

# Talent Management and Creating High Performance Organisations

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There are many options for transforming organisational performance, but general initiatives such as corporate restructuring are time consuming, expensive and disruptive. By the time they are implemented requirements may have changed. There is also a risk that if opportunities arise, or priorities change, during a transformation journey an organisation might not be ready to seize them or take appropriate action.

In seeking to create a high performance organisation an increasing number of boards and senior management teams have embraced 'talent management'. However, many corporate adoptions have involved 'top down' management and monitoring, rather than the provision of 'bottom up' help and support.

The importance of people is frequently mentioned in the speeches of chief executive officers. It has been alluded to in generations of Annual Reports. The term 'talent management' is relatively recent in comparison. Is it just another management fad? Will it go the way of other fashions as new preoccupations emerge, or will it endure and have a significant impact upon the future performance of organisations?

## Experience of Talent Management

Hitherto much of talent management has involved a focus on 'high fliers' and 'future leaders' and investment today for future benefit. Boards have endeavoured to reconcile a continuing desire to build talent and capabilities over the longer term with the need for short term savings and current viability.

A 2008 survey by Hewitt Consulting of 240 organisations found that "most of the companies surveyed are failing to see an adequate return on their investment in talent management" and "many HR functions have yet to demonstrate the true value of the talent management processes and programmes that have been developed over the past decade". The findings of a new report *Talent Management 2* by the author and available from Policy Publications outlines a quicker and more beneficial approach.

The evidence and experience examined suggests the approaches many organisations have adopted are costly and doomed to disappointment. More encouragingly, a practical and much more affordable way of quickly achieving multiple corporate objectives and measurable benefits for people and organisations is being overlooked.

Many talented people – and indeed people in general – are prevented from achieving their full potential by corporate structures, processes and technologies, and the management approaches which organisations adopt. In 1997 in *The Future of the Organisation* the author appealed for essential freedoms that could liberate people and enable them to give of their best. For many organisations the issue is how to allow responsible risk taking by talented people.

Some directors exhibit an instinctive reluctance to 'let go', while others articulate a genuine concern for the possible consequences. Talent management as practiced

involves risks, such as whether an individual will fit in and shine in a particular context, or whether talented people will be retained long enough to yield a return on their recruitment, induction and 'fast track' development.

### Recruiting or Building Talent

Should one recruit for a job, or select people who are perceived as having the most potential and build a succession of jobs around them as situations and circumstances change? The latter seems attractive, particularly in dynamic environments. The issue is whether this approach is affordable for sufficient people and roles across an organisation. Could building talent and supporting job roles be more cost effective?

With Talent Management 2 the focus shifts from people to particular jobs and the requirements for success in these jobs. The emphasis is upon: assessing the roles and tasks that will be required; identifying steps in work processes that have the greatest impacts; and ensuring that people in these jobs are enabled to excel by providing them with appropriate performance support.

Finding better people can be problematic. Recruiting and inducting new members of staff can take time and be expensive in comparison with changes of support to enable more to be achieved from an existing team, especially those who are open to taking advice, prepared to learn from their peers, and willing to adopt superior practices.

### The Question of Affordability

Many approaches to talent management are unaffordable, as organisations engage in expensive bidding wars to recruit 'the best people'. Widespread efforts to attract particular skill sets can push up wage and salary costs. It may be far better to concentrate upon understanding critical success factors and capturing and sharing what top performers do differently, especially when a quick response is required.

Maybe the problem is not a focus on talent management but how it is done. The change in emphasis required and the use of performance support justify the coining of the term Talent Management 2. Talent wars like other conflicts can be costly, distracting and involve collateral damage. As the author points out in *Winning Companies; Winning People* performance support makes it easier for average people to understand complex issues and excel at difficult tasks.

While the 'ordinary' person may hugely benefit, by capturing and sharing what high performers do differently, the approach also greatly increases the beneficial impact that 'superstars' at key tasks can have on organisations. It can create a larger return on talent than has hitherto been the case.

Many organisations endeavour to identify high potential and/or future leaders, and this can require considerable commitment and effort. Talent Management 2 does not preclude initiatives to identify those with leadership potential, but it can enable a wider range of people to build upon and complement natural strengths. It can also be liberating and adopted relatively quickly.

A view of what represents 'top talent' can be overtaken by changing priorities and external events. 'Talent' - like organisational structures, policies, processes, infrastructures and technologies - can become quickly out of date. Hence, a requirement for more flexible ways of enabling affordable people to confront and handle tricky and unfamiliar situations, as, when and wherever they arise. In essence, this is what Talent Management 2 and performance support are about.

### Talent Pools as Conspicuous Consumption

The recruitment of people perceived as highly talented and who may or may not be relevant in years to come, resembles Thorstein Veblen's conspicuous consumption. Using his 1899 country estate analogy it is a moot point whether some expensive talent pools are the corporate equivalent of the deer park as evidence of wealth, or the planting of an avenue of trees to show senior managers are thinking of their successors.

Will today's recruits be more committed, entrepreneurial, innovative and creative than the people one might be able to work with at the time specific needs arise, or those who might be able to do what is required with appropriate support? Some 'talent pools' of 'high fliers' appear expensive when the cost of 'fast tracking' is taken into account. Going into the market as needs arise may be cheaper than creating roles for people just to give them a 'development experience'.

An examination of the performance of Wall Street analysts by Boris Groysberg in 2010 suggests that individuals who are identified as highly talented may not necessarily perform at the same high levels when lured elsewhere by higher salaries. Setting out to buy high performance can be expensive if a star in one context may not perform so highly in another. It may be cheaper to work with the people one has and put the right support environment in place to create a high performance team.

Some major companies do endeavour to develop talent, but the cost of this can be daunting for smaller enterprises using 'traditional' approaches. In comparison, the entry 'price' to Talent Management 2 - and implementing a solution for an extensive and scattered workgroup that addresses a critical problem for an organisation - can be around the cost of recruiting and paying the first year's salary of one new hire.

### The Challenge and Opportunity of Exceptional People

Talented people can be costly to recruit and difficult to manage and retain. Colleagues might feel threatened by them. They may appear prima donnas, obsessed with building their CVs and personal careers. Others become bored and discontented when given tasks they feel are beneath them. Giving special treatment to some can alienate others. However, such reactions can change when Talent Management 2 is adopted and a wider contribution is recognised.

Clever people represent a challenge and an opportunity for organisations. They need to be appropriately managed to realise their full potential. Talent Management 2 recognises there may be other people who, while they are not considered 'clever', excel at particular activities. A performance support environment can enable them to push the envelope and help others to emulate what they do differently.

While some of the qualities that people have might be transferable, an exceptional talent in one area may be found to be average in another. Achieving objectives often depends on the skills that are employed in particular jobs, especially 'front line' jobs that have a disproportionate impact on priority areas for improvement and customers.

In short, large amounts can be spent on expensive people who are not engaged, effectively used, or appropriately supported. Sometimes when effective use is finally made of a talented person the individual concerned gets headhunted or moves to another body. One learns that another organisation is reaping the benefits of ones selection, recruitment and development processes.

Staff turnover remains an issue for many organisations. While the efforts of other players to recruit talent can increase churn within a labour market, the focus of Talent Management 2 upon helping and developing existing workgroups can aid retention. People may be reluctant to move when without the support to which they have become accustomed it will be more difficult to learn, develop and do a job.

#### Clever Person, but Ineffective Approach

An individual who shines in one context may struggle in another. Even superstars can have areas of deficiency. With Talent Management 2 the focus on particular jobs and tasks makes it easier to identify high performers, while the support provided can incorporate critical success factors and the superior ways of high achieving peers.

The author's investigations of critical success factors for key corporate activities have found talented people with outstanding qualifications tackling tasks in a 'loosing way', while others with fewer credentials undertake similar tasks in a more effective way. Success often depends upon whether or not, and to what extent, critical success factors are in place and work is done in a 'winning way'.

This finding is particularly stark in bidding. In some sectors, a significant proportion of new business derives from competitive bidding. Success at submitting winning bids can determine whether or not a company survives as a main contractor. Adopting identified critical success factors, for example by using performance support to help bid teams, can have a significant impact on organisational prospects.

#### The Talent Management Process

Talents, competences, qualities or potential need to be relevant and capable of being applied to what an organisation is setting out to do. In this sense, one could envisage a talent management process running from identifying requirements, through activities such as recruitment, induction and training to the deployment and support of talent in various roles. Hitherto, in many organisations, responsibilities for different aspects of the process have been split between service functions and line management.

Recruitment and selection is often the responsibility of an HR team that may also have a brief to consider the wider people needs of an organisation. The deployment and handling of people in operational roles is more likely to be the responsibility of line managers. Talent management tends to focus upon early stages of the process

such as recruitment and development, and activities such as career planning and succession.

The performance of key workgroups can sometimes suffer when experienced staff are replaced by people who are younger and multi-skilled. Capturing and sharing the superior approaches of high performers can address this problem, but also underlines the value of those who over the years have learned better ways of doing things.

Early talent management tends to assume that talented people will stay long enough to repay substantial investment in their development. However there may not be a requirement for so many 'overhead' roles at senior level in the future. Far fewer people in management roles may be required when 'front line' staff can be supported and monitored by other means.

Talent management 2 looks beyond 'high fliers' and is especially relevant to 'front line' support. It integrates learning and working and can enable responsibility across the whole process, supported if required by a range of new computer generated reports. While tactical and local applications can quickly generate significant returns, a joined up and more strategic approach is required to obtain its full potential.

Many corporate programmes and development initiatives fail to engage and many organisations fail to reap the benefits of learning from people who excel in certain areas. The goal is a way of achieving a high performance organisation and multiple objectives with the people one has - average people who do not cost an arm and a leg to recruit and retain - and an existing corporate culture.

#### A Better Alternative

Organisations require an affordable approach which can achieve improved results by taking people as they are, rather than as we would like them to be. Can this be done in such a way that beneficial and quantifiable impacts can be obtained within a few months? Could applications be self-funding within a single financial year?

The *Talent Management 2* report sets out an alternative paradigm that can bridge a gulf between aspiration and achievement. Early evidence from pioneer adopters of performance support suggests it represents a more focused, relatively quick and cost effective way of securing large returns on investment and simultaneously achieving multiple objectives. It can engage people and meet a talent-on-demand requirement.

The approach brings together various elements, from helping people to understand complex areas and making it easier for them to do difficult jobs, to a cost-effective mechanism for providing performance support on a 24/7 basis to people wherever they may be. It has been shown to be relevant to entrepreneurial ventures as well as global corporations in different sectors. It is also applicable to public bodies and can contribute to creating flexible, adaptable and high performance organisations.

Pioneer adopters of performance support are building critical success factors into the processes for key activities and adopting cost effective ways of helping people to emulate the superior ways of high performing superstars. Workgroup productivity and

corporate performance can be boosted to deliver success for organisations and satisfaction for individuals.

### Impacts and Implications

Providing better support can enable more to be achieved by fewer and less costly staff. People can be enabled to handle more complex cases. They feel more confident and 'in control'. By making it easier for staff to do difficult jobs performance support reduces absences due to stress and the requirements for overtime and additional help.

Incorporating critical success factors and best practice from elsewhere enables access to external talent. The results of 'crowdsourcing' and social networking can be quickly shared across a community in a usable form. Performance support should engage and support conversations and relationships. It complements collaborative approaches and can embrace business partners and user communities.

Talent management 2 unashamedly addresses the development and deployment of talent at the point at which work is done in order to increase value, performance and compliance, and reduce cost, risk and stress. It also addresses certain problems of current approaches. For example, one should be better equipped to benefit from higher performers and ensure their legacy continues should they wish to leave.

In place of 'investment' in acquiring talent and 'potential' for an unknown future, there is a focus upon boosting the performance of today's key workgroups and quickly delivering multiple benefits for both people and organisation. Doing this in a cost-effective, flexible and sustainable way, and ensuring people stay current and employ good practices, may be the most reliable guarantee of continuing relevance and vitality. Instead of hoping for the best one takes steps to be the best.

### Revitalising Core Talent Management Activities

As well as building talent and boosting performance, Talent Management 2 is also applicable to core talent related activities such as recruitment and selection. For example, consulting engineering firm Mouchel was not attracting enough applicants of the required quality to fill available vacancies. On average the company was only receiving 25-30 applications from its annual 'milk round' recruitment activities and the shortfall was inhibiting business expansion.

Performance support, or helping people to quickly comprehend and make more informed decisions, or be more effective when doing a difficult job such as recruitment, is an important component of Talent Management 2. It was used by Mouchel to enable graduating students to quickly understand what it did and the range of current and future work and employment possibilities that were open to them.

The support toolkit that was designed and developed made career opportunities within Mouchel 'come alive'. Over 600 applications were received within weeks of its first publication and use. Mouchel presented Cotoco, the company that had produced the toolkit, with an Oscar statuette to celebrate the project's rapid success. Recruitment within a single annual round would benefit Mouchel for some years to come.

The knowledge framework used to develop Mouchel's recruitment aide can handle information and know-how in a variety of formats. It is therefore particularly suited to widening a talent gene pool and speeding up a selection process. Candidate portfolios and statements, from print documents to aural and video recordings, can be rapidly brought together and shared among a selection team working in different times and places. A greater range of evidence can be collected and examined, irrespective of where candidates are located, and a more open and inclusive process can result.

## Conclusions

Bringing in exceptional people – even if affordable - can create a host of problems if they are not properly managed. Paying for talented people may make little sense for organisations that cannot harness or capture and share what they do differently.

The dangers of current and unaffordable approaches to talent management can be avoided in favour of performance support. It enables relevant capabilities to be built as and when required, can incorporate critical success factors for excelling in key roles, and quickly delivers multiple benefits for people and organisations.

## Author

Prof. Colin Coulson-Thomas, author of a new report *Talent Management 2*, is an experienced independent director and chairman of award winning companies, a member of the business school team at the University of Greenwich and an Adjunct visiting professor in the department of geopolitics and international relations at Manipal University.