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Introduction to the second edition of Talent Management and Succession Planning

In the first edition, we wrote of the following case:

Jane walked into her boss’s office. ‘Here is my resignation,’ she said.

‘But why?’ asked John. ‘You have just been promoted to a grade 2. We sent you on that advanced management programme and in maybe a few years you can get a promotion to grade 3. Is that not worth waiting for?’

‘Frankly, no,’ said Jane. ‘I appreciate what you have done for me, but I don’t want to climb the grade ladder. I want more flexibility to work on the projects I want. I want to work more from home to be with my children. I also believe that my skills are going to be enhanced by doing a greater variety of work.’

‘Oh,’ said John...

Welcome to the new world of talent management where the old assumptions about what people value in work are falling down. It was Winston Churchill who predicted that future empires would be ‘of the mind’, and in a world where knowledge industries are the engines of global growth – software, financial services, consultancy – he might have added that it will be the battles for minds that dominate the future. Indeed, the proportion of a company’s assets that are intangible continues to grow. Knowledge industries need, at most, a computer as their physical asset base with the rest represented by the abilities of the people and the goodwill generated by a track record.

As we look at the world in 2011, it doesn’t seem so far removed from the issues of today. But consider another case:
INTRODUCTION TO THE SECOND EDITION

While it remains true that a fast-moving competitive world still demands new approaches to two major problems all organisations face – a more independent mindset of staff who are less prepared to wait for an organisation’s timing of jobs and rewards, and at the same time, organisations requiring staff to be ready just in time for new projects – the response of employers has to be tighter still. Organisations and people require much greater flexibility than in the past and we have to find new tools to manage these challenges.

Talent management is the title of the discipline which incorporates a range of activities that can be used to address these problems. Succession planning has for many been relegated to the ‘too difficult’ box and for this reason we have given it prominence in this Toolkit; it is however a subset of talent management.

Talent management

Talent management is the process by which an organisation identifies, manages and develops its people now and for the future. It is concerned with:

- developing a strategy to determine what the organisation needs to meet the current and future demands of the business plan
- establishing processes to measure competence – required and available
- creating a range of developmental tools and processes to provide tailored approaches depending on the individual needs of employees
- identifying ways to obtain and retain those who are critical to success
- establishing suitable approaches to deal with those who no longer fit organisation requirements
• measuring the impact these strategies have so that policy can be continually updated and refined to deliver high performance, now and in years to come.

Talent management has a bias towards focusing on individual needs to bring out the potential of each and recognises the necessity of retaining key personnel in a competitive labour market. The mindset of talent management is based on the assumption that there is potential in each and every one, and any approach should be to try to release that. In addition, there are certain key competences an organisation requires for sustainable competitive advantage and the aim is to identify, retain and nurture them.

**Succession planning**

Succession planning has, by contrast, a bias towards satisfying organisation requirements. There is an assumption that failing to satisfy the majority of requirements from internally developed personnel is unlikely to provide the optimally effective organisation.

Succession planning is concerned with:

• identifying posts that are critical to success and how best to satisfy future requirements
• developing strategies to determine the optimum mix of internal and external recruitment.

**Facilitation of the Tools**

This Toolkit contains 54 Tools to help managers meet various needs and draws on the experience of practitioners and academics alike. The Tools that follow can be used in different ways, as:

• a stimulus for individual reflection
• the basis for a meeting or workshop where relevant people use the Tools to consider collectively developing talent management and succession planning. In this scenario, there will invariably be the need for facilitation.

We suggest you pick and mix to meet your circumstances. The list is not exhaustive, so please add to it from your own experience and share it with us too at www.cannassoc.com or www.rmgconsulting.com
Scope of the Toolkit

To assist the reader, each Tool is laid out in the same format as below:

• Introduction
• Aim of the Tool
• What it is
• When to use
• Materials needed
• Procedure for using it
• Evaluating its uses
• Links to other Tools
• References (where applicable)
• The Tool

Why a revised Toolkit now?

With the advent of the banking crisis and the subsequent world recession, organisations across the world have had to make cuts, yet like never before the retention and continued development of key people in critical roles is the key to survival. We have included additional Tools that reflect this new reality, in particular the necessity of finding creative ways of retaining relationships while still letting some people go. What is different this time round is more attention to managing the relationship beyond just paying compensation. However, more focused planning tools help to reduce the surplus that might have arisen with looser concepts of talent pools and so can assist in retaining the most vital skills.

Borrowing from the manufacturing industry, with their ideas of lean production and just-in-time material handling, talent management ideas are more focused on just-in-time development rather than longer periods spent in, say, a business school.

Strategic skills that are likely to be required in the economy in the future

A further reason is the realisation of critical skill shortages in the future and the need to encourage talent development in every way. The following skills are
likely to be in demand in the economy in the future and so in general terms might become scarce (source: National Strategic Skills Audit, 2010). It behoves organisations to ensure they continue to grow and retain such skills:

- Given technology is a major driver of change, technical skills in the growing array of technical specialisms will be required.
- Globalisation will place demands on linguistic and culturally attuned skills.
- The environmental and sustainability agendas will continue to place pressure on those who can manage such systems. The skills required include a range of technical, environmental, legal and customer-oriented competences.
- The continued sophistication of consumers demands greater differentiation of products and services. ‘Micro-segmentation’, as it is sometimes called, demands higher standards in product design, manufacturing quality and after-sales service. This in turn demands greater skills in design, manufacture and customer service. Such a shift in the economy also demands greater professional support in areas such as law, accountancy, PR, consulting, advertising, facilities management, call centres, health and social work, retailing, catering and hospitality.

Certain sectors are likely to experience greater growth and they are likely to be most vulnerable to demands for talent. These include the following:

- Low-carbon industries are likely to grow, with a consequent demand for leadership, project management and innovation skills.
- The recovery in the financial services sector is likely to demand an increase again in highly qualified knowledge workers.
- The digital economy will demand creative and business skills.
- Life sciences in all its forms from pharmaceuticals and biotech to genetics will demand scientific and managerial skills. The growth in contract research brings demands for negotiation and customer service skills.
- The creative industries, often with an abundance of creative talent sometimes lack the commercial skills to exploit fully the creative output. They will look for an array of commercial skills.
- Retail, a major engine of the economy, will continue to demand skills in customer-facing roles as well as new skills in deploying technology, logistics and ethical sourcing.
• Tourism already employs over 2.5 million people (Tourism: Overview and Prospects.ac.uk) and is expected to grow with demands for customer-facing, teamworking, communications and customer management skills.

We reported in the last edition: ‘Whilst there is a reasonable understanding of the nature of talent management and succession planning, Veredus (2005) noted “a staggering 74% of respondents reported that their organisation did not have a well developed plan”. In their research they reported that many felt they lacked the necessary skills in house to get it right.’ We regret to say that that position still seems to be the same, though more people claim to have a talent management programme.

Back in 2006, the CIPD had identified five levels of maturity in organisational talent management:

1. No talent management strategies or formally developed practices
2. Isolated/tactical local pockets of talent management activities
3. Integrated and co-ordinated talent management for particular segments of the organisation
4. Talent management strategies designed to deliver corporate and HR management strategies
5. Talent management strategy informs and is informed by corporate strategy.

(Source: Talent Management: Understanding the dimensions. CIPD (2006))

‘There is no systematic and coordinated approach in the public and private sectors to developing and nurturing the next generation of business leaders’ (Veredus, 2006).

Another survey identified that only ‘51% of respondents undertake talent management activities, though only 20% report having a formal definition for it’ (Clake and Winkler, 2006).

A significant change that has occurred in both the acquisition and assessment of talent is the development of social networks and the explosion in largely publicly available data about people. Articles such as ‘We googled you’ (HBR case study, June 2007) highlight what is available. The police regularly look at a person’s Facebook and mobile phone records when faced with a crime suspect, as it gives the most up-to-date picture of a person’s associates and where they have been.
Vault.com points the way to ever-exploding repositories of data. This is of potential use in understanding a person’s career and life outside work, though it carries all the risks of miscarriages of justice. Furthermore, such transparency of a person’s life gives little room for the possibility of learning from mistakes and subsequent redemption.

This revised Toolkit seeks to address these needs by providing a step-by-step guide on how to do it with a range of further Tools to deal with our times.

Why is talent management important?

In many mature markets there is an ongoing ‘war for talent’, a phrase first coined by the consultancy McKinsey (Michaels et al., 2001) and which has now entered the management lexicon. This war is spurred on by a number of forces shaping our world. The main drivers are as follows:

- Continuing growth in specialisation in all disciplines associated with the explosion of knowledge. This results in a smaller pool of experts in any one field from which to draw, and the necessity of finding, developing and retaining the skills needed. But there is also a greater pressure on sophisticated and broader levels of skill. McKinsey has argued that many more jobs require high levels of judgement based on integrating large amounts of complex data. To take one example, an IT manager 20 years ago was concerned with technology and getting software in on time and to budget. Now, we expect that same manager to take a ‘balanced score card’ approach (Kaplan and Norton, 1996) to their performance, balancing the needs of many different stakeholders – financial, customer, internal processes, people and the ability to change and keep up to date. This all adds up to greater complexity and greater demand for managers who are more broadly skilled.

- Limited flexibility of organisations to train from scratch, which encourages a search in the labour market for experienced staff. The influence of the Internet and the spread of globalisation, impacting so many walks of life, have resulted in a decline in the possibility of being successful when you are second best. Businesses increasingly have to survive in markets that become characterised by ‘winner takes all’. Doing so requires the best people, and quickly.
• The pressures for getting the mix of skills right in an organisation arising from the diversity agenda. Diversity has real business benefits from a closer alignment with customer profiles as well as the synergistic benefits of mixing different thinking styles and backgrounds. Managing diversity can be tough though. In London, teachers and health workers have to contend with dozens of cultures requiring new and more sophisticated communication skills and cultural sensitivity.

• A shortage of the right skills is an endemic problem in most advanced industrial societies. In the UK, in a recent conference presentation by Gerwyn Davies (CIPD, 2011), recruitment difficulties were being reported despite the contraction of 60% in manufacturing, 52% in construction and 47% in public administration (source: ONS Labour Force Survey, May 2011). He concluded by saying that ‘Talent management [is] set to become more important’.

• In 2011, it was noted that despite high unemployment over the last two years, more than half (52%) believe that competition for talent is even greater as the pool of available talent to hire has fallen sharply (2010: 41%; 2009: 20%). (Gerwyn Davies, CIPD (2011) Resourcing and talent planning survey, available at www.cipd.co.uk/surveys.)

• In America, the Corporate Executive Board, an education and research foundation, identified that some 62% of HR managers worried about company-wide talent shortages (source: Economist, 2006, 2011). They reported greater difficulties in recruitment measured by increasing time to fill vacancies and also declining quality. This shortage is due in part to education and vocational training strategies that have failed to deliver what the changing economy requires. The shortages are being felt across the globe. Countries like China and India are trying to attract back their people, who have dispersed across the world, to fuel their rapidly growing economies.

• The change in the psychological contract. Historically this contract is based on a pact of job security in return for high commitment and loyalty. It has been replaced by one based increasingly, for the employer, on high job demands for as long as required in return for higher pay. For the employee, the deal is based on commitment as long as it suits in return for a job that
fits individual needs right now. ‘Talented people need the organisation less than the organisation needs talented people,’ said one entrepreneur. It could be argued that a consultant with half a dozen clients has greater job security than an employee with one boss.

- The more bounded flexibility that the workforce increasingly exhibits is a final pressure. The growth in dual-career families, the search for work–life balance among the X and Y generations, and the desire for many more ingredients to be satisfied in the ideal job, all encourage staff to be more choosy on what they do and for whom they work. This was highlighted in the world economic forum in Davos:

‘Companies will have to treat their employees like volunteers: every day they have to provide compelling reasons why their most talented employees should keep coming to work’ (Financial Times, 2006).

‘Finding community-building talent is the single most precious resource in the modern world’ (Financial Times, 2006).

The framework for developing a talent management strategy

1 The starting point is to establish the business case for devoting resources to the activity. The lack of endeavour in this area is partly due to a lack of resources devoted to it. Using some of the Tools to create a clear linkage between the organisation’s goals and the competence required to deliver them will help to make the case. In some organisations it might be useful to pull together a team to work on talent management. Organisations like Standard Chartered have their Human Capital management team and the Cabinet have set up a group to study the subject. The responsibility for initiating action has to come from the top, and while HR will play an essential role in facilitating the process, it is every manager’s responsibility to be identifying and nurturing the talent in their area of responsibility. Jack Welch at General Electric (GE) made talent development a major priority and GE is among many companies that have established in-house universities and other study institutes.

2 Recognising your core competence and the talent required to sustain it in the future will help to focus on the key talents that are essential. While broader development activities designed to release the potential for all staff
might be going on, focusing on those areas which are going to make a
difference limits the scope of the work to be done.

3 Developing processes for assessing performance and potential that are
robust and subject to scrutiny and audit is vital as a base. It is wise not
to overlook the hidden talent within the organisation, which often lies
unexploited. This data will provide the foundation stone for future planning
and actions, so needs to be sound.

4 Identifying and scrutinising the processes you use for acquiring, developing
and retaining talent can help in establishing clearer quality criteria for the
future.

5 Embedding a cycle of planning, review and decision-making about talent
as part of the regular management review processes will help to keep the
subject in focus.

Focusing first on those areas that will give you the most return for your effort
is likely to lead to lower initial investment. We must, however, avoid the danger
of bureaucratising the process and burying it in a welter of forms. Ultimately,
talent management and succession planning are concerned with stimulating
informed conversations about people and creating the best outcomes possible.
In 2011, just over half of survey participants report having a formal resourcing
strategy. Larger organisations are most likely to have a resourcing strategy
(CIPD, 2011).

**Making the business case**

But what is the case for investing in talent management and succession
planning? The present low rate of activity, despite the almost universal
acceptance of the need to do it, implies that the business case has not
been made. Yet much anecdotal evidence in the press, and more serious
research (CIPD, 2006), points to organisations of all types failing to meet their
potential through skill shortages, leadership weaknesses and organisational
ineffectiveness.

The case for talent management and succession planning rests on several
arguments:

- **The cost of unfilled vacancies and replacement costs**
  
  Hewitt Associates (quoted by Brittain, 2006) suggest that turnover can cost
between 30 and 150% of annual salary. At an average replacement cost of £15,000 a time, many of the activities suggested in this book are easily justified by modest improvements in turnover.

- **The opportunity cost of foregoing the advantage to be gained by high-performing individuals**
  In key roles, marginal improvements in performance can have dramatic impacts on the bottom line. The engineer who anticipates a quality problem and institutes a redesign of the product before the customer complaints arrive, or the sales manager who finesses a sales campaign because she knows what the customer needs are, all point to the value of competence in critical roles. It is useful to ask two questions of any role in the organisation:
  - If this role did not exist, would the organisation’s effectiveness be impaired?
  - If there were only poor or mediocre performance from the role incumbents, would the organisation’s performance suffer?

- **Releasing discretionary effort**
  In an increasingly service-oriented world, ensuring that customer-facing staff give of their best is crucial. A bad service experience is relayed to more people than a good one. Some studies indicate that a determinant of how staff treat customers is the way in which staff are treated by their organisations. Talent management, at a minimum, demonstrates to staff an acknowledgment of their value and contribution – now and potentially for the future. Feeling valued and recognised are key motivators and important to retention.

- **Employee choices**
  Where critical skills are scarce, employees have choices. In a mobile society where employability is a growing requirement for survival in the labour market, prospective employees will increasingly make their choice of employer based on their development practices. They may ask of themselves: ‘Will I get from this organisation the training and development I need to further my career and make me employable in the future, especially if this job comes to an end prematurely?’

It should be noted that the business case for focusing on those individuals most likely to add value may result in hard choices, but is likely to give the best return
for your investment. In a recent survey (CIPD, 2011) it was found that only 28% of respondents used a ‘whole workforce’ approach to talent management.

**How much will talent management and succession planning cost?**

Several factors should be taken into account in developing the budget:

- How vulnerable is the organisation if key roles are not filled or key individuals not retained? The greater the vulnerabilities, the greater the justification for investing in development schemes and succession planning.

- How scarce is critical talent? The more the business relies on people that are difficult to find in the marketplace, the greater the justification for investing in retention strategies.

- What lead times do you have to correct problems? Where staff are on short notice periods and are easily mobile, the greater is the justification for investing in planning and strategies to cover key positions quickly.

Whatever our budget, focusing on priorities will always be necessary. How do we decide? In Tool 37 we will discuss different approaches to different staff segments.

Ultimately, not everything can be measured or justified with hard data. The manager of the twenty-first century will need to make decisions based on best judgement formed from all the data available.

However, those who choose to ignore talent management in a world where knowledge is increasingly the driver of so many organisations, and indeed economies, do so at their peril.
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Creating your own organisational definition of talent

Facilitator’s notes

Introduction

Although there can be little argument that most people have potential, in succession planning and talent management we have to be able to differentiate between people on the basis of their potential. This Tool provides prompts to help you through the process of defining talent and potential. It also identifies possible risks in having ill-defined definitions.

There are several components to consider when creating a definition of talent, including measures of current performance, outputs or results. Many definitions also include measures of potential, and indeed, one common definition of talent is the capability of someone who demonstrates both high performance and high potential. Some organisations focus on promotability, rating their top talent as those who are both high-performers and highly promotable. Finally, other definitions focus on inputs or competencies.

Any definition can quickly lose currency. Regular reviews are required to ensure that the right talent is being nurtured to meet the business needs.

Aim of the Tool

To help clarify definitions of talent and potential.
What it is
Checklists against which an organisation can create its definition.

When to use it
In the early stages of creating the talent management and succession planning processes.

Materials needed
None.

Procedure for using it
Step 1: Consider the reasons for creating a definition of talent.
Step 2: Identify the possible risks associated with different definitions.
Step 3: Draft a definition that best suits the organisational context.
Step 4: Check the definition out with employees and managers.
Step 5: Regularly check the currency of the definition.

Evaluating its uses
People will understand what the organisation means when it refers to talent.

Links to other Tools
Most of the following Tools use a definition of talent.
The Tool

Why does an organisation need to create its own definitions?

• to ensure that it sets out exactly what talent management is aiming to achieve
• to clarify what is excluded
• to focus the allocation of resources
• to help prioritise development
• to provide clarity for employees so they can assess themselves
• to enable organisations to segment/classify staff accurately
• to benchmark against other organisations.

What are your reasons?

What are the risks when creating definitions?

Political/cultural/ethical

There is a question about whether it is acceptable to differentiate between people and to categorise some as ‘low-talent’ and label others as ‘talent’. It may be acceptable for a US company to use a forced ranking system, threatening to fire the bottom 10%, but would that be accepted in central or local government in the UK?

Legal

Employment law is getting more, not less, complex, and employees enjoy greater legal protection with myriad employment rights. Definitions have to work within the legal framework, and indeed, many organisations had to amend their definitions when age discrimination legislation was introduced. Company policies like ‘employees with a minimum of four and a maximum of ten years’ experience will be considered for the high-potential cadre’ could be argued to discriminate on the basis of age – at both ends of the spectrum.
Motivational

Many – although not everyone – in an organisation want to be on the ‘high-flyer’ list, and a definition that is too narrow can alienate people. For example, one organisation defines talent as ‘people who can move two positions or more’, which limits the numbers considerably. Once the definition is created, it sets out the organisation’s intentions with regard to talent. Those people who are not covered but who are still essential to the business need to know where they stand and how they are valued. Consideration must also be given to labelling and the effects of removing a label. Someone who is ‘high-potential’ for two years and who then has this label removed will most likely feel demotivated. There is no easy solution to this problem, but the risk of losing talented people dictates that care is taken in crafting and communicating the definition.

Brand

Where the organisation is knowledge- or human-capital-based there may be an expectation that everyone is talented. Creating a definition that has currency with all of the interested parties can be difficult. There are also risks attached to the external brand – clients of a creative agency may only want to work with the most talented people, regarding the brand thereafter in a bad light if they turn out to be not as talented as expected. It can also impact on the employer brand. For example, top graduates from the best universities who join a major consulting firm will have expectations that they will be highly valued. To find out later that there are different classes of talent may alienate them and cause future recruitment problems.

Drafting the definition

What is the talent that the organisation needs – talent for what?
Creating your own definition of talent tool number 1

Are there any organisational issues/norms that will influence the definition?

What are the political/cultural/ethical considerations or restrictions?

What about the legal considerations?

What are the brand values? How will you reflect those in the definition?

Are all segments of the workforce included? If not how will you handle each?

Who will be excluded, and why?
Can people be removed? Do you want to make it clear their place is only secured by ongoing performance?

What are the links to your competency/capability or other frameworks?

How many people does your organisation expect/need to be top talent?

Are there any other issues that should be considered?

---

**General definitions**

**Talent**

Innate ability, aptitude or faculty, esp. when unspecified; above-average ability

*Collins English Dictionary*
Creating Your Own Definition of Talent Tool Number 1

Potential

Possible but not yet actual; capable of being or becoming but not yet in existence; latent, latent but unrealised ability or capacity

Collins English Dictionary

Promote

To further or encourage the progress or existence of . . . to raise to a higher rank, status, degree, etc

Collins English Dictionary

Promotable

Capable of moving upwards in the organisation

The authors’ definition

Organisational examples

Talent is demonstrated by:

- High performance – consistently demonstrated high ability across time and a range of experiences
- High potential – potential ability over and above that currently required

Talent

We will focus on candidates with sufficient growth potential to advance the business, and specifically on those with high level general management potential

Potential

Those people who are capable of moving two or more places upwards in the organisation
The talent matrix

A commonly used model for defining talent is the talent/potential matrix.

Notes:
In the above model, the term ‘capability’ has been used as denoting a broader concept than ‘competence’. Capability embraces all those elements that an individual brings to a job, whereas ‘competence’ tends to indicate a narrower definition (see Tool 13).

Also, in the above model the authors have carefully removed the more traditional labels that these days might seem too subjectively value-judgemental or even pejorative (‘stars’, ‘high-potentials’, ‘solid citizens’, ‘plateaued’, etc) but that may still be seen in some textbooks.

Defining targets for talent

You may find it useful to define the numbers you expect or require (as a percentage) in each sector.
Creating Your Own Definition of Talent Tool

For example:

A sample from Talent Management and Succession Planning 2nd Edition by James A Cannon and Rita McGee. Published by the CIPD. Copyright © 2010. All rights reserved. No part of this excerpt may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise. www.cipd.co.uk/Bookstore
How to decide which approach is best for your organisation

Facilitator’s notes

Introduction

Introducing talent management can be a difficult job when faced with stretched resources and an array of approaches. In the report Talent Management: Understanding the dimensions, the CIPD found that 75% of respondents were doing some form of talent management. There was, however, evidence of different strategic levels of engagement in the talent management process shown in the model below.

Before making a final decision on which approach is best for your organisation it may help to work through Tools 3 and 4 (the contents of which have not been duplicated here).

Aim of the Tool

To inform your decision-making about which is the approach most suitable for your organisation.

What it is

A set of alternative ways of approaching talent management, listing the advantages and disadvantages of each.

When to use it

When first beginning to consider talent management

Materials needed

Budgets and organisation charts.
Procedure for using it

This is to be used by senior management in a discussion about talent management.

Evaluating its uses

Is there greater retention of key people and competitive advantage from the quality of your organisation?

Links to other Tools

Tool 3: A checklist for a talent management strategy

Tool 4: Conducting a talent management audit

References

## The Tool

### A set of alternatives, their advantages and disadvantages

<table>
<thead>
<tr>
<th>Approach and description</th>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Resourcing managers</strong></td>
<td>Ensures a focused and consistent process</td>
<td>May cut across existing line and HR management responsibilities</td>
</tr>
<tr>
<td>Managers whose specific remit is to manage the development, engagement and careers of staff</td>
<td>Frees line managers of the task to be able to concentrate on performance</td>
<td></td>
</tr>
<tr>
<td><strong>Talent manager</strong></td>
<td>Is one point of reference</td>
<td>May cut across existing line and HR management responsibilities</td>
</tr>
<tr>
<td>An individual who takes overall responsibility for ensuring that the organisation has the right people in the right job at the right time, and has a supply of talent coming up for the future</td>
<td>Liaises with existing structure to ensure co-ordinated action</td>
<td></td>
</tr>
<tr>
<td><strong>Talent process</strong></td>
<td>Makes clear that all have a role in talent management and lays down a structured approach</td>
<td>Requires implementation effort and policing</td>
</tr>
<tr>
<td>A set of tools and processes for every manager to use for his/her people</td>
<td>Less local knowledge at centre of organisational needs</td>
<td></td>
</tr>
<tr>
<td><strong>Talent forum/committee</strong></td>
<td>Permits a complete review of the organisation</td>
<td>Is time-consuming</td>
</tr>
<tr>
<td>A group of usually senior people who examine the organisation as a whole and identify a succession plan for all roles</td>
<td>Requires implementation effort</td>
<td></td>
</tr>
<tr>
<td><strong>Risk-based replacement</strong></td>
<td>Is time-efficient</td>
<td>Makes no allowance that what is not critical today may become critical in the future</td>
</tr>
<tr>
<td>A group of usually senior people who examine the critical roles in the organisation and plan for their succession</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Levels of maturity of organisational talent management

There is an expectation that organisations will want to move from left to right. This may not be appropriate for all organisations.

No talent management strategies, policies or formally developed practices. Where talent is managed, it is normal/incidental.

Isolated/tactical/local pockets of talent management activities. No overall strategy or plans for talent management.

Integrated and co-ordinated talent management activities for a particular segment of the organisation.

Talent management strategy designed to deliver corporate and HR management strategies.

Formal talent management initiatives linked horizontally to HR management and vertically to corporate strategy-making processes.

Talent management informs and is informed by corporate strategy. Individual and pooled talent is understood and taken into consideration in the strategic process.

A checklist for a talent management strategy

**Facilitator’s notes**

**Introduction**

Talent management requires a serious commitment in time and effort, often by senior management, if it is to have any impact. To ensure the most effective use of time and resources there must be a strategy and a plan.

**Aim of the Tool**

To provide a template that can be used as the basis for writing a talent management strategy.

**What it is**

A template organised under a number of headings, with key points under each.

**When to use it**

When preparing a case for talent management and when seeking to gain buy-in from the top team to the subsequent strategy. The process of working through the Tool should help to clarify the strategy.

Alternatively, use it as a checklist against which to assess your current talent management strategy to help you identify areas in need of attention.

**Materials needed**

The starting point is the business plan and outputs from a number of the Tools that are included in this Toolkit. In addition, there may be organisational data collected in some other way that would help to identify your talent gaps, and data from any alternative approaches you have adopted to meet the needs.
**Procedure for using it**

Preparing a written strategy is an iterative process which involves starting with the business plan, identifying the factors critical to success, identifying the specific needs for talent, and then surveying the options for satisfying the identified needs. Specifically, the process is:

**Step 1**

Work through the Tools contained in the preparation and business planning sections of this Toolkit to explore your talent management issues and needs. Alternatively, if there is good internal data on talent already available, consider where any gaps exist against your projected needs. Use Tools 8–18 to determine what you need to know.

**Step 2**

Complete Tool 4 – *Conducting a talent management audit* – and consider the outputs. This will direct you towards areas for attention.

**Step 3**

Review all of the data and make notes about the issues that arise.

**Step 4**

Identify the actions you believe you should take.

**Step 5**

Use this tool to decide which headings and questions you should address. Select only those headings that are relevant to your situation and add any that are not covered here.

**Step 6**

Write the strategy drawing on the outputs from the Tools and your own data.
Evaluating its uses

Is the senior team committed to the resulting talent management strategy?

Is there increased internal awareness about the organisation’s talent management strategy? Is the strategy implemented?

Links to other Tools

All tools.

References

With acknowledgement to A. Rennie – and to a discussion around her preparation of a workforce planning strategy paper for a leading global NGO.
The Tool

Writing a talent management strategy

Section 1: Introduction (see the Tools in the Foundation section)

- Why are you creating this strategy now?
- What are the key points you will cover (see below)?
- What will you not cover?
- What is the time-frame – three to five years?

Section 2: Business context (see the Tools in the Business strategy and planning section)

- What are the current changes taking place externally that impact on your organisation?
- What are the internal drivers for change?
- What are the possible future scenarios that you need to plan for?
- Are there any constraints that must be mentioned?
- What are the significant organisational goals?
- What are the likely implications of the business goals for staffing?

Section 3: Demand for and supply of talent

Demand

- What is the current demand for skills?
- What is the possible future demand for skills (from scenario planning – see Tool 10)?

Supply

- What is the current make-up of the workforce?
- Numbers employed, grade, length of service, time in role, profile of skills,
average age, average tenure, percentage eligible for retirement in next year, diversity metrics, gender, race and disability

- Labour turnover (wastage) rates, including retirements and resignations
- Performance ratings and the proportion who are not performing
- Availability of skills externally
- Recruitment data – eg numbers applying for roles, why people reject our offers and go elsewhere, time to fill positions, offer rejection rates
- Readiness for promotion and promotion rates.

Gaps

- What are the specific skills needed?

Section 4: Budget (see the section on Making the business case)

Are there any budget restrictions that will have implications for delivery of the talent management plan?

Section 5: Priority for addressing gaps

- What is the priority for addressing current talent management gaps?
- What might impact on the order?

Section 6: Actions to fill the gaps

Offshore/outsourcing

- Which activities are core to our business and which can be offshored or outsourced (see Tool 11)?

Succession plan

- Which roles must be earmarked for succession?
- How will we identify the successors?
- What percentage of key roles will have successors identified?
A CHECKLIST FOR A TALENT MANAGEMENT STRATEGY TOOL NUMBER 3

3

This document can be downloaded as a Word document from www.cipd.co.uk/tsm
Copyright © Chartered Institute of Personnel and Development. Copyright waived.

- What are the essential roles for which we must have a supply of successors ready at different times?
- What steps are we taking to ensure that people on our succession plans understand their place on the plan and what they must do to stay on the plan?

Create specific talent pools
- technical
- leadership
- general.

Acquire talent – recruitment
- Are there any roles that must be filled from outside the organisation? Why?
- What percentage do you want to appoint internally/externally?
- What sources will you use?
- Where will you most likely find the people you need?

Develop talent – training, redeployment, reassigning
- What support can we offer to train, re-deploy or reassign people?
- Are there any generic training needs?
- Is there a leadership development need?
- Are there ladders for progressive development?
- What are the specific training needs?
- What steps are you recommending?

Manage talent
- Are current people accurately assessed?
- What steps can we take to improve the assessment of the existing talent pools?
- What steps do we need to take to move people forward?
- How good are managers at segmenting their talent pool?
• How about giving feedback – could more be done to improve performance? (See Tool 39.)

Exit talent
• What strategy do we need to remove the people who do not demonstrate the talents we must have for the future?
• Are there any people/areas that should be removed completely? Why?

Section 7: The implementation plan
• Outline the principles and the philosophy that should underpin the talent management and succession planning strategy.
• Summarise the key priorities moving forward.
• Provide an overview of the plan.

Section 8: Assigning responsibility for delivery of the strategy/plan
• See Tool 6: A checklist to help clarify roles.
Talent derailers and how to keep talent on track

Facilitator’s notes

Introduction

Even the most gifted people have off days. When talented people experience more off days than good days, the organisation has a problem and has to consider why normally great employees are derailing. This Tool draws on the work of the Centre for Creative Leadership (www.ccl.org), which has been observing top talent for over 30 years and has developed insights about which behaviours can, if not addressed, derail promising talent.

Other useful work in this area comes from Lombardo and Eichinger (2000), who suggest that there are three major derailing themes: trouble with others (such as insensitivity, arrogance, betrayal of trust and lack of ethics), trouble with change (inability to adapt and blocked learning), and trouble with delivering results (poor administration and performance management).

Aim of the Tool

To identify behaviours which could, if left unchecked, result in a talented person derailing.

What it is

A checklist of the key derailers adapted from the work of the CCL.

When to use it

Once a year as part of the talent review or the appraisal process.

More regularly for career coaching sessions or as part of a development activity.

When a manager, coach, HR or learning and development practitioner notices behavioural issues and decides to face the issue.
Optional use: for an employee to assess himself or herself prior to a talent management discussion, career coaching session or the annual appraisal.

Materials needed

The Tool, and any data on current performance and specific feedback.

Procedure for using it

1. Use the derailment checklist to identify specific issues to discuss.
2. Have an early conversation – do not allow the issue to fester. The assessment is discussed with the employee and agreements are reached on actions the employee will take to change the behaviour.
3. If the person shows a lack of self-awareness, use instruments to help increase self-awareness – for example, 360-degree feedback or psychometric tools.
4. When the person recognises the issue, help him/her to identify development activities that will help improve his/her performance.
5. Consider providing performance coaching to help focus on the cause of the ‘derailer’ and to reveal actions that will bring the person back on track.
6. If the problem is significant, and the person is a potentially valuable asset, consider providing counselling or encouraging the employee to seek counselling. This is only appropriate where the person is facing deeper psychological issues.

Evaluating its uses

People stay with the organisation and develop to their full potential.

People who derail are quickly brought back on track.

Links to other Tools

Tool 33: What a development plan looks like
Tool 34: Development activities
Tool 39: Giving feedback (Having constructive career conversations with people in the talent pool)
References

www.ccl.org

# The Tool

This Tool is intended to help you find out what it is that is evidently derailing someone. It represents both a means of assessment and a checklist to identify matters to discuss with the person being derailed.

<table>
<thead>
<tr>
<th>Name of person being assessed:</th>
<th>Date:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of assessor:</td>
<td></td>
</tr>
</tbody>
</table>

**Someone who is potentially being derailed (or who may be derailing others):**

1. does not recognise when he/she has pushed things too far or said too much

<table>
<thead>
<tr>
<th>Has he/she exhibited this behaviour?</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes or No:</td>
<td></td>
</tr>
</tbody>
</table>

2. does not resolve conflicts among or with colleagues or subordinates

<table>
<thead>
<tr>
<th>Has he/she exhibited this behaviour?</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes or No:</td>
<td></td>
</tr>
</tbody>
</table>

3. is a poor delegator, and likes to do things alone

<table>
<thead>
<tr>
<th>Has he/she exhibited this behaviour?</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes or No:</td>
<td></td>
</tr>
</tbody>
</table>

4. gets irritated easily with those they see as less able

<table>
<thead>
<tr>
<th>Has he/she exhibited this behaviour?</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes or No:</td>
<td></td>
</tr>
</tbody>
</table>

5. has difficulty in finding like minds, not ‘fitting in’ with the crowd

<table>
<thead>
<tr>
<th>Has he/she exhibited this behaviour?</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes or No:</td>
<td></td>
</tr>
</tbody>
</table>

6. lacks confidence in presenting his or her case

<table>
<thead>
<tr>
<th>Has he/she exhibited this behaviour?</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes or No:</td>
<td></td>
</tr>
</tbody>
</table>
7. Resents being asked to do things he/she sees as outside his/her area of responsibility

8. Lets things slip through the cracks because he/she doesn’t like detail

9. Involves himself/herself in too much

10. Has a highly developed sense of values that leads him/her to over-focus on a particular issue: may lead to moral outrage

11. Is perceived as very ambitious and overly interested in the next job

12. Is abrasive

13. Can make others feel stupid or diminished

14. Can explode under pressure

Has he/she exhibited this behaviour? Yes or No: Example

Has he/she exhibited this behaviour? Yes or No: Example

Has he/she exhibited this behaviour? Yes or No: Example

Has he/she exhibited this behaviour? Yes or No: Example

Has he/she exhibited this behaviour? Yes or No: Example

Has he/she exhibited this behaviour? Yes or No: Example

Has he/she exhibited this behaviour? Yes or No: Example

Has he/she exhibited this behaviour? Yes or No: Example
15 does not like changes in what is being asked of him/her

Has he/she exhibited this behaviour? Yes or No: 

Example

16 displays a sort of ‘what’s the point?’ depression, which might follow failure

Has he/she exhibited this behaviour? Yes or No: 

Example

17 has failed to deliver on promises

Has he/she exhibited this behaviour? Yes or No: 

Example

18 has a strong sense of identification with his/her boss, to the detriment of others

Has he/she exhibited this behaviour? Yes or No: 

Example

19 does not sell or persuade well

Has he/she exhibited this behaviour? Yes or No: 

Example

20 has to win

Has he/she exhibited this behaviour? Yes or No: 

Example

21 has trouble adapting to those with a different style

Has he/she exhibited this behaviour? Yes or No: 

Example

22 likes to contribute, even if his/her knowledge base is slight

Has he/she exhibited this behaviour? Yes or No: 

Example
<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>23</td>
<td>finds it difficult to read the impact he/she is having on others</td>
</tr>
<tr>
<td>24</td>
<td>does not have a sound understanding of the micro- or macro-economic issues affecting the organisation</td>
</tr>
<tr>
<td>25</td>
<td>has little interest in or knowledge of technology</td>
</tr>
<tr>
<td>26</td>
<td>has a laid-back style – which others see as lack of commitment</td>
</tr>
<tr>
<td>27</td>
<td>does not spend time building relationships outside his/her own work area</td>
</tr>
<tr>
<td>28</td>
<td>is prone to perfectionism, which results in procrastination</td>
</tr>
<tr>
<td>29</td>
<td>is prone to moving the goalposts, to the confusion of others</td>
</tr>
<tr>
<td>30</td>
<td>is prone to self-sacrifice, which results in lost sense of time or work–life imbalance</td>
</tr>
</tbody>
</table>

Has he/she exhibited this behaviour? Yes or No: **Example**
31 is prone to shorter or longer periods of alcohol or drug abuse or excessive sexual activity

Has he/she exhibited this behaviour? Yes or No:

Example

32 [other:]

Has he/she exhibited this behaviour? Yes or No:

Example
Tough choices for tough times – identifying the core talent

Facilitator’s notes

Introduction

People who are considered high potential in good times may not deliver under different circumstances. Leaving them in place may undermine the talent management process. How do we identify those we should keep and those to let go?

It should be noted that each situation will be different, calling for careful, considered judgement. A recent case came to light of an organisation in the transport sector that had spent millions on redundancy payments only to find that months later they were rehiring. They had cut staff numbers to the bone but failed to identify and retain their core talent. When the upturn came they were ill prepared. So the context is important and many factors will need to be considered. These include the following.

- What is the organisation design once the cost reduction is complete? Is it viable given the structure of roles and responsibilities that are left? Of course it is jobs that are redundant in the first instance and only once the people are fitted as best you can to the new roles will some become surplus and so possibly made redundant. If roles change radically, it may be necessary to recruit while at the same time letting people go.

- The financial viability of the organisation under the existing cost structure and the rate of return that would arise from a redundancy exercise once all the elements are considered should have been taken into account. This requires a detailed cost–benefit analysis and should include some weighting for the intangibles such as the impact on morale, ability to retain key talent or to attract it again when the upturn comes. While there may be some surrogate measures of these factors such as engagement surveys, absenteeism, etc, it is hard to quantify these items. One approach is to carry...
out the cost benefit using the hard data and then consider whether these intangibles might change the action you take in any way.

• Coupled with the first point, and indeed the critical factor, is some estimate of time required before profitability resumes. The usual strategy is to stop recruitment and reduce by natural wastage. However, that often results in the most employable leaving, reducing the talent pool and capability of the organisation.

• Who is essential to retain? In some organisations where specific knowledge is vital to success and a small number of key employees are essential for survival, then it might be easier to determine. However, in many other organisations the knowledge required is more diffuse, making it harder to determine who should stay. ‘The death of a thousand cuts’ is a common trap where continual cost reduction leaves the organisation unbalanced and incapable of functioning effectively. The more support services are cut, for example, the more the front line has to do for itself, reducing their capacity in what might be seen as more important work.

• Whether any of the strategies suggested in Tool 51 may delay or even eliminate the need for these decisions.

Aim of the Tool

Part 1: This Tool identifies some of the characteristics that serve managers well but derail them when times are tough (see also Tool 36). Strengths become weaknesses in situations where other strengths are more important. Weaknesses and flaws that didn’t matter before or were forgiven because of other strengths become central in tough times. Success can lead to arrogance and an inability to change. It is, however, necessary to make the judgement about whether any of these strengths have become weaknesses in the context in which the organisation is operating. These are not universal truths, rather pointers for investigation and consideration once you have completed the analysis.

Part 2: This Tool helps to identify those who might need to go.

What it is

Checklists of characteristics.
When to use
When considering selective redundancy.

Materials needed
Assessment information on possible candidates.

Procedure for using it
When drawing up a list of possible individuals, though recognise the need to temper such a list with legal and employee relations considerations.

Evaluating its uses
Does it help to identify those the organisation can afford to lose?

Links to other Tools
Tool 39: Giving feedback (Having constructive career conversations with people in the talent pool)
Tool 51: Managing retrenchment in general and specifically of your key talent
## Part 1

Below are some of the characteristics that may give rise to problems in tough times.

<table>
<thead>
<tr>
<th>Characteristics that may prove successful in good times</th>
<th>How these characteristics may appear in tough times</th>
</tr>
</thead>
</table>
| Positive team relationships built on likeability and charm | May avoid actions that impair friendly relationships  
May be seen as manipulative and false |
| Strong track record of delivery arising from narrow focus on key deliverables using a tried-and-tested approach | May find difficulty in changing tack and coming up with different innovative approaches, especially those which are not ideal but are the best in the circumstances |
| Technical competence that outshines others and is tolerated for individualistic or maverick behaviour | Under pressure may cause team dissension and conflict, at a time when ‘pulling together’ is of paramount importance |
| Loyalty and commitment to the organisation demonstrated by working long hours and doing whatever is asked | May lead to burnout from the belief that working even harder is the answer |
| Ambition shown by desire to invest in whatever will assist career development and future promotion | May increase destructive competition for a more limited range of roles in the future |
| Strong operational focus on delivery today | May fail to understand the broader strategic issues the organisation faces  
Operates only in their silo and fails to build strong relationships across the organisation |
| High degree of control with few mistakes and variances to plan | Fails to delegate and empower through little trust in others |
| Energy and enthusiasm | May become unpredictable when enthusiasm is unsustainable |
| Cautious in decision-making | May become indecisive and lacking in confidence |
| Reserved | May become isolated and difficult to engage when stressed |
| Pushing the boundaries in an innovative way | Actions may become dangerous when a more cautious approach might be called for |
### Part 2

This section considers how we should work with such problems. In particular, is the situation recoverable or are people at risk?

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer yes</th>
<th>Answer no</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do they demonstrate both capacity and willingness to address the issues?</td>
<td>Stay</td>
<td>Go</td>
</tr>
<tr>
<td>Is their skill set relevant/required for future roles?</td>
<td>Stay</td>
<td>Go</td>
</tr>
<tr>
<td>Is their level of competence – core and job-related skills – sufficient for the future?</td>
<td>Stay</td>
<td>Go</td>
</tr>
<tr>
<td>Is there evidence of flexibility and adaptability?</td>
<td>Stay</td>
<td>Go</td>
</tr>
<tr>
<td>Do they demonstrate learning agility?</td>
<td>Stay</td>
<td>Go</td>
</tr>
<tr>
<td>Do they have strong and positive interpersonal relationships?</td>
<td>Stay if required in future roles. May be less relevant in technical or more individual roles</td>
<td>Go</td>
</tr>
<tr>
<td>Do they display resilience under pressure?</td>
<td>Stay</td>
<td>Go</td>
</tr>
<tr>
<td>In managerial roles can they take the tough decisions required and carry people with them?</td>
<td>Stay</td>
<td>Go</td>
</tr>
<tr>
<td>Do they readily accept organisation changes in the interests of the organisation rather than themselves?</td>
<td>Stay</td>
<td>Go</td>
</tr>
<tr>
<td>Are there other factors to consider?</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>