


Strategic Talent Management

Not Your Father's
Succession Planning

MICHAEL COUCH
& ASSOCIATES INC. 

A silhouette of a person in a suit stands on the left side of the image. The background features a bar chart with blue bars of increasing height from left to right, and a faint world map. The text is centered over the chart and map.

“Talent issues are at the heart of our rapidly changing world economy and will continue to present formidable challenges to business leaders.”



How is HR Handling the Challenge?

% Not Satisfied

HR drives business results



90

Talent aligned with Strategy



90

Succession Planning Process



80

HR responding to future talent needs



70

Corporate Leadership Council

Ratings by 16,000 Line Manager

16,000 Line Managers

% Not Satisfied

HR drives business results

90

Talent

90

Success

80

“HR fails to respond to this new strategic planning mandate.”

HR responding to future talent needs

70

Corporate Leadership Council 2008

A photograph of four people standing in a row against a white background. From left to right: a man with dark hair in profile, a man with dark hair smiling, a woman with blonde hair looking forward, and a woman with blonde hair in profile. A semi-transparent grey box is overlaid on the center of the image, containing the text 'A New Perspective on Talent' in a bold, red, sans-serif font.

A New Perspective on Talent

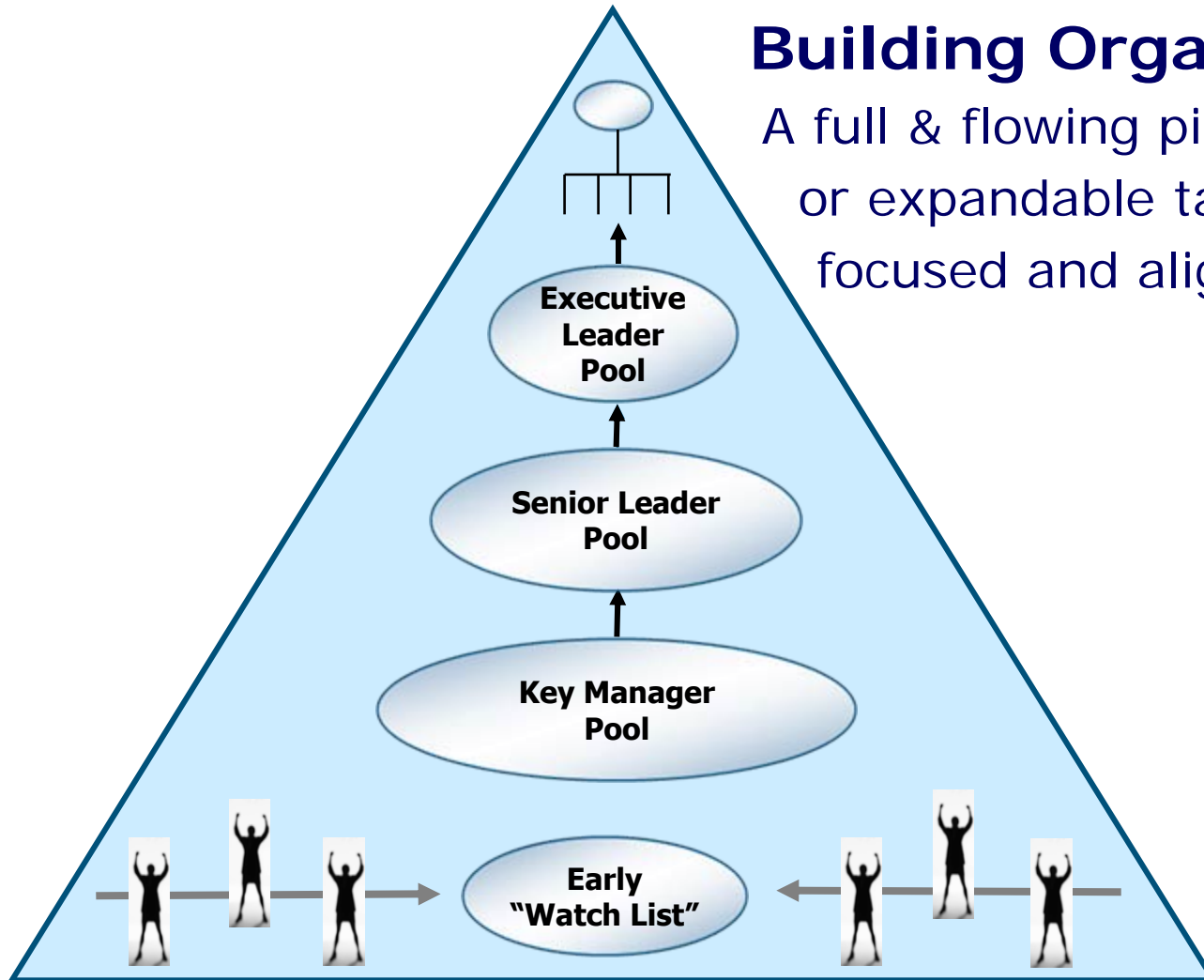
HR's Real Value



Strategic Talent Management

Building Organization Muscle

A full & flowing pipeline of promotable or expandable talent that is future-focused and aligned with strategy

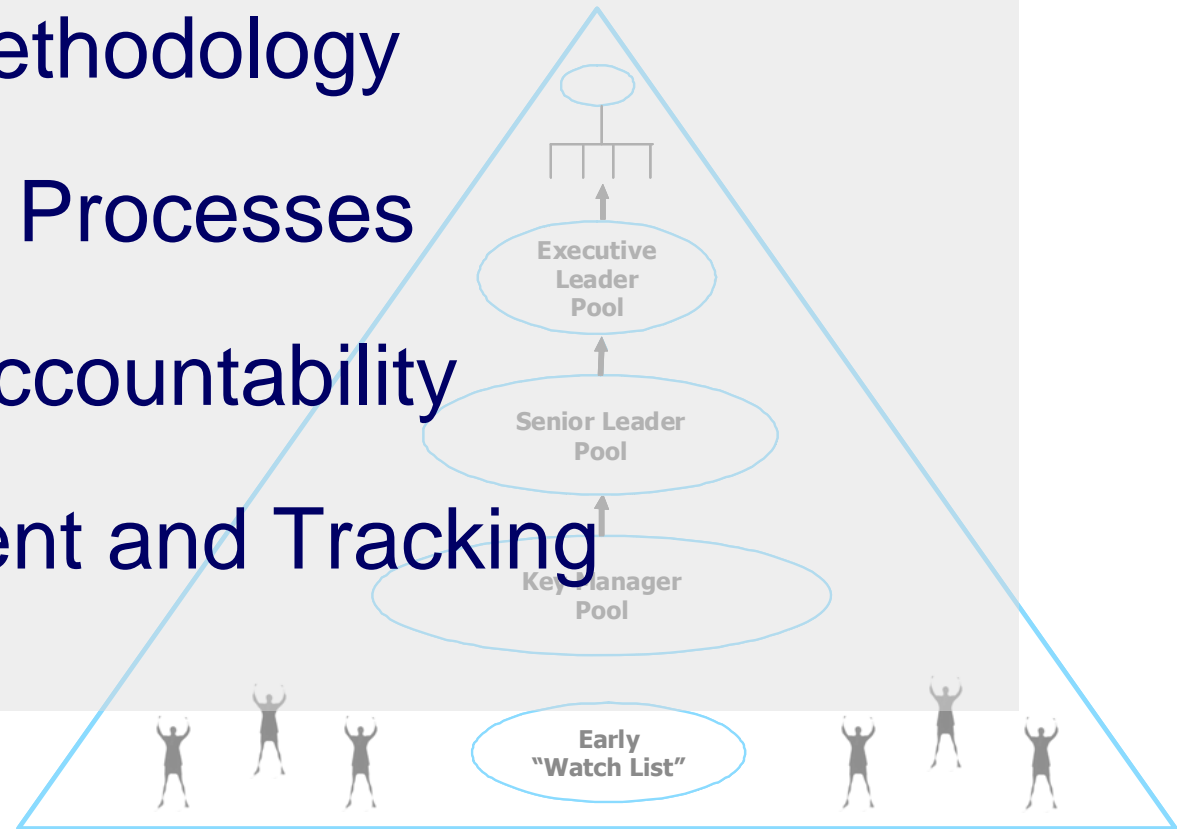


Top 10 signs that you are NOT taking a strategic approach to talent

1. No one can describe the link between talent and the business strategy
2. No one can describe the talent strategy
3. Executives are not held accountable for managing talent
4. Employee goals not closely linked to company goals
5. The financial discussion with HR focuses on the budget
6. Don't invest in high-value employees based on the feeling that some employees will be left out
7. Poor performance is tolerated
8. Annual comp changes are not that different between low and high performers
9. T&D is all "T and no "D"
10. Competency models are not high-performance +/- or future-focused

STM Keys to Success

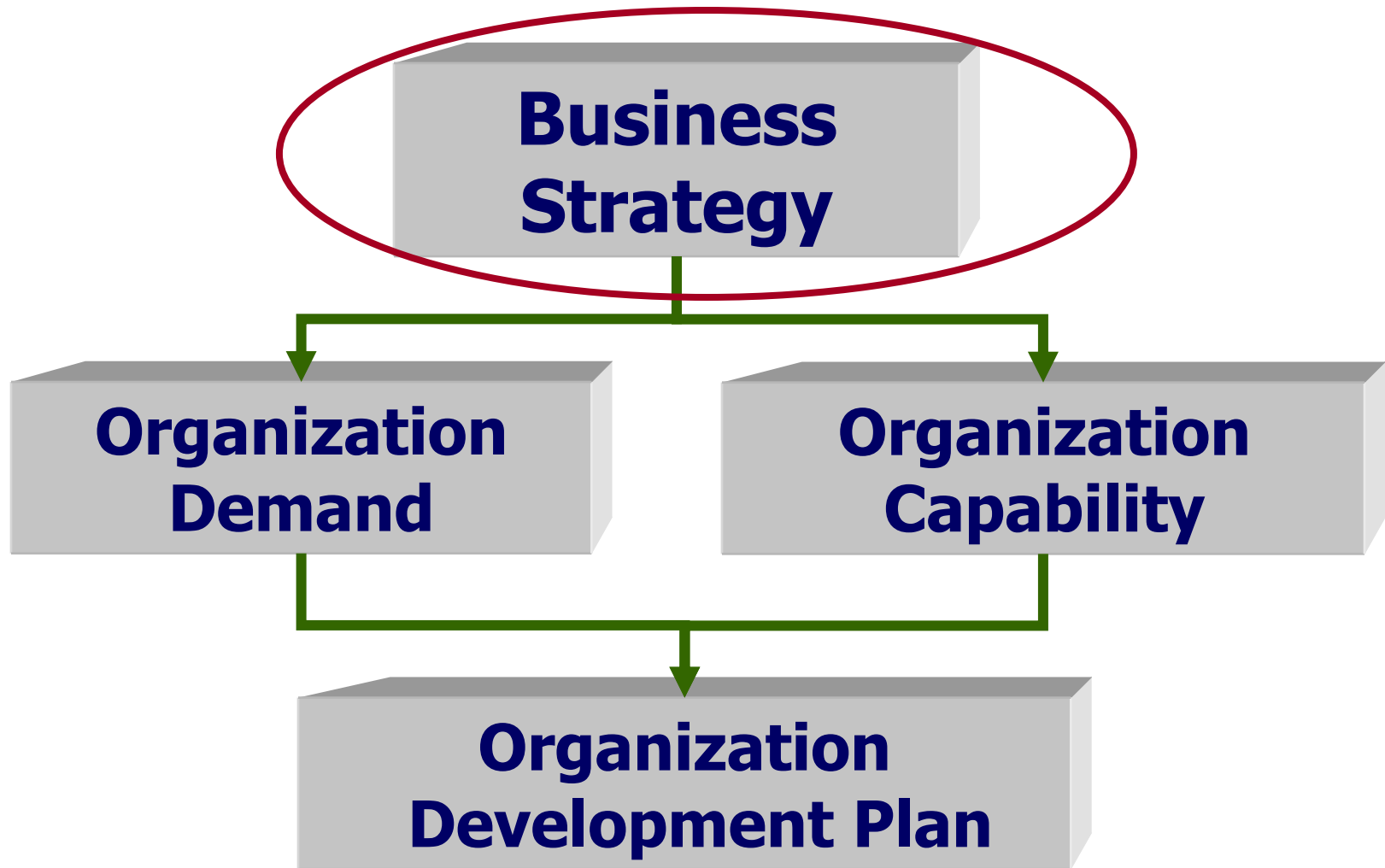
- Driven by Strategy
- Effective Methodology
- Aligned HR Processes
- Business Accountability
- Measurement and Tracking



Building Organization Muscle



Strategy Driven Organization DevelopmentSM



Put Strategy First, Not People

Manufacturing Case Study - Strategy

- **Slow Growth**
- **Declining Margins**
- **Mature Markets**
- **Domestic**
- **Relationship Selling**
- **Increased Competition**



Manufacturing Case Study - Strategy

- **Offer New Products and Services**

- Development, promotion, and delivery

- New products
- Value-added services

- **Priorities**

1. Existing Product / Existing Markets
2. New Products / Existing Markets



Strategy Driven Organization DevelopmentSM



Manufacturing Case Study - Demand

Create the Growth Infrastructure

- New Products and Services
- Value Marketing and Pricing
- Team-Based Consultative Selling
- Margin Improvement



Strategic or Pivotal Roles



- Impact strategic success
 - Additional investment would drive results
- Highly developed skills and knowledge
- Small % of positions
- Not directly related to hierarchy
- Talent is scarce
- Performance varies

Manufacturing Case – Pivotal Roles

Create the Growth Infrastructure

- Product Development
- Sales & Marketing
- Product Management
- Order Fulfillment Value Stream



Talent Demand – Healthcare Example

Past

- Tactical
- Traditional hierarchy
- Clinician
- Technical Knowledge
- Department Manager
- Certainty

Predictable Funding
Non-Profit
Consistency

Future

- Strategic
- Cross-Function Collaboration
- Generalist
- Business Acumen
- Team Player
- Ambiguity

Fee for Service
Cost Reduction
Outcome-Based

Strategy Driven Organization DevelopmentSM



Building Organization Muscle



Talent Assessment Methodology

- Manager Assessments
- Testing
- Assessment Centers
- Organization Capability Assessment



Talent Assessment Tools



Tool	Validity	Reliability	Face Validity	Utility
Manager Assessments			✓	
Testing	✓	✓	✓	✓
Assessment Centers	✓	✓	✓	✓
Organization Capability Assessment	✓	✓	✓	✓

Reliability of Manager Assessments



6,000 leaders evaluated by two bosses*

- 80% rated above average
- 15% rated “outstanding” by one boss
 - 2nd boss disagreed 62% of the time
- 17% rated “average” or lower
 - 2nd boss disagreed 39% of the time



*Single question, 7 Point Scale

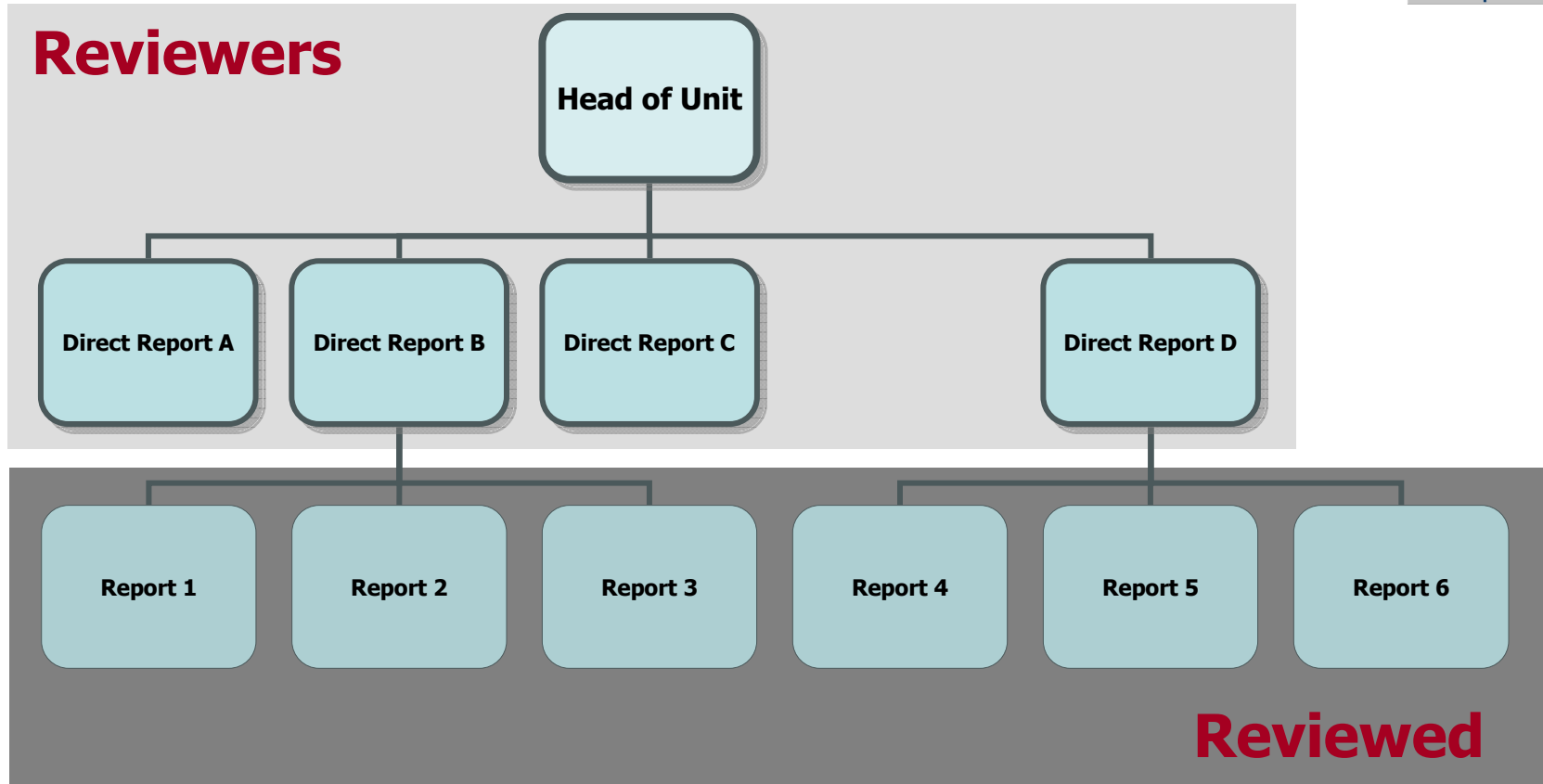
Organization Capability Assessment

- “. . . honest and open conversations about performance and potential.”
- “. . . honest assessment of talent capabilities and gaps through robust talent reviews.”

Hewitt Associates, Talent Management Magazine 2009



Talent Reviews



- Facilitated, objective, candid discussions
- Observations from multiple sources
- Critical leadership behaviors

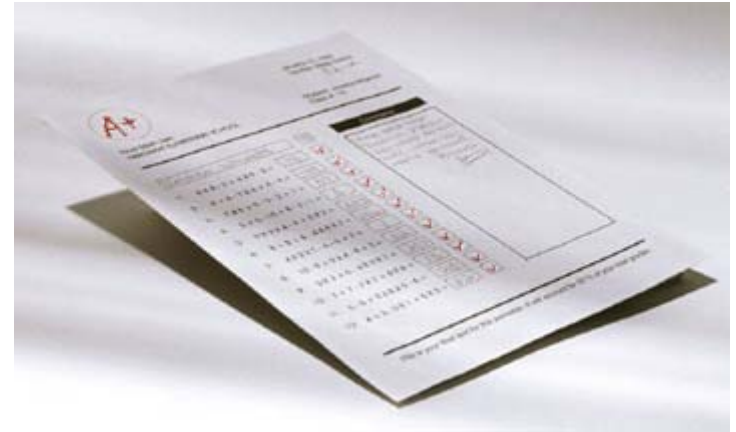
Building Organization Muscle



Talent Assessment



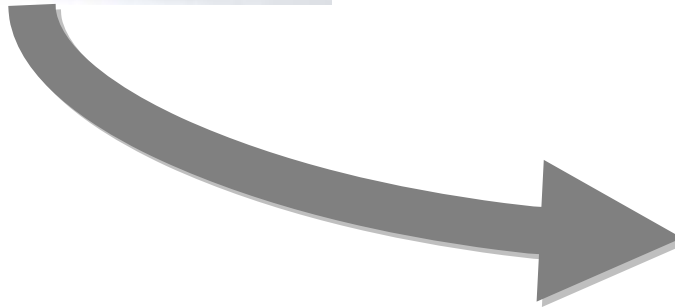
- Strengths
- Development Needs
- **Performance Agility**
- **Growth Potential**
- Opportunities, Back Up, Succession
- Turnover Risk
- Turnover Impact
- Next Position Readiness



Organization Capability



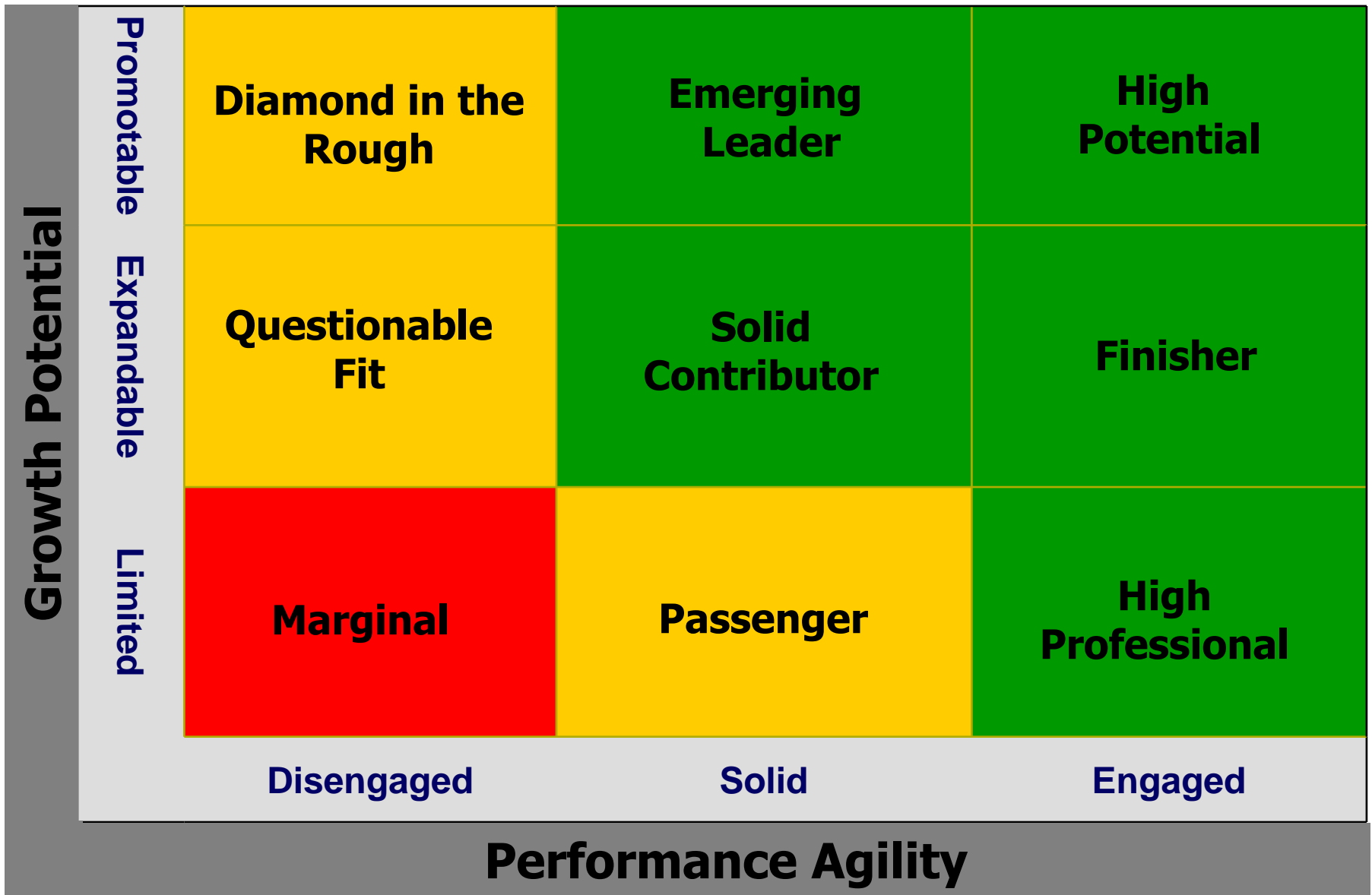
Talent Assessments



Organization Capability

Potential	Promotable			
	Expandable			
	Limited			
		Disengaged	Enrolled	Engaged
		Performance		

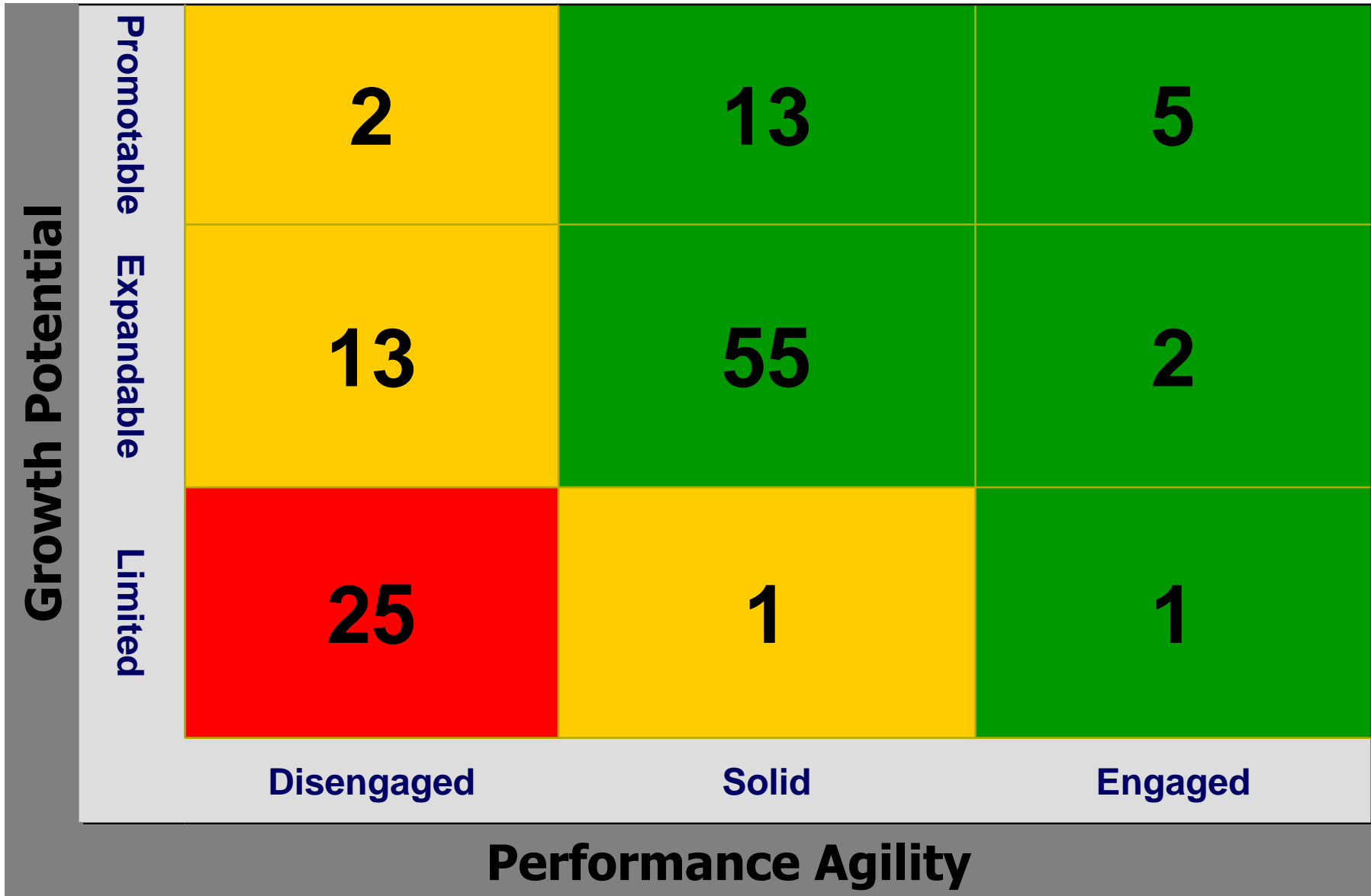
Organization Capability Assessment



Strategy Driven Organization DevelopmentSM



Capability Assessment - Manufacturing Case

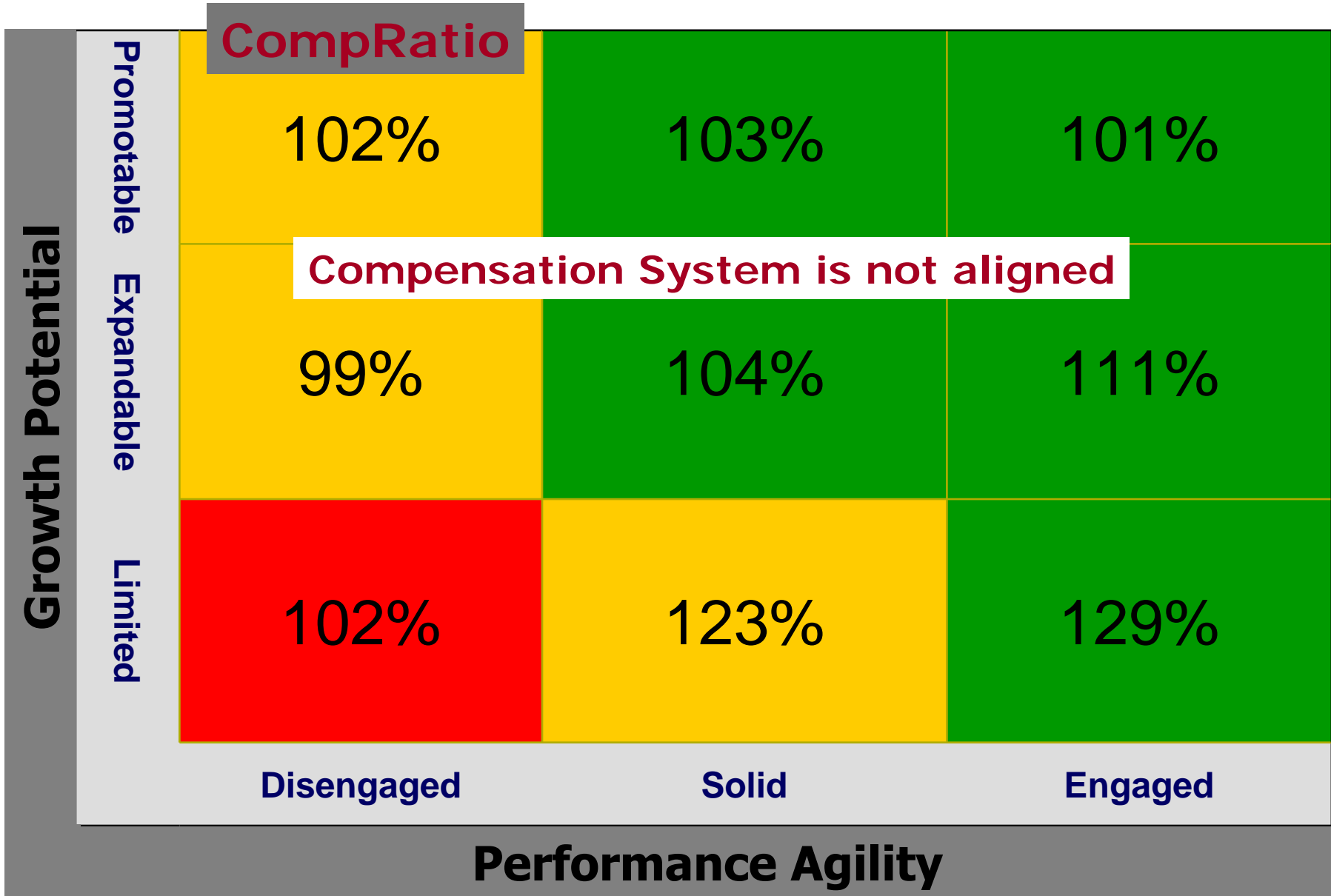


Building Organization Muscle

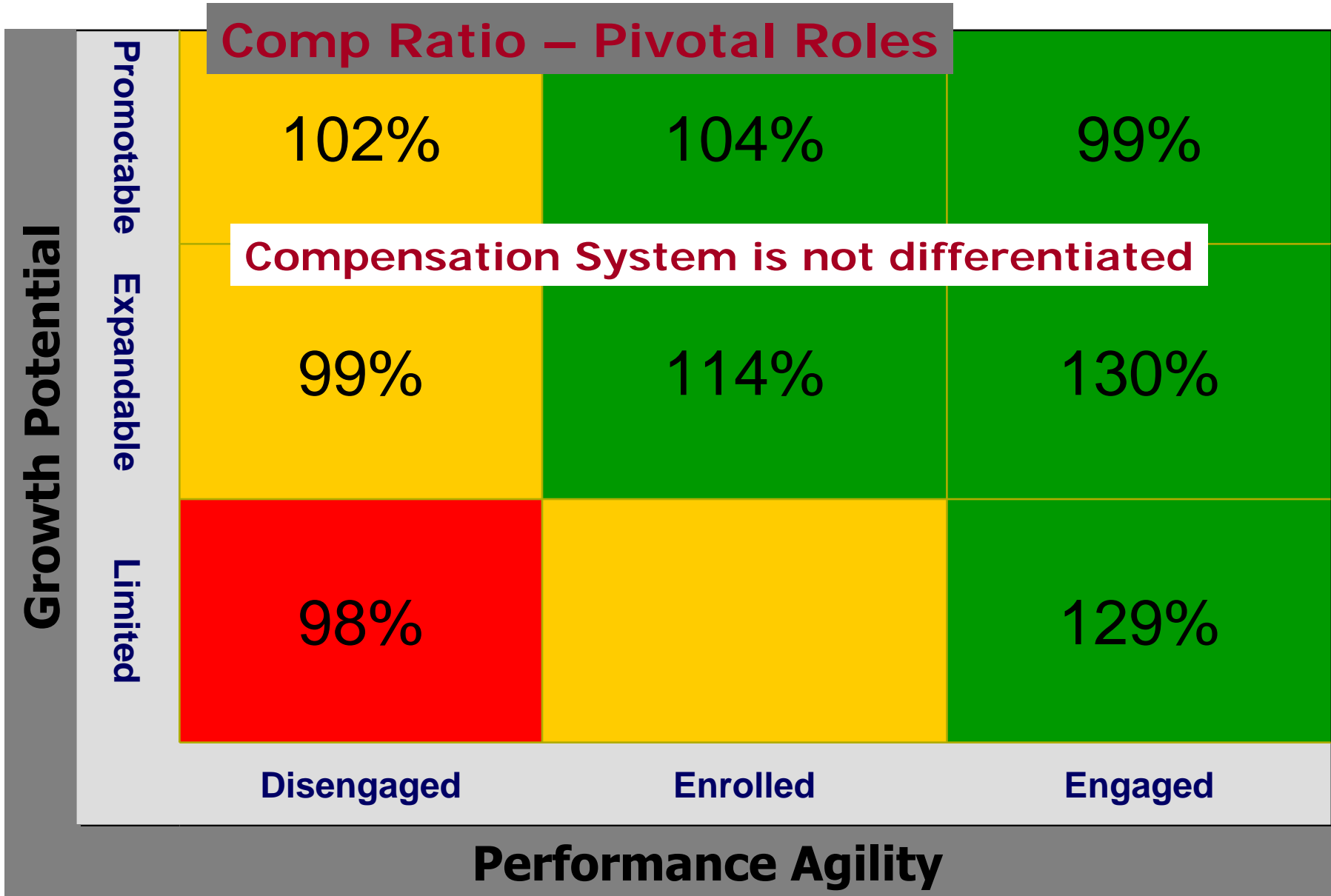


Consistency

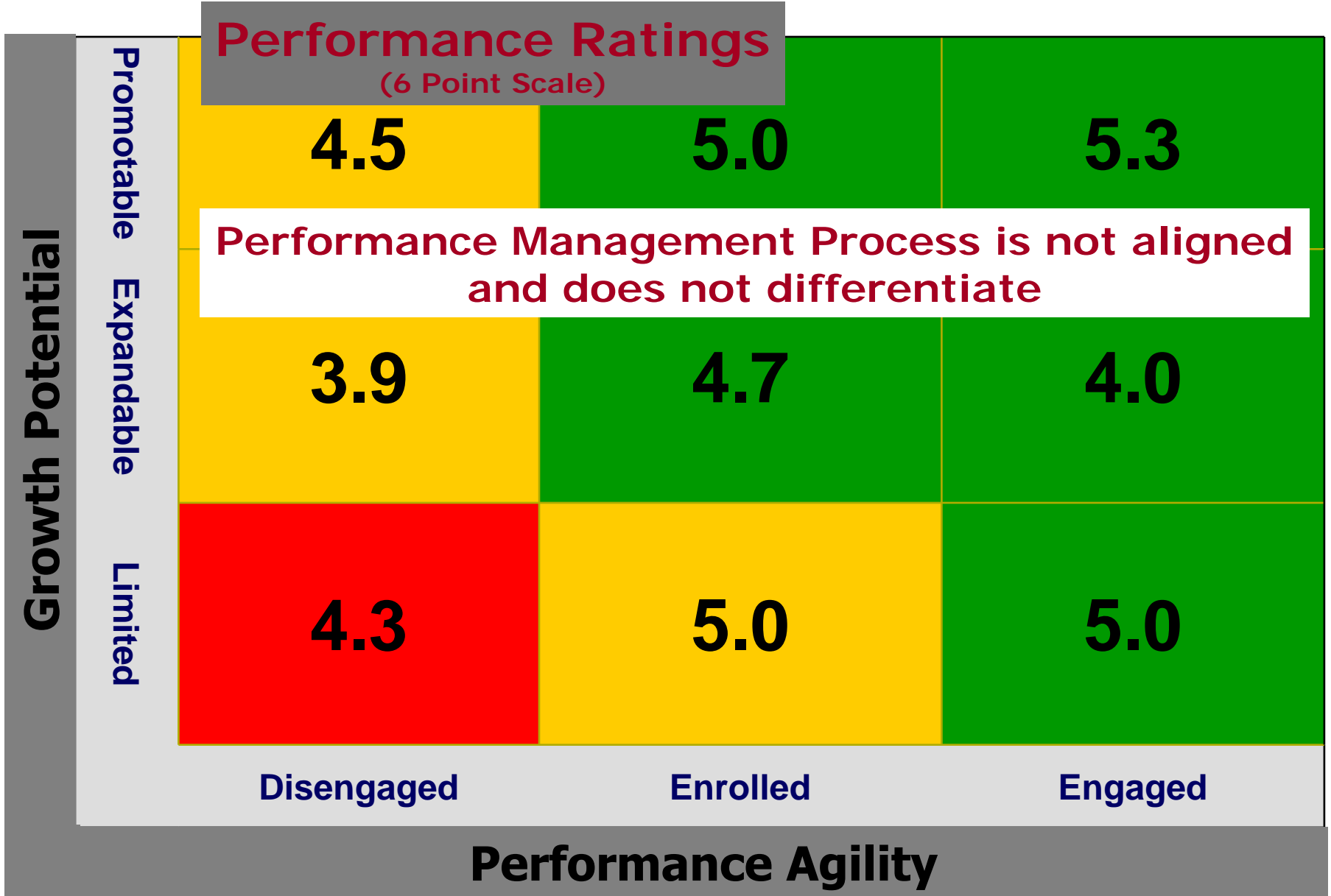
Capability Assessment - Manufacturing Case



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Capability Assessment - Manufacturing Case

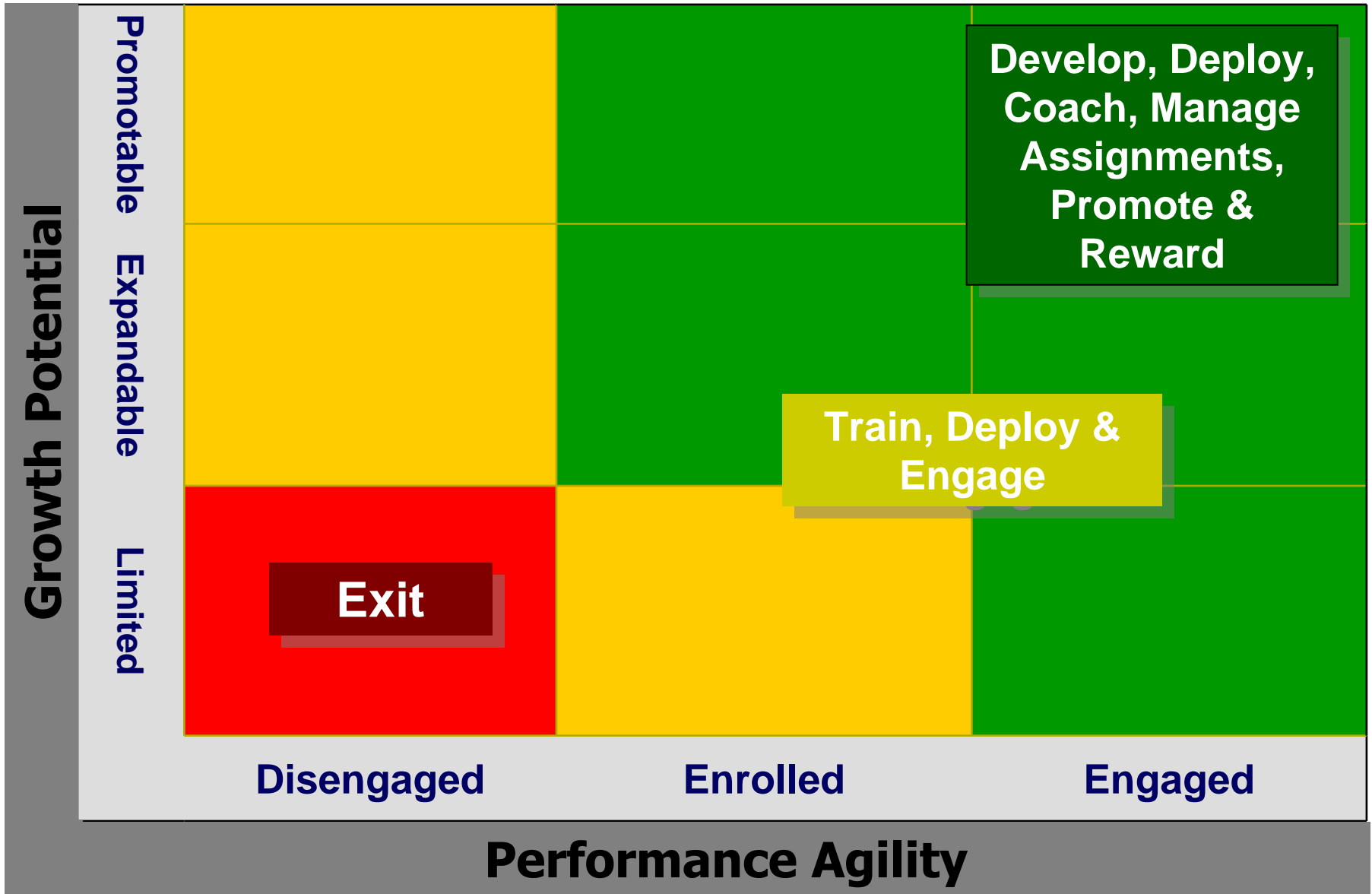


Organization Development Plan

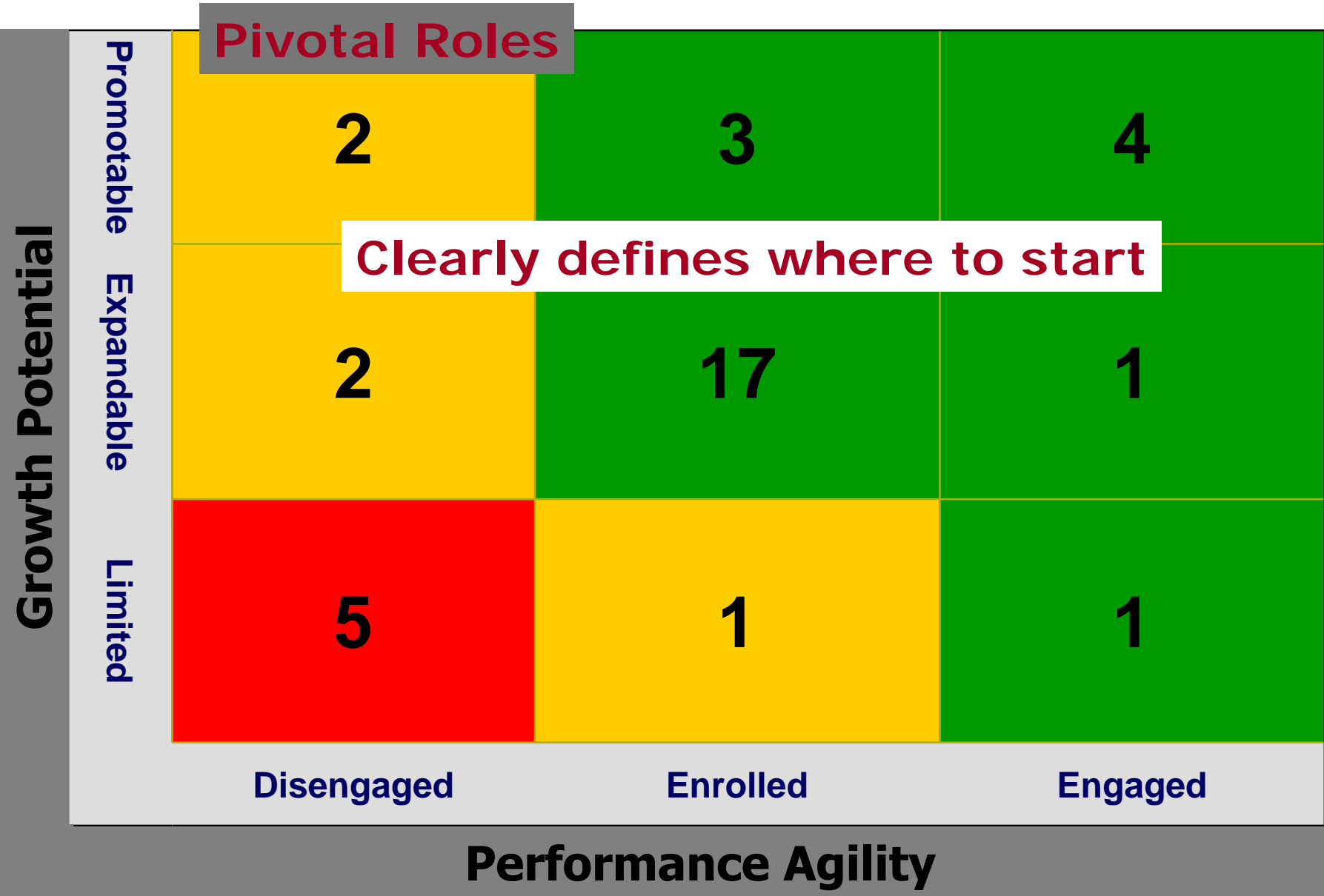
- “Best practice organizations . . .
 - go beyond recruiting-based plans . . .
 - an integrated action plan . . .
 - 4 - 5 most effective talent management changes to close strategic gaps”

Corporate Executive Board 2007

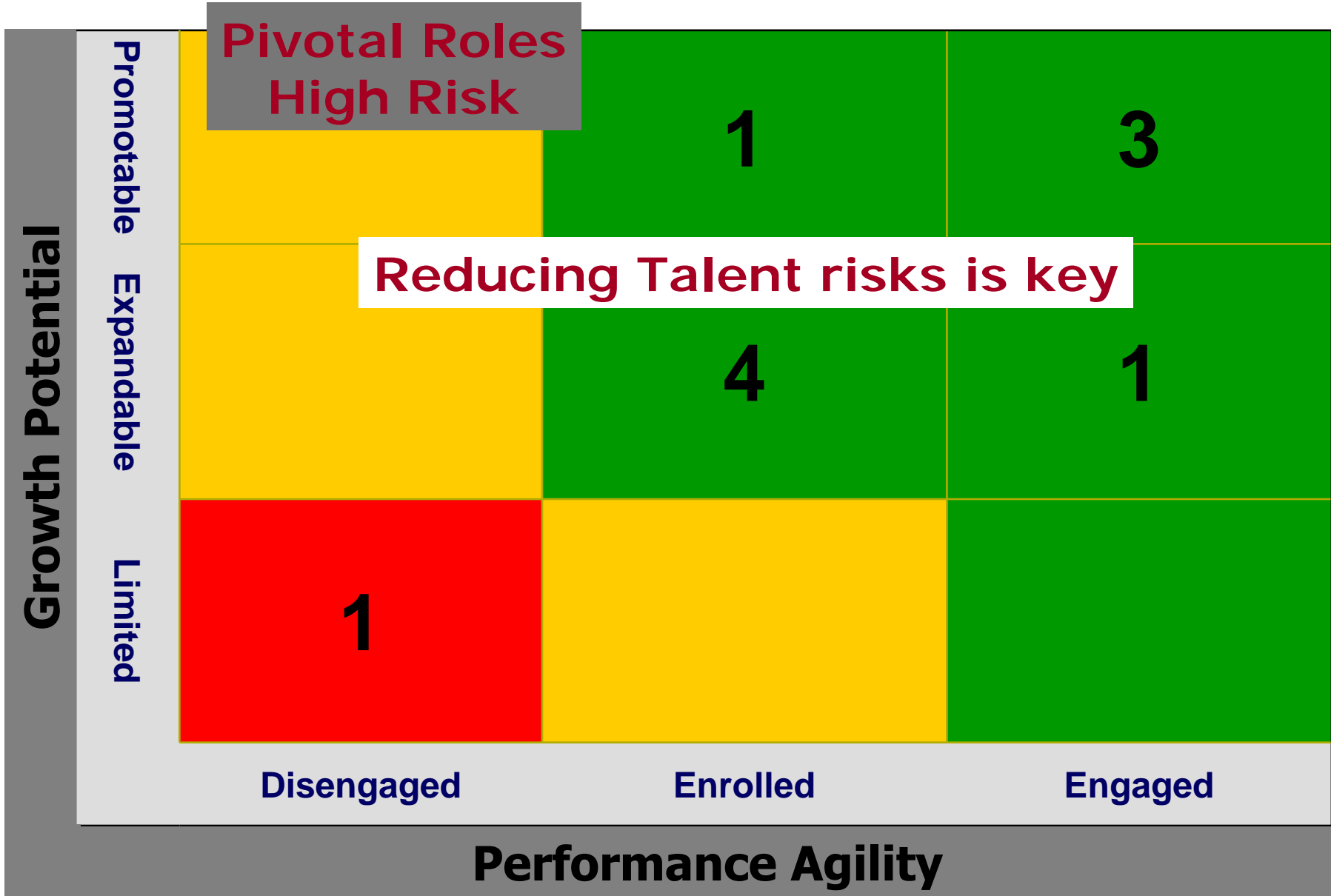
Organization Development Plan



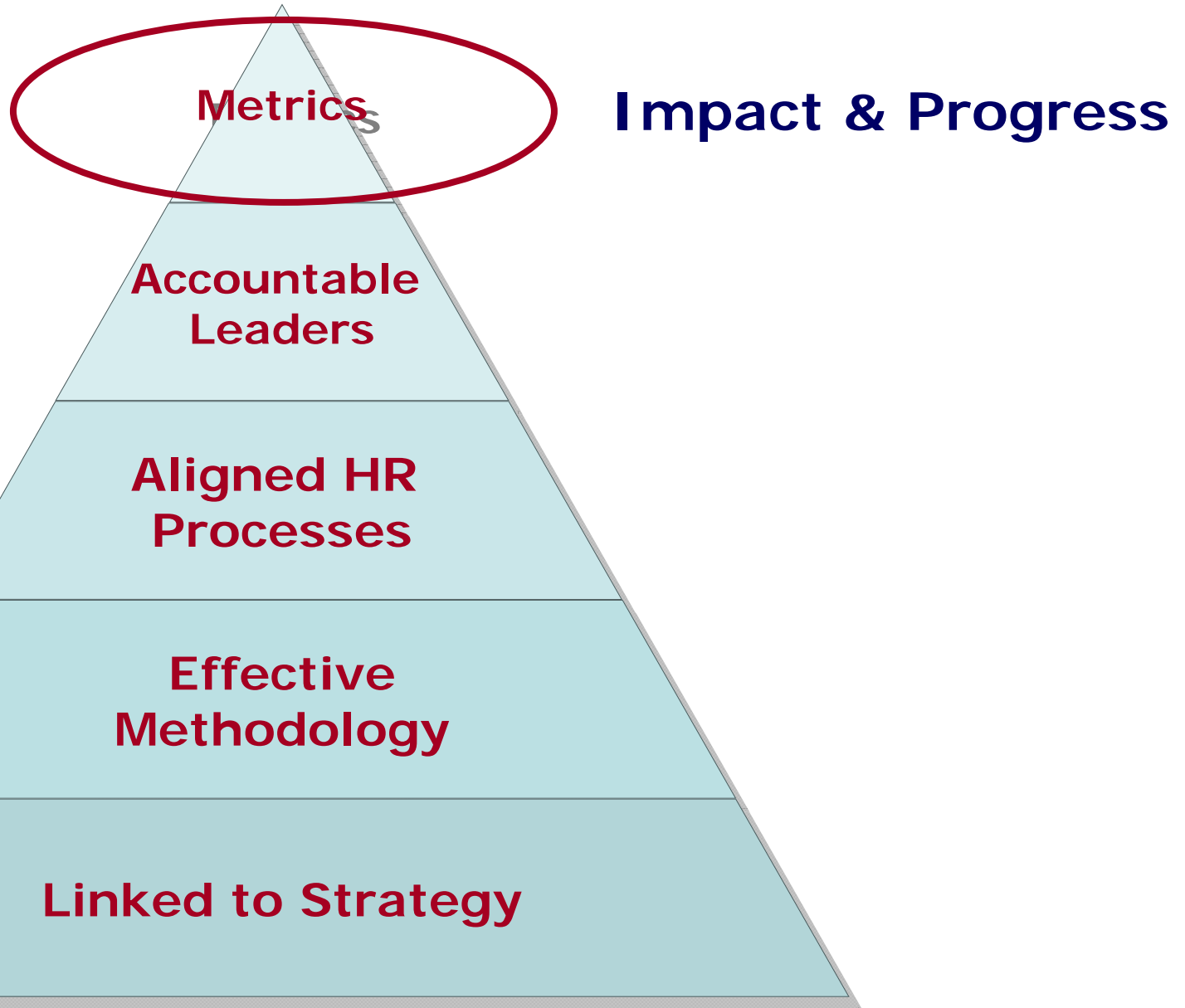
Capability Assessment - Manufacturing Case



Capability Assessment - Manufacturing Case

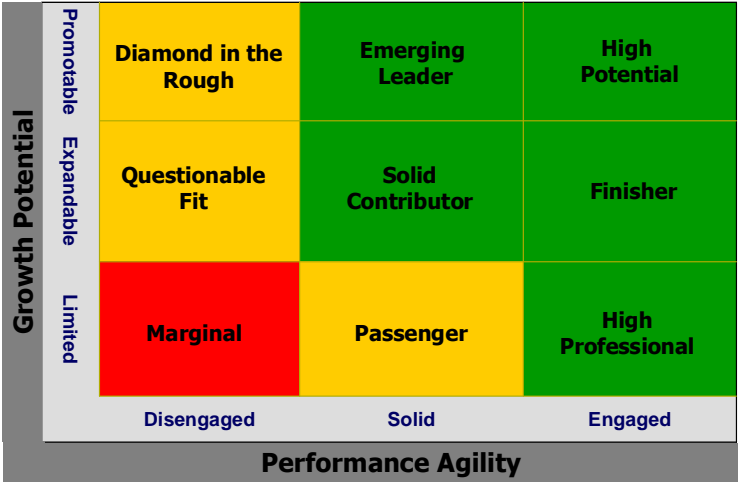


Building Organization Muscle

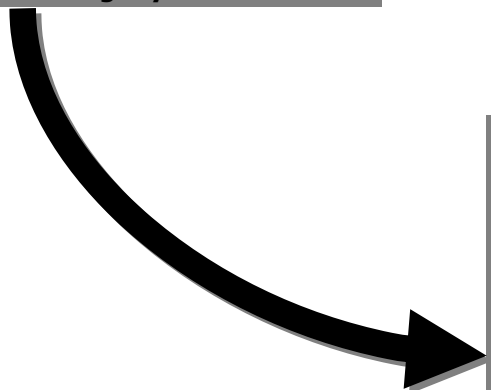


Measurement & Tracking

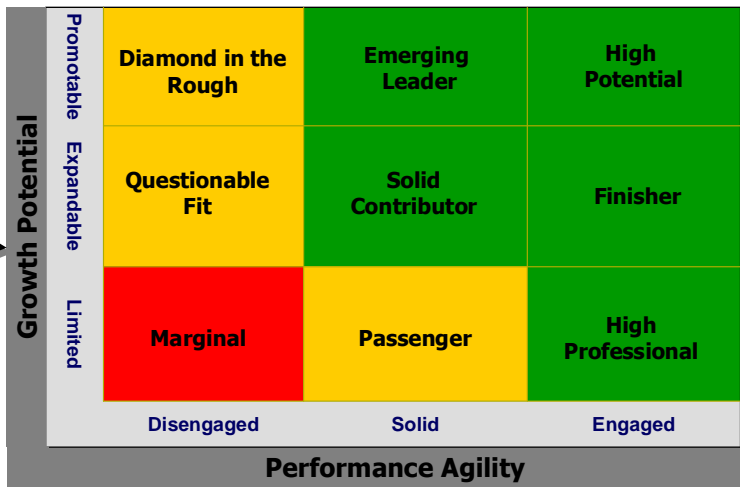
Time A



- Investment
- Return/Impact



Time B

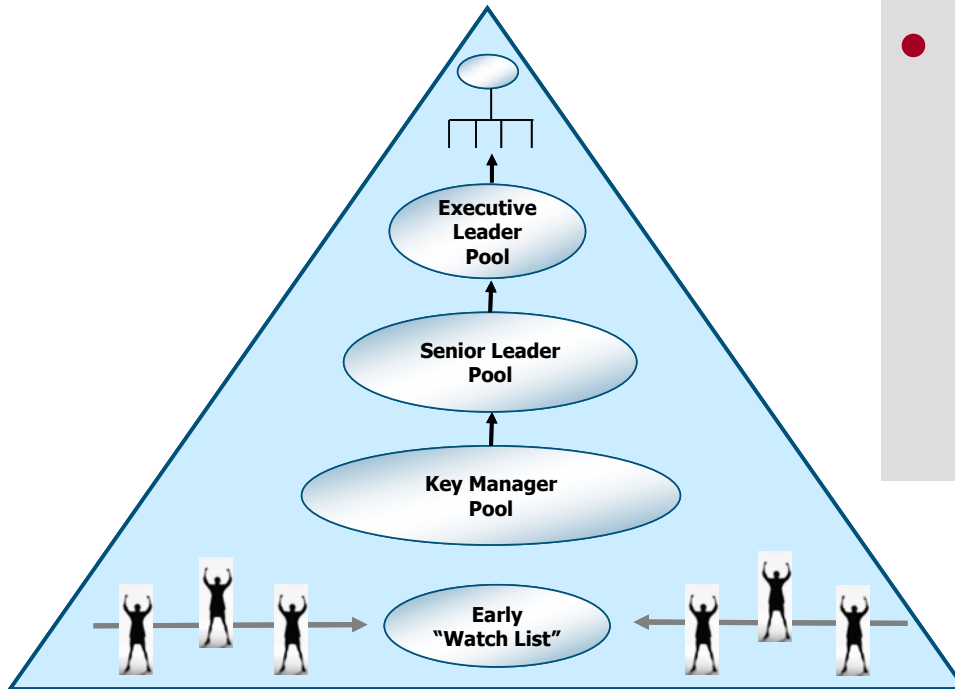


Other Metrics



- Ratio of “A” Players to “C” Players
- % Pivotal Roles with ready backup
- % High Potentials with development plans
- Diversity capability matrix
- New hire capability matrix
- Retention by talent group
- Quality of talent by pools
- Change of organization capability over time

The End-State



- **Pipeline of Talent**

- Full & flowing
- Ready to step-up
- Future-focused
- Aligned with strategy

- Sustained Productivity and Change Capacity
- A source of competitive advantage



People are **NOT** your
most important asset

A group of four business professionals (two men and two women) are shown from the chest up, standing in a row. They are dressed in professional attire. A semi-transparent grey rectangular box is overlaid on the center of the image, containing text. The text reads: "The **Right People** in the **Right Roles** doing the **Right Things** are your most important asset". The words "Right People", "Right Roles", and "Right Things" are in a bold, dark red font, while the rest of the text is in a black, sans-serif font.

The **Right People** in the
Right Roles doing the
Right Things are your
most important asset



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