

Leadership for a better Future

The Leadership Challenge of Talent Management

By

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The Leadership Challenge of Talent Management

The context of business is undergoing a radical rethink or at least a questioning of the fundamentals. In particular the role of the leader is being challenged to be more inclusive and to add some form of social responsibility to an already tough job description.

Talent management is a key area where leaders are, or should be, focusing increased amounts of their attention. For too long and in too many companies talent management has been “owned” by HR. It has been an annual process not a business needs driven ever-present requirement needing constant leadership focus. Some CEOs have got this but too many still look at static organisation charts once a year to plan succession and think that’s talent management.

One of the areas that increasingly figures on CEO surveys of concerns for the future is how the shortage of talent will affect the organisational capability to reach their business targets. But how to get to grips with this? It is not helped by the multiple definitions of talent management that academics and practitioners have come up with trying to create a standard definition.

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So the first challenge for leaders is defining “talent” and it’s “meaning” so that it fits with each organisation’s particular needs, circumstances, culture and business challenges and is designed to help achieve business aims.

Talent management is very much a product of the organisation it develops from; it’s history and culture all play a part. A high-tech company’s needs are different from a manufacturing or service organisation. Each will have to define their own path on the talent journey.

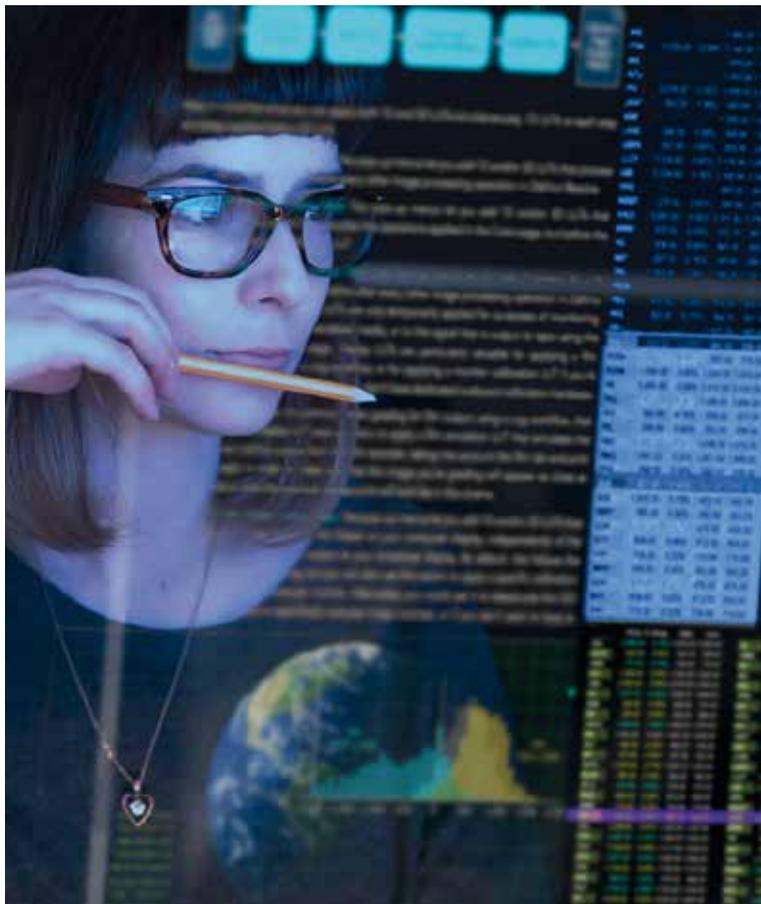
Some organisations create an explicit documented talent management system while others are largely undefined. However, it can be argued that as “talent management” covers a set of interrelated activities to identify, attract, integrate, develop, motivate and retain talented individuals every organisation has these activities either by default or by design.

The point is that whether or not you formalise your definition or system you have one in place already and the employees will be aware of it. If it is not thoroughly thought through, the strategic plan is at risk. Whatever else, leaders need to work with others to detail the skills, key roles and behaviours necessary for the sustainability of the organisation.



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The second challenge for leaders is how to take account of the digital age with its challenges and opportunities for leadership and talent management.

It has been argued that leadership in the digital age will not be totally new but an 80/20 rule whereby 80% of a leader's role stays the same and there is a 20% uplift required.

The ability to learn and develop a growth mindset will be vital to cope with the increasing disruption and the development. Leaders will need to become more closely involved with talent management as new situations develop. Of equal importance will be the up-skilling of the workforce to be able to effectively use and interact with new technology. The age of "lifelong learning" has arrived. Companies will need to develop or recruit talent to be able to maximise their technology investments.

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Leaders must take on the specific talent management challenge for their organisations. Although talent management is not clearly defined it cannot be ignored and leaders need to own and set the meaning in their own organisational context and performance

The third challenge for leaders is should talent management be exclusive or inclusive of larger populations or even the whole organisation?

The exclusive model of talent management often uses the premise that 5% of roles create 95% of the value. By identifying these roles and making sure your most talented people fill them, value can be maximised.

This is often termed the “talent to value” approach. It requires identification of the roles that drive the greatest value, the competencies, skills and behaviours necessary for those roles, and then to fill them by those with the requisite talent from inside or outside the company.

While there is logic to the talent to value approach, questions inevitably arise about the rest of the organisation. There are huge risks in not positioning this approach in terms of employee engagement across the organisation and the real loss in terms of nurturing talent to meet the challenges.

In today’s world, just about every start-up ensures that it develops everyone as far as they can go. They know that, as they grow, new and up-lifted skills are necessary so they do all they can to develop the talent they have.

It need not be an either/or; it can and should be both. While the CEO’s focus may well be on the talent to value, he or she needs to ensure the rest of the organisation is filling the pipeline.

It is clear is that the old high-potential approach to talent is becoming dated, exclusive in its approach, elitist and, almost certainly, demeaning and demotivating to the large majority of employees

Not every employee is going to be given the chance to study a sponsored MBA or go to Wharton for 12 weeks but ignoring this potential to be gained and the downside of demotivation does not make economic sense.

Given all the above, it is time to reevaluate the current talent approach. It must become broader in terms of the whole organisation rather than a small subset and create more meaningful work for more people inside and outside the organisation.

Talent management is a fast-developing concept and it is important to learn from different perspectives and actual examples. The three case studies on pages 37 and 38 illustrate potential directions for the concept of talent management. One from a British retailer employing ex-offenders; the use of new software to make the company a “talent marketplace”; and, finally, how the National Health Service (NHS) in the UK is approaching talent management.

Leaders must take on the specific talent management challenge for their organisations. Although talent management is not clearly defined it cannot be ignored and leaders need to own and set the meaning in their own organisational context.

Exclusive, inclusive and hybrid approaches need to be part of the decision making as well as the implications of the digital age. Leaders must engage with talent management so that it adds value to the organisation and enhances engagement and human development inside and outside the organisation.

5%

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Case Study 1

This is a story of a company using a talent strategy that has a social and both non-economic and economic benefit. Timpson's, a British multinational retailer with nearly 5,000 employees works with ex-offenders in an inspiring example of how to connect social benefits to a talent approach and create economic benefit for an organisation.

Today over 10% of Timpson's workforce are ex-offenders. The social challenge is that it is estimated that 25% of men over the age of 18 in the UK have criminal convictions and for the last 12 years James Timpson, the CEO, has recruited ex-offenders.

Timpson's view is that the ex-offenders are a source of talent for the business and it's a win-win situation for all the stakeholders.

For the government and society this approach reduces the rate of re-offending, rehabilitates offenders, reduces prison numbers and therefore reduces social costs.

For Timpson the evidence has shown the company recruits motivated and loyal employees. For the ex-offenders themselves it is an opportunity to turn their lives around. This model gives an economic and social benefit that can be utilised further by others.

10%

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12yrs

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Case Study 2

The second case study is the idea of remote working driving talent and engagement and productivity. A study by the Centre of Economics and Business Research (CEBR) highlighted the opportunity to leverage flexible and remote working to attract talent and also to increase employee engagement and productivity.

In an online survey of more than 2,500 US knowledge workers conducted in July 2019, the CEBR study claims that in offering virtual/remote work options and providing the tools to enable them, companies can better compete in the battle for talent by dipping into untapped pools of workers.

These include "unemployed" individuals such as parents raising children at home or those caring for elderly relatives and retired baby boomers who would work if it could be done mainly remotely. The survey found that economically inactive individuals indicated that they would be encouraged to start working if given the opportunity to work flexibly.

In addition, companies offering flexible/remote-working options can engage contract and part-time employees to take on more work. According to CEBR, this would make major savings for workers (and employers) as well as major savings in time and for the environment by reducing commuting costs as well as improving work/life balance. Using remote working imaginatively would help open up access to talented individuals.





5th

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Case Study 3

The third case study is the NHS in the UK, which with an employee population of 1.7 million, the fifth-largest employer in the world. The NHS belief is that all employees benefit from the talent journey, and are in a sense talented. Indeed, the National Head of Talent Management argues that the NHS is obligated to enable all staff to do the best that they can do in their career. The premise is that engaged and developed staff will maximise patient care – “if we show we care about our employees; they will show care to patients”.

The strategy also includes the idea that leaders/managers drive the journey with the individual. So there is also focus on leadership and diversity in the NHS as an exclusive element but with a whole organisation included. The talent strategy is in a sense a “hybrid” rooted in the context of the NHS, its values and challenges.

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About the Author

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