The Talent Management Handbook

Building a High-Performing Workforce

pilat

Talent Management

HR processes play a pivotal role in steering the success of any organization. They ensure that the organization has the human capacity needed to realize its vision, mission, strategy, and values.

The scope and remit of HR has adapted and changed over the years but there are key processes that still need to be in place. The range of key HR processes spans the entire spectrum from determining what human resources may be needed, through attracting potential employees, deploying them to maximum effect, and eventually to managing their departure. These processes don't operate in isolation but rather form an intricate web of systematic methods and tools, typically supported by technology. Their design should prioritize alignment with each other and with the organization's goals and strategy to maximize the return on the human investment.

Here, we share our perspectives on **Talent Management**. These are based on our 50+ years of experience as an international HR consultancy and provider of bespoke HR software.

Key HR Processes Map

Talent Acquisition
(attract, select, recruit)

Performance Management

Talent Management
(profiling, deployment, career management, succession planning)

Development Management

Reward Management
(pay, benefits, recognition)

Workforce Planning

Organization Design

Organization Development

Business Planning
(vision, mission, strategy, values, business unit plans)

The Purpose of Talent Management

Talent Management is a set of processes that optimizes the number, quality, and flow of employees through the organization — hence the commonly used phrase, "Managing the Talent Pipeline." But managing the Talent Pipeline starts further back than the metaphorical drilling rig. It starts with the Vision, Mission, Strategy, Values, and Business Unit Plans of the organization, i.e., Why are we here, what do we seek to achieve, and how do we intend to go about that? With those inputs and the current state, Organization Design determines the optimal structure of the organization to achieve both efficiency and effectiveness. Organization Development focuses on improving the organization's capability to achieve success by continually developing, improving, and reinforcing strategies, structures, and processes.

But, continuing our metaphor, "Where should we drill?" and "What should we drill for?" The answers come, in part, from Workforce Planning. This process identifies and defines the future organization's Human Resource needs, determines the best ways to meet them, and describes them in an overall Workforce Plan. This plan can include many different approaches, including changes to the business itself, connecting with new sources of talent, as well as internal processes for identifying, developing, and deploying talent.

Metaphorically, Talent Acquisition serves as the drilling rig. It must Attract, Select, and Recruit the new resources needed to fill existing vacancies or get ready for future Jobs/Roles[1]. Development Management is the process of developing talent to meet the organization's unique needs, and Reward Management handles the compensation for the talent itself. More on all those in other articles.

Our focus in this article is Talent Management itself. Continuing the metaphor, Talent Management is the set of pumps, valves, and controls that continuously assess, refine and distribute talent throughout the organization. Talent Management comprises four specific sub-processes:

Profiling
Accumulating quality data about each Job especially the minimum and preferred capabilities of each Job Holder.

Deployment
Assigning, authorizing, and then, managing an individual's smooth transitions, Onboarding into and Offboarding out of jobs.

Career Management
Balancing the capabilities and aspirations of employees with the Human Resource needs of the organization.

Succession Planning
Ensuring workforce continuity by identifying Human Resource needs, and any risks or opportunities they present, and developing plans to address them.

Let's explore each of those in detail.

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[1] A Job is typically a specific instance of a Role. For simplicity, in this document, we will use Job as the generic nomenclature.

Profiling

An old adage states, "If you cannot measure it, you cannot manage it." That is most certainly true in relation to talent. An organization needs quality data about both future HR needs and the current talent. But, we are currently bombarded, even overwhelmed, with data. Ironically, that leads to difficult HR decision-making. It is even more difficult if the data is of poor quality. So, what is "quality data"? At Pilat, we argue that quality data meet the following criteria:

Comprehensive

The elements of data sufficiently cover the array of factors underpinning the decision to be made. For example, if we are deciding on potential future roles for an individual, we obviously need to know whether they have the requisite capabilities. But we also need to know their aspirations – they quite simply may not want any of those roles!

Valid

The data genuinely define or calibrate the factor being assessed. All too often decisions are made about individuals based on vague opinions or weak indications. For example, an employee's "potential" is often assumed because of high performance in a specific role when the latter might not be a valid predictor of potential to handle the demands at a higher level in the organization.

Reliable

They can be trusted i.e., if assessed again and/or by a different means, the same results would be achieved. For example, assessments of potential are often collected from immediate managers without consideration of their ability to make such assessments.

Differentiating

Sufficient different results are achieved to support decision-making. For example, many organizations appraise employees against a set of Values or Core Competencies when the processes they have in place ensure that all employees score well against those.

Useful

They are relevant and so contribute to the decision. Historical processes often leave scar tissue in that out-of-date factors are assessed, which no longer help with decision-making.

Defensible

They can be used morally and legally in the decision-making process i.e., the assessment dimensions themselves and the means by which the data has been collected are acceptable.

Job Descriptions or **Job Profiles** are needed to define comprehensively the HR Needs in terms of specific jobs and, most notably, the "minimum required" and "preferred" characteristics for any job holders.

Likewise, **Employee Profiles** are needed to define comprehensively their knowledge, skills, experiences and other characteristics to support matching each Employee with specific jobs and identifying development needs.

Profiling is the process(es) that collects, generates, validates, aggregates, makes sense of, and reports on data about (a) the specific Jobs/Roles and (b) individual candidates and employees. Its objective is to produce quality data to support a wide range of decisions about people and their Jobs/Roles.

Profiling Human Resource Needs

Assessments of HR needs are typically encompassed in a Workforce Plan alongside supporting Job[2] Profiles. The Workforce Plan defines the roles that will need to be filled over time to meet the business needs. The Job Profiles define those requirements for any Job Holder, including the capabilities that will enable them to perform well and develop and progress appropriately through the organization.
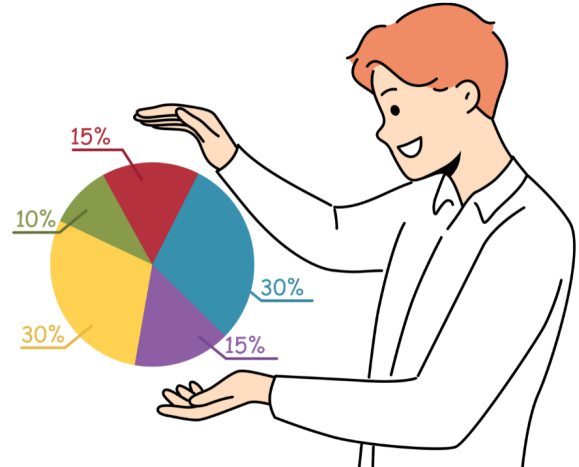
Organizations that are relatively stable or do not require highly specialized talent often do not actively engage in a separate Workforce Planning process. Instead, they assess their HR needs when triggered by means of increased workload, attrition, Succession Planning, or episodic restructuring.

Irrespective of how they are produced, **Talent Management** requires quality definitions for "Minimum Required" (i.e., the capabilities or skills/qualifications, knowledge, and attitudes to perform well in the job) and "Preferred" (capabilities which can be used to differentiate between two or more candidates who fully meet the "Minimum Requirements.") These "Preferred Capabilities" often identify capabilities that will equip the job holder to develop and progress further in the organization and grow into future roles.

Job Profiles typically hold all of the data about a specific Job including, for example, Job Title, Purpose, Key Responsibilities, Location, Reporting Relationships, Pay & Benefits, Terms of Employment, as well as the minimum required capabilities and preferred capabilities. More complex systems also hold, for example, known sources of suitable candidates, typical source and exit career paths, key development solutions, likely professional bodies belonged to, etc.

A variety of tools and technologies can support Job Profiling, such as Job Holder interviews, Job Profile Templates, Job/Task Analysis, Scenario Analysis, Competency Modelling, and Job Evaluation systems.

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[2] Workforce Planning will often produce Job/Role Descriptions each of which cover a number of identical or very similar Jobs. Here we use Job/Role Description/Profile interchangeably.

Questions

1. Do you have Job Profiles for all key roles with "minimum required capabilities" and "preferred capabilities" clearly defined?

2. Is your language consistent between Job Profile requirements and the Employee Profile data you capture, to enable easy matching?

3. Are all Job Profiles readily accessible by everyone, regularly reviewed/updated, and always reviewed when a specific need arises?

4. What data is included in each Job Profile?

5. What could you do to improve the quality[3] of key elements of data held?

6. What additional data would you like to generate or collect? How could you do that?

7. Are the Job Profiles routinely used during Talent Acquisition, Career Management, Succession Planning, and Performance Management?

8. What tools are you using to make the Job Profiles accessible to employees, managers and HR professionals?

Profiling Individual Talent

Profiles of individuals are integral to most HR decision-making processes, including selection, promotion, development, redeployment, reward and recognition, etc. So, the quality of the data is especially important. There is a wide range of methods, tools, and technologies available to generate, collect, accumulate, validate, aggregate, make sense of, and report on such data. Each organization must choose the methods most suited to their needs, balancing simplicity and ease of use with the quality of data required.

Prior to being recruited, candidates usually create their own assessments in the form of curriculum vitae (full history) or resumés (summary of key work-related data). As these data are self-generated and intended to create a positive image, they need to be tested and validated during the **Talent Acquisition – Selection** process. Methods used to validate candidate data can include CV screening, psychometric testing or profiling, various interviewing techniques, knowledge or skill tests, assessment centres, character and work references, etc. Careful selection and application of each method and tool is needed as some can easily introduce biases or produce false positives.

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[3] Remember – Comprehensive, Valid, Reliable, Differentiating, Useful and Defensible.

Once recruited, an employee's validated data is typically accumulated into an **Employee Profile**. Let's look at some examples of the data that is often included.

Personal Information

Full name, contact details, gender identity, preferred pronouns, nationality, passports and visas, religion, different abilities and required accommodations, next of kin details, and emergency contact details.

Personal Capabilities

These may include such things as driving licenses, languages (read, understood, spoken), and even hobbies. They can also include different abilities that may require specific accommodations such as wheelchair-bound, partially sighted, etc.

Education and qualifications

Employee's qualifications, including academic, certifications, professional training, and professional memberships.

Prior Work History

Details of the employee's prior roles such as employer, job title, start and end dates, key responsibilities and any notable achievements. Sometimes, this will also include key competencies used and even reasons for leaving.

Pay and Benefits History

A chronological record of the employee's total rewards packages such as base pay, overtime, bonuses, and cafeteria benefits. This data informs deployment and reward & recognition processes.

Professional Capability (e.g., Skills, Knowledge and Attitudes)

A comprehensive assessment of the employee's capabilities, typically against the organization's competency model (e.g., as developed during Workforce Planning and used in other **Talent**

Management processes) e.g., as defined in the "Minimum Required" and "Preferred" capabilities.

Critical Employee Flag

This identifies whether the organization needs to have a retention plan in place and/or a plan to reduce dependency on this employee.

Critical Role Flag

This is typically fed from a Job Profile and identifies that this Job must be filled at all times and therefore needs a "Ready Now" Succession Plan.

Career Aspirations

The employee's declared career goals, interests and aspirations. This may also include their current Career Plan.

Strengths, Limitations, Derailers and Development Opportunities

These may be expressed in narrative form or as ratings against a competency model. Self, manager and others' views can also be included to provide a more rounded picture. In more sophisticated systems, historical data may also be accumulated. This data informs decisions around development, deployment, career management and succession planning.

Performance History

Historical performance assessments, evaluations and formal feedback.

Potential

Assessment of the employee's potential to advance in the organization. For promotion decisions, this typically takes account of any demonstrated leadership skills and past experiences in leadership roles. Potential may be described in the form of "Potential to …", such as "Potential to move to the next level" or "Potential to move functions."

Performance and Potential are often assessed, or more accurately "described", using a 9-box grid with axes for Performance and Potential. There is a wide range of different ways of defining the two scales and the technology to collect, present, and manage the data.

Succession Readiness and Plan

Evaluation of the employee's readiness to realize their assessed potential e.g., to take on higher-level roles or critical positions within the organization. This can include identification of potential specific roles, grade/level projections, or membership of talent pool(s). Readiness is often described in terms such as "Ready now", "Ready in one year", and "Ready 2 years or more." Other assessments can include the "Risk of leaving" and its likely impact. However, the validity and reliability of most of these "assessments" are often questionable and need frequent checking. They are typically expressions of consensus amongst an immediate manager peer review.
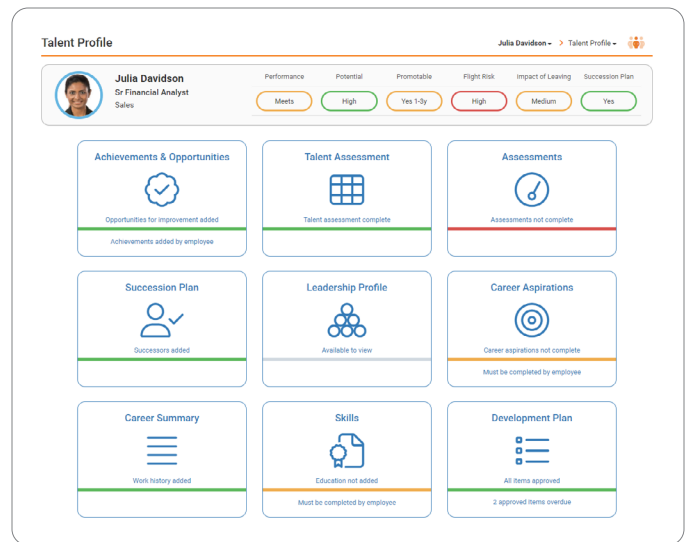
## Training & Development History and Plans

Details of completed, ongoing and planned training and development, typically mapped against the organization's competency model.

Mentorship and Coaching

Details of completed, ongoing, and planned mentorship or coaching for the employee and any coaching or mentoring roles they may have taken on.

Special Projects or Assignments

Details of any special projects or assignments the employee has been involved in, showcasing their ability to handle challenging tasks.
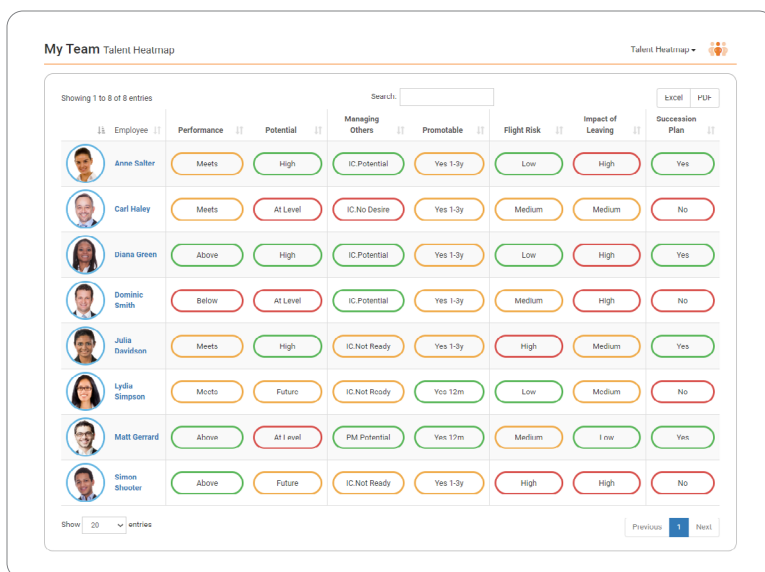
It is not easy to produce quality assessments against some of the above. So, organizations must decide which are necessary for their purposes and the level of complexity and sophistication they need to generate or collect the data. Too complex and sophisticated and the overall assessment process itself becomes a burden and degenerates. Too simple, and the data does not drive quality decisions and so does not get used. Similarly, each organization must decide what technology to deploy to manage the processes and data. Needs invariably evolve and grow with experience. So, tools that can start out simple and become more sophisticated as usage develops are recommended.

Questions

1. What data do you generate or collect about each employee?

2. How is each element of that data generated or collected (source and means)?

3. How is the quality[4] of that data assessed and managed?

4. What could you do to improve the quality[5] of key elements of that data?

5. What additional data would you like to generate or collect? How could you do that?

6. Do the employee, their immediate manager, and the appropriate HR professionals have access to the data they need?

7. Do you review your processes for maintaining Job Profile and Employee Profile data frequently?

8. What tools or technology are you using to generate, collect, analyze, make sense of, and report on the data? Could these be improved?

[4,5] Remember, Quality = Comprehensive, Valid, Reliable, Differentiating, Useful and Defensible.

Deployment

Deployment authorizes and recruits new, or assigns existing, employees to suitable roles and manages smooth transitions throughout their employment.

Most organizations have processes for authorizing new recruits, promotions and other moves, and most pay attention to the importance of **Onboarding** new recruits. **Onboarding** facilitates the seamless integration of new recruits into the organization and their specific jobs and teams. This often includes, for example, extensive coverage of the organization's history, vision, mission, values, strategy, culture, structure and even acronyms and terminology as well as on-job training. But, few organizations pay similar attention to **Onboarding** those current employees moving into new roles. However, this can require similar attention if the transition is to be smooth, existing knowledge is to be transferred from prior Job Holders, and new working relationships developed with key stakeholders.

Questions

1. Do you have a formal process for authorizing new hires and internal moves?

2. Does that process use Career Management and Succession Plans as core decision data?

3. Do you have a clear **Onboarding** process or checklist?

4. If so, does this cover internal promotions and moves?

5. Do you have a clear **Offboarding** process or checklist?

6. If so, does this cover resignations, terminations, and internal moves?

7. Does the **Offboarding** process mesh well with the Onboarding process to ensure smooth handovers?

8. How often are your **Onboarding** and **Offboarding** processes updated and communicated?

Career Management

Career Management balances employees' capabilities and aspirations with the organization's HR needs. It considers things from the employees' perspective and is ideally driven by them.

A typical Career Management process engages each employee in self-reflection, challenging them to identify their relative strengths, limitations, development needs, and any derailers. With that information, it encourages them to identify their aspirations, review how realistic they are, and determine means by which they can develop and drive towards achieving those aspirations.

One of the biggest challenges is encouraging individuals to commit to developing themselves purposefully whilst ensuring that their aspirations are realistic in the context of the opportunities that the organization can provide. In organizations with relatively flat structures, it is useful to encourage employees to think about lateral moves as well as promotions.

Career Management often includes the use of psychometric tests/profiles and 360-degree feedback as additional inputs for the employees. Technology can help to manage this process and also give employees access to such data as Job Profiles e.g., to enable them to self-assess against the "Minimum Requirements" and to gain a deeper understanding of what specific roles would require of them and whether they really want to take them on. Career Management tools can also often enable them to view and sign up for appropriate training and development opportunities, coaching, or mentoring.

Individual Career Plans should be aligned with the Workforce Plan and any Succession Plans. So, oversight by the employee's immediate manager and HR are often needed.

Questions

1. Do you encourage or train employees to manage their own career development?

2. Do you train and equip your managers to have career management and development conversations with their employees?

3. What Employee Profile data do your employees have access to and what can they maintain?

4. How can your employees get updated assessments and feedback on their capabilities?

5. Does your Performance Management process encourage employees to take responsibility for their own careers?

6. What data can employees access to enable them to define their aspirations e.g., Development Assignments, Job Profiles of more senior or lateral roles?

7. How are employees' career aspirations used e.g., in Succession Planning or Development Management?

8. How are employees' managers involved in their Career Management?
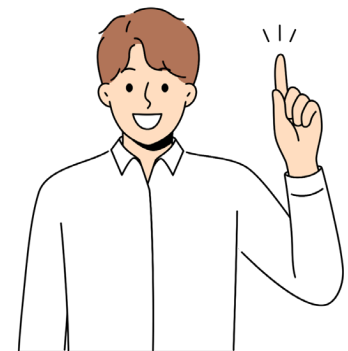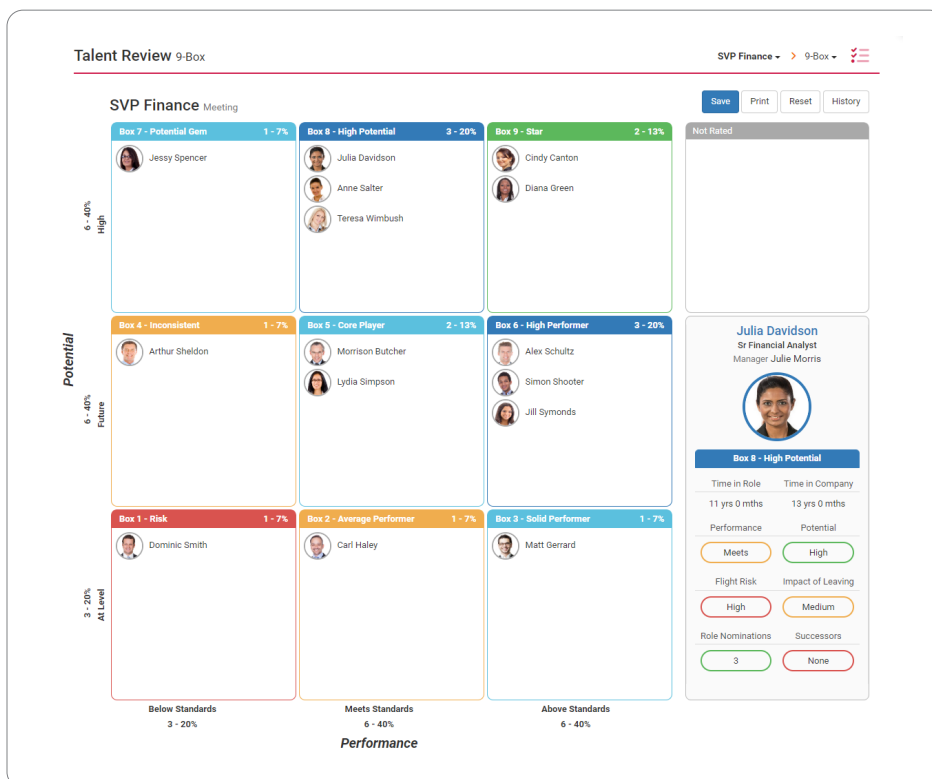
Succession Planning

Succession Planning identifies human resourcing risks and opportunities and develops plans to address them e.g., (a) Critical roles that must be kept filled at all times, (b) Critical Employees who must be retained at an appropriate cost, (c) other roles for which candidates should be available, and (d) other employees who should be developed and retained.

In simple terms, **Succession Planning** studies the organization's apparent ability to fill jobs in the future, if and when they become vacant or are created. It involves studying the current and projected structure and, for selected roles, job families, or other groups with shared capability requirements, determining who could fill those if they became vacant. The risk of not being able to fill any critical job or replace any critical employee is assessed, and plans are developed to address it. Ultimately, this process ensures continuity and minimizes disruptions when employees move to new roles or leave.

The **Succession Planning** process makes extensive use of **Job Profiles** and **Employee Profiles**. These are often updated during the **Succession Planning** process e.g., when a 9-Box review of Performance and Potential is used to categorise or rank employees. Assessments of Readiness and Risk of Loss are made in order to plan redeployment timelines, create retention plans, and quantify role coverage.

Succession Planning is typically an annual collaborative or moderated process with attention initially being placed on data collection (Job and Employee Profiling) by the Employee and their immediate Manager. Groups of Jobs and Employees are then reviewed in a Talent Review meeting. These usually involve a Manager peer group, their own Manager, and an HR Facilitator. Numerous processes exist and each organization must choose the one that serves them best. But all processes include at least the following:

- Updating of the appropriate Talent Needs e.g., identifying which Jobs/Roles need to have potential successors identified and how critical those are. In some cases, clusters of Jobs with similar requirements are pooled together into Job Pools. The "Minimum Requirements" for holding those Jobs are then reviewed and updated as appropriate. Likewise, clusters of employees with similar capabilities, or Talent Pools, are created from which to draw candidates for roles in the future.

It is worth noting that some organizations are now creating "Floating Employees" or "Project Talent Pools." These are groups of Employees with similar capabilities that enable them to be parachuted temporarily into projects or teams. This increases flexibility, minimizes the need to add permanent

headcount in those roles, and progressively develops the adaptability, flexibility, and overall capability of those in these pools.

- Updating and making the relevant Talent Assessment data (i.e., from the Employee Profiles) readily accessible, highlighting key elements (e.g., using traffic light colors for performance and potential ratings).

This sometimes involves asking employees to complete self-assessments including their aspirations and career plans. This typically involves asking the employees' immediate managers to update the assessments of Performance, Potential, Readiness, Risk of Loss, etc., and, sometimes, to nominate each employee for Jobs/Roles or Talent Pools.

- Reviewing data relating to clusters of Jobs/Roles and Talent Pools by immediate manager peer groups and HR professionals to reach evidence-based decisions on who could fill them and within what timescale. If that timescale is not "Now", then a range of options arise, including coaching the employee to enhance their personal Career Plan, reviewing their personal growth plan as part of **Performance Management**, creating Development Opportunities as part of a wider **Development Management** plan, etc.

- Studying the coverage of each Job or Talent Pool (i.e., how many approved nominations are there for each one, taking into account how many Jobs/Roles or Talent Pools each employee has been nominated for) and developing plans for those Jobs/Roles or Talent Pools for which there is insufficient coverage. This might involve Talent Acquisition, Job redesign, accelerated development of specific employees, retention plans, etc.

- Studying the breadth of approved nominations for each Employee (i.e., how many roles have they been approved for as a potential successor) and deciding whether or not to focus on one or more.

- Studying the data about "Risk of Loss" and the impact that such resignations could have and developing appropriate Retention Plans.

As we can see, high-quality Job Profiles and Talent Assessment data are key to effective **Succession Planning** but most organizations struggle to generate quality data about each employee's Capabilities and Potential.

Each employee's Capability is often summarised in an overall evaluation rating of their Performance. Few organizations yet generate and store individual assessments of Competency against their competency models. Instead, Performance Appraisal calibration processes are often used to set Performance Appraisal manager assessments in context and achieve more valid overall evaluations. But, technology is helping to achieve these more easily.

Assessing an employee's potential presents even greater challenges. As one experienced manager frustratedly quoted to us, "With many of my staff working remotely, I struggle to know precisely how they perform now – and you are asking me to tell you how well they might perform in another job in the future!" However, there are indicators of potential that can be assessed. Based on our 50+ years of experience, we have determined that potential is strongly indicated by a combination of the following:

Past Performance

This is not just, "Are they a high performer?" but rather "Do they typically beat expectations?" "Do they raise the expectations bar themselves?" "Are they consistently a high performer?" and "Is there a general upward trend in their performance?"

General Intelligence

Do they have the level of intelligence needed to operate at a higher level? Are they able to process complex data and swiftly identify key issues? Do they demonstrate common sense, especially when faced with ambiguous situations and conflicting priorities?

Growth mindset

Have they consistently demonstrated the willingness and capability to respond positively in a changing environment and to make the personal changes and development needed to succeed?

Business acumen

Do they understand the organization well enough and have the knowledge and skills to deliver significant contributions to its success? This can include technical skills but also political savvy, economic skills, and effective decision-making, persuasion, and negotiation.

Emotional intelligence

Typically, higher level responsibility brings with it increasing demands on employees' ability to create, develop and sustain strong relationships. Emotional Intelligence is the ability to recognize, understand, manage, and effectively use one's own emotions as well as the emotions of others. Many organizations now include this in their Core Competencies or Leadership Competencies.

Engagement

Employees who are engaged in the organization and put the business needs high on their list of priorities, are often more likely to be the talented individuals.

Questions

1. Do you know which Jobs and Employees are critical and, therefore, need Succession Plans and Retention Plans respectively?

2. Do you have quality data about at least each Employee's performance, potential, and risk of loss?

3. Do you have a process for updating that data on at least an episodic basis?

4. Are you able to present the relevant Employee Profile data in a meaningful and digestible way for a group of managers to review it?

5. Do you review groups of Jobs/Roles to ascertain the coverage that you have in terms of potential successors?

6. Do you develop plans and implement them to address Jobs/Roles or Talent Pools for which you have insufficient coverage?

7. When positions become vacant do you fill them with employees who were previously identified as ready? If not, why not?

How can Pilat Help?

We believe passionately in the combined value of quality data, efficient and effective processes, and the behavior-engineering power of contemporary technology.

With over 50 years of international HR Consulting and design and delivery of bespoke HR Software, Pilat is uniquely equipped to help organizations of all sizes and all sectors to review and assess their HR processes; design, develop and implement enhanced processes; and specify, configure and implement bespoke supporting software. We partner with organizations to maximize the real value of their Human Resources.

Book a consultation today at **pilat.com**