



The Talent Management Revolution

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About Talent Strategy Group

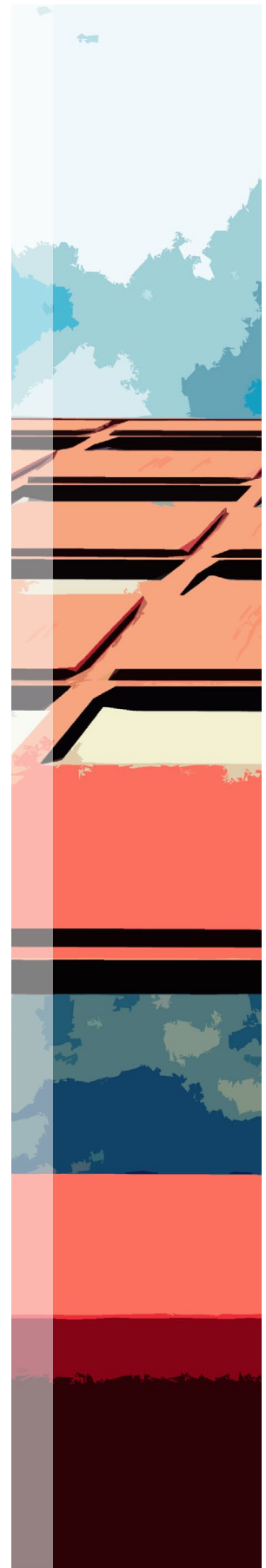
The Talent Strategy Group partners with the world's leading organizations to obtain sustainable, high organizational performance through talent. We accomplish this through our commitments to Talent Management:

To the field of Talent Management, we create a shared understanding of Talent Management – how organizations improve their performance through talent. We will articulate the journey Talent Management needs to progress through to deliver value to the organization and accelerate the journey by helping organizations and individuals build the process, capability, and accountability necessary for success.

To the organization, we help attract, retain, develop and maximize the performance of their talent. It is impossible to achieve outsized organization performance without extraordinary people delivering extraordinary results.

To the individual, we build the capabilities in HR and business leaders necessary to advance the industry and the organization. We will invest in building capability through our research, writing, and speaking, and in our direct interactions in our education and consulting.

We accomplish these commitments through our unique perspective of Science-Based Simplicity™. In everything we do, we draw from the latest in academic research to inform our thinking and distill the science into recommendations that are simple and consumable for an organization. If there isn't evidence for a practice, we use the principle of simplicity to eliminate it.





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Zac directs the daily operations of the Talent Strategy Group, including strategy, research, and finance across all five lines of the TSG business. He frequently consults with the Boards and Executive Teams of the world's most advanced organizations on Talent Management with a focus on the intersection of people and organizations, and enabling the full potential of both.

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Marc helps the world's largest and most successful companies improve the quality and depth of their talent. As the Founder and President of the Talent Strategy Group, he leads the firm's global consulting, education, executive search, and publishing businesses.

Marc co-authored the Harvard Business Review Publishing best-selling books *8 Steps to High Performance* and *One Page Talent Management*. He founded and publishes Talent Quarterly magazine. He graduated with an MBA from the Yale School of Management.

The Talent Management Revolution



Decades of Learning and
The Next Frontier for
Talent Management

The Accelerating State of Talent Management

In 1997, McKinsey released *The War for Talent* and awakened a new wave of interest in organizations to attract, develop, retain and maximize the performance of their talent. Two decades later, the war drums are still beating and the battle continues to rage. With no easy victory in sight, some corporate generals now demand a sacrifice and look towards Human Resources.

The recent dialogue in the business media would lead us to believe that Human Resources has failed at Talent Management. The authors tell us that the only wise decision is to destroy the function and rebuild – with a leaner, more regimented, and controlled approach.

We understand the frustrations but urge caution and hope. We believe it's imminently possible to resolve the dissatisfaction and to dramatically accelerate the progress witnessed. Over the past two decades, Talent Management has slowly gathered awareness and momentum. Today, Talent Management is uniquely positioned to be the strategic driver of Human Resources value to the organization.

In our new research report, we release the surprisingly long journey of Talent Management, reflect on the state of Talent Management today, and outline how Talent Management is positioned to add value to the organization unlike ever before. **We characterize this journey as the Talent Management Revolution and believe that, through the Revolution's success, the true potential of the modern organization can be realized.**

**Today, Talent
Management
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The Talent Management Revolution

Revolutions aren't static; they evolve, progressing through a series of eras that build on their predecessors. A catalyst drives the evolution from one era to the next as organizations face changing competitive demands - new macro challenges, new innovations, new expectations. The Talent Management Revolution is no exception.

The three existing eras of the Talent Management Revolution provide insights into the value Talent Management can add to organizations. We describe those eras below and provide data from our State of Talent Management survey to illustrate the progress to date and the journey ahead.

Characteristics of a Revolution

Figure 1

Era	Participating Population	Resources	Tools to Solve Problems	Processes to Apply Tools Efficiently, Effectively & Consistently	Timeline
Era One: <i>Experimental</i>	Few Practitioners	Few to None	Experimenting	No	1 AD - 1997
Era Two: <i>Adoption</i>	Many Practitioners	Increasingly Many	Yes	No	1998 - 2017
Era Three: <i>Impact</i>	Vast Majority	Constant	Yes	Yes	2018 - Onward

Era One is the ***Experimental Era***. This multi-millennium era spans the foundation of Talent Management in the Gladiator age to medieval apprenticeships to mid-20th century companies like ATT and General Electric. The few practitioners in the Experimental Era had limited resources and limited scientific knowledge about human performance, which slowed their progress and limited their potential success. In addition, plentiful and inexpensive resources allowed organizations to succeed irrespective of how they invested in attracting, developing, retaining, and maximizing the performance of talent. It's not surprising that Era One saw Talent Management make only incremental progress as a discipline.



It wasn't until organizations faced an increasingly competitive, global marketplace that the demand for highly qualified talent exceeded supply. This environment led to an resurgence of practitioners and investment in Talent Management as organizations realized the scarcity and value of high performing talent and the corresponding need to attract, develop, retain and maximize this increasingly scarce resource.

Era Two is the *Adoption Era*. The catalyst of high demand/low supply talent that started in the late 1990's drove meaningful investment in Talent Management. The Adoption Era is when organizations created Talent Management functions, accumulated resources, began using tools and process to broadly assess and develop talent and gained the business support necessary to introduce Talent Management at scale. By 2017, Talent Management had reached near-peak adoption with over 74% of organizations having a Talent Management function.

Where an increased investment in Talent Management was a guarantee in earlier years, 2018 is the first year where investment is projected to remain unchanged. And, despite the substantial investments made to date, the effectiveness of Talent Management functions remains low. The typical function rates itself as only "somewhat" effective. This feedback on the function suggests that merely having a Talent Management function and continually increasing the investment in the practice will no longer differentiate success. The current state of the discipline, which we call the Battle for Value, requires that Talent Management increasingly focus on, and flawlessly execute in, the few areas that add the most value to the organization. From that foundation, Talent Management can scale.

Era Three is the *Impact Era*. The catalyst of the Battle for Value which we formalize starting at the end of 2017 requires Talent Management to

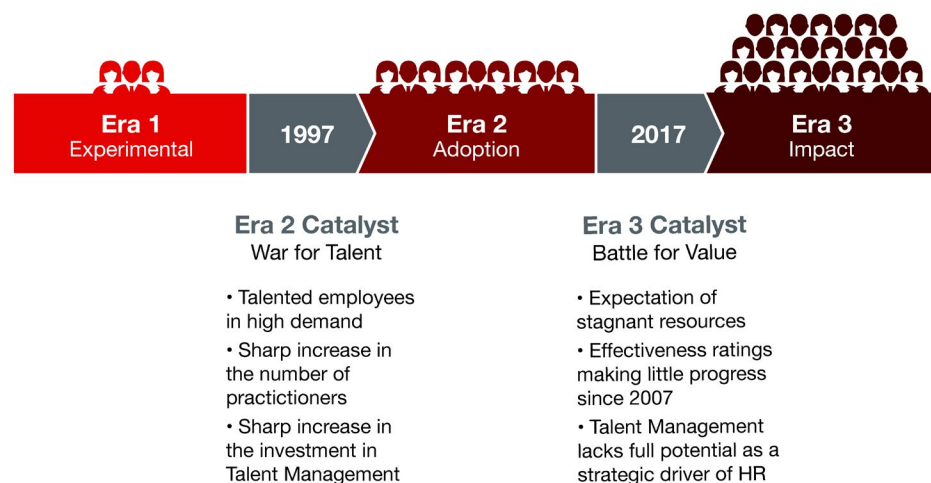
By 2017, Talent Management had reached near-peak adoption with over 74% of organizations having a Talent Management function.

increase effectiveness without increasing investment; to strive for efficient impact. In this Era, Talent Management must differentiate finite resources and *intentionally* apply them across the organization using consistent processes and tools.

Talent Management exists today at the beginning of Era Three. This next frontier for Talent Management will require that we focus on the fundamentals to execute with efficiency and effectiveness, prioritize our resources towards the high potentials and high performers while mechanizing talent process for the rest, and building impactful Talent Management capability in Human Resources and business leaders to drive the desired Talent Management outcomes.

The Catalysts

Figure 2



ERA ONE: Experimentation (1 AD – 1997)

The Experimental Era takes us from the earliest practice of managing talent to the initiation of the War for Talent.

The History of Talent Management

While the term 'Talent Management' emerged over the past 20 years, the planned approach to carefully attract, develop, retain, and maximize the performance of talent dates back more than two thousand years. As early as 1 A.D., the Romans carefully managed some of their most visible and important talent - the Gladiators.

The stakes for those warriors and the Roman leaders that sponsored them were never higher as entire political dynasties rose or crumbled based on a Gladiator troupe's success. An amateur would typically die in the Coliseum, but a trained Gladiator could survive almost 90% of their battles. With performance differences this high, Romans invested heavily to ensure their Gladiators' success in a process that mirrors how organizations manage talent today. They made significant investments to attract, develop, retain, and maximize the performance of their best talent. These "Big Four" activities (See Figure 3) remain the definition and foundation of great Talent Management.

The Big Four of Talent Management

Figure 3

From the earliest adopters of Talent Management (the Romans and their Gladiators), to modern-day practitioners, the one constant has been that **Talent Management seeks to provide sustained, maximized performance**. Four key elements differentiate Talent Management. We call these the Big Four and believe that they are the **foundational elements of Talent Management**:



Performance Management: Increase/upgrade individuals' contribution to the business through goal setting, coaching/feedback, and reviewing



Assessment and Feedback: Generate objective data about an individual that allows the organization to better differentiate their investment



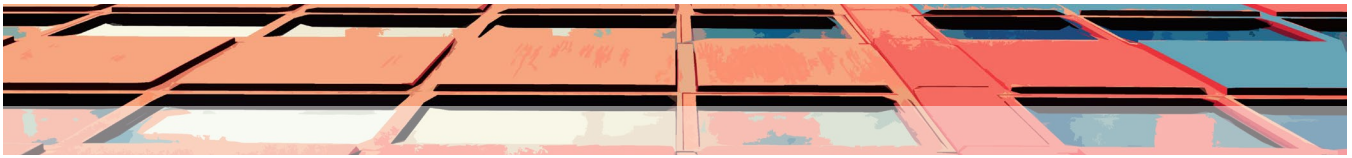
Succession and Talent Planning: Ensure the organization has a deep bench of talent for their most critical roles



Development and Coaching: Improve/upgrade individuals' capabilities and behaviors that increase performance

The Big Four create the core from which all elements of Talent Management flow. If they aren't strong, an organization sub-optimizes their capability to attract, retain, develop, and maximize the performance of their talent.

It's in this light that we see many organizations investing in talent analytics, for instance, when the foundational elements of Performance Management or Succession Planning aren't fully functioning. Like building a mansion on a swamp, the more Talent Management adds weight through responsibilities, process, and tools without first constructing a strong foundation, the greater likelihood that the entire function will sink.



Attract and Develop Talent

At the heart of the Roman's strategy were approximately 100 Gladiator schools that actively recruited and developed Gladiators. Once recruited, a candidate proceeded through a series of stringent medical and training assessments to identify their potential.

Suitable candidates were accepted into the school and put into a 'familia' (troupe/team). That familia was overseen by a manager responsible for the overall success of the troupe – actively managing the development of the Gladiator in life, and eventual succession in death (or retirement).

All candidates started as a "novice" and were developed by a senior or retired Gladiator. Their training regimen was intense to ensure that the cuts and bruises suffered in training didn't translate into deeper wounds during battle. Before stepping into the Coliseum, the Novice Gladiator had already received training, development, and practical experience that would far outpace most current organization's ideal Talent Management approach.

Retain and Maximize Performance

The performance stakes were high for Gladiators and the rewards for performance were differentiated. Those who were victorious in the Coliseum would gain higher rank and better privileges including more spacious living arrangements and an improved diet. If they continued to win, they'd receive even more investment to sustain their success.

If they lost a contest, the Gladiator would experience the purest form of binary Performance Management. The crowd would chant and gesture either in support or disdain for the fallen Gladiator. If the Gladiator had fought skillfully enough to impress the crowd, they would shout for his mercy and the Gladiator would be spared to fight another day. If his performance was lacking, there was swift justice.

Gladiators were a high potential talent pool – expensive to source, develop, and maintain. Many Romans likely asked questions similar to those asked today about Talent Management, starting with, "why would you spend time and money to develop

talent?” Then, as now, the right answer was, “the best talent produces the best results. We will win more often if we attract the right talent, develop their natural capabilities, retain them in the troupe and maximize their performance in each fight.”

Talent Management – Recent History

Despite this rich history, there was little intentionality or formalization of Talent Management in the centuries that followed. As the Corporate Research Forum describes in their June 2016 Rethinking Talent Management report, organizations in the mid-1900’s (such as GE) began to lay the foundation for Talent Management practices with their investments in internal development.

These investments yielded some early success but were curbed as executives perceived talent development activities as being disconnected from the business. An economic downturn provided a further reason to reduce the spend on formal talent practices. Out went corporate universities, training staff and development resources. In came mantras like “employees own their career” – a transfer of ownership but not resources.

Then, as now, the right answer was, “the best talent produces the best results.”

1997 Catalyst: The War for Talent

It wasn’t until the late 1990’s that Talent Management experienced a resurgence that would carry the Revolution into its next era. Organizations were achieving record levels of profitability and rapidly expanding. Globalization was driving these changes yet there was a perceived shortage of strong leaders to manage the increasingly complex, competitive global environment. Talented employees found themselves in high demand. This emerging environment, coined by McKinsey & Company in 1997 as the War for Talent¹, led to a sharp increase in the number of practitioners of, and investment in, Talent Management as organizations began to realize the economic value of higher quality talent.

The War for Talent catalyst kicked off the evolution of the Talent Management Revolution to Era Two: The Adoption Era.

1. Chambers, Elizabeth G., Mark Foulon, Helen Handfield-Jones, Steven M. Hankin, and Edward G. Michaels. “The war for talent.” McKinsey Quarterly (1998): 44-57 Harvard

ERA TWO: Adoption (1997 – 2017)

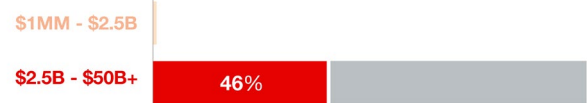
The Adoption Era takes us from the War for Talent through the full adoption of Talent Management.

Over Era Two, an increasing number of organizations established and invested in formal Talent Management functions. The science of human performance was better understood and better applied in organizations.

A decade into Era Two of the Talent Management Revolution (2007), the New Talent Management Network began to actively track the state of Talent Management. Our 2007 Talent Management survey showed only 46% of organizations with revenue in excess of \$2.5B had a dedicated Talent Management function. The median tenure of the function was two years and those organizations self-assessed their talent practices as ineffective. Rarely did Talent Management have the business sponsorship necessary for success. We have summarized the findings from our 2007 State of Talent Management report (Figure 4) to demonstrate both how far Talent Management has progressed and promises yet realized:

Figure 4

2007 Survey: Companies with annual revenues over \$2.5B that had a dedicated Talent Management function



Talent Management circa 2007 had much promise but was at the early stage of Era 2. This led us to predict at the time that the next 10 years of Talent Management would achieve the following:

- Accumulate resources in staff and budget
- Apply resources towards the most senior populations of individuals
- Gain the business support necessary to introduce Talent Management at scale

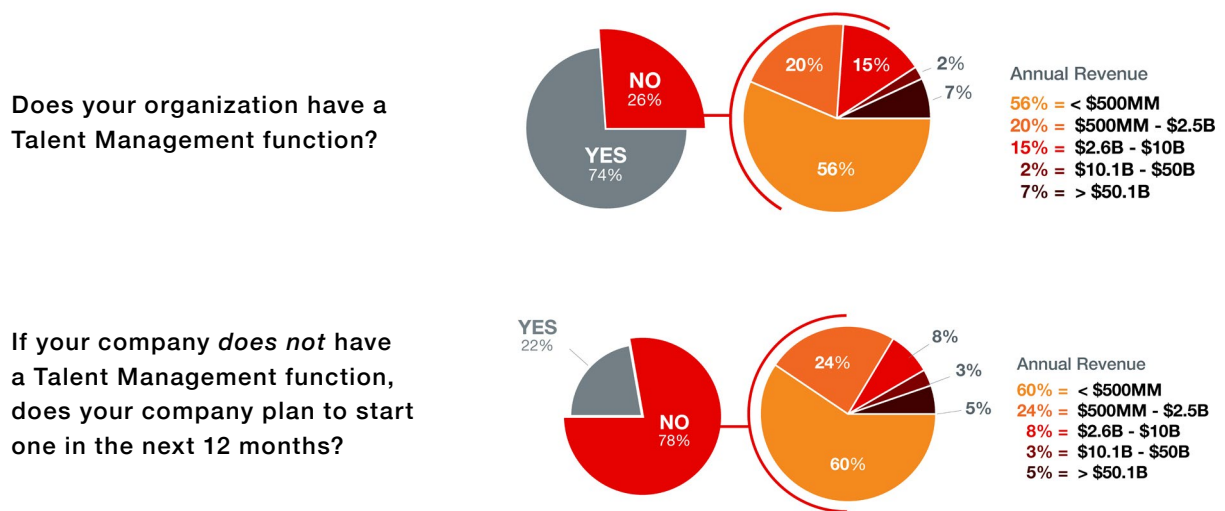
By the end of 2017, our State of Talent Management survey concludes Talent Management achieved these Era Two predictions.

Talent Management Adoption & Accumulation of Resources

Talent Management Reached Peak Adoption

Today, Talent Management is a standard function of Human Resources in nearly nine out of ten (88%) organizations with annual revenue greater than \$2.5B. Of organizations that do not currently host a Talent Management function, 22% expect to have a dedicated Talent Management function within the next 12 months (Figure 5).

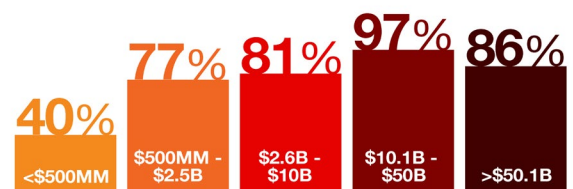
Figure 5



Larger organizations are substantially more likely to have a Talent Management function than smaller organizations. Of organizations with less than \$500MM revenue annually, 60% do not host a Talent Management function compared to organizations of \$10B+ annual revenue where just 14% do not have a Talent Management function. There is a positive correlation between revenue/employee count and likelihood to host a Talent Management function.

Percent of organizations with a Talent Management function by revenue:

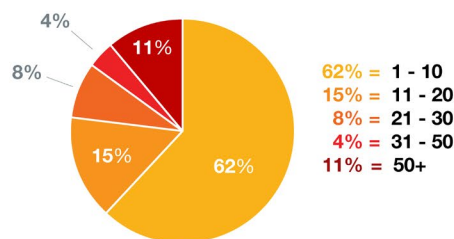
Figure 6



The Lean Talent Management Team

The Talent Management team is lean with 62% of functions employing ten or less full-time Talent Management professionals (Figure 7). As would be expected, organizations with more annual revenue and employees have larger Talent Management teams.

How many full-time employees are on your Talent Management team?



Average size of Talent Management team by annual revenue:

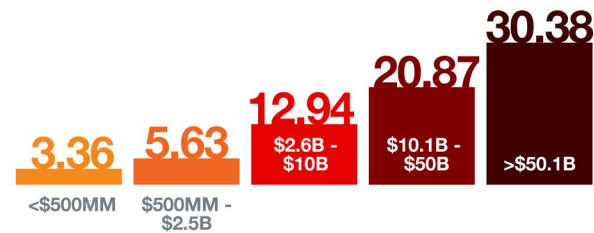


Figure 7

The lean staffing is attributed to the scalability of the Talent Management function. As Talent Management practitioners are added to the function, the number of employees they jointly reach expands. This scalable model is realized until the addition of Talent Management staff adds little marginal value in employee reach, at approximately 22 Talent Management professionals (Figure 8).

Number of Talent Management employees per 10,000 employee population:

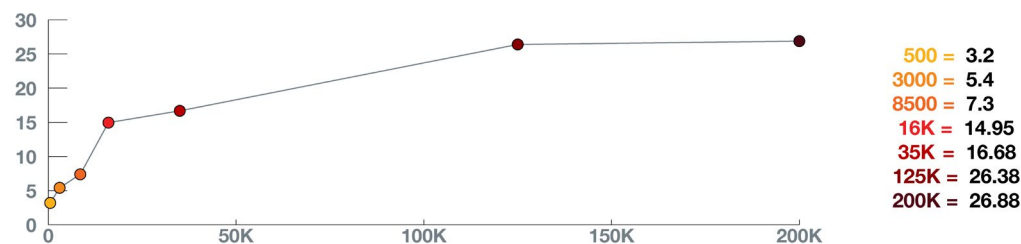


Figure 8

Thus, by the end of 2017, we concluded that Talent Management had reached peak adoption. The largest organizations overwhelmingly host a Talent Management function, and the smallest organizations intend to create a function when their size merits. We don't expect these rates of adoption to substantially fluctuate in the future.

Application of Resources

Breadth vs. Depth

As organizations increasingly invested in Talent Management, the function expanded its scope of priorities and responsibilities. Over two-thirds (69%) of Talent Management functions claim at least seven areas of responsibility ranging from the Big Four to organizational development, training, and HR analytics. Rather surprisingly, only 63% of Talent Management functions claim all four elements of the Big Four under their purview.

This wide dispersion of responsibilities means that the typical Talent Management professional must focus on many activities that aren't clearly adding value. In fact, only 48% of a Talent Management professional's day is spent on the Big Four (Figure 10). This means that, as Talent Management functions received greater investment, the function expanded its responsibilities instead of prioritizing the investments that would yield the largest benefit – the Big Four (Figure 9).

For which of the following areas is your organization's Talent Management group responsible?

Figure 9



Within an average day, what three areas consume most of your Talent Management team time?
Figure 10

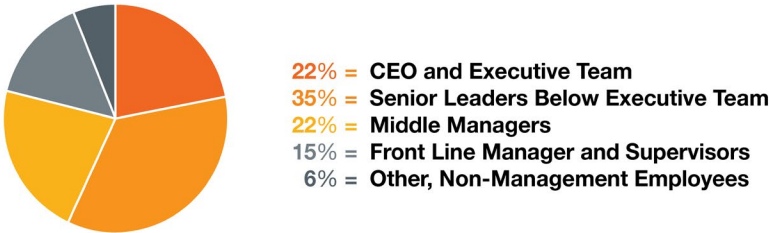


Prioritizing Resources (Time & Investment)

A lean Talent Management team with many areas of responsibility suggests that Talent Management can't serve everyone equally. Indeed, Talent Management prioritizes their processes and resources primarily on the organization's Senior Leader population. Over half (58%) of processes and resources focus on the CEO, Executive team, and Senior Leader team one level below. Less than a fifth of the Talent Management functions state their processes and resources support front-line managers/supervisors and below.

In your organization, Talent Management processes and resources are primarily focused on which groups?

Figure 11



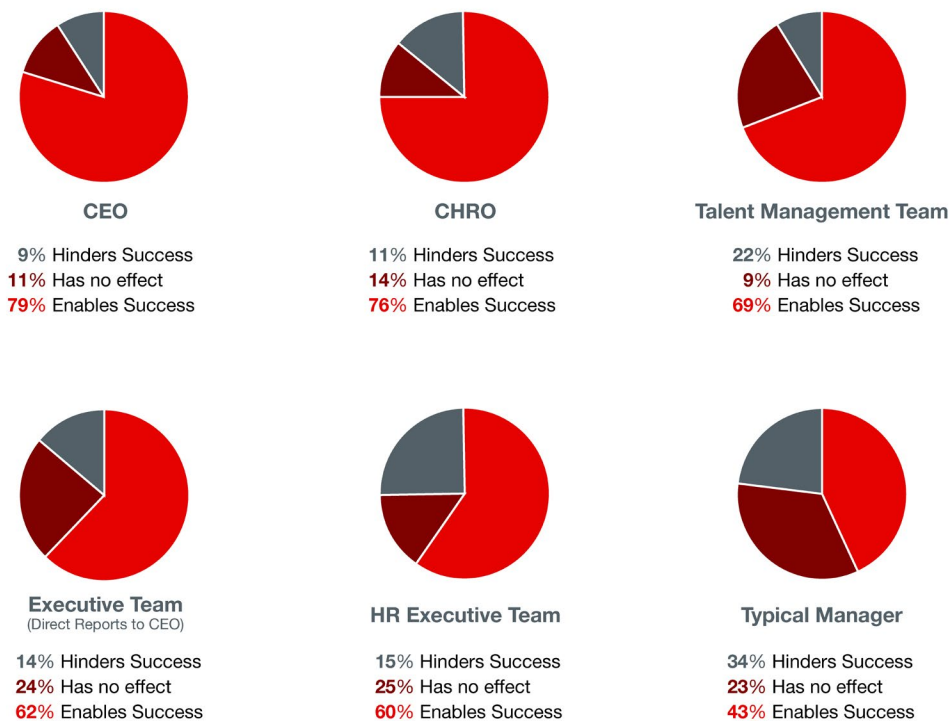
Business Support and Sponsorship

Talent Management Commands Business Support and Sponsorship

Given the concentration of resources on the most senior population, Talent Management maintains a great deal of business support and sponsorship from the senior populations of a standard organization chart. 79% of organizations state their CEO enables the success of the Talent Management team, the highest enabler of the success of all levels of the organization. Similarly, the CHRO and Executive Team (Directs of the CEO) broadly enable the success of Talent Management with 76% and 62% actively enabling the success of the function (Figure 12).

Does the following hinder, enable or not effect the success of your Talent Management program?

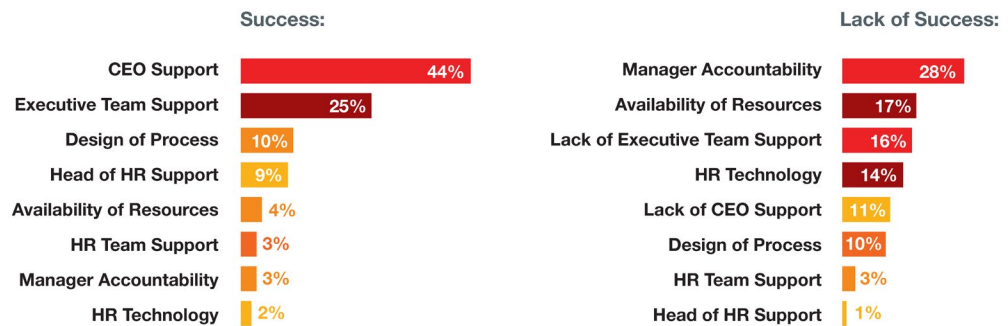
Figure 12



Additionally, the support of the CEO and Executive Team are rated by 69% of our survey participants as the two largest factors in making Talent Management successful.

What factor is most responsible for the success, or lack of success, of your Talent Management practices?

Figure 13



Perception vs. Reality

Business support and process are perceived as the factors most responsible for the success of Talent Management. In juxtaposition, lack of business accountability is the component most responsible for lack of success. Despite HR Technology commanding a disproportionate share of the public dialogue in Human Resources, just 2% of organizations state their HR Technology was an enabler of success, and only 14% of organizations state their HR Technology was the factor most contributing to their lack of success (Figure 13).

Talent Management Achieved the Era 2 Objectives

Thus, by the end of 2017, Talent Management fulfilled its Era 2 Objectives:

1. Talent Management obtained **widespread adoption** by the vast majority of organizations
2. **An influx of resources** (staff and investment) funded the growth of Talent Management as organizations competed for higher performance through talent
3. Organizations began to apply those resources towards the most senior population of leaders
4. Talent Management **fostered the business sponsorship from executives** necessary to introduce Talent Management at scale

These combined factors strongly suggest that Talent Management is now an established function.

2017 Catalyst: The Battle for Value

By the end of 2017, Talent Management experienced a moment of truth: Despite the progress realized to date, the effectiveness of Talent Management remains highly variable and mostly unchanged from the first State of Talent Management survey in 2007. Organizations assessed their Talent Management functions to be of moderate effectiveness, only slightly improved from 2007. And, unlike in prior years, Talent Management resources weren't projected to grow in 2018.

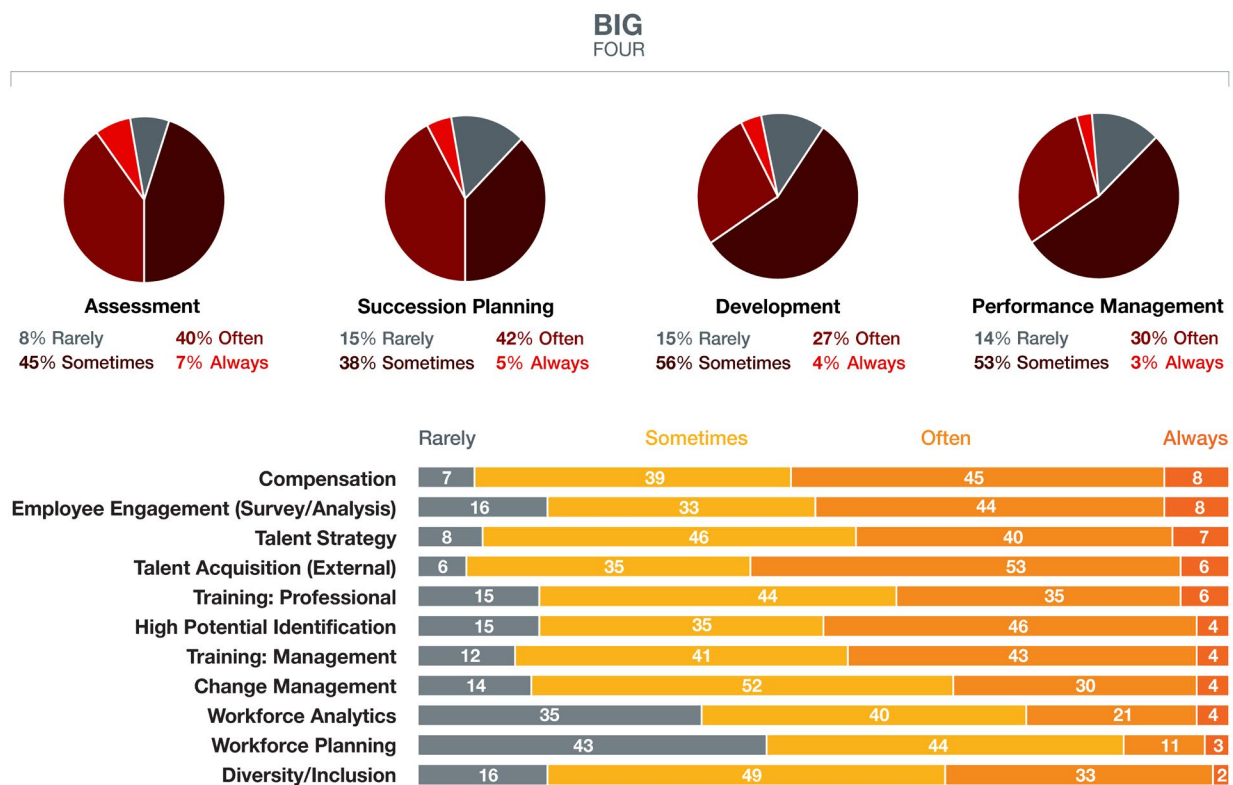
Talent Management Effectiveness

Stagnant Effectiveness Pervades Talent Management

The typical Talent Management function is rated as “Somewhat” effective with less than 5% stating their Talent Management function is “Always” effective. Similarly, the

How often are the following Talent Management practices effective?

Figure 14

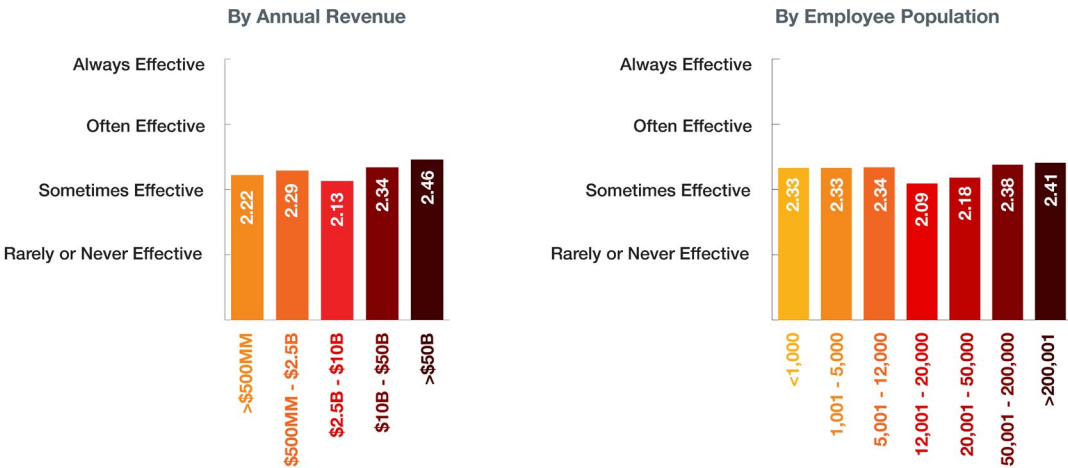


satisfaction levels for the Talent Management function remains low with the average satisfaction level being “Somewhat” to “Moderately” satisfied. Only 3% of organizations claimed to be “Extremely Satisfied” with their Talent Management function (Figure 14).

Bigger organizations are not meaningfully more effective than their smaller counterparts. Organizations with \$10B+ revenue were found to be just as effective as those with less than \$500MM in revenue. Larger organizations saw no advantage in accurately predicting potential, retaining high potential talent, creating highly engaged leaders, or setting challenging performance goals than the smaller counterparts. Similarly, organizations with 5,000 or fewer employees are not more or less effective than those with 20,000 or more employees.

How effective are your Talent Management practices?

Figure 15



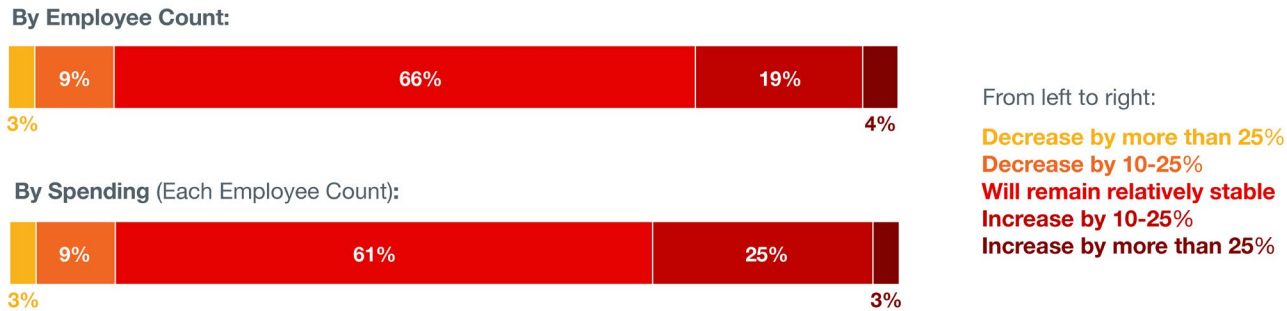
Stagnation of Talent Management Resources

Our research suggests the current makeup of the Talent Management function will be the norm; Talent Management has reached its normal operating structure in most organizations.

Whereas in our inaugural State of Talent Management report in 2007, the average Talent Management function expected a 25% or more increase in staffing, every report thereafter saw a marginal decline in an increase of Talent Management staff. By end of 2017, Talent Management reached an equilibrium where the average function expects a 2% increase in staff and a 3% increase in spending for 2018. This nominal increase in investment is further inflated by smaller organizations; once organizations with annual revenue of less than \$2.5B annually are removed, there is no expected change in investment for the Talent Management function (staff or spending).

In the next year, how do you expect your Talent Management function to change?

Figure 16



Talent Management’s Battle for Value

With an expectation of stagnant resources, and effectiveness ratings making little progress since our inaugural report in 2007, the open question for Talent Management is, “What comes next? How will Talent Management achieve its full potential as the strategic driver of Human Resources value to the organization?” This emerging environment, which we call the Battle for Value, ushers in the next frontier for Talent Management – Era Three: The Impact Era.

ERA THREE: Impact (2018 – Beyond)

The Impact Era takes us from the Battle for Value through the promise of Talent Management realized.

Where in 2007, merely having a Talent Management function served as a strategic advantage, organizations over the next Era will differentiate themselves by driving consistent efficiency and effectiveness in their HR and talent practices. For Talent Management to succeed in this journey and fulfill its promise of delivering increased organization performance through talent, we suggest three foundational goals:

- **Execute the Fundamentals:** Drive impact by ruthlessly prioritizing the build and effectiveness of the Big Four.
- **Invest in the Best, Mechanize the Rest:** Maximize impact through the effective application of the Big Four at scale.
- **Increase Talent Building Capability:** Elevate the capability of HR and business leaders to better assess, develop, and manage talent.

Execute the Fundamentals

Talent Management has a very clear mandate – provide sustained, maximum performance by attracting, retaining, developing, and maximizing the performance of talent. From the Gladiators to the present day, the pathway to achieving this mandate flows through the fundamentals of the Big Four:



Performance Management: Increase/upgrade individuals' contribution to the business through goal setting, coaching/feedback, and reviewing



Assessment and Feedback: Generate objective data about an individual that allows the organization to better differentiate their investment



Succession and Talent Planning: Ensure the organization has a deep bench of talent for their most critical roles



Development and Coaching: Improve/upgrade individuals' capabilities and behaviors that increase performance

And yet, as Talent Management gained prominence in Era 2, a dissonance between the mandate and reality emerged. Resources (staff and investment) flowed into Talent Management, but functions



allocated the additional resources to expand the scope of Talent Management as opposed to build the foundation and increase the effectiveness of the fundamental Big Four. As a result, some 37% of Talent Management functions claim one or more areas of the Big Four outside their area of responsibility. This despite the average Talent Management function hosting over seven areas of responsibility.

Said differently, over one-third of Talent Management functions don't manage the four fundamental elements of Talent Management and by default lack efficient, effective, and consistent application of the Big Four. As a result, the effectiveness of Talent Management remains mostly unchanged from the first state of Talent Management survey a decade ago.

Much of the public dialogue in Human Resources and Talent Management is on the next groundbreaking innovation – the promise of the Future of Work, Analytics, AI, etc. And yet, very little of the public dialogue is spent on how organizations are missing the fundamentals – and don't have a plan to close the gap. In order for us to seize the Future of Work, realize the promise of Analytics, and revolutionize the workforce through AI, we first need to execute on the fundamentals.

Ruthless Prioritization

Therefore, in the words of Jeffrey Pfeffer and Robert Sutton², Talent Management is in the midst of a Knowing-Doing gap. To succeed, the function must establish a strong foundation that drives impact and adds value at scale to the organization. This is accomplished through the ruthless prioritization of the Big Four of Talent Management:

- **Establish** the foundational Big Four at scale in the organization
- **Optimize** the Big Four at scale so that performance of talent is increased, there is an accurate assessment of talent including the high performers and high potential talent for which the organization can disproportionately invest, there is a credible and deep bench of talent for the organization's most critical roles, and the organization

2. Pfeffer, J., & Sutton, R. I. (2000). *The knowing-doing gap: How smart companies turn knowledge into action*. Boston, Mass: Harvard Business School Press.

develops talent in pursuit of increased performance and readiness for future roles

- **Expand** on the Big Four to drive additional value and impact through analytics, AI, and other potential innovations

The stakes for ruthlessly prioritizing are high. An organization that optimizes process before establishing the Big Four at scale will hit road blocks as they find their processes lack employee ownership and depreciate in value. An organization that expands to additional areas of responsibility before optimizing will find their Talent Management efforts lack effectiveness, and thus render their expansion ineffective.

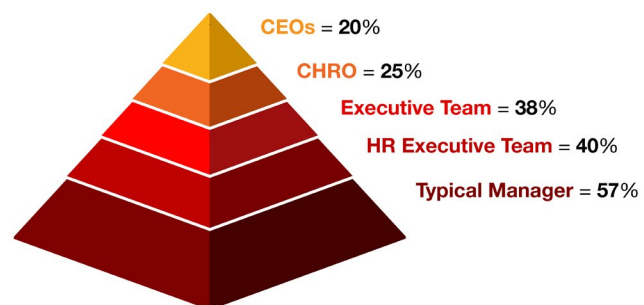
It's the organizations that create a talent-first culture of consistently and effectively applying the Big Four at scale that will have a credible understanding of talent from which to drive impact.

Invest in the Best; Mechanize the Rest

Talent Management today commands high levels of executive sponsorship but lacks support and sponsorship at lower levels of the organization. Over a majority (57%) of typical managers are perceived to be **actively hindering**, or at best, simply not having an effect, on the success of Talent Management.

Actively hinders or has no effect on the success of Talent Management

Figure 17



The result of this waning support of Talent Management is that the organization's ability to credibly attract, develop, retain, and maximize the performance of talent is hampered. At scale, the Talent Management function cannot reliably manage the performance of talent, assess talent, develop talent, or plan for the talent (succession/talent planning).

Mechanize Talent Management at Scale

To crack the code, organizations must successfully mechanize the Big Four Talent Management practices at scale – driving for adoption and quality across each Big Four pillar. By following the ABCs, organizations can more successfully foster support across all levels of the organization and mechanize Talent Management at scale:

Accountability: Establish accountability across all levels of the organization. Create accountability for the employee and manager to own and produce a desired Talent Management outcome, accountability in the HR Business Partner to drive adoption and quality in the business they support, and accountability in the Talent Management function to produce business-first, simple, actionable Big Four practices.

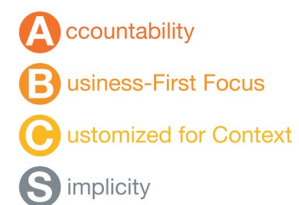
Accountability means there's a clear owner and outcome, and that a positive or negative outcome translates to positive or negative reinforcement. As outlined in a recent Talent Strategy Group article on accountability, the **Accountability Ladder**, “the challenge is that few companies actually hold their leaders accountable to flawlessly execute the Talent Management fundamentals.” Without accountability at scale, there can be no guarantee of impact at scale.

Business-First Focus: Clarify the business outcomes of the Big Four practices. The pathway to driving impact through Talent Management is through a command of the business, its challenges, and how Talent Management may support a more successful business outcome. There is not an entitlement for Talent Management (or any of its respective processes/practices/tools/concepts) to exist in any organization. Talent Management exists to solve business problems. Clarify the business outcomes of the Talent Management processes and design with this relentless focus on business impact in mind. Consider asking questions like:

- What is the goal for this process?
- How would employees experience the organization differently if the process is successful?

The ABCs of Talent Management

Figure 18





- How will we know the process is driving the intended business impact? How will we know if it is not?

If there is no evidence for a practice driving business impact, and it is not critical for mandatory purposes (such as regulations), consider cutting the practice/process.

Customized for Context: Increase the impact of Talent Management through science and context. Start with the science – the aspects of Talent Management and human performance that are consistently proven in replicable environments (e.g., goal setting as a driver of individual performance). Allow these science-based aspects to guide design. Where science/research-based information is not available, design for *the organization's* context.

Often, **organizations seek benchmarks** or, recently, look towards the FAANG companies (Facebook, Amazon, Apple, Netflix, Google/Alphabet) to guide decision making and design. While this pursuit is helpful in identifying potential approaches to explore, mirroring an approach of another organization without the appreciation for their unique context is a recipe for disaster. Every organization is a living ecosystem that operates differently than every other organization. What works at Company X does not necessarily transfer to another organization's context. If an approach does transfer universally, then the approach would be considered science and/or backed by repeatable research. In the absence of science/conclusive research, be guided not by the benchmark or the approach of a favorite high-performing stock, but by what will drive the most impact given the organization's current state and desired future state.

Let's not forget that Talent Management is in a Battle for Value. This means that Talent Management is not only in an internal battle to drive impact within the organization, but an external battle to drive impact that exceeds the organization's competition. Emulation of others is the surest path to mediocrity and average results.

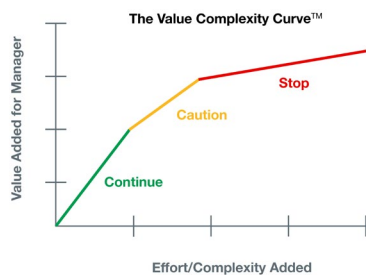
Simplicity: Increase the impact of Talent Management by simplifying HR and Talent Management processes. The call for simplifying HR originally came from the book *One Page Talent Management* by Marc Effron and Miriam Ort. The conviction to simplify HR came from the thesis that "business

leaders are far more likely to engage in a simple talent process than a complicated one, and talent practices are only valuable if they are utilized.”

However, simplicity is not the end goal. After all, the simplest approach to Talent Management is no approach at all! There must be a continual compromise between effort/complexity and value. When a process drives greater value than it does complexity, a process should be implemented. Thus, driving greater simplification in Talent Management will increase the balance of value relative to effort/complexity, and increase the viability of Talent Management’s pursuits.

Organizations that adopt the ABCs find the balance of simplicity and value to be a challenging balance to strike. Consider charting every aspect of Talent Management against the Value/Complexity Curve™ and asking the following questions:

Figure 19



- Does each element (of the process, step, box on a form, etc.) add more value than complexity?
 - Do all of the elements together add more value than complexity?
 - Is the element driving maximum value? Are we leveraging the facts/science (where possible) to guide the elements?
- If the answer at any stage is no, consider simplifying the element.**

Focus on the Best

With the foundation of the Big Four mechanized at scale, Talent Management will have impactful Talent Management practices in place that maximizes the performance of all talent, provides a credible assessment of the performance and potential of talent, outlines the organization’s talent and succession pipeline, and develops talent in pursuit of performance and increased readiness for roles.

These inputs allow Talent Management to more accurately identify the highest performing and potential talent in the organization and disproportionately invest (with their focus and resources) on this critical population of talent. That’s not to say that organizations shouldn’t actively attract, develop, retain, and maximize the performance of all talent, but instead that a differential focus on the high performers and high potential talent in the organization will have a differential impact on business results. It’s with the high potential and performing talent that Talent Management has its highest ROI (return on investment).

Increase Talent Building Capability

Driving a new level of impact necessitates that Talent Management practitioners, Human Resources leaders, and business employees and leaders must act in new ways. Talent Management practitioners must act strategically to achieve the Big Four of Talent Management at scale. Human Resources leaders must act as champions and accelerators of the journey, supporting and reinforcing action and capability. Business leaders must act as capable and accountable executors of Talent Management fundamentals.

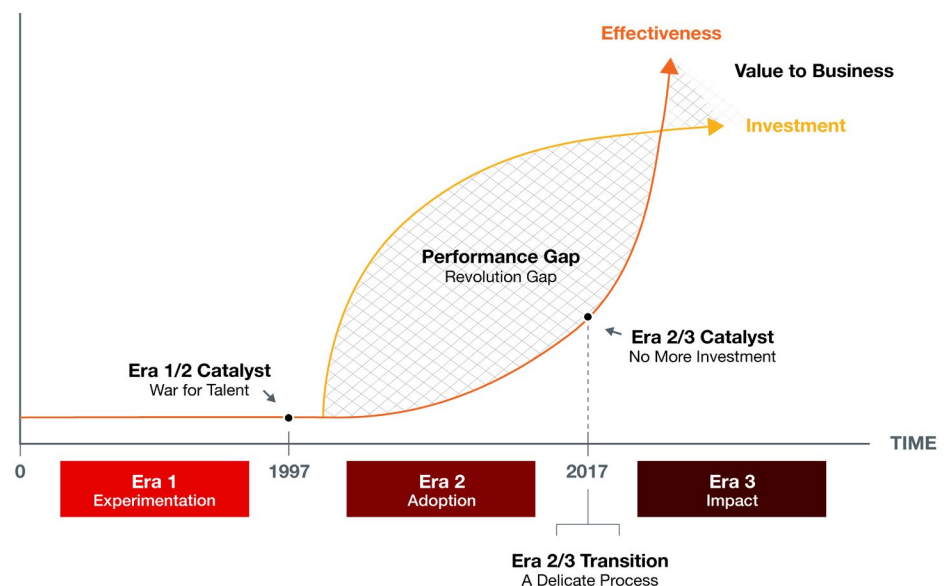
To drive impact, Talent Management must also focus on building capability in all employees to drive effective outcomes of process. Excellent process without capable talent to operate the process results in an ineffective outcome. Start by building a Talent Mindset across Talent Management, HRBPs, and the business. Next, define clear expectations for the future. With the new expectations outlined, invest in developing capability of employees, managers, and HR to meet the newly outlined expectations.

What to Do Now

The Talent Management Revolution outlines the history, current state, and future of Talent Management necessary to drive value to the organization. While there's been progress to date, Talent Management is at the precipice of driving tremendous value to the business.

The Talent Management Revolution

Figure 20



To achieve this potential in your organization and win the Battle for Value, start by asking these questions:

1. Are we focused on the few, most important things?

Conduct a personal audit of the Big Four:



Meets standards



Partially meets standards



Fails to meet standards

Practice:	Accountability:	Business-First Focus:	Science-Based:	Exhibits Simplicity:	Builds Capabilities:	Effectiveness/ Impact:
Performance Management	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Assessment	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Succession and Talent Planning	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Development	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

A lean Talent Management team must ruthlessly prioritize their efforts towards areas of the highest impact. **Where significant time is spent on objectives outside the Big Four, create a Standard Operating Procedure to:**

- Delegate
- Automate
- Eliminate

2. Are we focused on the right people?

Consider answering the following questions:

- Are Talent Management's processes driving a credible assessment of the organization's high performing talent?
- Are Talent management's processes driving a credible assessment of the organization's high potential talent?
- Is Talent Management disproportionately investing in attracting, developing, retaining, and maximizing the performance of the highest performing and potential talent?

3. Is Human Resources able to drive the Talent Management agenda?

Human Resources should be champions and drivers of the Talent Management agenda. Are you developing your Human Resources team (HRBPs, Leadership, Talent Management, etc.) to exhibit the capabilities necessary for success?

Role	Definition	Displays (Y/N)	Key Action Steps
Business Junkie	Knows the business and loves the business		
HR Disciple	Has comprehensive, first-hand knowledge of Human Resources disciplines		
Production Manager	Can build and consistently execute talent production processes		
Talent Authority	Understands the backgrounds, strengths, weaknesses and development needs of top talent		
Trusted Advisor	Uses credibility and relationships with executives to influence key decisions		
Courageous Advocate	Is appropriately aggressive to advance a point of view on talent, independent of its popularity		

4. Does the business have the capability and accountability to drive talent initiatives?

The business must be capable and accountable for driving Talent Management outcomes in order for Talent Management to be successful at scale. Does the business exhibit the capabilities necessary to advance the Talent Management agenda?

Leadership Role	Definition	Displays (Y/N)	Key Action Steps
Talent Evangelist	Deeply believes better quality talent produces better results and spreads that view broadly within the organization		
Active Investor	Frequently reviews the quality and mix of talent on their team and makes timely choices about where to invest		
Talent Accelerator	Uses big, challenging experiences to accelerate the development of their team		
Performance Driver	Uses incredibly high performance standards as a tool to develop new capabilities in their team		
Talent Scout	On a 24x7 hunt for talent, internally and externally, and who builds strong relationships with the field's best talent		
Transparent Coach	Regularly and directly provides feedback and guidance to improve performance and behavior		

Appendix: About the Data

Our Methodology

194 individual responses make up this survey, and we conducted IP analysis to identify any potential duplicate responses.

We requested revenue data, organization employee count, and the geographic makeup of participants.

Participant Data

Figure 20

