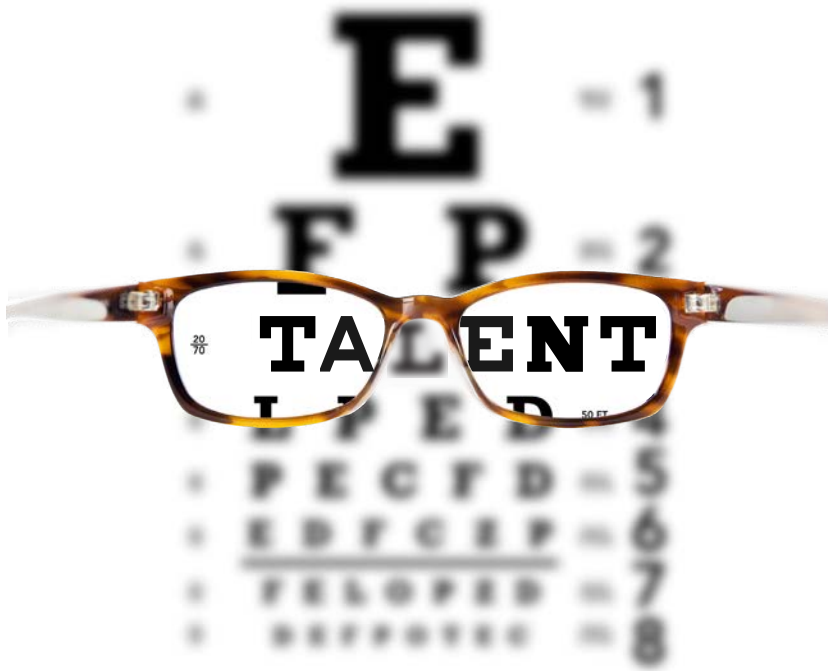20
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TALENT

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*How Clear is Your
Talent Strategy?*

How Clear is Your Talent Strategy?

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As current and former VPs of Talent Management we understand that creating a crisp, well-articulated and performance-driving talent strategy takes meaningful thought and effort. Yet we're still surprised how few organizations can explain their talent strategy in a few simple sentences or show the tangible links to company success. More commonly, talent practitioners share their activities and programming. We offer below an approach for creating a simple, thorough and powerful talent strategy that achieves real results.

What Really Matters
It's the obvious starting point but also the place where many talent strategies go wrong. Understanding the business strategy is your first step in talent strategy development and getting that right requires a deeper, more specific review than typically occurs.

By specific, we mean understanding business needs by line of business unit and geography, having a strong

sense for strengths and risks in the business plans and identifying the most important implications for talent (and broader HR) strategy.

It's tempting in this process to grasp what's easy to see: people get older each day and closer to retirement, globalization is complicated, skill gaps are an issue. Don't do it. Dig deeper, as it will clarify thinking (for you and for business leaders) and help drive compelling talent strategy development. Have more conversations that sound like, "Which three things must happen in your business/region over the next few years for you to win?" As explained in The 4+2 Model of Talent Excellence, being a Business Junkie makes this step far easier and more effective.

What's Your Talent Philosophy?
Every decision about talent management in your organization – especially your talent strategy – should be guided by your executive talent philosophy. That phi-

losophy captures your executive team's beliefs about how to manage talent to achieve the business strategy.

The challenge is that each of your executives has a personal talent philosophy shaped by their cumulative work experiences. In very few companies has the executive team discussed and agreed to an explicit, shared philosophy. Without this in place, you may find that the nodding heads in the room are each thinking very differently about differentiation, behaviors, transparency, performance, etc. Getting agreement on the collective view of the executive team ensures that you won't end up with a gorgeous strategy that lacks the organizational alignment and support to succeed.

Creating Your Talent Strategy: Rapid Cycle Design

We can inject radical efficiency into the talent strategy design process just as we do with performance management or talent review design – through the rapid cycle design approach. The keys to successful rapid cycle design are to have the right people in the room, know the right questions to ask and to aggressively facilitate the discussion to prioritize and make decisions.

- **The Session**: 1.5 – 2.0 days

- **The Participants:** Members of your talent team and senior HR leaders whose opinions you value. Political reasons often demand the inclusion of other HR leaders, but do your best to keep the group small. We don't recommend having line leaders in the room for two reasons: 1) We expect HR leaders to know their business well enough to represent that business in the meeting, and 2) You can validate the strategy with line leaders once it's in draft form.

- **The Right Questions to Ask (and Answer):** Your talent strategy is the three or four major talent-related outcomes you promise to deliver over the next few years and the activities that will deliver them. In many businesses a three-year strategy is still a realistic time-frame. Your time horizon may be shorter, but recognize that a 12 month plan isn't necessarily a strategy.

    Your session should start by listing the primary business challenges facing the organization, as surfaced

by the questions we listed earlier. There will likely be 10 – 15 issues identified.

- **Prioritize**: Getting to the few most important priorities is at the heart of talent strategy. Your first step is to see if any of the listed issues can be combined into a larger strategic challenge. For example, if there's elevated high-potential turnover in the US and the inability to attract top talent in Asia Pacific, the larger challenge might be a weak talent brand. Solving that issue would address both of the symptoms that have been identified.

    This is simply classic root-cause analysis. Look for those items first and then combine them into a larger strategic goal, while keeping strategies precise enough to be executable.

    If you need thought starters for this part of the discussion:

    - Where is the business forecasted to experience large amounts of change or disproportionate growth? How will that impact talent demand and supply?

    - Are there areas today and in the future where business is left on the table due to resource constraints or talent shortages?

    - Is everyone clear on the most critical roles in the organization over the next 3 - 5 years? Are they confident that these roles have strong succession and talent planning processes?

    For the items that remain on the list, you need to prioritize the top three or four. A typical voting exercise (dots, stars, etc.) is a reasonable way to see if clear priorities emerge. They typically will.

    Once you've prioritized, your talent strategy statements should be big, bold and relatively specific.

Increase company engagement by 5%. Close behavior gaps in every high potential Director. Have 2 real "ready now" successors for every critical role. Reduce turnover of highest potential talent by 50%. These are the promises that you're making to the organization and should reflect your confidence and capability to achieve great things.

- **Strategy, then Tactics**: With your three bold strategic promises in place, it's time to get realistic about how you're going to achieve them. To our point above, a three-year plan is reasonable for many business, so your strategy needs to describe which tactics you'll use each year to deliver on your promises. Those tactics should be the primary activities that will enable the strategy.

For example, if the strategy promise is "Have 2 'ready now' suc-

cessor for every critical role," tactics might include "Create production line for general manager development" or "Promote and move all Level 2 GMs to Level 3 one year before planned." Those tactics might be considered strategy steps in a weaker talent strategy, but a well-written strategy recognizes that they're just actions to achieve a larger goal.

Identify which tactics you plan to apply in each of the next three years. With these steps completed, your draft talent strategy is complete, but it's not yet done.

Bulletproof it
You've carefully identified the talent plan that will support business success. Now it's time to shoot holes in it. Spend an hour mercilessly identifying everything that could go wrong and developing strategies to address those issues. It can be helpful to classify potential issues into money, people, process and technology.

- How will you ensure you have the cash needed to execute the strategy?
- Which individuals are likely to object to or get in the way of strategy execution?
- Which business processes currently don't support your strategy?
- What technology that you need to execute your strategy is either not sufficient or doesn't exist? Identify how you plan to address each of your answers.

Most strategies don't fail because the strategy is bad. They fail because of obstacles that could have been identified early in the process.

Rigorously audit
A brilliant strategy is only brilliant if it delivers the expected results. You need to monitor outcomes and impact to understand if the work you're doing is producing the talent, the culture and the business results you desire. Be sure to evaluate:

- Are resources and talent investments lined up against the most critical talent, roles and lines of business?
- Can your leaders articulate what the talent strategies are, why and what their role is in achieving them?
- Are you and the team able to point to metrics and outcomes that result from the strategies you've set in place?

Build an audit cadence and process that works for you and your organization. Do this up front and rely upon this review process to advance work, adjust course and monitor outcomes.

Focus
A great talent strategy should create clarity, direction and energy for business leaders, employees and shareholders. It should increase your executives' confidence that they can meet their most challenging goals. Your role is to focus on the few most important levers of success, ensure that barriers are well known and flawlessly execute to deliver the results.

If your strategy is struggling . . .

Sometimes even the best laid plans don't succeed. Here are some direct questions to ask yourself (and others) if your talent strategy isn't delivering the results you expected:

How capable are your leaders to activate the talent strategy?

Did we overestimate their skill or commitment in this work?

Assess both the hard accountability and actual skill level of your managers to see if one or both of these are undermining your strategy.

Did we pick wrong?

If your leaders tell you that talent concerns keep them up at night, but don't return phone calls when it's time to activate strategy, consider the content of your strategies. Are you solving the most pressing issues?

Was this too hard?
Because it was too complicated or because there was too much?

Both are issues, but be clear on which you'll need to solve.

Do we/I have the relationships I need to move this work through the organization?

How's my personal credibility and/or the credibility of my team?

We recommend an honest self-assessment here. With insights in hand, build a plan to address.