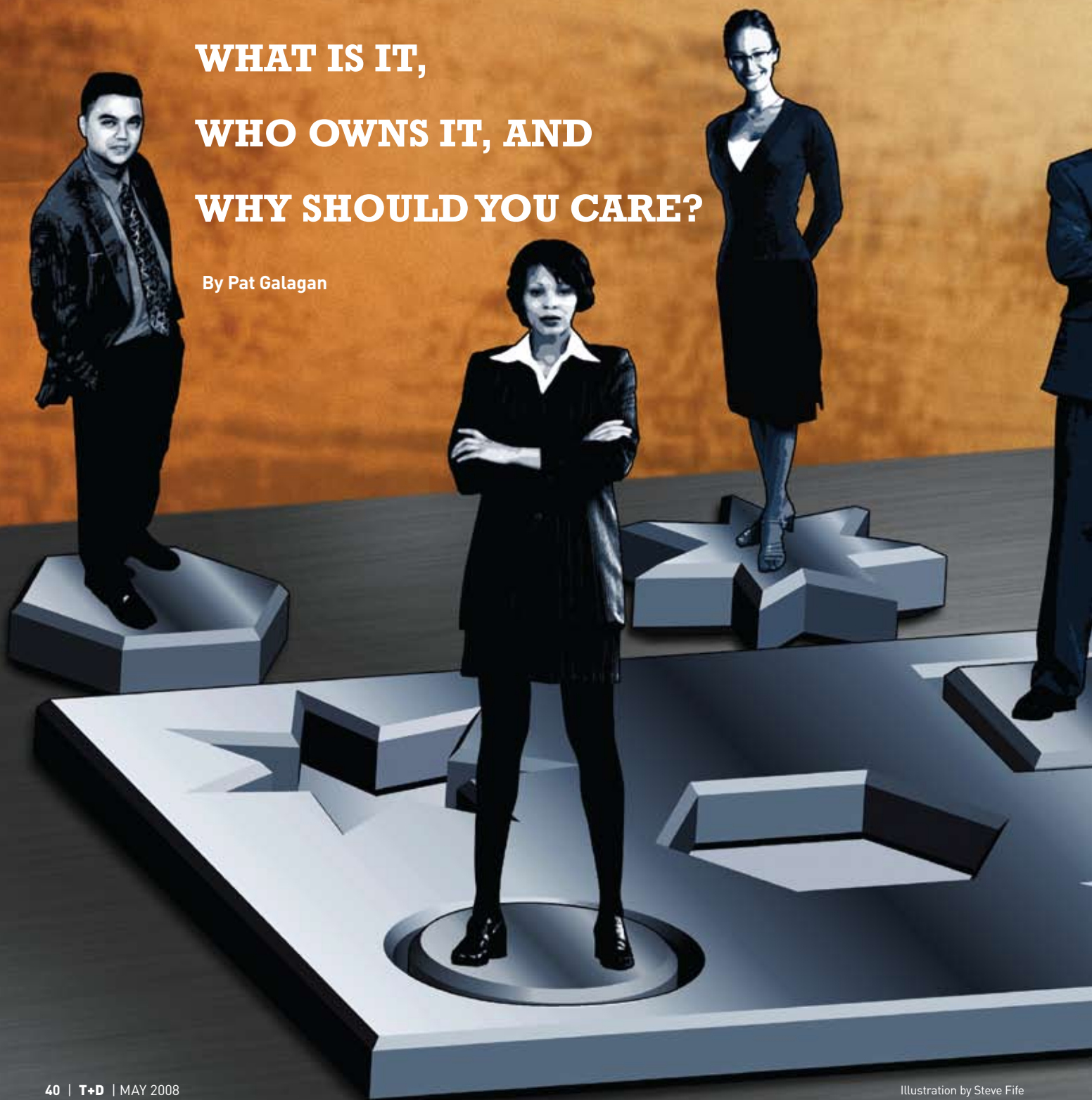


TALENT MANAGEMENT

**WHAT IS IT,
WHO OWNS IT, AND
WHY SHOULD YOU CARE?**

By Pat Galagan





IS TALENT MANAGEMENT A
MOVEMENT OR JUST A MESSY
COLLECTION OF PRACTICES WAITING
FOR SOMEONE TO TAKE CHARGE?

Talent management has been practiced by organizations for decades but is gaining new urgency as companies find they cannot quickly muster the talent they need to achieve their most critical goals. The fact that success comes down to people and what they know how to do is no surprise to learning professionals, but most have been notably absent from key roles in talent management. These roles are often filled instead by HR executives who bring people-processing skills, such as recruiting or succession planning, to a task that is really about building and leveraging corporate know-how.

But that picture may be changing.



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Talent management as a corporate area of focus has been building steadily. Like a fast-approaching car, the closer it gets, the more of it we are able to see clearly, despite the fact that there is no real roadmap and no single individual or group behind the wheel.

Recent research by the Institute for Corporate Productivity (i4cp) shows that more than 75 percent of the companies they surveyed don't have an agreed-upon definition of talent management. But most companies concentrate on at least two areas in common, points out Kevin Oakes, founder and CEO of i4cp.

"Talent management concerns competencies—what employees should know and be able to do—and performance processes—how to leverage those competencies by putting them in the right parts of the organization, and then measuring their impact on real goals."

Around those two threads, you will find companies wrapping every manner of business practice that touches employees, from recruiting them, to influencing the culture to keep them engaged. The i4cp research shows nine practices held in common by the companies surveyed:

- leadership development
- succession planning
- career planning
- performance management
- high-potential employee development
- learning and training
- competency management
- retention
- professional development.

A survey by the New Talent Management Network of people with talent management responsibilities in 80 small and large U.S. companies also showed a mixed picture of what it comprises. A majority of respondents (94 percent) had responsibility for succession planning; 88 percent were responsible for development and career planning; and 82 percent were responsible for assessment and feedback. Respondents claimed those areas of responsibility whether they worked in a stand-alone talent management function or were part of another unit such as HR.

A MATTER OF PRIORITIES

Susan Burnett, national managing director of talent and development at Deloitte Services, points out that every company organizes talent management in ways that best achieve their talent priorities.

"More and more, I see end-to-end organizational structures emerging, where a single leader owns talent acquisition, talent development, performance management, and succession." Such firms identify their talent requirements and either buy those capabilities in the marketplace or build them through learning, development, performance feedback and coaching, and succession processes. "Just like a business brings a product to market with a strong supply

chain, these functions represent the talent management supply chain," says Burnett.

She maintains that it is critical that as executive leaders discuss how a firm will look in three to five years, they also consider what kind of people and capabilities the business will need to execute the strategies successfully.

"This essential input to the talent management process forms the basis of effective workforce plans, strategic development priorities, and succession strategies that build the leadership pipelines required to successfully run the business. Without this perspective, talent management will not be connected to and enabling of business growth and success," Burnett adds.

How the learning function fits into the picture is an open question. If talent management centers around competency development, it is logical that the learning and development functions would play a leading role. But do they?

Ed Lawler, professor of business at the University of Southern California Marshall School of Business, says, "Learning should be guiding senior executives about talent management, but too often they are excluded. Hence we have the problem of talent management decisions being made by people at the top with no depth of knowledge about competencies or about what talent is available in the environment."

Oakes concurs. "In most companies I talk to, learning is just one component low down on the food chain, and the learning leaders aren't driving the talent management strategy at all."

Burnett has a different view. "I've always seen the learning organization play a major role in talent management, because learning owns the development engine. Most learning and development organizations are seeing development broadly, and are working beyond the classroom and into the workplace with just-in-time and on-the-job learning, coaching, mentoring, assignment management, performance development, learning communities, and all forms of e-enabled access to knowledge. As a result, they have the expertise and experience with the many levers of talent management."

"Talent management is a concept that different companies embrace in different ways," says Deborah Wheelock, head of global talent management for Mercer. "Internally we say it's about getting the right people in the right place at the right time for the right cost." For some of Mercer's clients, it's specifically about attraction, development, engagement, and turnover. Other clients also include strategic goals, aligning workforce design with business design, and workforce planning. "Depending on the maturity of the company and its situation, talent management can range from isolated practices to a holistic approach," says Wheelock.

ONLY FOR LEADERS?

At Mercer, the learning function has evolved in the direction of talent management with a focus on developing leaders.

“We now connect learning and performance with succession planning,” says Wheelock. The succession planning process includes a talent review from the top down. “Mercer makes a big investment in leadership development,” says Wheelock, “because leaders make the business strategy happen and they help further employee engagement.”

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Yum! Brands, whose 35,000 restaurants worldwide include such names as KFC, Pizza Hut, and Taco Bell, needs to develop a large number of managers as quickly as possible. “The overall strategic goal of our talent management efforts is to support and sustain growth on a global scale,” says Rob Lauber, vice president of Yum! University and global learning services. In China, for example, the company opens two KFC restaurants a day and plans to increase that volume as quickly as it can. A key part of their talent strategy is to prepare enough restaurant managers to support that level of growth in China and elsewhere across the globe.

At Yum!, a vice president of talent management is responsible for staffing the executive ranks. “We build leaders by transitioning them into roles that prepare them for their next steps,” says Lauber. In a company such as Yum! with fast-growing worldwide operations, this means a rising star can quickly gain real-time experience in key operational and business skills such as food innovation, marketing, and general management. “Bench planning is the cornerstone,” says Lauber. “We ask, ‘What are the critical roles? Who’s ready? And what kind of development experiences are needed to set our future leaders up for continued success?’”

A BROAD REACH

In firms where talent management has a broad sweep, learning and development functions are beginning to play a leading role, in contrast to HR. Take Steelcase, where the ownership of talent management is shifting toward Steelcase University.

For several years, competency management, assessments, employee development, and the grooming of high-potential employees have been the responsibility of Steelcase University. Other aspects of talent management, such as recruitment, staffing, performance management, succession planning, and rewards and compensation were managed by HR. Efforts to integrate these university and

HR processes fell short of positively affecting results through human capital business needs. Steelcase still wanted these processes to be smoothly integrated and

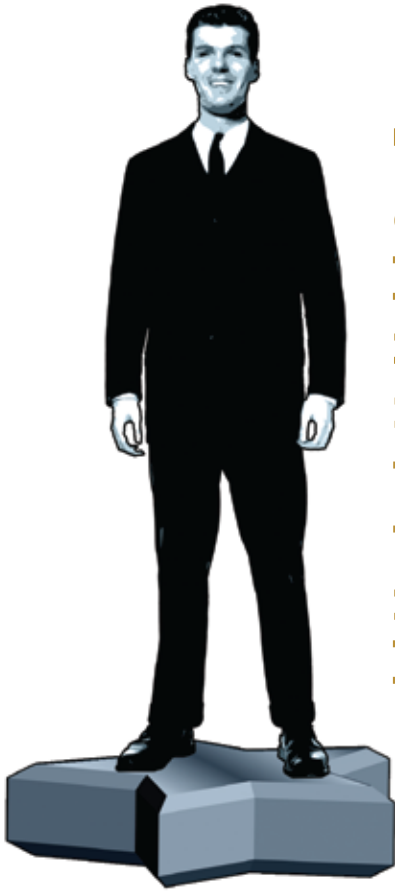
accessible to all employees. After an audit conducted by The Hackett Group, Steelcase recently began a three-year transformation project, in part, to make more talent management processes in HR and at Steelcase University more global, more centralized, and more seamless to users.

George Wolfe, vice president of global learning and development, who leads the Steelcase University efforts, now manages a newly configured and expanded set of integrated talent management processes under the label of global workforce strategy, with the ultimate goal of making them much more user-transparent to Steelcase employees.

“As we go global, we determined which talent management processes fit best into a center of excellence within Steelcase, which could be configured into a shared service (inside or outside of Steelcase), and can be offered to managers and employees on a self-service basis,” Wolfe explains. With continuous support and effort by global teams represented by HR, information technology, and Steelcase University, the global workforce strategy represents one of a series of future centers of excellence within the realm of HR.

“Two driving forces for these process integrations are the need to be transparent to the user and to have a global human capital data bank that can gather and share information from a single database system,” says Wolfe. “One of our aspirations is to leverage our talent globally and identify,





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select, and develop the right people for the right positions around the world.”

Darden Restaurants also takes a broad approach to talent management, focusing on building capacity and capability and increasing employee engagement. Capacity at Darden means having the right number of people in the right places, and capability means having the right sets of skills to assure growth for the company’s chains of restaurants. According to Daisy Ng, Darden’s senior vice president of talent management, the effort has two objectives—winning financially and developing Darden into a special place to work.

“At Darden, we see talent management as the responsibility of all business leaders. We in the talent management organization enable them with systems, tools, and processes,” says Ng. Officers at the vice president level and above are accountable for leading people, and that’s where talent management success is measured, she explains.

To share talent across a company that includes five distinct operating companies calls for a systemic approach to assessment. “We look at development across the enterprise,” says Ng, “and take a systems approach.” That starts with acquiring talent. “We have to understand the skill set we require,” she says. “Then we assess our internal and external capability and close gaps by developing people as needed. We also work to retain and engage employees, and everything is surrounded by the right compensation.”

WHAT NEXT?

Writing about talent management for the forthcoming *ASTD Handbook of Workplace Learning and Performance*, Oakes

confirms that companies have been concerned about better talent management for many years, but says, “The grand vision of a fully integrated set of human resource functions has yet to completely materialize.”

Meanwhile, a mixed group of consultants, software vendors, and content producers are trying to shape talent management to suit their needs, with definitions and models that often stem from the need to create a market for their services or capitalize on a new buzzword. Note how publisher Media Tec changed the name of its *Workforce Performance Solutions* magazine to *Talent Management* to keep up with changing terminology.

Does talent management need an overhaul to fit modern times? Peter Capelli, professor of management at the University of Pennsylvania’s Wharton School, claims that two of its core practices, outside hiring and succession planning, don’t work in a business environment where uncertainty is the rule. He recommends taking lessons from supply chain management and improving the return-on-investment in developing employees.

Lawler, the person who wrote decades ago that “we are in the age of human capital,” says, “The learning people should play a role in defining competencies, explaining what they mean, measuring their presence or absence in the workforce, and relating them to strategies.”

The door is open for faster, more relevant talent management. Who will step through? **T+D**

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WHAT DO YOU THINK?

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