

HUMAN ELEMENT

HUMAN ELEMENT: TALENT FACTORY

By Mark Brenner



The basic math of high-performing companies is: Profitability is about performance, and performance is about people – one person at a time and collectively. Elegant in its simplicity, this tenet clarifies where executives should focus their attention and resources in the quest for excellence. In short, if your “holy grail” is performance, then your quest must begin with people and culture. Both common sense and a reading of the global, competitive landscape imply that if you are responsible for the long-term well-being of your organization, you need to know how to build and run not only a successful commercial business, but a well-defined talent factory, as well.

The Foundation of the Talent Factory

What does it take to build a humming talent factory?

A talent factory is built on the infrastructure of the people value chain. Each of the links in this value chain describes a high-impact organizational capability in the area of people and culture best practices: culture branding, talent attraction, targeted recruiting, high-accuracy hiring, proactive onboarding, talent identification, performance enhancement, aggressive retention, career acceleration and succession management.

Only a zealous focus on your people processes and their potential can truly “deliver the goods.” A humming talent factory is the very best way to ensure you will be able to preserve and extend your firm’s competitive advantage as well as continue to enchant your customers or clients. Let’s take a closer look at what the humming actually looks like in the real world.

Build It Now

In the majority of situations, four possible catalysts lead top executives to embrace the necessity of capitalizing on the people value chain. They are:

1. Recognition that the time has come to admit that an organization just won’t turn around without some bold measures and energetic action.
2. Entrance of a new executive who takes over the reins and wants to find a clear direction, establish credibility with the troops and then charge forward.
3. Existence of a culture where the organization has been operating in “settle-for” mode, but its talent is ready to be led toward something larger and more audacious.
4. Executive realization that being a highly thought-of company is only a lagging indicator for success.

It’s time to take action to ensure competitive edge for the next 10 years. In each case, the next question is, “What’s the best way to begin?” Here’s how:

Eyes Wide Open

First of all, a strategic approach to succession management must avoid certain obstacles and temptations:

- Know where you are. The first and most prudent (i.e., the lowest risk) task is to take one step back and understand, from both a broad and deep perspective, where you are now.

Recommendation: Since an insider may be too lost in the trees to see the forest, it takes an outside party to get a truly objective view of the current situation. Retain a consulting firm to confidentially interview a sample of the work force to get to the real heart of the matter regarding your organization’s people and culture practices, customer service levels and operational expertise.

- Strategic grounding. With objective, extraordinarily compelling data in hand, you will quickly discover where the big opportunities are for charging forward. For example, 90 percent of the time, leadership learns from an independently, objective study that their people – up and down the line – sense a lack of direction in the enterprise. Individual contributors and managers experience every day as merely hyper-tactical, lacking any palpable links to an overriding strategy.

Recommendation: Engage in a disciplined strategy process that is nonmechanical. Immerse your leadership team in strategy work that capitalizes on this secret ingredient – emotion. Remember, strategy work is less about strategy than it is about broad-based execution involving everyone in the organization. To achieve such a demanding and all-encompassing objective requires alignment, ownership and passion.

- Integrate the strategy. With your penetrating study and top-level strategy work in hand, you are now well-prepared to understand at a much more granular level how you need to brand your culture and engineer your people value chain. You are now ready to implement the links that will attract the best, select the best, develop the best and retain the best.

Recommendation: Since the efficacy of strategy execution depends on potent leadership, one of the vital moving parts in the people value chain is leadership development. Each and every executive and manager in the enterprise, whether they realize it or not, is being measured by the work force. What key metric are they being measured against? Are they acting as a role model for the strategy – for the mission, vision, core values and strategic objectives? If executives and managers do not pass this unspoken test, then the probability is low that the organization will be able to run the strategy marathon.

- Know what you want. In order to execute successfully on the links that make up the people value chain, you must know what your preferred talent profile looks like. This calls for the development of competency models as targets for assessment and development.

Recommendation: Develop an executive-level model, a manager-level model and a service and contribution model for front-line staff. But remember, while competency models are invaluable tools, they are only tools and not solutions in and of themselves.

- EQ is the key to retention. It's been well-established that high-value employees do not leave their companies, but rather leave their manager. It's also well known that, as managers move up along the career arc, the competencies that underpin this ascendance are much more about EQ (emotional intelligence) than about technical competence.

Recommendation: It's absolutely vital to the construction of your talent factory to recognize the key levers in the arena of creating managerial and executive acumen. They include: (a) performance enhancement, (b) leadership development and (c) succession management. Being an expert at these people value chain processes is utterly crucial to building your culture brand, attracting the very best fits to your enterprise and running the strategy marathon.

The war for talent is on. Its winners will be organizations with talent factories that hum. They are the companies whose leaders are strategic about talent, the ones that don't shy away from the "soft and squishy" nature of talent management. Instead, they turn it into competitive advantage by following the links and operating the levers of the people value chain. Ultimately, every enterprise is a profoundly human endeavor. **USBR**

Mark Brenner is chairman of the Global Consulting Partnership, a company that provides leadership development and organizational performance solutions for corporations, professional service firms, nonprofits and closely held businesses. For more information, visit www.tgcpinc.com or call 610-975-9110.