Organisations are increasingly putting emphasis on talent management as a means of delivering long-term competitive advantage through their people. In a recent survey by Cranfield School of Management, 60 per cent of businesses said talent management was essential to the bottom line.

However, this survey showed a major disconnect between word and deed – it found that only 49 per cent of UK businesses were implementing talent development programmes. This gap presents an opportunity for L&D professionals to make a real difference to their organisations. It means proactively focusing on some key questions:

- What does talent management mean?
- Why talent management for your organisation?
- What role should L&D play?
- What role does the talented individual play?

• How do you encourage broad thinking about development?

During the current recession, other pressing issues are likely to take priority for many managers. In the face of those immediate issues, it is tempting to put talent management on the back burner. This is a mistake, since talent identification and development is not a short-term process. Even during a downturn, talent will always be in demand and good talent needs to be retained and developed if the organisation is to grow in the future.

Talent management is the basis for keeping the organisation healthy and innovative. Neglect your talent now and you will pay for it later on. Continue to invest and you will benefit, particularly
HSBC: aligning a global strategy

Banking group HSBC’s global business strategy recognised that it needed aligned people and global talent management strategies. The chairman and CEO sponsor talent assessment and development as key components of a people strategy aimed at developing a strong, diverse business.

A senior business manager talent pool has been established for general managers and world class specialists. Instead of applying talent management country by country, in the spirit of global management, the pool was assessed and developed across the board rather than country by country.

Talent pool members were assigned talent relationship managers, who took personal responsibility for engaging them by setting up development pathways such as job rotations and international assignments.

The underlying principles of the senior business manager talent pool have been extended to developing talent at all levels of the organisation, using global competency models with local modifications.

HSBC management conferences reinforce global knowledge-sharing and development of ideas across borders.

when the business picks up. Better employee retention and motivation, as well as organisational effectiveness, are the benefits you can expect if you manage the process well.

As the recession stretches ahead, criticism of talent management has mounted in the face of sharply declining budgets and attacks on what talent management represents. Two aspects in particular have emerged: whether talent management is necessary in a restricted market place, where there appears to be little need to attract and retain talent, and the notion of identifying and nurturing a highly selected group of people.

Some argue that excessive reverence of a small cadre of ‘stars’ has helped get us into the mess we are currently in, particularly in financial services. Are they really the saviours of their organisation, the key to a successful future?

Talent management is about sowing seeds for the future and, sooner or later, retention will return yet again as an issue, and the talent that has been nurtured now will be relied upon to take the organisation forward. Those important groups of high potentials still need to be developed and to be at the forefront of taking the organisation forward. However, in some cases, this emphasis has been over-done. Focus on an elite group only makes sense if their talents match precisely what the organisation needs and are constantly kept up-to-date. This implies a means to identify current and future needs, and not to be fixated by past competences.

It is also valuable to reassess whether there is an organisational culture of the hero – an excessive focus on the single person who ‘saves the day’. In such cases, almost certainly the basis of such individual success will be wider than is being acknowledged. It will be important to recognise and grow a wider pool of talent if the organisation is to continue to thrive. If only a chosen few are rewarded and promoted, this could lead to demotivation and underperformance of an ‘underclass’.

Talent management is a highly cost-effective way to grow. For example, mining services consultancy Mines Rescue was created when British Coal was privatised. As the mining industry declined, it branched out into new areas including health and safety training and consultancy. It has been highly successful, growing in size from 90 to 128 employees and widening its customer base from five to 1,400 in the space of 11 years. It did this by developing a robust internal talent management process and partnering with an external organisation to design and run development programmes, often within the organisation.

Integrating talent management into individual and line management responsibilities and
business activities will also help realise the goal of winning the war for talent.

Talent management has become a live issue for many organisations as they try to achieve fundamental and lasting shifts in their effectiveness. The fiercely competitive environment in which they now operate means they increasingly need to have people who can remove unnecessary barriers to performance and make the most of scarce resources.

This pressure has been brought into sharp relief as more companies compete globally. Technology and communications have led to a shrinking world and multinational market places but managers have not necessarily caught up.

One European high-tech group we are working with typifies the need of many organisations to become lean, responsive to customers in more than one country and knowledgeable about their needs. It is competing head-on with much larger American giants yet its own organisation is a complex web of several companies that cross international boundaries. It needs to get the synergy of its best brains working together, wherever they are based, and to work with external partners in a variety of countries.

What does talent management mean?
Talent management is defined as the strategies and practices needed to identify, develop, attract and retain skilled workers of value to an organisation. How this translates for your organisation is not an academic question – you need to debate and agree internally what it means in practice and the consequences of putting it into your workplace (or, indeed, of taking little or no action).

For example, talent could mean the whole organisation, or a selected few. The individual can be fully involved or have development planned out. The process of selection and development can be transparent or secret.

What role should L&D professionals play?
Development is a vital part of successful talent management and internal and external development assistance is frequently sought. If the skills are right, L&D professionals can play a critical role in integrating L&D into a successful, total business strategy.

Often the remit for managing talent lies with talent management specialists or the HR department. The L&D professional has an important role to play in identifying the learning need, encouraging high potential individuals to take ownership for their own development and ensuring line management plays a full part in the process.

How do we best identify learning needs for this group?
Each organisation has different methods for identifying talent. In our opinion, a key criterion should be the individual’s ability to learn and develop.

Many organisations use development centres to help identify people’s key attributes, competences and areas for development, while giving them a sense of having an input into their future.

In our experience, it is essential that each person on a talent management programme has a personal coach to help them construct and implement their plan. Three hundred and sixty degree feedback can be used periodically to support individual change and development.

Key questions are, therefore:
• What are the individual’s current strengths?
• What are the individual’s personal career aspirations?
• What are the individual’s current and future areas of development?

What development themes should be a priority?
Our experience in working with high potential people leads us to suggest that, just as with all
individuals, it is best practice to encourage them to develop a development plan that is tailored to their needs. Although it is unwise to generalise, we often find that their leadership development requirements fall into three key areas: strategic awareness, personal effectiveness and career management.

- **Strategic awareness** Future business leaders need to be able to set strategic direction and to lead and manage change. There are a range of L&D interventions that can address these needs, from business school programmes through to prescribed reading.

- **Personal effectiveness** Although we often find that people on talent management programmes have innate leadership skills, they may also need help to improve their personal effectiveness. High potential individuals need to communicate, motivate and inspire others. They also need high levels of emotional intelligence.

- **Career management** Making the right career choices is important for those who have talent. Such individuals need to be able to review their career options, what they value and what is important to them. Having a coach or sounding board allows them to discuss on a one-to-one basis potential career paths and choices.

**What role does the talented individual play?**

Many talented individuals have ‘drifted’ into positions of influence. How do we help people take charge of their own learning? A sound platform for personal ownership of learning is to encourage reflection and discussion. In order to promote such a culture of learning, one method we have found useful is to ask high potential individuals to keep a learning log or diary. This form of reflective practice encourages them to recognise the value of learning and the opportunities available to learn and develop.

**How do you encourage broad thinking about development?**

Unfortunately, even with talented individuals, there is still a mindset in many organisations that, unless they attend a training programme, they have not increased their learning. HR and L&D professionals have a key role to play in encouraging people who have talent to take advantage of the full range of L&D opportunities available. These can be tailored to suit the individual’s learning styles.

Learning from the experience of others can provide useful development insights for those with high potential. We worked with a talented technical manager, for example, who needed to develop his presence in the business. Through personal coaching, he was encouraged to co-deliver technical presentations with his colleague.

Today, he is one of the organisation’s acknowledged subject matter experts, who speaks at international conferences on his specialist topic.

**Shadowing and mentoring**

Learning from others’ experience can provide useful development insights for those with high...
potential. In particular, having access to senior management as role models can prove invaluable. Also, talented individuals can usefully undertake secondments, projects and assignments to help them learn more about specific areas.

In addition, they need to keep up to date with sector-specific and business reading, to attend conferences and seminars and to use the intranet and Internet to widen their knowledge.

**Action learning sets**

A further approach that we have seen work very well is encouraging action learning sets. Here, groups of learners meet regularly to share issues and help one another develop.

In our experience, action learning sets work best when:

- Their membership is drawn from different parts of the organisation
- They are facilitated by an L&D professional
- They meet regularly (at least once every two months)
- They have an agreed constitution and ground rules for working together
- The members share work-related issues and are committed to supporting and challenging each other.

**Non-work-related learning**

Nowadays it has become more recognised that effective business leadership is as much about what leaders are like (being) as much as their skills (knowing) and behaviours (doing).

In order to develop a learning culture amongst future business and technical leaders, it is invaluable to encourage learning outside, as well as at, work. For example, the National College for School Leadership encourages heads and deputy heads to undertake voluntary service in African schools to develop their leadership skills. One of our own organisations encourages, and pays for, any development that people wish to undertake, from golf to wine tasting.

**Strategic checklist on talent management**

L&D professionals should be prepared to take an active role in their organisations in reviewing their talent management strategy and putting it into practice.

Use these questions to diagnose strengths and weaknesses on your current approach to talent management:

- How well is our current approach to talent management formulated and delivered?
- How much do we understand the key drivers that affect the development of our talent?
- How well do we develop our talent pipeline?
- How well does talent management link to our overall strategy, including HR strategies such as succession planning?
- How well do we assess talent and potential?
- What development methods are we using?
- What development opportunities should we start or offer more of?
- Where do L&D specialists fit in?
- What can I do personally to strengthen the development of talent?

**Summary**

If you don't water your garden, don’t expect it to grow later. The recession has led some organisations to put talent management programmes on the back burner. However, good talent is as much a scarce resource as ever – the best people are still likely to be poached and internal resources still need development for better times ahead.

Taking a thoughtful and holistic approach to talent management is a key business requirement for many organisations. While top management teams see the logic of this, not all organisations follow through with it, with the result that their key talent is wasted. This need not be so, and there are many examples of successful practice.

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**Somerfield: using a business strategy to widen the talent pool**

Some years ago, high street supermarket Somerfield saw establishing new store outlets as an opportunity to establish a wider pool of managers and a talent management development process.

The emphasis has been pragmatic and work-based. Those involved were given opportunities to learn and review their own capabilities through one-to-one coaching sessions and customer-listening groups, and by developing business plans and videoed personal presentations.