

talent management: a critical management process in disrepair

The Corporate Research Forum (CRF) has made a disturbing discovery.

The field of talent management – the processes that nurture in thoughtful and clever ways the talent of your organisation – is in serious disrepair. Only 20% of the senior HR leaders they surveyed rate their organisations – some of the world's biggest and finest – as satisfied with the outcomes of their firm's talent management efforts. More surprisingly, only 17% felt their organisations were effective at predicting future talent needs.

At first glance, these gaps make no sense. Talent management has been around for some seventy years. In the 1950s, pioneering General Electric began to manage the careers of its employees. Most of today's talent best practices were laid in place at that time – rotational assignments, training when transitioning to new roles, regular talent reviews at all levels, succession plans, coaching, and leadership development programmes. The unprecedented stability following World War II allowed for this kind of planning – all part of the employment package for a lifetime career at one employer.

But then several powerful forces started to undermine these practices. The oil shocks of the 1970s, a steep recession in the 1980s, the rapid rise of global competitors from Asia, and a boom in acquisitions and mergers led to massive downsizing across many industries. Suddenly, the lifetime employment guarantee was no more. Talent management took a back seat. As investments shrank, limited

resources became narrowly focused on the top five to ten percent of leadership talent called high potentials. The new thinking became: talent gaps at all levels could be filled by hiring from outside.

You might even be wondering if talent management has outlived its usefulness. After all, I can start a job search on my phone at this very moment. And from your employer's viewpoint, there are advantages to the flexibility of simply hiring individuals at the moment you need them. But research says otherwise – and quite strongly. The Boston Consulting Group interviewed senior executives from over 1,200 companies globally and discovered a strong correlation between talent management and financial performance. Companies that scored well on talent management and leadership increased their revenues 2.2 times faster and profits 1.5 times faster than those rating themselves weakest. In other words, talent management practices come with a competitive advantage. Organisations should actually be investing more.

Instead we find ourselves in a double bind. Watching their parents being laid off, today's workplace generations know they cannot count on the loyalty of their employer. They feel that it is up to them – and not their employer – to own the management of their careers. If they don't like the company or their job, they have plenty of tools to find new opportunities. With networking portals like LinkedIn, and job posting sites like Monster.com, they can search from their office desk or mobile phone whenever they feel restless.



Yet for this very reason, talent management needs to be reinvented, not neglected. What attracts younger generations to a firm today are opportunities for self-development offered by the world's best companies. Top of the list for the Millennial generation are bosses who are great coaches along with a career full of diverse and challenging jobs.

So what needs to be done? Start with the climate of your organisation. Make coaching and development of subordinates a top priority for your leaders...and recognise and reward them for this activity. Help managers out by keeping talent processes simple and free of bureaucracy. Next, start identifying the pivotal roles in your organisation – the ones that have the biggest impact on your firm's competitive advantage. Then check whether your best people sit in those roles and how deep is the bench of talent behind them.

Start translating your business strategy into talent strategies. If you are growing the digital side of your business or cyber-security is a pressing concern, turn those demands

into practical talent tactics for acquiring, developing and retaining this talent. Make investments in development experiences like special projects, overseas assignments, job rotations, and training programmes. To gain real momentum, get your executives and the board to commit to talent management in highly visible ways. Make it part of their jobs rather than an activity delegated to Human Resources. Empower your HR talent team. Help them to cultivate greater strategic thinking capacity, deeper expertise in the science behind talent management, and the courage to speak up and influence the talent strategy.

It is time to reinvigorate talent management.

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Download an introduction to CRF's recent research report '*Rethinking Talent Management*' [here](#).

Hear Jay Conger's thoughts on the current landscape of talent management, and where today's organisation's fail when it comes to implementing effective TM programmes.