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Unlocking Success

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## TALENT SCORECARD

How to ensure your company is managing talent strategically

Companies worldwide are struggling to find and retain the caliber of leaders their businesses need. The increased market intensity and demand for top-shelf, experienced leaders arrive at a time when our population of potential leaders is declining. Stagnant hiring in the early 1980s has resulted in fewer experienced leaders available. On top of that, U.S. census data indicates that the population of potential leaders is shrinking.

In short, we have a challenging business environment and fewer experienced leaders to navigate it.

These challenges represent opportunities to fundamentally change and measurably improve how talent is managed. We must treat

talent management as a business imperative and bring it to the strategic planning table — where it belongs.

Whether starting new companies or preparing the leaders of tomorrow, the most successful companies hire great talent, make sure that talent is aligned with the company's strategy and culture, develop that talent aggressively and reward that talent well, in alignment with their desired culture and future strategy.

To manage talent strategically, organizations must do three things:

**Align business and talent strategies.** Every aspect of the talent strategy should link directly to the business strategy and its execution. Anything not directly linked is probably working against the core strategy by consuming time and resources and confusing managers about what is most important. Once the business plan is formulated, the first question to ask is, "Are the current people processes ready to hire, develop and manage leaders to support this business plan for the next three to five years?" Make sure that the competencies for which you are hiring match the skills that leaders will need to execute the business plan. Ensure that leadership development is based upon values that support where the company is headed.

### Look ahead, not behind.

Develop tomorrow's leaders for tomorrow's challenges. Talent management should be based on where the company is *going*, not where it has been. Most performance management effort is oriented toward evaluating past performance. While understanding how a person has just performed against current expectations is important, it is equally important to ensure that leaders are assessed against the *future* demands of the business — three to five years down the road — not just the challenges being faced today.

**Track the talent profile.** Talent metrics should be established, tracked and acted upon as part of

the business portfolio. They should garner the same attention as other bottom-line metrics. Talent metrics are not second-class measures — they are a vital part of your business portfolio and the best indicator of your future capacity to execute.

Ignoring or ascribing second-class status to talent metrics is a good way to be caught off-guard in midstream. Decision-makers should have a "talent scorecard" to monitor the quality of available talent and track gaps in key talent pools. These data can be used to adjust hiring and development practices and to drive individual accountability for enabling the business strategy.

No matter how brilliant the strategy, it takes people to execute it. It is too easy to be captivated by plans to secure additional market share or tap new markets but fail to ask, "Do we have the people to get the job done?" and "What will it take to ensure we have the talent we need?" Require each business in the enterprise to provide a talent strategy commensurate with the operating plan for executing their business strategy. Without an equivalent talent plan, the business strategy becomes a false promise. Do not approve business plans that fail to address finding, developing and managing talent to execute the strategy. <<



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