



# TALENT MANAGEMENT STRATEGY FOR SUCCESSION-SAVVY ORGANISATIONS

The spotlight continues to fall on the management of human resources as a means of delivering competitive advantage in challenging markets. But what makes an organisation succession-savvy? Vincent Belliveau examines the key trends in talent management for 2011 and beyond.

**M**any organisations are coming through the recession by adopting strategies that enable less spending – such as reducing headcount. However, now they have cut as much as they can, they need to redouble efforts to maximise the return on their existing assets – particularly their people. HR and L&D professionals know this means harnessing and cultivating talent effectively with a well-planned talent management strategy, underpinned by a targeted and effective programme of

L&D. Here are the four key trends that will help L&D professionals deliver:

1. act strategically,
2. be succession-savvy,
3. adopt social learning, and
4. streamline activities and systems.

#### **1 ACT STRATEGICALLY**

Having a talent management strategy is not in itself a guarantee of success; the

strategy must be planned and implemented in a way that suits the needs of the organisation. L&D professionals have to ensure that their activities are closely interwoven with the organisation's overarching goals and strategies – and that may involve a fundamental review of current L&D and talent management practice. It is essential to work with senior executives and line managers to identify the critical roles and competencies across all employees, and then devise talent and L&D strategies that ensure the right



employees are in the right roles with the right skills to execute the business strategy. Just as the business plan cascades down from the top of the organisation, with targets and objectives at each level, so any talent management strategy should be designed to help deliver those objectives at each level.

However, many organisations do not operate in a bubble: they utilise sub-contractors or are themselves part of an extended enterprise, often on a global basis. In such cases, the organisation may not have direct control over the development of people who are critical to its mission. An increasing number of L&D professionals are turning to new technology platforms to help deliver training, certification programs and knowledge assets to extended networks of partners, suppliers, resellers, distributors and customers.

At a basic level, most L&D professionals simply have too great a workload to manage extended enterprise connections without the aid of technology. Equally important are the benefits it brings. Technology can deliver consistent messages and programmes across multiple partners and channels, and allow contact between disparate individuals and teams that may facilitate improved problem solving and greater productivity.

Similarly, it makes it easy for L&D managers to track crucial activities such as certification that may be required for regulatory reasons and produce data that can be used to evaluate the success of particular strategies in delivering business results.

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## 2 BE SUCCESSION-SAVVY

Historically, succession planning was focused on the top tier of management, but now organisations are finding greater business success by adopting succession management strategies across all essential roles – from executive level to receptionist. This is important from the point of view of business continuity; productivity gaps are created when people without the right skills, abilities and personal networks have to be moved into a vacancy caused by an unexpected resignation.

While we can assume that employee turnover declined during the course of the recession, L&D professionals need to recognise that two factors are creating a new pincer movement on the availability of skills and knowledge going forward. The first is the recovery of the global economy, which will offer increased career mobility to a larger number of talented employees. The second concerns the aging workforce in countries like the United Kingdom.

Many 'baby boomers' are approaching retirement, and looming changes to pension schemes may actually lead some to take slightly earlier retirement in order to lock in existing benefits.

L&D professionals need to be prepared for these potential vacancies with a thorough

succession management strategy, founded upon accurate, up-to-date data and a solid understanding of where vacancies might occur, which areas suffer from a scarcity of talent, and which job roles tend to be difficult to fill. That information must be compared to the current profile of employees within the organisation, so potential successors can be identified for different job roles.

These strategies incorporate both traditional top-down succession planning (often extending involvement to managers) as well as bottom-up career pathing (with employee 'self-service'). Then L&D strategies must be put in place to build bench strength now, ensuring several potential internal candidates are capable of moving into those job roles. Such internal candidates are easier, more cost effective and less risky to recruit than external candidates and are likely to generate performance results more rapidly.

## 3 GET SOCIAL

Constrained budgets mean L&D professionals will need to maximise all the tools at their disposal, and, from an affordability point of view, it is inevitable that the use of social learning tools will increase. It's easy to see why social learning is so attractive; it is generally

believed that up to eighty per cent of all learning is actually informal – people talking at a desk or around the water cooler. Technology is now enabling organisations to move those water cooler moments online, where they become part of a more permanent, searchable repository of learning and knowledge.

Online bulletin boards, FAQs and wikis, carefully implemented around relevant communities, allow existing and new employees instant access to a wealth of information, and help multi-functional or geographically disparate teams work more effectively.

When employees add to the sum of the team's knowledge online, it is immediately accessible to all other members, potentially leading to faster, better problem solving and improved business results.

However, social learning must be integrated into the overall L&D strategy and used carefully in order to achieve the best results. Moreover, while the technology itself is affordable, there needs to be an investment of time and effort to recruit and develop champions, evangelists, moderators and participants and to determine guidelines for participation that prevent any potential abuses of social learning tools.

#### 4 STREAMLINE YOUR ACTIVITY AND SYSTEMS

Streamlining internal processes and systems is the single strategy that would make a huge difference to the capability and effectiveness of many L&D teams. Existing budgets are used more effectively by reducing internal inefficiencies typically caused by functional silos and the duplication of cost and effort inherent in multiple support systems.



#### *Homeloan Management Limited (HML)*

Leading financial outsourcer HML works with more than thirty lenders in the UK and Ireland. The company's services cover the full lending lifecycle – from new lending and mortgage administration, to credit management and redemption.

HML recognised that its people were required to deliver efficient transaction processing in an environment where legislation is frequently changing and there are sudden swings in demand from one product to another. With this in mind, it sought to improve performance and capability, and foster a common, active One Team community across its different offices and teams.

The company also decided to use targeted learning to build operational breadth and depth across all its sites. Hank Henry, operations training manager: "Focusing on a long-term, proactive approach to people management, we wanted to understand our organisational capability. Only by doing so could we adopt a strategic approach to closing the capability gap needed to achieve future goals."

After a rigorous selection process of fifteen technology vendors, HML implemented Cornerstone OnDemand's Software-as-a-Service (SaaS)-based talent management suite, including solutions for learning management, employee performance management, succession planning and enterprise social networking.

With its technology solution in place, HML implemented a skills matrix for its operations staff of eighteen thousand. This process enabled the organisation to break out all roles, processes and jobs and get a clear view of current operational readiness. In turn, team leaders were able to easily identify the capabilities and skills gaps of their direct reports, balance workloads and assign training.

#### Developing people, improving performance

By centralising and automating existing processes that feed into successful talent management, such as competency assessments and performance reviews, HML is able to identify and improve the development of talent from within. In just five months HML achieved:

- ninety per cent employee adoption with no application training – compared to forty per cent adoption of its former LMS.
- Critical insight into staff succession and performance readiness throughout the organisation.
- Well-received coaching and mentoring programmes to cultivate future leaders.
- A culture of self-development where each employee logs on to their performance and development account, checks their long-term and short-term goals, obtains up-to-the-minute progress reports and collaborates with others in the organisation.

While it is important to retain functional expertise, a more holistic approach to planning integrates talent and performance management with learning and succession planning, and all the different learning disciplines – classroom, e-learning, mobile learning, mentoring and social learning – to provide a comprehensive solution for the organisation's needs.

Similarly, one seamless IT system that can be used across all HR and L&D disciplines will provide more accurate, integrated and timely data to use as the basis for planning, execution, tracking and measurement of those plans.

Software-as-a-service solutions are increasingly recognised as reliable and cost-effective options to help L&D professionals improve productivity. Most organisations are ready and able to adopt

such applications, as they offer a lower cost of ownership for a proven, future-proof application. They enable greater use of a blended approach, and the integration of learning and HR processes.

Typically, these strategies do not require much monetary investment. Instead, they require L&D professionals to take a fresh look at what they are doing. If this new approach to learning and talent management helps to improve results during a period of low economic growth, it proves the old truism that people are the organisation's most valuable asset.

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