

TALENT PHILOSOPHY

Our Discussion

We will discuss:

- What a Talent Philosophy is, why it matters, and how to build a Talent Philosophy
- Examples of Talent Philosophy in practice
- Tips & tricks in implementing a Talent Philosophy that drives business impact
- Answer your Talent Philosophy questions

Hi, I'm Zac

CONSULT



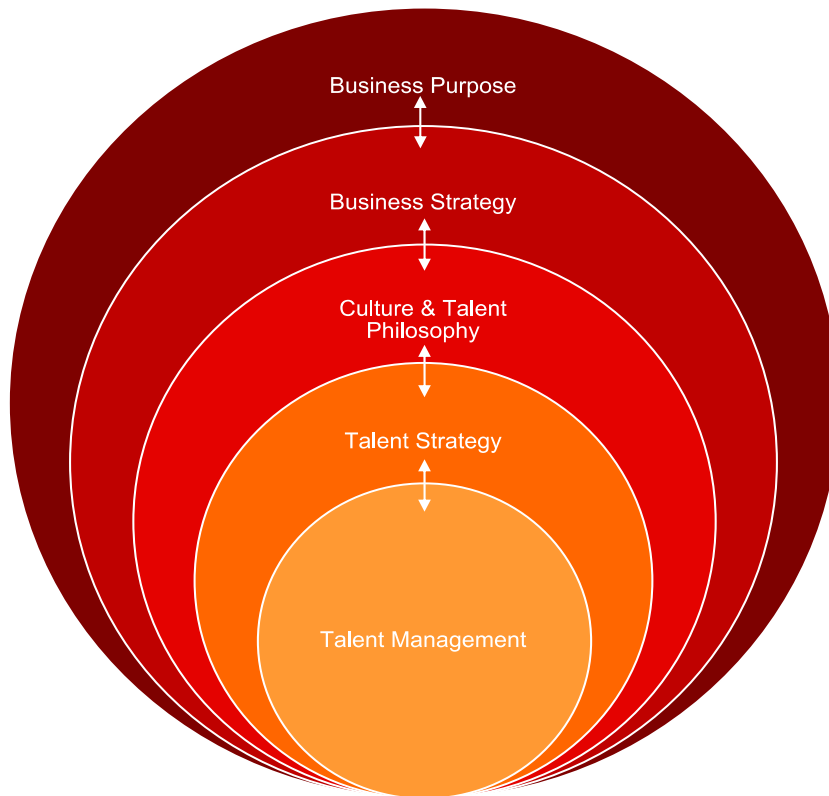
DEVELOP



RESEARCH



BUSINESS ECOSYSTEM



Business Purpose

- WHY the company's ideas, products, and employees should be rewarded in the marketplace
- Translation of Values to Value Proposition

Business Strategy

- Where to play
 - Where to invest
 - When to invest
- ... in order to achieve the purpose

Culture & Talent Philosophy

What are your standards around things like:

- Performance
- Behaviors
- Accountability
- Transparency
- Differentiation

Talent Strategy

- How to invest
 - Where to invest
 - When to invest
- ... in order to attract, develop, retain and maximize the performance of the org.'s talent

Talent Management

Big Four Practices:

- Performance Management
- Assessment & Feedback
- Succession & Talent Planning
- Development & Coaching

WHAT ARE YOUR RULES FOR MANAGING TALENT?

Are there clear “rules” at your company about . . .

- How long is it OK to be an average (50th percentile) performer? How long it's OK in a key role? What about an underperformer?
- How accountable is a manager to increase the quality and depth of their team?
- How transparent managers should be with their direct reports about their potential to advance in the company?

**EACH OF US HAS PERSONAL OPINIONS ON THESE QUESTIONS.
THAT'S THE PROBLEM...**

WHY HAVING A TALENT PHILOSOPHY MATTERS

Without a Talent Philosophy...

- Individual biases determine who gets managed how
- There's inconsistent investment in employees who have similar capabilities
- Decisions may appear “political” or “unfair”

**OVERALL, YOU'RE SUB-OPTIMIZING
YOUR ABILITY TO GROW TALENT**

TALENT PHILOSOPHY DEFINED

**A Talent Philosophy is
your executive team's view
for how to best manage talent to
achieve your strategy.**

TALENT PHILOSOPHY

There are five parts to a Talent Philosophy:

1. **Performance:** What are the consequences of higher or lower employee performance?
2. **Behaviors:** How much do behaviors matter for managers and employees? And what behaviors matter?
3. **Differentiation:** How should we allocate the company's resources and rewards across varying levels of performance and potential?
4. **Transparency:** How open should we be with our people about their performance and their potential to advance?
5. **Accountability:** To what extent should managers be responsible to build the quality and depth of their teams?

IT'S THE VOICE OF YOUR EXECUTIVES, NOT HR

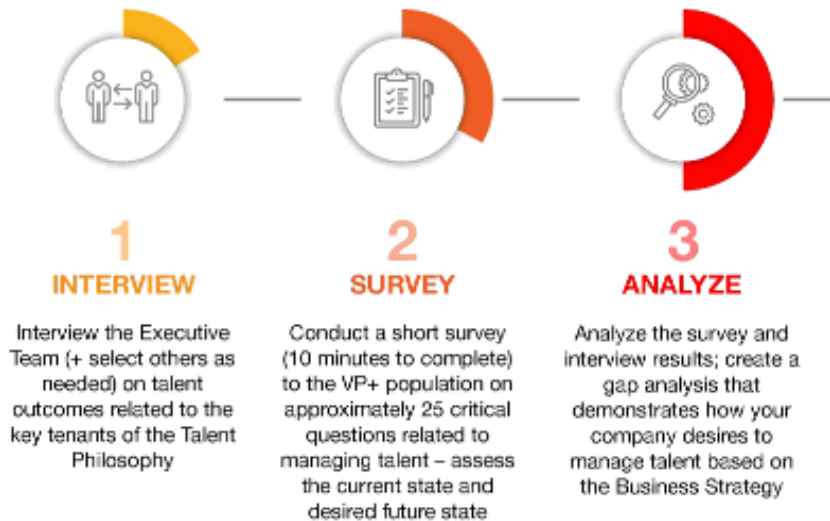
Your executives should identify your Talent Philosophy

- They're closer to the strategy, so more accurate insights
- If these are their rules, they're more likely to enforce them
- They'll avoid the “nice” philosophies
- HR tends to be more idealistic and egalitarian (so says the survey)

A “Typical” Talent Philosophy Approach



A “Typical” Talent Philosophy Approach



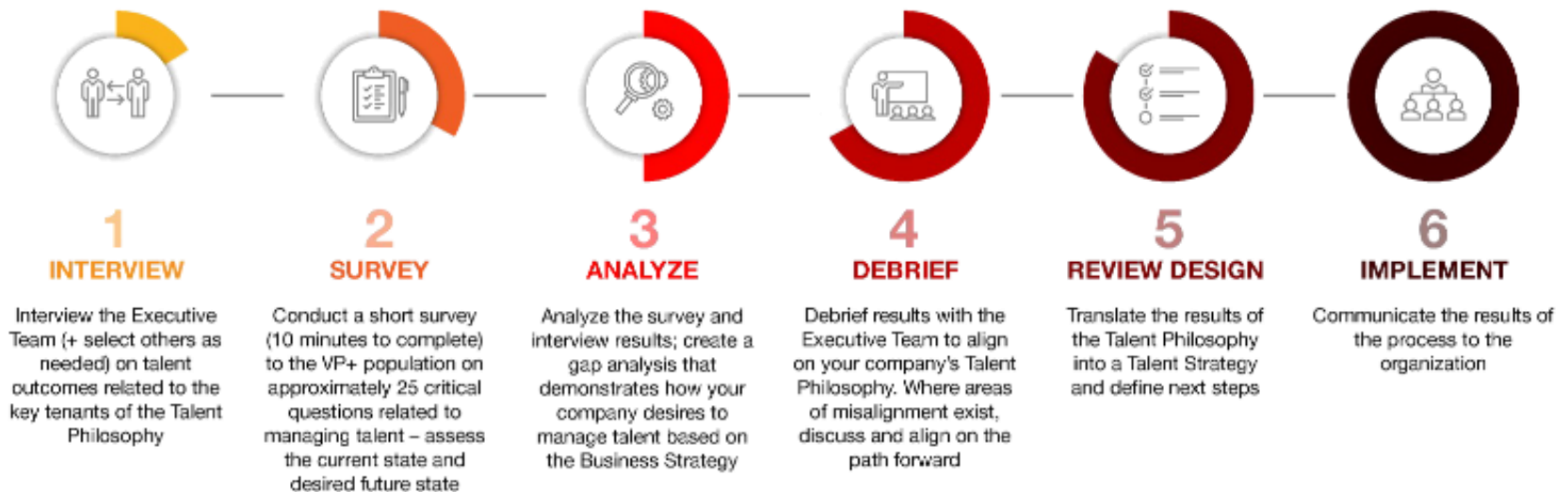
A “Typical” Talent Philosophy Approach



A “Typical” Talent Philosophy Approach



A “Typical” Talent Philosophy Approach



HOW TO USE A TALENT PHILOSOPHY

- **Any time is the right time to ask:** How should we manage our talent to achieve our strategy?
- Before you redesign your Talent Management practices
- Communicate the “rules of the road” to your employees
- Accelerate a culture change, like our example . . .

CASE STUDY

COMPANY A:

Newly independent bio-pharma company

SITUATION:

- Creating new culture to align with business challenges
- Needed to redesign all talent practices to support the business
- Wanted to send clear messages about the new “rules” for Talent Management

ACTIONS:

- Senior team completed the Talent Philosophy survey
- Results indicated desired shift toward higher standards on performance, behaviors, accountability, and transparency
- Redesigned their processes; communicated widely to managers

TALENT PHILOSOPHY EXAMPLE



INTERNAL & EXTERNAL FACING

AbbVie has invested significantly in equipping employees with foundational artificial intelligence (AI) skills, reflecting both the opportunities AI presents and its commitment to supporting employees as work evolves.

AbbVie's talent philosophy holds leaders accountable for building a high-performing organization, and the company provides development opportunities for all levels of leadership.

Source: AbbVie's 2025 Annual Report (Form 10-K)

CASE STUDY

WORKDAY:

The key priority in 2023+ was to *accelerate profitable growth by executing with speed and agility*

IDENTIFIED CHALLENGES:

- Inconsistent talent practice adoption
- Managed attrition under industry benchmark
- Lack of differentiated rewards
- A perceived need for greater transparency

ACTIONS:

- Senior team completed the Talent Philosophy survey and held workshops
- Findings indicated substantive gaps
- Redesigned their processes; communicated widely to Workmates

Dimension	Challenge	New Talent Philosophy
Performance	High performance was in Workday's DNA. But manager flexibility for driving performance created confusion around what success looks like and how to get there.	Individuals set increasingly ambitious goals supported by systemized coaching and feedback.
Behaviors	Core Values are revered in the Workday culture. But people had different interpretations of those values, and the ambiguity made it challenging to ensure consistent accountability across the organization.	With greater clarity around what our values look like 'in action,' Workmates demonstrate values consistently; how we work is just as important as what results are achieved.
Differentiation	High performers were inconsistently recognized and rewarded, resulting in perceived equity and engagement challenges.	The company has consistent standards and guidelines to drive desired differentiation; we make people investments and rewards aligned to Performance and Potential.
Transparency	The inputs to talent practices often appeared disconnected from the outputs. Workmates wanted to know how they were doing and what it would take for them to advance in their careers at Workday.	Workmates are educated on talent practices and outcomes; they know where they stand through regular feedback and honest conversations with their manager.
Accountability	The why, what, and how of talent was held too closely. Many people managers were unaware of or inconsistently following recommended practices.	There is clarity and accountability for People Leaders and what is expected of them, tied directly to the talent practices.
Development	Learning and development were encouraged but Workmates did not have clarity on the skills or experiences needed for career growth at Workday.	The company prioritizes talent investments and development tactics for key employee segments and increases our risk tolerance for stretch assignments.

RESULTING IN ALIGNED PROCESSES

3 High-Impact Talent Practices



TALENT PHILOSOPHY REFLECTIONS

“With survey and interview data, we could see that leadership had distinct and different views on the current state of Talent Management across the company – yet were highly aligned on the future state,” said Sheri Rhodes, Chief Customer Officer, Workday. “These conversations were much needed.”

Source: Sheri Rhodes

“Workmates and people leaders now have clarity about what is expected, they know how to take action, and importantly they understand why our talent practices matter.” said CEO, Carl Eschenbach. “Speed is everything in the technology industry – and when Workmates are aligned with their People Leader, it helps accelerate our Workmates’ development and our business.”

Source: Carl Eschenbach, Former CEO Workday

Year One Results

87%

of Workmates with
2024 contribution goals

94%

of Workmates that
have regular check-
ins

35%

decrease in Workmates
dissatisfied with their
growth and career path

100%

adoption by the
Executive Committee of
performance distribution
guidelines

90%+

Top 10% of tech
companies on
engagement

100%

of pay ranges listed on
job profiles in the United
States and Canada

Or if you want to be really aggressive . . .

- **People are Productive in 30 Days.** Our new hires know what MVP performance looks like by week one, are able to strongly contribute within 30 days, they know where to find necessary information, and they feel that they have been genuinely welcomed to the [COMPANY].
- **Extend Excellence, Expect Greatness, Exit Underperformance.** Give high performers outsized access and attention and set stretch goals for all. You can't go more than one quarter as a low performer without being reviewed for a Performance Improvement Plan (PIP). You can't go more than two quarters as a low performer, period.

MAKING IT REAL

Strong Results, Poor Behaviors



Derailing Dan

HISTORICAL BACKGROUND:

Dan is new to [COMPANY], having joined 11 months ago with a mandate to drive change and performance. So far, he's consistently exceeded metrics and delivered results. He is seen as resourceful, customer-first oriented, and accountable, with a willingness to push the envelope to produce results. Leaders have been impressed with his impact and experience Dan favorably. However, there are rumblings by peers and directs in how he engages with others. They perceive him as abrasive and overly directive. While intellectually sharp, he can come across as condescending and dismissive, prioritizing his own perspective and limiting collaboration. This has led to some complaints and increased team attrition.

FUTURE STATE TALENT MANAGEMENT IMPLICATIONS:

Results	• Dan is average performing as measured by his results and behaviors. He feels pressure to increase performance: his behaviors. • He receives frequent feedback and coaching from his manager on how he can improve his behaviors and that the increased demonstration of behaviors should not come at the expense of a negative change in results.
Behaviors	• His performance is formally reviewed (and calibrated cross-function/business) annually. • His potential is reviewed and calibrated annually (cross-function/business) through an enterprise Talent Review process.
Differentiation	• He receives average recognition and rewards as compared to others as an average performer, impacting his base (merit), bonus, and equity; receiving 100% of target in merit increase, bonus, and equity. • He receives development investment focused on increasing his performance (behaviors) in role/level before further investments in Dan are made.
Accountability	• Dan's manager plays an active role in driving performance and coaching Dan on behaviors. • He is accountable for his role in core people processes like goal setting, providing frequent, high-quality feedback, and developing direct reports/successors.
Transparency	• He knows that he is delivering results but that his behaviors are limiting overall performance. • He understands that continued display of sub-optimal behaviors will limit his performance assessment, compensation, and job security. • He knows that not improving his display of behaviors within 90 days will result in exit from [COMPANY].
Development	• Dan owns his own career development, supported by his direct manager. • He will not have access to specialized development programs (HiPo programs) or high-impact initiatives (special projects, cross-functional movement, senior leadership exposures, etc.) until behaviors improve.

WHAT SUCCESS LOOKS LIKE

- **Employees** have clarity on performance expectations, what is needed to reach their career aspirations, and they are committed and inspired to develop and go above and beyond to deliver the strategy.
- **Managers** are given resources/capability building and serve as talent coaches that clarify expectations, and give regular, transparent feedback, recognition, and guidance on what is needed to develop their people. They manage consistent with the Talent Philosophy.
- **The Company** is a place where people love to work and where we are recognized as a magnet for the best talent.

IMPLEMENTING A TALENT PHILOSOPHY



**ALIGN
PROCESSES**



**DRIVE
ADOPTION**



**SCALE &
IMPROVE
QUALITY**

**ROLE MODELED BY EXECUTIVE DECISION MAKING...
WITH CONSISTENT, FREQUENT REINFORCEMENT**

This is great theory...
What are your actual
questions, comments,
concerns?