



Talent Pool *or* Talent Puddle:

*Where's the Talent
in Talent Management?*

by Marc Effron and Miriam Ort



The new corporate focus on talent issues could dramatically increase the impact and influence of Talent Management. Are we letting that opportunity slip through our hands?

These should be heady times for those in Talent Management. CEOs fueled by *Good to Great* dreams are increasing their investment in building leaders. Companies fighting increased competition from China and India are recognizing that great talent is their only competitive advantage. Individual leaders are realizing that continually growing their capabilities is the only sure path to success. With talent issues like these dominating the agendas of nearly every organization, Talent Management (TM) practitioners should be the new corporate “rock stars.”

Instead, this enhanced focus on talent building has produced an ironic result. After years spent begging to be put in the game, many players in TM are underperforming on the field. Their promises to build leaders more quickly and effectively, if only given the chance, are showing little effect. Their practices still reflect the same bloated, impractical approaches that have long caused line managers’ eyes to roll. Companies expecting their TM professionals to deliver superior results are discovering the sad, surprising truth -- there’s not enough talent in talent management.

Talent Pool or Talent Puddle?

A compelling metric of this talent shortage comes from those closest to the market. If you speak with leaders in the largest executive search

firms you’ll hear an amazingly similar refrain, “There are very few people in this field to begin with and nearly none that we consider world-class talent.” Or stated another way by the head of the HR search practice at one of the big three firms, “There are really only 8 people in this field who are any good.” Imagine that comment being made about Finance, Marketing or any other function!

Another metric is the lack of “talent factories” for talent management. With the notable exception of organizations like Bank of America, Pepsi and GE, there are almost no companies known for their ability to produce great professionals in this field. Alumni from organizations like these are planting the seeds in their new firms, but growing great TM talent takes time. Although few would acknowledge it, the sheer lack of success building great TM practices in most companies, as judged anecdotally by the stories, presentations and complaints of TM practitioners themselves, shows that even TM admits it’s not getting the job done. Now that heat is being applied to the TM talent pool, it’s quickly evaporating into a talent puddle.

The Opportunity of a Lifetime

One of the most troubling aspects of this TM talent shortage is that we’re currently blessed with a once in a lifetime opportunity. Executives are looking to HR and TM to deliver the leaders they need. If we achieve this goal, we offer the hope of



redeeming HR’s increasingly tattered reputation by producing something that executives truly value – more great leaders. While line managers might not embrace HR staples like compensation matrices and interview training, they’ll put a bear hug around anything that helps them create a high performing team. If we do our job well, TM can single-handedly change HR’s seat at the table from a high-chair to an arm chair.

Success will also establish us as the driver of the talent engine within our companies. We will shift our reputation from being the provider of assessments and tools to being the trusted advisor on the most important talent decisions. Most importantly, we will accomplish what most of us seek from this profession – a meaningful, positive impact on business results.

Our risk is as large as our opportunity. Failure to deliver will be seen by our organizations as yet another sign that HR doesn’t work. TM will be dismissed as another HR fad, another failed quick fix brought to you by those folks who just don’t seem to get the business. With the debate about HR’s long-term value as a function still raging, this would signal victory for those who feel that blowing up HR is the best solution.

Making it Work

Here’s the good news – *it ain’t over yet*. While we do have a shovel in our hands, the hole’s not very deep yet. We still have a chance to achieve the true potential of this field if we make some substantial changes, quickly. The solutions suggested below aren’t intended to be simple, fast or popular with the TM and HR community. They’re intended to position us for long-term success as the preeminent group within HR – the

true business partner whose contribution to the business is clearly visible on the balance sheet.

First, let’s be transparent about our challenges. We emerged from the soft side of a soft profession. Most of us in TM come from training, organization development, leadership development and other fields not traditionally known for having a hard business “edge.” Few of us have had accountability for a balance sheet or been responsible to make a payroll. We haven’t always been as knowledgeable about business in general as we should have been. We don’t always feel a burning passion for the commercial realities of our organizations.

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We haven’t integrated HR processes in a way that truly maximizes their potential to build talent. Our solutions have been criticized as too complicated and too academic. We’ve often insisted that those solutions, even if rejected by our customers, were still

the “right” ones. Overall, we haven’t consistently proven to our organizations that we add the value we know is possible.

It’s a healthy list of challenges and overcoming them requires making some fundamental and difficult changes in who we are and what we do. If our hopes for talent management as a profession, and for ourselves as practitioners, are to succeed, we must:

- **Elevate Practitioner Quality:** We must improve our capabilities and business orientation, injecting an operations mentality into our Talent Management practices. We must fall in love with business. We must teach others to do the same.



- **Simplify our Work:** We must radically simplify and simultaneously add value to the work we do. This means challenging every convention about how talent processes should be designed and, in many cases, starting from scratch.
- **Define the Field:** We must define the boundaries of what we do, staking claim to those areas of HR where we have the greatest potential impact. We can't start improving the quality of what we do until we agree on exactly what it is.

Elevate Practitioner Quality

The most difficult challenge we face is elevating the quality and capabilities of those who do this work. Declaring that we must elevate practitioner quality isn't intended to disparage anyone in TM. So let's start by stipulating that everyone in our field has good intentions, are good people and genuinely have the best interests of the business at heart. With that said, the facts still suggest that there are meaningful gaps between what many Talent Management practitioners offer and what our businesses need. We can largely close these gaps if we know business, love business and have a production mindset to building leaders.

- **Know the Business:** We must understand the financial, operational and strategic realities of business and our organization's business. We should be able to speak to the challenges and opportunities in our business environment with as much fact-based knowledge as any other business leader at the table. How do we get there?
 - **Basic Business Literacy:** At a minimum, everyone in TM should have a degree of business literacy that includes the ability to understand company financial statements, the basics of how a good or service is produced and an operative knowledge of one of the classic

strategy models.

- **More MBAs:** It's possible to learn business fundamentals in many ways, but the MBA still provides the most broad-based knowledge of how business works. The rigorous business thinking and analytical skills that help engender love of the business are also most easily gained through this course of study. This rigor is essential in evaluating the true business impact of, and need for, TM processes. It also instills a discipline and toughness that helps in making the difficult calls and trade-offs that ultimately create a top company for leaders.
- **More Line Managers:** Even if we need to pay a 50% premium to get them, we need to attract more line managers into this field. We may only get them for a temporary assignment, but even a year or two in this area will deliver a bracing dose of reality into many TM practices. After their experiences, these line managers will also be great ambassadors of TM within their organizations.
- **Love the Business:** We should be fascinated by, and have a deep and unabiding curiosity about, business and how it works. We should love how a new product is created, the selling process, the journey from raw material to finished product and the constant struggle to keep the customer satisfied. It's a highly intangible thing but one that can only help TM professionals' effectiveness. Call it passion for business or intellectual curiosity or any other label that works for you, but acknowledge that it's a rare quality in this field.

We can select for passion through a great interview process, but it's tough to say how we inspire this in others. One step might simply be thoroughly exposing those entering this



field to the core business processes. Onboarding programs could go beyond a surface knowledge of the business and instead require that time be spent learning key organization processes. How much more successful would a new TM practitioner be if her orientation included a week in your R & D center, a week working on a new marketing campaign, a week in your factory and a week with your sales force? That month-long investment would likely provide a more sound foundation and do more to inspire passion than anything you do today.

- **Take A Production Mindset to Building**

Leaders: The TM role is often seen as a craftsman – an individual tasked with helping each leader achieve their ultimate potential. So it’s a challenging thought to many in our field that we should treat producing leaders like producing widgets. The reality is that TM is a production job. We are responsible to turn out a specific number of leaders over a specific period of time with a specific set of capabilities. We are no different than a plant manager. Our responsibility is to deliver the most powerful element for the production of the goods or services in our company – qualified leaders.

This doesn’t mean that we don’t produce larger individual or societal benefits from this process. Creating highly skilled, self-aware, talent building leaders has a multiplier effect that can meaningfully impact their families, their communities and society. It is important to realize that this is a wonderful ancillary benefit – not our primary goal.

- **Simplify our Work**

No less a challenge than changing ourselves is changing our approach to designing and implementing TM practices. One can barely identify what the core objectives are in much of the TM work being done today. We give our clients complicated selection processes, competency models that proscribe in nit level detail exactly what managers should do and performance management processes that stretch to multiple pages.

When these practices don’t work, it’s blamed on lack of support from the business. We roll our eyes and wonder when they’ll “get it,” while our

managers sit in their offices wondering the same thing about us. Research, practice and common sense tell us that TM practices are only effective if they’re successfully implemented. So we must focus on designing our processes with successful

implementation by managers as a primary goal.

We can achieve this by making two fundamental changes:

- **Radically Simplify our Processes:** If implementation is the key to successful outcomes, then making processes simple is the key to successful implementation. Most managers will gladly use any HR tool or process that delivers more value than the effort required to use it. If we can redesign our processes to always meet this value/effort balance, we will see a marked increase in the effectiveness of our services. How do we get there?

“Here’s where things get tough. To start, we must forget most of what we know about creating TM processes.”

Here’s where things get tough. To start, we



must forget most of what we know about creating TM processes. This is tough because many of us have spent a lifetime acquiring knowledge and capabilities to achieve “expert” status in our field. Besides our own experiences, we’ve worked hard to gain that expert knowledge through consultants, academicians and peers. We attend the conferences, read the books and listen to the speakers. We like to feel that we know the “best practices” in our area fairly well. But “best practices” according to who? Where is the foundation, where are the facts, that justify how we design and implement TM practices?

While there is significant research supporting what we do (i.e. assessment and feedback, coaching, performance management), there is no evidence supporting the complicated way in which we do it. Where is the evidence that a competency model with 8 headings and 15 descriptions under each helps anyone? Or that a goal setting process involving anything more than just listing a goal and a metric improves the outcome? Or that providing 360° feedback on every possible leadership behavior actually helps to change *any* leadership behavior?

We have become so self-referential as a field that we are now all equally smart (or equally dumb) about how to do this work. We don’t challenge the fundamental assumptions about the effectiveness of these practices. We don’t ask, “Is there a radically different way to do this that would deliver better results?”

To achieve the value from TM practices,

we need to approach the design and implementation of any process by asking the fundamental question, “What is the essential business goal of this process?” We then need to start with a blank slate and an open mind and design the **simplest possible process that uses the least amount of information** necessary to achieve those results.

We started using that exact approach at Avon to redesign every talent process (i.e. performance management, development planning, engagement survey) we had at Avon.

We started calling this approach “One Page Talent Management” because we typically found that we could fit the essential material on just one page. We applied this approach to creating new processes for performance management, development planning and talent reviews, and in developing a new

leadership capability model. Our success metrics were the only ones that mattered – managers successfully using these tools. We were gratified that not only were Avon’s managers using the tools, they were thanking us for creating them and making them simple to use.

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Add Value to Each Practice: Taking work out of complex processes is one approach to improving TM effectiveness. Adding additional value to each practice is another. As an example, at Avon we applied our One Page Talent Management approach to both our new engagement survey and our new 360 assessment process. Both of these processes tend to present managers with overwhelming and complex



Focus On: One Page Talent Management

Implementation is the key to success and simple processes are the key to implementation. Here's how we applied the One Page Talent Management approach during the design of our Performance Management process

Identify the core business goal

Ensure each associate understands their goals and is fairly evaluated at year end

Identify the simplest process to achieve that

Manager tells associate their goals

Add complexity to the process only if it adds significant value

- Document goals to allow managers and associates to clearly remember them
- Add a metric for each goal to ensure fair measurement
- Include a weighting for each goal for a precise measurement of overall performance
(Why: implies false precision in the ability to evaluate achievement, removes managerial discretion, suggests formulaic approach to rating)
- Include labels for performance definitions, i.e. Strong Performer, Met Goals
(Why: adds no value, requires additional interpretation step, gives managers "crutch" to avoid tough conversations)

information, unsupported by any practical advice about what to do next. In crafting our engagement survey report, we wanted to add value for managers without adding complexity. We thought that if we could "pre-analyze" each manager's survey for them, providing them with specific advice about what to do, the survey would quickly become a useful tool.

Our "one page" solution provided managers with the essential information about their group's survey results, including *exactly which actions they could take to improve scores next year*. The latter was accomplished through a proprietary algorithm that identified which questions were the significant drivers of engagement for each individual. Since almost every question was written in a way that suggested the activities required to increase it (i.e. "my manager provides me with frequent feedback about my performance"), increasing engagement scores was as easy as doing exactly what was said on that

page. Managers at Avon are now held accountable to increase their survey scores by a set percent each year – an objective hard-wired into every VP and General Manager's performance plan.

Returning to the underlying proposition that implementation is the key to success, anything we can do that simplifies a manager's ability to implement makes us more effective.

Define the Field

Finally, we need to establish the boundaries of our role in organizations. Our field is emerging without direction, without a common definition of what we do. Today, TM professionals might own any combination of talent reviews, succession planning, executive education, recruiting and coaching, with performance management, employee engagement and training often in the mix as well. Some focus exclusively on the "top 100" as defined in their organization; others have



accountability down to the supervisory level.

The sooner we identify the key practices, processes and outcomes we want to own, the faster we'll be able to start instituting the improvements detailed above. A clearer definition will also help dispel the image of TM as simply a re-labeling of HR, the next step after "Personnel." This clarification can happen in many ways, from the laissez-faire (it naturally emerges over time based on common practice) to the highly structured (a professional organization like Human Resource Planning Society or Society for Human Resource Management (SHRM) defines it for us).

Another option is that we – the people who actually do this work – use our own formal and informal networks to agree on a rough definition of Talent Management. Through networking tools like Linked-In™, we can establish a network of TM professionals that can work collaboratively to get this done. This network might even evolve into a more formal organization for our field, much like SHRM serves HR generalists and World at Work focuses on compensation and benefits leaders.

The bottom line is that until we agree on what it is we do, it will be difficult to achieve significant improvements.

Taking Charge

While there's not enough talent in talent management, we have the opportunity to both solve that issue and elevate this field to its rightful position in organizations. We know from our experience that when what we do works, the positive impact on individuals and companies exceeds any other organizational lever. We already possess many of the capabilities we need to succeed. We are a well-educated, well-intentioned and experienced group. Our challenge

is to address those vital few things that are missing – business knowledge and passion, a production mindset and a commitment to simplicity. If we can successfully change *how* we do Talent Management, the effectiveness of *what* we do will dramatically increase.

The good news is that we own this challenge and we control our future. If we set higher standards for ourselves and our teams, push down our egos just a bit to consider new ideas and hold ourselves accountable for the success or failure of TM practices, we will move this profession to where it needs to be. And, if we can't do that, maybe what they're saying about HR is true.

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Some sources that inspired this article:

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