TM talent management

February 2011

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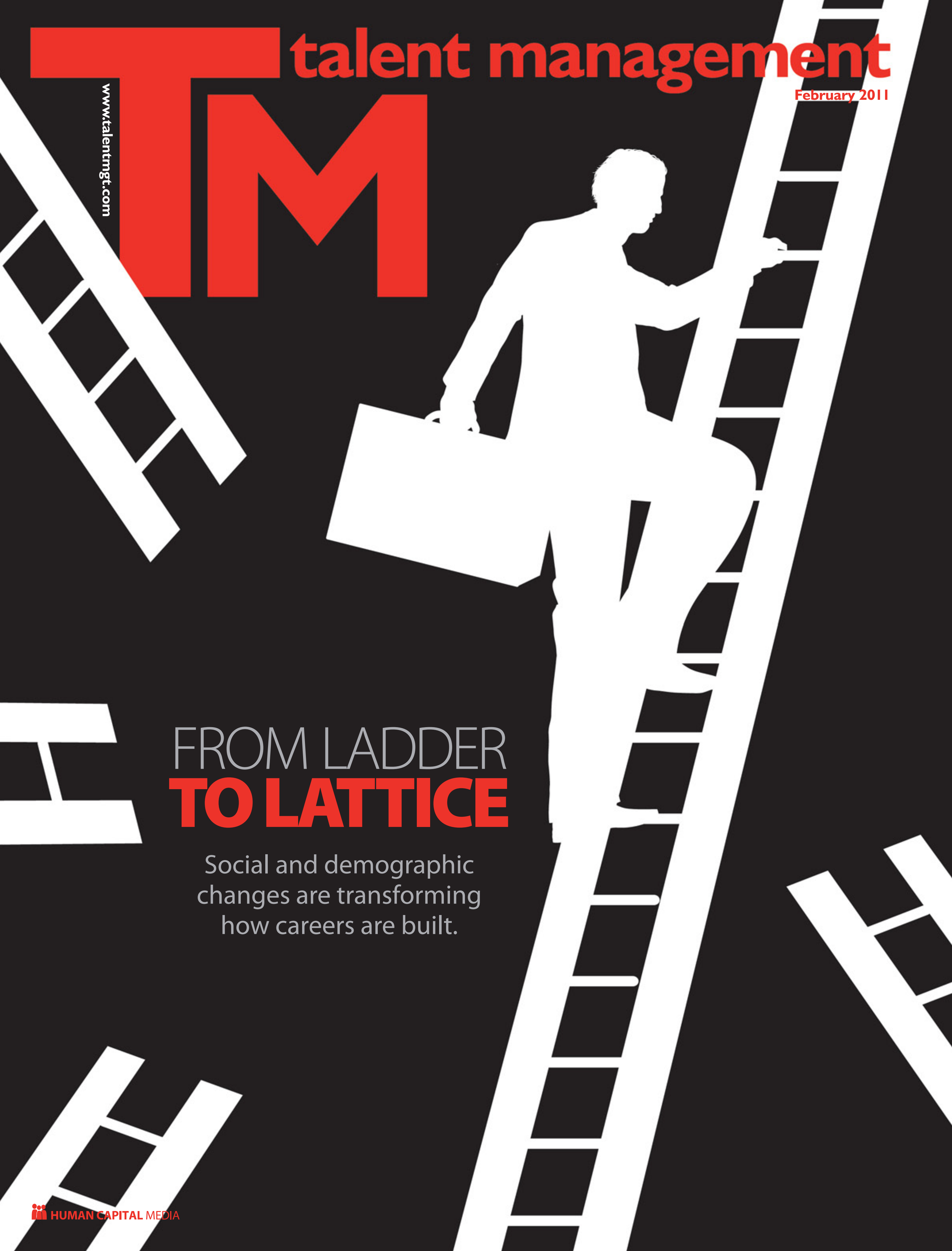

FROM LADDER TO LATTICE

Social and demographic changes are transforming how careers are built.

HUMAN CAPITAL MEDIA

The End of the War on Talent

In the past three years, we've gone from waging a war for high-potential talent to waging a war on all of our talent. Between dramatic job cuts, slashed budgets and lingering economic malaise, many companies lost some of their human touch.

It's time to change tactics if we don't want our valued workers to do more with less somewhere else.

The results should come as no surprise to talent managers. Productivity surged as a dramatically smaller workforce picked up the slack and pulled harder. Engagement held steady for a time as workforce survivors remained grateful just to have a job. But that could only last so long.

Productivity has leveled off in the months since. Now, with positive economic news and encouraging job reports starting to come in, many burnt-out workers may be looking to do more with less somewhere else. It doesn't need to be this way.

There's good news and bad news in a growing economy. Growth leads to healthier businesses and happier executives. That's good for all of us. But it creates a problem for talent managers. Many workers, particularly high fliers and high potentials, are plotting their exit.

According to figures from the U.S. Bureau of Labor Statistics, the quits rate, defined as the rate at which workers voluntarily leave their jobs, steadily climbed throughout 2010 after dropping to a low in October 2009. In the fourth quarter of 2010 alone, nearly 2 million workers waved goodbye to their employers. It's time to change the battle plan as we move from a war on our talent to a renewed war for it. But we can't just use the old tried-and-true tactics.

According to figures from management consulting firm Hay Group, pay is expected to increase by 2.8 percent this year. That's less than the 3.5 to 5 percent increase employees have come to expect over the past decade. Some may see even that smaller number as overly optimistic. Worker pay continues to lag behind corporate profits as companies hoard cash, and skittish bosses may not yet be ready to turn on that faucet.

No, this is not your father's war for talent. Talent managers, always nimble on the battlefield, will need to be even more creative this year as they face continued pressure from above and renewed demand from below. Many of them spent the past two years building relationships with executives and tightening alignment with business priorities. That, inarguably, was good.

But with positive economic reports coming out and the job market widely expected to warm up, it's the foot soldiers, not the generals, who are stepping into the spotlight again. If you haven't already, it's time to turn up attention on the workforce. While overall unemployment has hovered near 10 percent for a while now, the rate for high-potential talent is closer to 6 percent. The broad war for talent entered a cease-fire with the financial crisis of 2008, but the battle for high-potential talent kept raging. It's going to get even hotter.

During the past three years, employee engagement strategies and programs were about keeping scared and stressed workers producing at a high level. Now the focus of engagement has turned to retention. But with tight budgets, what's the talent manager to do?

It's time to be smart. If you're unable to offer higher pay, provide other creative compensation and benefits programs, such as flexible work schedules and plum stretch assignments. Now that many workers are returning their focus to the future, identify high-potential talent and develop customized programs to show them a tempting career path. Show them why your company is the best place for their future. Develop creative, low-cost ways to engage and develop them. There's no shortage of tools at your disposal now, from traditional mentoring to virtual coaching and e-learning.

Recruiters, arm yourself for the war for high-potential talent by broadening your approach to sourcing high potentials. Traditional tools like job boards and outsourcing are still meaningful ways to find talent, but social media and other technologies are increasingly powerful ways to identify candidates, build relationships with them and manage your employment brand.

Individual contributors are back and they're hungry. It's time to feed them what they need. TM

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TM talent management

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Intimacy and Talent

I became fascinated with talent management as a young boy in the 1960s as I listened to my father describe his work.

He worked for a terrific company and he was enthusiastically loyal. Yet even great companies can miss opportunities. Once, after he and his fellow technical service representatives worked around the clock for two days to fix a customer's problem, he learned the regional manager had invited every salesperson to dinner at a local restaurant to reward them for exceeding their sales goals.

My father was happy for the salespeople but remarked, "My team couldn't help but notice that no one took us out to dinner to recognize our all-nighters. My manager is a good guy, but he'll never know how much impact he could have made on our pride in this company just by taking us to dinner."

This was the 1960s, after all, so this great organization can be forgiven for missing such opportunities. That excuse won't be available to future talent managers.

Today's talent management systems tap massive amounts of data and virtual interactions through social networks, tweets, blogs and telepresence, and that will only increase. Talent differentiation, customization and optimization will increasingly be basic expectations in this new era, but it's worth considering the objective of all this analytical power, in light of my father's experience.

In *Talent Masters*, Bill Conaty and Ram Charan focus on something we don't hear about much in talent management: intimacy. They don't mean office romances. They mean that GE's talent management systems rely as much on an intimate knowledge of leaders as on processes. A deep and intimate knowledge about the capacities, needs, strengths and weaknesses of pivotal talent is the lifeblood of masterful talent management. It is what enables great organizations to invest where they have the greatest impact, take calculated risks on stretch assignments and respond quickly to the unexpected.

GE nurtured intimacy through a culture that taught leaders how to know their top talent. The intimacy test of talent management is not just whether systems harness the power of information, artificial intelligence and virtuality, but whether they produce leaders at all levels who seldom miss opportunities like the one my father described. That test may be met by combinations of deep data analysis, sophisticated information systems that automatically alert leaders to motivation opportunities or sophisticated and alert leaders.

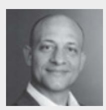
It was striking to read a story in The Wall Street Journal last November about Google's decision to grant a 10 percent across-the-board salary increase to employees to stem the tide of departures to newcomers such as Facebook. This salary increase seems to reflect an earlier age when organizations could not customize their approach with any sense of accuracy.

Yet Google is famous for its analytics, including algorithms that predict which employees will leave, even before those employees know it. It is equally famous for its array of generous, comprehensive and unique employment benefits, from valet service to dog grooming. Imagine how Google might predict different employees' preferences and tailor specific retention packages based on those preferences. Undoubtedly, Google's talent management experts are exploring such options.

Bloggers seized upon the fact that the across-the-board increase rewarded low and high performers identically, but the issue is more fundamental. Yes, high and low performers contribute differently to success, and research shows they respond differently to rewards, but talent segments are more sophisticated than just performance. How well do your talent management systems distinguish pivotal performance — where improving performance has great impact on organization success — from important performance — which is already at a high standard? How well do they distinguish talent segments by how they respond to salary increases, informal recognition, better bosses or greater work-life flexibility?

This illustrates a fundamental talent management dilemma: how to optimize intimacy by customizing employment where it has the greatest impact and standardizing where it doesn't. How good are you at striking that balance? Are you prepared to build, deploy and manage intimacy in your talent management system? TM

[How well do your talent management systems distinguish pivotal performance?]



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Getting What You Want

Some people complain about their inability to obtain the support or resources to do their jobs effectively. Others don't seem to have that problem. What's the difference between these two groups?

In the movie "Harvey," Jimmy Stewart played Elwood P. Doud, who entertained an illusion that he had a six-foot tall rabbit for a friend. When his psychiatrist suggested that he face reality, he said something like, "I've tried reality and didn't much care for it."

Have you known people who just won't accept the facts of their situation? They live in a fantasy world of their making and ignore the parts they don't like. On the one hand, they want something, such as recognition or power, but on the other hand, they can't come to grips with the requisites of their position. One might say they are unwilling to pay the price for success.

There are some fundamentals underlying success in any endeavor. When it comes to delivering professional services, the traits include:

- **Intelligence:** You don't have to be a Mensa member, but you do have to understand the rules of the game you are playing.
- **Perception:** Successful people are insightful. They see beyond the obvious when it comes to people, circumstances and future needs.
- **Skills and knowledge:** If you are a manager, you have to know the basics of management. If you are a professional, you need to know how to use the tools of the trade.
- **Courage:** You can't be afraid to talk to people, even those who are blunt, insensitive and driven to perform.
- **Desire:** You have to want success badly. Whatever you aspire to, be it resources, position or achievement, you can't take no for an answer. Perseverance is essential.
- **Salesmanship:** Call it persuasion if you like, but you must be able to present a value proposition in a manner that can be understood and accepted.

Then there's your presentation. How do you sell your idea? Sales models abound, but they can all be reduced to four steps: getting the buyer's attention, developing an interest, generating desire and taking the order. They work like this:

> **Getting what you want is a function of personal traits and presentation skills.**

1. **There is a plethora of competing messages in everyone's mental inbox these days.** Getting through the maze is the essential first step. Years ago, my organization hired a publicity manager. The morning Larry was introduced, he came into the room from the back, walked through the assemblage to the front without saying a word and stuck a $100 bill on the whiteboard. He turned and looked at us for a minute in silence. Then he asked, "Do I have your attention?" You may not do something as dramatic as Larry did, but until you get attention, you can't explain your proposition.
2. **Why should your audience be interested in your proposal?** They have their own interests and needs. Often the mention of something they don't know will peak interest. For example, a statistic or a case related to your topic can stimulate thought. The caveat is that it must be of interest to them as well.
3. **Desire is the critical element.** Desire is a matter of matching the audience with the product. How do you link their hearts and heads to your topic of planning, software, training or retention? Why should they care about it? How does it affect them? You have two themes to try, the positive or the negative. What good will accrue if they support your idea? What danger or loss will result if they don't?
4. **Close the deal with a KISS — keep it simple, stupid.** Once the audience shows real interest and keeps nodding their heads as you present the material, you can try for a quick close by simply asking, "OK, you obviously see the value. Shall we go?" If they are not ready to sign on, check again for any of the key points they are not committed to. Then, go for another close.

At the end of the day, getting what you want is a function of personal traits and presentation skills. It is not magic, but it does require dedicated effort. Some people are natural salespeople. Most of us are not. But if we work at it, we can get what we want most of the time. TM

About the Author

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Doing Competencies Right

The field of talent management faces an interesting challenge. We should be fully equipped to solve any talent issue.

Yet, when corporate executives are surveyed about the state of their company's talent, they're decidedly unhappy. McKinsey, Deloitte and Boston Consulting Group each have found executives disappointed with the quality and depth of their company's talent and its processes to build more. There seems to be a gap between our potential to deliver results and our actual impact.

Bridging that gap is the key to our long-term success, and we have a potentially powerful tool at hand to drive organization success — the behavioral competency model. If well-constructed, it should tell employees which behaviors are essential for corporate success in a simple and emotionally compelling way. Unfortunately, that's an infrequent result. What's not working?

The science behind competencies is extremely thin. Talent practices such as performance management rely on a strong foundation of academic research; competencies do not. Before we start development, we should define what we're trying to accomplish. The purpose of competencies is to ensure employees' behaviors support the business strategy. With that as the objective, we should identify the simplest possible way to achieve it.

Value must outweigh complexity. Managers are willing to use an HR process only if it adds more value to their life than it does complexity. That's why the 12-competency, four-level, five-descriptors-per-level competency model is dead on arrival at most companies. That type of model might add some value, but it completely overwhelms managers, so they ignore it or do the minimum necessary to comply. Maintaining the value/complexity balance is your secret to designing a competency model that really works.

Create an effective competency model. Remember your business goal to ensure that employees' behaviors support the business strategy. Then, do the following:

- **Listen to your senior team.** Interview your top team members using one simple question: Which three behaviors are most critical for our success in the next three to five years?
- **Identify the vital themes.** Review interview data to identify the four or five themes that emerge. Don't frame those themes in HR speak, just capture sentiments as they were expressed. You'll find two or three themes everyone agrees on and two or three more with some group support.
- **Write a short sentence that describes each theme.** Each sentence should capture the behaviors in the theme and also should use the language you use in your company; be intuitive and easily understood; cause an emotional connection to the company; and be applicable across all people practices.

Here is an example: "Hate bureaucracy and the nonsense that goes with it." You read that and instantly you know what that behavior would look like. It causes a positive emotional connection to the company, as long as you hate bureaucracy. It uses the language of your organization. If your goal is to have employees' behaviors support the strategy, sentences like that will provide 90 percent of what you need.

What to Do Next

Integrate into every HR process. Use the power of HR processes to reinforce the new behaviors. They should be part of selection, performance management, training, talent reviews and 360s.

Answer the question "Why should I?" You can hold employees accountable for these behaviors through performance management, talent reviews or 360s. But pick one area and build in consequences for not aligning with the model.

Revise them when the strategy changes. You're trying to align behaviors with the strategy. When the strategy changes, so should the behaviors. The less structure you've built around them, the easier this will be.

Managers are willing to use an HR process only if it adds more value to their life than it does complexity.

What Not to Do Next

Define them by level. These behaviors should apply to employees throughout the organization. Measure the frequency with which someone demonstrates them.

Pay for them. Pay for results, not behaviors that enable results. "Some of the time" might be appropriate for managers and "all of the time" for SVPs.

If you can create this simple, compelling and business-driving competency model, you'll lay a strong foundation for your talent processes and remind your executives of the true value of great talent management. TM

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Hiring and Managing the Overqualified

Ladan Nikravan

Although many are grateful just to be working during a turbulent time, overqualified employees still need to be strategically placed and supervised to ensure they're adequately challenged and set up to contribute for the long term.

The abundance of overqualified talent applying for jobs below their education and skill levels is yet another lingering effect of the lackluster job market. But this pool of job seekers should not perceive their overqualification as a burden, and talent managers should realize that, if properly managed, these workers can offer more than managers expect.

Traditionally, companies avoid hiring overqualified workers because they tend to be unhappy with the limitations of their position or are unmotivated to excel in assigned tasks and thus commonly quit. Although many are simply grateful to be working right now, overqualified employees still need to be strategically placed and supervised by talent managers to ensure they're adequately challenged.

"Smart companies want the best athletes," said Janice Ellig, co-CEO of executive search firm Chadick Ellig. "In a market with an oversupply of great talent, companies should always be on the lookout for people who will not just help them today but will fit their strategy going forward."

In a labor market where job seekers sometimes outnumber openings 5 to 1, the rise of overqualified talent in companies is not surprising. These mature and skilled individuals are just as productive as their less skilled counterparts when placed and led properly.

"The cultural fit within an organization has to be there for an employee," Ellig said. "The values have to be in sync. The communications have to be a two-way street. If those are all in play and in place, great people will surely stay."

Managers: Challenge Them and Let Them Grow

Employers are seizing the opportunity to stock up on discounted talent, but without the foresight to develop their roles, many of these employees will not stay. Employees need challenges and room to stretch to maintain motivation. Organizations that hire overqualified employees need to find more meaningful work for these employees, challenge them and accommodate the types of skills and qualifications they have.

"If a position is not quite at the level of a candidate, a company can look at doing several things to fully utilize that talent and keep the person engaged," Ellig said. "They can combine two positions into one to broaden the scope. If that's not possible to do, they can look, and promise, to do that down the road. If they can't do that now or later, the individual should be given a stretch project assignment, even if it's outside of his or her particular department or sphere of expertise, to add fresh perspective, view and value to the organization and their own work."

Overqualified employees could conduct on-the-job training and mentor newly hired employees, for example.

"Since companies aren't spending the same amount of dollars in training and development [as] they have in the past, when you have very experienced people you can use them as advisers to people less experienced," said Kathryn Kehoe, managing director at CMF Associates. "When you have people who have a lot of experience, they've worked through several economic cycles and have come through the eye of the needle,

and that familiarity with the industry should be used to train the less experienced."

According to David First, vice president of learning and development at Suffolk Construction Co., hiring an overqualified candidate also challenges veteran employees in a positive way.

"You want to have a culture in your company where people aren't going to be threatened by being challenged, think being challenged is a good thing and believe having very talented people below them is a positive," he said. "You want to take the best people you possibly can and challenge yourself as an organization to keep them engaged and happy in their positions."

Changing the work environment to allow more autonomy and embrace stimulating work will compel overqualified candidates to grow within their positions and expand their job duties in multiple directions.

"A lot of times you can grow and it doesn't have to be vertical," First said. "It can be horizontal, it can be side to side into different positions, it can be learning about different roles, it can actually be about becoming T-shaped so that you're learning across the organization. It's all about challenging folks and watching them move."

Managers of overqualified employees must use empowerment and development to overcome the negative impact of perceived overqualification.

"You might find that they find creative ways to improve the product or service, improve the job, make it more challenging for them and at the same time produce levels of product or service that you haven't seen before," said Edward Lawler, author of *Talent: Making People Your Competitive Advantage* and professor of business at the University of Southern California Marshall School of Business. "It's not automatic that just because someone is overqualified they will necessary leave. It's a risk, but it's far from a guarantee."

Organizations: Reap the Benefits

There are several benefits that come from hiring an overqualified candidate. When an employee with a lot of work experience joins an organization, he or she brings a lot of experience. Prior experience is a valuable quality in a prospective employee, and the more experienced he or she is, the more able the individual is to deal with difficult situations. Additionally, he or she can become a source of inspiration for other employees, who may want to learn from that employee's experience.

"Companies need to be open to other ways of doing things," said Audrey Tillman, executive vice president of corporate services at Aflac Inc. "Overqualified employees bring new and valuable ideas to organizations, and managers should want to hear from them. Someone who has proven talented, experienced, hardworking, energetic, and has aspirations is very beneficial to a company. Even though we're tightening our belts, we still want to give employees opportunities to stretch and grow outside day-to-day work."

"You need to hire for today but keep in mind the business unit of tomorrow."

– Janice Ellig, Co-CEO, Chadick Ellig

A healthy and productive work environment is essential not only to improve employee efficiency but also for the overall growth of the company.

"You need to hire for today but keep in mind the business unit of tomorrow," Ellig said. "Hiring an overqualified individual gives a company tremendous bench strength and vast potential. You'll always have an abundance of talent and a succession plan."

As we progress into economic recovery, that bench strength will become increasingly important. Today's overqualified hire will be the perfect person for a higher-level position in 12 to 18 months, Kehoe said. The potential to retain an overqualified employee depends on prospective opportunities for the position the employee is in as well as the overall outlook of the company.

"You need to see if your organization is expecting to grow and develop and come up with more complex products or service delivery," Lawler said. "If you are, then it makes sense to hire someone who is maybe a little overqualified, providing you can see a way for them to grow the job or see people moving or retiring fast enough for the individual to move up."

If a company is focused on the future and has inventoried top talent and projected employment gaps, both the employee and employer stand to benefit.

Handling the Truth

Most overqualified employees do not have to be reminded of the opportunities they are currently being given. Many unemployed professionals are willing to take pay cuts and drop a few steps down the corporate ladder for the promise of a paycheck. In fact, in some cases candidates are hiding lofty degrees, titles and experience to get a foot in the door. Withholding that information is the only option some overqualified candidates see in order to get an interview.

"All of the attention that comes from the press on the dangers of hiring someone who is overqualified for a job and the potential of negative consequences that can come from that hire have caused things like this to happen," Lawler said.

First agrees and said society has deterred talent managers from seeing the benefits of hiring an overqualified individual.

"I can't blame these candidates for wanting to put food on the table or pay their mortgage," First said. "In a closer-to-perfect world, we would have organizations understanding that these people can contribute more than anyone else and that they're lucky to have them."

In order to form an agreeable, lasting relationship, both the overqualified employee and the employer must be honest and forthcoming with information. Prospective employees need to know the scenario they're coming into from the start and what the expectations of that role are.

"Companies need to communicate their needs very thoroughly so there are no unmet expectations," Tillman said. "What's available is what the employee is applying for. That's all there is, and if they take that position, they're accepting the roles that the company should have made very clear."

Experienced, highly qualified workers have a lot to offer, so rather than looking at the worries in hiring someone who's overqualified, hiring managers should focus on what they're getting, which, if properly managed, can be a better asset than imagined. TM

What Do Employees Think? Just Ask

Ladan Nikravan

New employees join an organization with a high level of commitment, but the honeymoon stage doesn't have to dissipate.

Problems arise in the employer-employee relationship when expectations do not become realities. In order to ensure ongoing commitment well after the employee gets situated, companies are using new-hire surveys to assess new employees' level of satisfaction.

Turnover costs are one of the largest controllable expenses incurred by organizations, and communication in early employment is crucial to develop a healthy relationship and maintain commitment from newly acquired talent. Establishing a strong bond between an employee and employer boosts engagement and can drive results faster.

"There's so much going on with the new hires that you just don't know if you don't ask," said Beth N. Carvin, CEO of Nobscot Corp. "It's all about retention and helping employees get off to a good start with an increased speed to productivity. New-hire surveys help organizations audit their processes; it's a wonderful way to really improve procedures and reduce early turnover."

Carvin said employee turnover is a bigger problem now than ever before. In the past, employees were willing to work through obstacles and often opted to stay to avoid being perceived as job hoppers. Although the recession has put a tighter leash on those wishing to jump, employees are still more likely than before to leave.

"Today, people are less likely than ever to stay if there's an issue, if it doesn't feel right or if the expectations are different from what they thought," Carvin said.

To effectively use new-hire surveys as an engagement tool, companies need to have a scheduler who plans the distribution of surveys to new hires on a staggered basis and a determined process on how to conduct surveys. The compiling process and questions asked depend on company preference; what's more important is what is done with the numbers obtained.

"Collecting data is as good as what you do with it," Carvin said. "You can collect all the data in the world, but if you don't use it, there's no point in even having it. It's really important that as you're collecting this data, you begin to create action plans and create a bit of a road map of things that you can work on or solve that can improve the process."

Survey results need to be aggregated in a way that highlights trends rather than individual or anecdotal performances. The purpose of these surveys is to improve the process and organization — not to provide performance data on the individual employee. According to Carvin, a company can best guarantee honest feedback if employees understand the purpose of the survey and receive clear communication on when it is coming. Tangible proof of improvements from previous survey results help, too.

"New-hire surveys can create a company standard that acts upon the criticism of new employees and the inclusive opinions of everyone in the organization," Carvin said.

Through the use of new-hire surveys, organizations can identify critical job features that ensure the success and satisfaction of newly hired employees and forge a strong employer-employee partnership that minimizes turnover.

"Taking action is really important for improving your organization and improving the corporate culture around employee feedback," Carvin said. TM

Courting the Quants

Elizabeth Craig and Jeanne G. Harris

Companies need people who know how to use statistics and analysis to shape and make business decisions. Finding and holding on to them isn't easy, even in a buyer's market.

Companies are increasingly turning to analytics to sharpen their competitive edge. To execute this strategy, they need analytical talent — people who know how to use statistics, quantitative or qualitative analysis and information-modeling techniques to make business decisions.

Analytical talent includes the senior executives who lead analytical initiatives, the semi-professionals who apply analytics to business problems and the army of employees who increasingly rely on data to perform their jobs. But the most strategic value is created by the analytical professionals who build the models and algorithms companies need to improve decisions about everything from new product offerings to marketing investments.

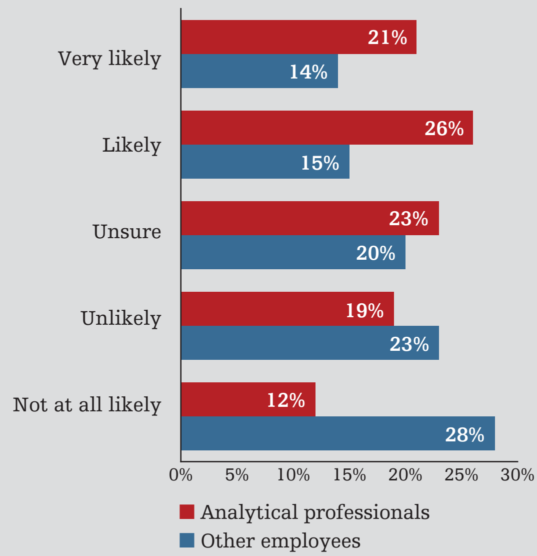
These professionals are critical to build and maintain an organization's analytical capabilities. Without these heavy-duty quants — often holding doctorates in fields such as statistics, operations research, marketing research and applied mathematics — a company can't glean valuable insights from the reams of data it gathers or generates.

Unfortunately, these highly specialized workers are among the most challenging to attract and retain because the best analytical talent is in high demand and has no shortage of employment opportunities. Further, the quants are also those most likely to look for a new job. In a 2009 study by the Accenture Institute for High Performance, "How to Engage and Retain Analytical Talent," 47 percent of analytical professionals said it was likely or very likely they would look actively for a new job in the next year (Figure 1).

A high attrition rate among top quants is a problem companies can't afford to ignore. When analysts jump ship, they take vast amounts of knowledge and expertise with them, and there is often no one with the same depth of technical skill to replace them. Further, finding analytical skills in the market is increasingly challenging as more companies join the hunt for these rare skills. Businesses are aggressively poaching top analysts and have begun seeking out the best talent globally, even moving their work groups to where analytical skills are readily available. Some employers are forging links with top universities to create a pipeline of new analytical talent.

Figure 1: Likelihood That Employees Will Actively Look For a New Job in the Next Year

On average, analytical professionals were less likely to intend to stay with their current employers than other employees.



Source: Accenture, 2009

It's not simply a matter of getting HR to find more quantitative experts. Managers must understand what makes these specialists tick and apply an informed approach to manage them. Analytical pros are a special breed. Their backgrounds, skills, attitudes and motivations can differ markedly from other employees. What these professionals want most is an employer that values analytics and analytical talent. Any company courting top quants must get two things right:

1. Create an organization that serves as a magnet for top analytical talent.
2. Recognize analytical talent as a scarce and valuable resource — and manage it accordingly.

Creating an Analytical-Talent Magnet

Analytical pros are no different from other top talent in one regard: The best want to work with the best. Companies that offer analysts the chance to work with smart and capable colleagues have little trouble securing top analytical talent. Accenture's research study on building and sustaining high performance, "Jumping the S-Curve: How to Beat the Growth Cycle, Get on Top, and Stay There," indicates the most successful companies create a virtuous cycle in which great talent attracts other top talent. These businesses become worthy of serious talent by drawing in the best people and making them want to stay.

To become an analytical-talent magnet, a company must first build a culture in which data and rigorous analysis play a central role in decision making. Top analysts want to work in companies that value analytically based insights and that are committed to fact-based decision making. At companies such as Google, Capital One and Netflix, employees know better than to propose a course of action without having data on hand to support it. In an analytical culture, analysts' specialized skills are respected, and they have plenty of opportunities to deploy and develop advanced skills while doing interesting work that has a meaningful impact on the business.

Second, organizations need to challenge analysts and make thorough use of their specialized skills. Few analytical pros can resist the lure of running sophisticated analyses on complex data and developing new models and techniques. The pull of the data can be powerful.

Third, companies must make sure analysts' models and applications matter. Analytical pros relish the opportunity to do important work that makes a meaningful contribution. Perhaps the biggest demotivator is spending too much time on simple analyses and report generation instead of building and refining models. It's common for companies to lose professionals who felt they were treated largely as spreadsheet developers. If the business is not demanding important analytics work, the best analysts won't be drawn to the company.

Finally, organizations need to arm analysts with critical information about the business. Companies with a commitment to building an analytical culture develop business acumen in analysts and analytical expertise in business executives. Analytics doesn't happen in a vacuum. For people to know where and how to best apply their analytical skills, they need to understand the strategy for their business, function and department. They must know how analytics can create value for the company.

One way companies can increase analysts' business acumen is through developmental assignments that move them around the company. They have opportunities to learn about critical business challenges and work processes. E. & J. Gallo Winery rotates its analytical experts between different business units and functional departments during 18- to 24-month tours of duty. As they analyze grape supply, develop new customer segmentation models or perform supplier analyses, these quants become savvy at identifying opportunities for analytics to help the business.

Other companies rely on business leaders to coach analytical professionals on critical business skills. According to Dick Stevie, chief economist for Duke Energy, communication skills are primary because analysts must know how to explain the business and its analytics to a wide range of stakeholders, from internal customers to regulators and even the public. "This requires precision, completeness and clarity — no jargon and no metaphor," Stevie said. "You've got to convince a panel that what you've done is logical and reasonable." To prepare analysts for these situations, talent leaders could routinely put them in front of top management for mock trials, where analysts get practice testifying and being cross-examined.

Recognize Analytical Talent Value

Too many employers treat their top analysts as human calculators, not rare and crucial talent. They relegate their best analysts to simple projects or working on low-value items rather than building robust models to solve the most challenging business problems. That's a sure recipe for disengagement and defection.

Many employers also fail to recognize analytical talent as a distinct workforce. They scatter analysts throughout departments and don't have a clear picture of who their analysts are or where they reside organizationally. Further, in most organizations, analytical professionals are measured and developed not according to their analytical skills but according to the standards of the business units or functions where they work. Rewards, performance management, objectives and role descriptions vary widely for analytical talent in the same enterprise. And worse, analysts' daily work activities aren't aligned with the organization's strategic goals.

This is not just poor HR practice; it's an obstacle to attract, engage and retain analytical talent. The most successful analytical organizations take a consistent enterprisewide approach to apply common recruiting strategies, training and development plans, performance management processes and career paths to analytical talent across the business. These companies also customize their human capital strategies and practices for this particular demographic. Some companies have tailored job descriptions to fit a single individual or even created new roles that leverage certain candidates' skills and backgrounds.

Customizing career paths can further help an organization attract and retain top analysts. According to Jim Heffernan, chief financial officer of the Massachusetts General Physicians Organization, "It's a big challenge to avoid setting analysts up for failure by promoting them according to the organization's standard career models. Many of the most technically adept analysts don't want to manage others." To retain its valued analysts, the organization is creating a compensation and promotion system that allows analysts to remain individual contributors without direct reports and still be eligible for pay increases and promotions.

Analytical talent is vital to every organization that relies on data-driven insights to achieve its strategic goals and best its rivals. Whether a company routinely uses analytics as a distinctive business capability or is just beginning to develop analytical aspirations, attracting and retaining analytical talent will be essential. By understanding what makes analysts tick, leaders can apply the right moves to court and keep the quantitative talent they need. Creating an analytical organization that serves as a magnet for top analytical talent as well as recognizing and managing analytical talent as a scarce and valuable resource are two particularly potent practices. TM

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Getting Creative to Boost Retention

Sherri Elliott-Yeary

Layoffs associated with the Great Recession allowed hiring executives to cherry-pick from a flooded talent market, but as the economic downturn slowly reverses, business focus will shift from acquiring top talent to keeping it.

According to Shelly Little, CEO of Michaels Wilder, a talent recruitment and retention firm, businesses may be surprised to learn that retaining top talent doesn't necessarily mean throwing buckets of money at employees. Innovative strategies to keep employees engaged and involved yield better retention and motivation results than a token yearly raise. Focus on creating and retaining exceptional talent by showing employees that they matter.

Little said one of the best ways to identify, reward and keep top talent is to create internal opportunities for employees to take on high-profile projects that put them in the spotlight. "We get them to work with senior levels of management," she said. "This gives them the opportunity to understand the company hierarchy and move politically within the organization."

These types of projects also facilitate internal knowledge transfer. As the baby boomer and traditionalist generations retire, it's critical for organizations to guard against knowledge drain. Creating opportunities for newer employees to work on projects with senior talent facilitates knowledge transfer and boosts retention rates by making younger generations feel invested in the company.

Investing in remote-office technology is another way to attract and retain top talent. Michaels Wilder has adopted a program called Results-Oriented Work Environment (ROWE), originally implemented by Best Buy.

"The idea is that our employees are capable, responsible adults who know how to manage their work, so we give them the flexibility to work remotely so they don't always have to be in the office," Little said. Certain provisions and eligibility requirements apply, but employees who qualify will have the flexibility to work offsite should they need to do so.

Millennials and Generation X particularly value flexible work arrangements for their impact on work-life balance. Studies show these two demographic groups almost always will choose employers that offer remote-office capabilities over employers that offer higher salaries but require rigid office attendance. According to Little, boomer and traditionalist generations are slow to recognize the merits of this type of program.

When Michaels Wilder first implemented ROWE, upper management was hesitant because the new program threw a wrench into an entrenched management style. "It was a bit of a curve ball," Little said. "But once management started participating themselves, they thought, 'This is great. I can't wait to do this more. Please don't take this away.'"

Along with revenue generation, length of employee tenure is one of the top indicators of success, according to Little. Small steps to make sure employees will stay even 12 months longer can directly affect a company's bottom line. Further, retention programs like the ones implemented at Michaels Wilder are not expensive.

"More tenured employees perform better, and that results in more revenue for the company," Little said. "If you've got employees who are engaged and involved at work and stay with the company, they build and develop client, vendor and partner relationships. The longer they keep those relationships and the longer they stay with you, the bigger the tangible benefit in the form of increased revenue to your company." TM

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They're Human Capital, Not Cattle

Ronald J. Baker

Enlightened leaders understand that knowledge workers contribute based on their strengths, crave autonomy over how they work and want to be treated as colleagues rather than subordinates.

"The management of knowledge workers should be based on the assumption that the corporation needs them more than they need the corporation. They know they can leave. They have both mobility and self-confidence. This means they have to be treated and managed as volunteers, in the same way as volunteers who work for not-for-profit organizations."

– Peter Drucker, *A Functioning Society: Selections From 65 Years of Writing on Community, Society and Polity,* 2003

The terms "knowledge worker," "knowledge economy" and "human capital" have existed since the late 1950s, but our thinking with respect to the workplace is still mired in the era of the Industrial Revolution. The ghost of Frederick W. Taylor's discredited religion of scientific

management spawned the altar of efficiency at which businesses continue to worship.

Human capital determines the performance capacity of any organization. Today's knowledge workers, unlike the factory workers of the Industrial Revolution, own the means of production. Wealth does not reside in tangible assets or money; it resides in intellectual capital — knowledge that can be converted into profits. In fact, the World Bank study "Where Is the Wealth of Nations?" found that 75 percent of the world's wealth resides in human capital.

Knowledge firms are the ultimate "asset-less" organizations, since volunteers own the majority of their value-creating capacity. This is a tectonic shift not only in the nature of wealth creation, but also in how companies need to think about how they work. We need new thinking and new models to judge knowledge workers' effectiveness, and we need to draw an enormous distinction between efficiency — always a ratio of outputs to inputs — and effectiveness — or the extent to which a desired result is realized.

Why Effectiveness Trumps Efficiency

All businesspeople are familiar with the bromide "What you can measure you can manage." We hear everywhere that efficiency needs to be improved in our organizations. But nowhere is this term defined. What exactly does it mean to increase efficiency?

Productivity and efficiency are often a ratio expressed as the amount of output per unit of input. Mathematically, it seems straightforward, if there was one widely agreed upon definition of the components of the numerator and denominator. In an intellectual capital economy, however, it is a conundrum.

Take the denominator. Which inputs should be included? If we are dealing with wine, we could count the costs of grapes, bottles and corks, none of which would help us define — let alone value — the final product. As they say, it's much easier to count the bottles than describe the wine.

We don't know how to measure a knowledge worker's efficiency for a fundamental reason. A business doesn't exist to be efficient — it exists to create wealth for its customers. There is nothing more useless than doing efficiently that which shouldn't be done at all.

Efficiency cannot be meaningfully defined without considering employees' purpose, desires, preferences and what price people are willing to pay. It cannot simply be reduced to output per man-hour.

When economists use the term "efficiency," it's not in the technical sense that, for example, the most efficient car gets the most miles per gallon. Indeed, if we measured the efficiency of most automobiles based on an output/input ratio, we would discover that most are completely inefficient since they are idle a majority of the time. But when we want to go somewhere, they are very effective, and we gladly pay the price of the reduced efficiency. Google does the same by providing its knowledge workers 20 percent time to work on projects that interest them. It is trading efficiency for innovation.

Improve Competitiveness With Data Visualization

Ryan Kandel

To compete effectively, companies in the pharmaceutical services industry must be able to demonstrate their ability to meet customer needs around the globe. For most companies, this means being able to visualize and present to prospective clients an accurate snapshot of the current workforce and its capabilities. It also means that behind the scenes, the company must be able to incorporate HR data into decision making so it can deliver on its promises and ensure that business units around the world maximize ROI and operate in line with the company's business goals.

Clinical research organization Quintiles, which has more than 20,000 employees and offices in 60 countries, recognized it needed to make better use of HR data to organize talent and enhance decision making. Previously, whether for operations or sales demonstrations, the HR team was constantly overrun with calls and e-mails asking for updated organizational charts and confirmation of employee information. Dozens of administrators across the globe were spending a great amount of time manually creating and updating Excel-based charts on a weekly, and sometimes daily, basis. In addition to wanting to relieve administrators of these time-consuming burdens, the company wanted a tool that could quickly visualize accurate and up-to-date data from its previous system.

As Quintiles searched for a solution, it did not want to create a new burden for the IT department. As a result, the company established three additional product requirements: The new program needed to be an easy-to-implement, on-demand solution; it needed to inherit security settings directly from PeopleSoft; and, in order to increase the adoption rate and save money, it needed to have an easy-to-use interface that required minimal training.

Quintiles found a solution that satisfied all these requirements and rolled it out the across the entire enterprise over a six-week period. Today, the solution has completely eliminated the need for administrative staff to manually create and maintain spreadsheets and org charts, which saves the company hundreds of labor hours annually.

Most importantly, visualizing the data exposed numerous inaccuracies in the existing understanding of the company hierarchy. By relying on current and highly accurate data, Quintiles has significantly improved workflow management. For example, the always up-to-date view of the organization includes location, title, manager and employee status, providing managers with immediate access to the key employee information they need for planning, budgeting and daily operations. Further, managers around the globe always have the most current information when planning to hire, fire, promote, set bonus structure or pitch new business.

The new, up-to-date org charts, affectionately nicknamed Q Charts, are useful for the sales staff. Now the team can easily show clients and prospects the company structure and hierarchy, demonstrating Quintiles' regional presence.

The ability to visualize HR data and create presentation-quality org charts has helped to restore management's confidence in the accuracy of company data and its ability to deliver on promises to customers and prospects. TM

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So why all the fuss about efficiency? It can be easily measured. But that in no way means we can manage it, let alone change it, especially when talent leaders are talking about knowledge workers. None of this means that firms should ignore new technology and productivity tools. No one is endorsing Luddites. A different argument is being made: Efficiency, in and of itself, is not a competitive advantage. It is the equivalent of having bathrooms — it's a table stake. We need a new framework to increase the effectiveness of people who work with their minds, not their muscles.

A Model to Increase Knowledge Worker Effectiveness

"For the 'knowledge workers,' the question is less how much they produce than whether they direct their attentions to the right 'product.' It is effectiveness rather than efficiency that characterizes their economic contribution. And efficiency itself in the knowledge worker is much less a matter of the individual doing more, as it is a matter of the group doing better. These are new things. So far none of us, whether we

be Americans or Russians or Europeans or Japanese, know how to do this."

– Peter Drucker, *People and Performance*, 2007

Engage in this thought experiment: You want to build the world's finest automobile. You decide to use individual parts with a reputation for excellence from various cars around the world — Ferrari engine, Porsche brakes, BMW suspension and so on. What you would end up with is not the world's greatest automobile, but rather a really expensive piece of junk.

This, in a nutshell, is the problem with talent leaders' attempts to measure knowledge workers' efficiency — we measure tasks in the false belief that maximizing the efficiency of each one will maximize the efficiency of the entire organization.

Knowledge work is not defined by quantity but by quality. It is also not defined by its costs but by its results. It is not repetitive; it is iterative and reiterative — a process of the mind, which is a difficult place for metrics to have any meaning. Not many people would want a time-and-motion surgeon who equated efficiency with quality medical care.

Traditional measurement tools need to be replaced by judgment, and there is a difference between measurement and judgment: Measurement requires only a stick, while judgment requires knowledge.

Peter Drucker believed the main focus of the knowledge worker should be on the task to be done — with all other distractions eliminated as much as possible — and this is defined by the individual worker. Asking knowledge workers the following questions about their jobs is a rich source for learning a great deal about any organization:

- What is your task?
- What should it be?
- What should you be expected to contribute?
- How fair are those expectations?
- What hampers you in doing your task and should be eliminated?
- How could you make the greatest contribution to what needs to be done?
- What results have to be achieved to make a difference?
- What progress are you making in your career?
- How is the company helping you to achieve your professional goals and aspirations?
- What does the company do right, and what should it continue doing?
- What are the company's weaknesses, and what should it stop doing?
- What critical things should the company start doing?

Talent leaders are going to have to become much more comfortable with intuition, judgment and discernment over measurements, as well as verbal, visual and visceral information sources. Leaders simply cannot manage people by numbers. All measurements are judgments, since we decide what to measure and interpret the results.

Emotions are essential to good decisions, since "most people reason dramatically, not quantitatively," as American jurist Oliver Wendell Holmes once wrote. This is why employees are inspired more by stories than spreadsheets and pie charts full of statistics. Martin Luther King Jr. did not proclaim, "I have quarterly objectives," but spoke of having a dream.

Many leaders appear to subscribe to Lenin's maxim: "Trust is good. Control is better." Yet most objective metrics can be manipulated, leaving nothing but the illusion of control. It is actually the soft, fuzzy and subjective issues that are harder to deal with because they require judgment and discernment. Metrics only require a scale, and it's much easier to be precisely wrong than approximately right.

Not Final Words

"It doesn't make sense to hire smart people and then tell them what to do; we hire smart people so they can tell us what to do."

– Steve Jobs, Founder, Apple

In his Nobel Prize lecture, economist Friedrich von Hayek urged policymakers to emulate gardeners, not engineers, by creating the environment for growth rather than trying to bring it about directly through command and control. This applies to knowledge workers as well.

People are not assets, inventory or resources — they are individuals entitled to a sense of mission and purpose in their lives who congregate in organizations to make a difference in others' lives. The universal need of every worker is to perform meaningful work in a community with others of like mind to make a difference in the world. The real aspiration of an organization is to make people better, not just make them better off.

Characteristics such as passion, desire, obsession, motivation, innovation, creativity and knowledge may not show up anywhere on financial statements, but they are the traits that will ultimately determine the fate of any company.

Treating people as human capital, not cattle, requires enlightened leaders who understand knowledge workers must contribute based on their strengths, be given autonomy over how they do their work, and be convinced more than controlled because they are colleagues, not subordinates. This attitude does not fit well with more common command-and-control hierarchies, but it will become an essential mind-shift in the 21st century if organizations are to reap the wealth-creating possibilities of knowledge workers. TM

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The Corporate Lattice

Cathy Benko and Andrew Liakopoulos

Advances in technology and new demographic trends have prompted changes that have gotten ahead of corporate policies.

Scaling the corporate ladder was once the definition of professional success. But organizational hierarchy isn't what it used to be — and neither is today's workforce. Social and demographic forces have changed the composition of today's workforce across gender, generation, family structure, cultural background and other diversity lines.

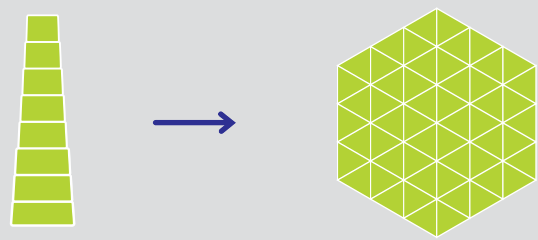
A corporate lattice model represents a more flexible approach to the way work is now performed and is a fitting metaphor for how careers are built and talent is developed. Further, lattice thinking is in use today, and lattice organizations are not simply reacting to forces but rather are redesigning the rules of work itself.

The corporate ladder emerged at the start of the Industrial Age as a model for maximizing efficiencies and economies of scale. It proffers a worldview in which power, rewards and access to information are tied to which rung each employee occupies. It defines career success as a linear climb to the top and assumes that employees are more alike than different and that they all want and need the same things to deliver results.

The changes prompting the collapse of this century-old ladder are striking. Globalization and technology are creating more virtual and dispersed teams, and management practices haven't kept pace. The shift from an industrial economy to a knowledge economy also means that 21st-century work is less routinized and repetitive. Project work has increased fortyfold over the past two decades. In the same time frame, organizations have flattened, with University of Chicago Professor Raghuram Rajan and Harvard Business School Professor Julie Wulf finding 25 percent fewer rungs for upward advancement in a 2003 study of 300 large U.S. firms. Those numbers likely have not changed significantly.

Further, family structures have changed markedly. According to Catalyst, only 1 in 6 U.S. families mirror the traditional structure upon which the ladder model was built, where the father works and the mother stays at home. According to 2009's "The Shriver Re-

Figure 1. Shifting From Ladder to Lattice

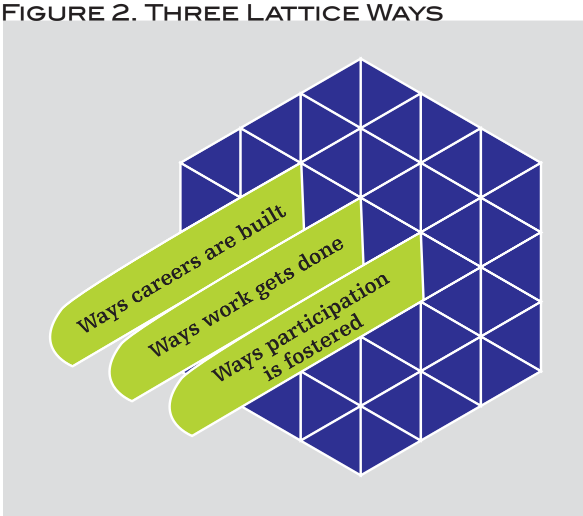


- Traditional, hierarchical structure.
- Top-down authority; limited information access.
- Linear, vertical career paths.
- Low workforce mobility; loyalty is based on job security.
- Work is a place you go to.
- Individual contributor-driven.
- Separation of career and life.
- Tasks define the job.
- Many workers are similar to each other.

- Flatter, often matrixed structure.
- Distributed authority; broad information access.
- Multidirectional career paths.
- High workforce mobility; loyalty is based on continuing opportunity.
- Work is what you do.
- Team- and community-driven.
- Integration of career and life.
- Competencies define the job.
- Many workers are different from each other.

port," women now comprise half the U.S. workforce and are the primary breadwinners in 40 percent of U.S. households. A 2008 Families and Work Institute study stated that men in dual-career couples report one-third more work-life conflict than women. To add even more complexity, younger generations are bringing different attitudes about what it takes to motivate them at the same time older workers are looking for flexible options to stay in the labor market. In just about every way, employees are more diverse than ever, including their definitions of success.

FIGURE 2. THREE LATTICE WAYS



Lattice Living

In mathematics, a lattice is a three-dimensional structure that extends infinitely in any direction. In the real world, lattices can be found everywhere from a garden's wooden trellis to the metalwork on the Eiffel Tower. A lattice is an adaptive construct chock full of options. These options can be organized in three ways (Figure 2).

- **Ways careers are built:** Rather than employ a series of linear career paths, lattice organizations offer more flexible options to grow and a multitude of opportunities to develop. The Council for Adult and Experiential Learning is using this strategy to address the nursing shortage. It has created alternate career paths intended to draw more individuals into certified nurse assistant roles, gateway positions that open up a variety of future opportunities.
- **Ways work gets done:** Lattice organizations don't subscribe to the expectation that all employees need to sit at their desks clocking face time from 9 to 5. Instead, they offer options for when, where and how people do their work. Capital One's efforts to equip its associates with the technology to work from anywhere — while reconfiguring office space to accommodate a range of needs — is indicative of this.
- **Ways participation is fostered:** Instead of static, top-down communications, lattice organizations nurture transparent cultures, providing multiple ways for people to offer thoughts, ideas and feedback. This can be seen in Best Buy's Blue Shirt Nation, an internal social networking site that encourages employees to share and discuss their unfiltered customer service experiences and ideas for improvements. These examples of the changing world of work can benefit both companies and workers alike.

Lattice in Action

Many companies have made some progress in at least one lattice way, but lattice approaches are often constrained by staid ladder cultural norms and practices that reduce employee engagement and productivity by inhibiting the flow of necessary information, assuming all employees share the same career goals and discouraging even limited choices regarding where and when work is done. By taking action on all three lattice ways and connecting them to each other, companies achieve the overall benefit of a coordinated, strategic response.

Cisco's reinvention after the dot-com bust exemplifies a "lattice in action" organization. The company adopted a system of councils and boards along with social media and other technologies to increase collaboration across organizational silos. It had to work hard to make this new model successful. "We discovered collaboration was different enough from how we used to operate that it wasn't enough to just put good leaders on the councils," said Randy Pond, executive vice president of operations, systems and processes for Cisco. "We needed to shift our cultural mindset and provide more structure to support this change."

A new model for developing careers at Cisco also has emerged to support the shift — one that emphasizes lateral as well as vertical moves to grow high-potential, next-generation leaders with a broad understanding of different business areas. Further, options for integrating career and life have expanded as flexible work becomes the norm. The full power of the three lattice ways is unleashed when they connect to one another, mutually reinforcing a new formula for high performance.

At Deloitte LLP, for example, the benefits of combining lattice ways reveal that nearly 90 percent of those who perceive the three lattice ways in action are highly engaged and committed to going the extra mile to deliver results.

Capitalizing on the Lattice

Beginning an organization's own ladder-to-lattice journey is a lot easier than one might think; it already may be under way. The evolution is happening, albeit informally and in a haphazard and uncoordinated way. For example, when the National Science Foundation surveyed 1,200 of its employees in 2007, it found that almost one-third teleworked regularly, and the number swelled to more than half when occasional teleworkers were counted. Two-thirds of managers who supervised home-based workers also worked from home themselves. This happened without a formal telework policy.

Examining the organization's real estate footprint provides another "lattice way at work" touch point that may reap significant cost savings. For example, a 2005 Real Estate Executive Board study noted how a unit of a large pharmaceutical firm reviewed seven locations in expensive real estate markets, only to learn that their average space utilization was 41 percent. Many people were working out of the office at customer sites, other offices or remote locations of their own choosing.

Lattice organizations nurture transparent cultures, providing multiple ways for their people to offer thoughts, ideas and feedback.

Employees' desire for flexibility — and the technology to achieve it — ran ahead of the management mindset to take advantage of it. By waking up to what is already going on, organizations can take strides to reduce expenses, increase flexibility and improve workspace effectiveness.

Lattice participation is under way in many ways besides flexible work options and organizational development opportunities. For example, British telecommunications giant BT implemented an experimental wiki dubbed BTpedia at a grass-roots level in 2007 to facilitate informal information sharing across the company. On the heels of its successful adoption, BT launched a second more formal experiment that introduced blogging, along with a third that created a small-scale social network. These ad hoc efforts ultimately evolved into a robust internal social network called My BT. My BT provides a one-stop destination to access all the content employees have posted on BTpedia, in blogs and elsewhere, and it also shows what other colleagues in someone's network are up to.

Examples of lattice careers in action are also prevalent. The story of Ana Corrales, vice president of global business operations at Cisco, provides such a real-life example. She joined Cisco in 1996 as a manufacturing planner. She made a series of horizontal moves that gave her a broad portfolio of experiences. Her move to manufacturing plant operations netted her people leadership skills to add to her already formidable analytical strengths. Additional moves took her to materials acquisition at the front end of the supply chain, to finance, to customer service and to work with sales taking customer orders and processing them. Today, Corrales is a vice president in charge of business models, a role that requires a cross-functional perspective. It wasn't a predictable, vertical career pathway that guided her career journey, but rather a series of upward, diagonal and lateral moves, a quintessential example of the lattice ways careers are built.

Seeing the lattice in action, however ad hoc it may be, indicates that external technology and demographic trends have prompted changes that have gotten ahead of corporate policies. For instance, social media has proliferated within organizations, yet many do not have guidelines for its use. As another example, employees are taking it upon themselves to decide when they want to work from home or other locations with or without collaboration with their managers.

It is imperative that talent leaders provide guidance on the changing world of work — from informal rules of the road to formal policies and procedures — so they can corral one-off though well-intentioned workarounds and point solutions. This will benefit both the organization and its employees by providing greater flexibility, increased communication, a sense of community and opportunities for cost savings, all while better managing risk.

The shift from ladder to lattice isn't just a metaphorical one; it's already going on. Using a corporate lattice model provides an opportunity to transform the multitude of incremental and disconnected activities and investments likely going on in an organization into a comprehensive and strategic response to the technology, demographic and economic trends that have changed the workplace. TM

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May I See Your Whine List?

Beverly Kaye

By learning to identify what's beneath five common employee complaints, managers can turn whines into wins.

It was time to review the employee survey results that her organization had disseminated several months ago. Anxiously, the talent manager picked up the first report. As she scanned it, her eyes caught one set of responses that had reared its ugly head for the past few years: questions about careers and development conversations with managers.

Again, the responses were disappointing. She leaned back in her chair and thought about the efforts over the past year to improve this area. Nothing seemed to move the needle. Glancing over the comment section, she read complaint after complaint. She knew that managers would not be thrilled when confronted with yet another request to do a better job conducting individual development planning conversations.

With a long sigh, she picked up her yellow highlighter and decided to power through. Actually, she couldn't wait to finish up and get home, maybe relax with a nice glass of red.

The Whine List

HR leaders for whom this is a common scenario are in good company. Ever since the financial collapse of 2008, line managers have been under siege, with increased pressure from the executives above to make cuts, do more with less and keep the troops motivated. Add to that increased discontent from the employees below, who are feeling overwhelmed, underutilized, frustrated, underpaid — and just plain unhappy with their jobs. And when employees are unhappy, what do they do when it's time for their organizational surveys? They unload. And what do embattled managers do in the face of this discontent? Many duck the topic altogether and simply avoid opening Pandora's box. The rest? Well, they often unload on their HR leaders.

Research into employee engagement and retention shows that career opportunities are continually cited as a major reason for both disengagement and turnover. A 2008 survey of 3,000 workers from multiple industries conducted by Career Systems International showed that 77 percent of employees believe they have more abilities than they are currently using in their work. Only 54 percent said they know how to find out about career opportunities in their organization, and 50 percent of managers reported that they know how to help their employees see the organization as a job market. These results are not surprising; employees want to feel there are opportunities in their current organization.

HR leaders can make a positive impact by coaching managers on how to use tried-and-true methods to engage employees. A mindset shift is required to help line managers use "whine sessions" as opportunities to delve into what's really important to employees. There are many opportunities for conversations that come from sincere inquiry. The question "What can I do to keep you satisfied, engaged and on my team?" is rarely asked and provides great data. When answers come couched in a complaint, the tone and negativity can shut down the dialogue. If we can help managers to see that people complain about what they care about, perhaps they will listen a bit deeper and a bit longer. Managers must understand that they don't need to move mountains. But they can make wise use of their workers' whine lists instead of simply succumbing to fatalistic "here we go again" thinking.

The most important thing HR leaders can do is help managers understand that what sounds like a whine is actually an opportunity to understand employees' grievances and their specific requests for change. And when managers understand their employees better,

When managers understand employees better, they are prepared to deal with development issues and generate solutions that can benefit both their people and their organizations.

they will feel more prepared to deal with development issues and generate solutions that can benefit both their people and their organizations.

Smart Answers to Five Vintage Gripes

With the right "vintner" mindset, line managers can mature the whines they hear, opening them up to let them breathe and mellow, and then address them in a productive manner. Here are five classic career whines managers will typically encounter and tips for how to make a difference by reframing the conversation, getting beneath the complaint and finding out what's really important to employees.

A whine for the future: "Things are changing so fast. I don't know what to expect around the next turn, and things seem so unstable." Rapid change has created uncertainty and fear in the workplace. In the absence of good information, employees will often fill in the gaps with worst-case scenarios. The more line managers can help them understand the specific work context, the better employees will be able to gauge where things are headed, the kinds of skills that will be valued in the future and areas where they can develop themselves. Managers can:

- Prepare employees for changes on the horizon.
- Share which skills and abilities are essential to the organization's future.
- Enable employees to anticipate and manage change more effectively.
- Define organizational norms and culture more clearly.
- Help employees make more informed development decisions.

Helping employees identify information sources prepares them to stay in tune with trends and up to date with the forces that will impact their careers.

A whine of value: "I'm not using all my abilities. I'm not doing what I value. This isn't what I came here for." HR leaders must help managers remember that whines sour when they sit around too long, so they shouldn't delay initiating these conversations. Employees who feel they're not being properly utilized get bored, frustrated and dissatisfied. It's important for managers to show they have a genuine interest in their people and curiosity about what parts of their work are the most rewarding. The more employees can increase their sense of career fit — the areas where their interests and skills intersect — the more that real passion for their work will be enabled. This is a great opportunity for line managers to:

- Match talent to business needs.
- Discover hidden or underutilized skills and abilities.
- Check assumptions about individual capabilities.
- Learn more about the interests and values of their employees.
- Motivate employees more effectively.

When managers understand these talents, they can more easily grow and retain employees and effectively assign challenges to their teams.

> **What sounds like a whine is actually an opportunity to understand employees' grievances and their specific requests for change.**

A brand of whine: "I don't feel people recognize how much I have to offer or give me enough respect. Things can get so political here." Sometimes employees have a poor sense of their internal brand or how others in the organization perceive their strengths and weaknesses. Managing one's reputation within the work context is a vital component to long-term success, yet many people fail to recognize this, or simply neglect it, to their peril. Managers who have direct conversations with employees and give them perspective on how they're viewed provide a powerful gift. Managers can:

- Prepare employees to gather feedback from a variety of sources, such as peers, customers, mentors, coaches, team leaders and team members.
- Guide employees to leverage strengths and develop in ways that support their future growth.
- Lead and manage their teams effectively by offering frequent, timely feedback.

Retention research suggests that employees leave because they have no idea how much they're valued by the organization or how to envision a career happening inside it. Clear feedback allows individuals to make appropriate choices, to know how they are perceived and to manage that perception.

A choice whine: "I feel stifled, stuck and impatient. There's nowhere to go, and management seems to assume I should just be happy to have a job." When people feel taken for granted or that they have no choice or room to grow, they lose enthusiasm, and managers will lose their employees' best work. Managers can instill patience and hope by helping employees discover where growth can happen and identify career options. When employees understand how to realistically evaluate their career possibilities, including the opportunity to enrich their current jobs with stretch assignments and participation in cross-functional task forces, creative energy can be harnessed again. Managers can:

- Encourage employees to work on several career goals at the same time.
- Connect their plans to the organization's strategy.
- Identify options to enrich their jobs and careers.
- Help them discover opportunities to enhance skills and abilities.
- Provide reality checks as goals are being defined.

When employees recognize that opportunities exist and there are multiple ways for them to grow and develop, their commitment and contributions build. Creating development goals that include contingencies for shifts and changes, and that align with the organization's direction, will help position individuals and teams for success.

A select whine: "There's no plan in place for me, so I'm not sure how to make my goals happen." When employees' interest is sparked by career options, they need help to select, construct and implement a realistic plan that includes specific learning needs and concrete steps for achieving their goals. This is the manager's opportunity to:

- Motivate employees to take action.
- Monitor progress and step in to help.
- Identify barriers that might derail plans.
- Offer connections that support career goals.

Managers play a crucial role by building an environment that supports learning, encourages inquiry, rewards growth and challenges employees to pursue their own definitions of career success. When this happens, the word gets out. Talented employees are attracted to work for development-focused leaders.

Salut! Prost! Skol! Nostrovia! Kampai! A Votre Sante!

The manager's job is difficult. As changes in the economy pick up steam, the job will get even harder. There is no time to wait and no wiggle room. Organizations and managers who waste time now will likely lose what employees have to offer in the present and also in the future.

The good news is that the efforts required of line managers don't demand a huge amount of time or a large budget. If managers learn to truly listen to what's beneath the whine, they can gain deep insights into what's most important to employees. And if managers focus on adopting vintage solutions, they will feel empowered and ready to deal with employees' issues, help them with their concerns and guide them in improving their situations.

Whining is an unattractive adult trait, but successful managers will use career development discussions with their employees to turn those classic whines into lasting wins. TM

Beverly Kaye is founder and CEO of Career Systems International, author of *Up Is Not the Only Way* and co-author of *Love 'Em or Lose 'Em: Getting Good People to Stay* with Sharon Jordan-Evans. She can be reached at editor@talentmgt.com.

The Morphing Face of Talent Acquisition

Brett Addis and Scott Schmidt

Investing in assessment technology represents a significant opportunity for HR organizations to build and demonstrate their value to the business.

Jim Collins, author of *Good to Great* said, "The old adage 'People are your most important asset' is wrong. People are not your most important asset. The right people are."

Experts agree that having the right people in place directly translates into better business performance — from increased operational efficiency and productivity to higher revenue and profitability to improved customer satisfaction and industry leadership.

However, finding the right people in today's dynamic business environment is easier said than done. Recruiting is changing fast, with myriad challenges facing those responsible for attracting, hiring and retaining top talent.

The role of human resources has shifted within most leading organizations, and HR practitioners are now required to demonstrate value to the business. Talent acquisition helps organizations create and sustain a competitive advantage by deploying the talent required to achieve corporate objectives.

Challenge and Risks in Today's Economy

Perhaps more now than ever, HR organizations struggle with quality of hire — selecting not only the most suitable candidate for the job, but also one who can adapt and grow with business needs.

This is largely attributed to an influx of job applicants due to the high unemployment rate associated with current economic conditions. Corporate downsizing, layoffs, mergers and acquisitions, and other business reorganization efforts have left millions of people worldwide seeking new jobs, in many cases outside their core skill sets and competencies.

Moreover, in today's online world, job seekers can apply for several jobs in a short period of time, further diluting the pool of truly qualified candidates.

As a result, organizations are spending much more time and effort reviewing job applicants just to develop a manageable shortlist of candidates to interview. Faced with limited resources yet higher demand from internal customers across the business, HR leaders must become more efficient and accurate in the screening and selection process.

Poor selection processes and bad hires can adversely affect any organization through:

- Dissatisfied employees, leading to both low individual and work group productivity.
- Higher turnover, including termination of low-performing employees.
- Increased cost and effort in attracting, selecting and training replacement hires.
- Delayed productivity.
- Lost productivity, along with stress and anxiety, among existing employees.
- Decreased customer satisfaction and market share.

These and other potential consequences can create a negative perception of the employer's brand image and value proposition among customers, partners, investors, employees, job candidates and other key stakeholders.

Behold the Opportunity

It's not all doom and gloom, though. In fact, many organizations see talent acquisition as a tremendous opportunity to improve their processes and, ultimately, their business results.

These companies are taking advantage of the current job market and the availability of candidates to implement best practices and systems that yield a better return on their hiring decisions — not only securing talent for their immediate needs, but also creating a long-term, sustainable workforce.

Specific benefits tied to more efficient and effective talent acquisition include:

- Accelerated recruitment and selection time.
- Faster new-hire ramp-up with less interruption to existing workflow.
- Reduced cost per hire.
- Increased ability for new hire to meet job requirements and performance targets.
- Better cultural fit and integration with other employees.
- Higher individual and team productivity.
- More positive impact on important business outcomes, such as sales, profitability, customer satisfaction, health and safety, and employee engagement.
- Lower risk of employment-related legal issues.

The Key Enabler

Assessment technology has emerged as a key enabler, helping to accelerate the speed at which businesses can review and acquire talent. By automating and streamlining the applicant screening process, assessment technology enables businesses to better filter candidates and ensure they are a fit — at a fraction of the time and cost associated with manual efforts.

For their part, talent management solution providers have evolved to meet the growing and changing requirements of HR organizations. In addition to existing technology vendors expanding their suites of applications, a new crop of best-in-class talent acquisition software players are entering the game. While this makes the technology evaluation and selection process a bit more challenging, the proliferation of talent acquisition systems enables organizations to implement a comprehensive solution to meet their unique needs.

> Faced with limited resources yet higher demand from internal customers across the business, HR leaders must become more efficient and accurate in the screening and selection process.

Many vendors are addressing some of the key dynamics associated with today's talent acquisition process, including:

- **Paper resume replacement:** As more companies move to an electronic or online applicant tracking system, solution providers are incorporating job-matching tools to improve quality of hire. Some talent acquisition vendors partner with job application or resume-building tools, while others enable applicants to simply upload their resumes. Behind the scenes, technology works to review and filter best-match candidates.
- **Social media applications:** The use of social media in talent acquisition is no longer reserved for just the savvy companies. Every organization needs to consider how popular applications and sites — such as LinkedIn, Facebook and Twitter — can help them connect with prospective job candidates. As a result, most talent acquisition solutions incorporate Web 2.0 integration with various social media.
- **Human resource management systems (HRMSs) and third-party service integration:** Over the past several years, organizations have spent significant

Hertz Drives Standardized Talent Acquisition

Vanessa Flynn

Hertz, one of the world's largest car rental brands, operates from approximately 8,400 locations in 146 countries. The company has undergone major transformation on a global scale since late 2007, when the Global Talent Management Center of Expertise (GTM) was established under the leadership of Karl Heinz Oehler.

At that time, Hertz experienced high levels of voluntary employee turnover within the first 90 days of employment, which adversely impacted cost per hire, service delivery, business growth and customer satisfaction. The GTM team partnered with internal Lean and Six Sigma resources to identify opportunities to remove waste or duplication and uncover root causes of turnover.

Hertz began its talent acquisition strategy by identifying key recruitment goals. These included:

- Establish a world-class recruitment model focused on sourcing and selecting the best candidates through cost-effective methods.
- Establish a global recruitment process to drive consistency and consider local needs.
- Develop, implement and measure recruitment effectiveness to enable Hertz to be the preferred employer in the marketplace.
- Create clearly defined and transparent ownership of the process to enable a seamless flow through the recruitment life cycle.
- Transition the role of recruiter from transactional recruitment support to strategic talent adviser, talent scout and sourcing expert.
- Achieve significant turnover cost reduction through best-in-class retention practices, providing processes, tools and policies deployed globally.

Hertz partnered with Knowledge Infusion to support the implementation of this global strategy in 2009.

In December 2008, Hertz decided to centralize recruitment internally and transform the way services are delivered to the business. Specifically, Hertz's talent acquisition strategy was designed to deliver reduced overhead costs by consolidating recruiting activities in central locations, as well as flexibility to meet changing business needs in unpredictable economic climates.

As part of its HR service delivery, Hertz sought to implement best-practice recruitment and selection methodologies to increase operational efficiencies and enhance new-hire quality and job fit.

Hertz established recruitment service level agreements with business divisions; developed a global HR technology strategy, detailed process map reviews, alignment workshops and metrics; and supported applicant tracking implementation.

The global recruitment future state process includes four components:

- **Plan:** Identify talent need; create and submit requisition for approval; and schedule intake meeting.
- **Attract:** Identify sourcing channels; post internally, externally or both; tap into high potentials and successors; review resumes; and screen candidates.
- **Assess and select:** Phone screening; a minimum of two interviews, at least one face-to-face; relevant assessment exercises for shortlisted candidates; schedule second interview; make hiring decision; make verbal offer; and confirm acceptance.
- **Offer and on-board:** Complete background check; confirm start date; prepare offer letter; send welcome packet; invite new hire to on-boarding portal; close requisition; and notify unsuccessful candidates.

Hertz's recruitment process is supported by iCIMS talent acquisition technology deployed globally. This technology offers the flexibility to configure the system based on local needs and requirements, which is important to meet the needs of future state processes. In addition to enabling a more efficient candidate recruitment and screening process, the technology delivers information, metrics and analytics to help business and HR leaders improve decision making.

The ability to aggregate this data provides the organization with real-time information to assess recruitment centers' performance, identify process bottlenecks and make decisions on ways to improve service delivery and process efficiencies. Hertz is reducing its risk by providing accurate information in a timely manner and also integrating people, process and technology to create a holistic solution that maximizes return on investment.

For years, talent leaders had disparate recruitment and on-boarding processes and systems, which limited their effectiveness as strategic business partners. Now they can deliver world-class recruiting services and efficiencies, create powerful candidate and new-hire experiences, and ensure the right talent is in the right place at the right time. TM

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time and money implementing HRMSs and other complementary software and services. In order to preserve and extend that investment, any new talent acquisition solution should be able to share data and integrate with existing technology.

- **Contact management capabilities:** Today, applicants can come from a variety of sources — from external candidates with no prior relationship with the company to former employees or retirees seeking to rejoin the workforce. Regardless of their origin, it's important to keep track of all applicants. Capturing this data not only feeds the talent acquisition system with a pipeline of candidates, but also helps strengthen relationships with future talent. Most providers recognize the importance of contact management functionality and are incorporating it into their solutions.
- **Global support:** Companies with operations around the globe require talent acquisition systems that not only help centralize and streamline common functions globally, but also accommodate different languages, time zones, currencies, employment policies, government regulations and other location-specific items.

Combined with other methods and best practices for talent assessment — including job analysis, initial screening tools, skills and competency screening, online testing and assessment, interviewing, background and reference checking, and on-boarding — the aforementioned elements will help deliver a holistic talent acquisition solution that enables organizations to more effectively source, select and hire talent.

Assessing Existing Talent

While much of the discussion centers on recruitment and acquisition of new talent, it's equally — if not more — imperative to assess existing talent within the organization. Talented and ambitious people are more likely to stay with their current employer if they receive positive development, motivation and encouragement to reach their potential.

Assessment technology can help manage the needs of individual employees, in alignment with organizational objectives, while identifying and deploying top performers accordingly. Other benefits of internal talent assessment and review include:

- **For the individual:** Coaching and mentoring based on discovered needs.
- **For the work team:** Identifying top performers, or "stars," and capitalizing on their talent.
- **For the organization:** Maximizing return on investment by putting the right person with the right skills in the right job at the right time.

Getting Started

Taking on a large talent management project, such as the development and implementation of a talent acquisition strategy, can be a daunting task. To help organizations get started, below are some questions to consider. Generating answers to these questions, including input from HR's key stakeholders, will provide the foundation and desired outcomes for a sound talent acquisition strategy. Ask questions related to the following:

Finding, developing and retaining the right talent:

- Are we understaffed? Overstaffed?
- Do we have the right talent to build the right go-forward capabilities?
- Do we have the required diversity to fuel international expansion?
- Do we have the ability to reward our talent?

Workforce performance:

- How do we measure productivity and performance?
- Can we align our results with the organization's goals, objectives and outcomes?
- What is the ROI on people?

The impact of HR and talent management practices:

- What is turnover costing us?
- How much does a vacant key position cost us?
- How responsive is HR to managers' needs? How well are we serving them?

In addition, below are some objectives and recommendations for initiating a talent acquisition project:

Evaluate staffing processes:

- Perform current-state process analysis.
- Determine opportunities for improvement or standardization.
- Leverage technology to help drive change.
- Craft a vision for future state talent acquisition in alignment with new technology.

Evaluate staffing organization:

- Review current staffing levels and recruitment models against needs.
- Identify opportunities to better serve the needs of the organization.

It will take a comprehensive strategy and plan, along with disciplined project management, to ensure the right people, processes and technology are in place to drive successful implementation.

Investing in assessment technology represents a significant opportunity for HR organizations to increase and demonstrate their value to the business. TM

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by Bettina Chang

Talent Excellence

Tom Capizzi established HR centers of excellence at DJO Global to help bring the company together around eight core values.

DJO Global, a provider of orthopedic devices with more than 6,000 employees, located in Vista, Calif., was formed from a combination of several companies over the past three years. After this period of growth, the human resources function at DJO Global undertook a significant challenge as it worked to bring disparate parts of the company into a cohesive whole. Tom Capizzi, executive vice president of global human resources at DJO, helped redesign the HR function around centers of excellence to provide service-focused functionality to the global team.

Capizzi instituted a core value system called The DJO Way and aligned the integration of its various companies' product lines, people and cultures around eight values: continuous improvement, customer focus, open to new ideas, corporate citizenship, teamwork, enforcing people growth, urgency and accountability, and consistently exceeding expectations. He said these would give the company a common language so everyone can understand the mission and vision.

TM: How does DJO Global develop organizational culture and employee attitudes to optimize workforce performance?

Capizzi: We talk a lot about aligning people's objectives and the goals of company together. It leads to optimal workforce performance because they have a better feel of what they do and how they affect the end users. The end user is a patient who's using one of our braces or one of our physical therapy products. What an employee does on a day-to-day basis, whether they're building the product, working in customer care, selling to the patients, or if they're in finance or HR, any one of those organizations may not directly touch the customer or patient, but indirectly, they do.

We created an image of these eight stackable boxes that are our values, and that image is displayed throughout the organization worldwide. We've even translated it into the six or seven different languages that we work in, so employees are constantly seeing it and feeling it.

Our employees are also engaged in a values campaign right now worldwide. Every six weeks we talk about one of these values and what it means to them and how they can take it and equate it to their work. We have a system in place where employees can identify and recognize their colleagues for demonstrating these values. We give out awards, or value bucks, that they can use for prizes and opportunities.

TM: What processes or programs have you established to attract, recruit and retain top talent?

Capizzi: As you're looking internally into your organization, you're looking at the success of those core values. Are employees demonstrating what they said they would do? Are your directors enforcing people growth? Are they developing those folks? Then you've got the right talent to move up in the organization. When you do recruiting that way, then engagement and retention are key parts. How do you keep people engaged and focused? In this market, it's been easier over the last year or so because the market has been so slow. Companies have seen a slowdown in people who want to leave. There obviously aren't a lot of jobs available out there. But that's going to change. As the market continues to grow, we're going to see key people leave the company if we're not focused on retaining them.

The key to retention is career development. Employees think, "Where am I going? Is the company investing in me? What does my future look like?" Then there are support pieces like compensation, benefits and other areas that are more motivational in nature. But ultimately, the core for retention is around development. Employees are considering, "I think I'm a talented individual, but where is this company taking my talent, and where can my talent take me?"

TM: How do you handle succession planning at your organization?

Capizzi: Now that we have an established core of our business and can promote from within, we tend to move people around quite a lot. We challenge employees to take on new challenges domestically and internationally. We try to get folks exposure to a global understanding of DJO, as we are growing on the international side of health care, and what we do on the orthopedic side is seeing huge growth on the international front. Getting more employees to understand that is key to DJO's success.

Many years ago, the international assignment was exciting, depending on how long and where. If you can go and not be burdened with a language barrier, it made it a lot easier to bring people across. The tax process has changed as well. In the past, there was tax equalization and tax protection for expatriate employees.

INSIGHT continued on page 47

 by Michael Haid

Navigating Change Together

Effectively managing talent through change will go a long way to ensure that employees are aligned with the overall business strategy and are committed to doing their part to achieve business goals.

The uncertain economy forced many companies to cut costs in the face of declining revenues. The resulting impact set in motion cycles of disruptive organizational change. Some managers have struggled to handle the pace of change, and engagement, retention, productivity and performance are all suffering as a result of poor communication, erosion of trust, lack of customer focus, ineffective strategic thinking and the inability to link the workforce with business strategy.

How are employees feeling amid this barrage of continual change? A survey of 2,904 workers conducted by Right Management in August 2010 revealed that employees are working longer hours (Figure 1), and 79 percent reported their workloads increased as a result of layoffs at their company. Fewer than half of employees leave their desk to take a lunch break each day.

Increased workloads, decreased confidence in corporate direction and growing mistrust of leadership have raised employee negativity while lowering productivity. Consequently, a significant number of employees are likely underperforming because of poor engagement. That's why employers must focus on managing change, engaging employees and building skills and behaviors that both employees and employers need to thrive in today's dynamic business climate.

Recognizing Signs of Negativity

Productivity can suffer in a workplace characterized by criticism, spiteful gossip and lack of teamwork. Surveys of 1,404 HR professionals conducted by Right Management in September 2010 showed that more than 61 percent of organizations suffer from excessive negativity that harms performance and productivity. Nearly 2 out of 3 senior executives and human resource professionals indicated that negativity in the workplace makes it difficult for workers to focus on their jobs.

In many cases, negativity is ignored. Most people don't like confrontation, so it's easier to turn a blind eye and put up with it or, even worse, begin to contribute to the negativity. Instead, managers should address negativity by coaching alternate behaviors — ones that are more productive to the situation, such as not complaining without offering suggestions, helping employees to be more self-aware and not tolerating whining.

Employees find it challenging to adjust and adapt quickly to change. Organizational change initiatives are typically not supported with follow-through communications to reinforce the decision, explain the rationale or provide support to those affected. This creates employee stress and adds to the ambiguity around their role or connection to the future success of the organization. When employees lack clarity, they founder and stress levels rise. When employees are bewildered by change and struggle to cope, negativity grows. Productivity suffers as negative discussions and rumor mills take priority over normal business activity (Figure 2). Inward focus, mistrust and uncertainty harm customer service, and lowered morale permeates throughout the organization.

The worst thing talent managers can do is remain silent and tolerate bad attitudes. Rather than being seen as people who can lead others to a better future, leaders who are viewed as contributing to negativity are seen as part of the problem, which can undermine authority, optimism and effectiveness.

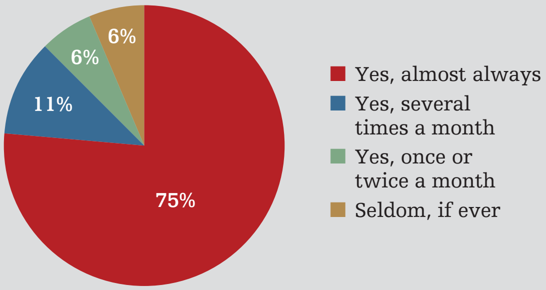
Breaking the Cycle

Talent managers are in a strong position to break the workplace negativity cycle by educating and inspiring others to embrace a positive attitude. It's essential that managers develop key behaviors necessary to lead change effectively, such as communicating openly, honestly and frequently while also encouraging authentic discussions with employees. Organizations that do not manage change well are more likely to lose talent. Some practices to lead others positively include:

- **Set expectations.** Help employees have a clear understanding of what's expected of them at work. This involves regular discussions to clarify goals, workloads and deliverables.
- **Communicate the vision.** Provide employees with a line of sight for how they can contribute to meeting customer needs. This involves alignment with the firm's vision and mission and a clear understanding of what each individual employee can do to contribute to the organization's purpose.
- **Develop employees.** Offer training and career development to help both managers and employees feel

Figure 1: Why Isn't 40 Hours Enough Anymore?

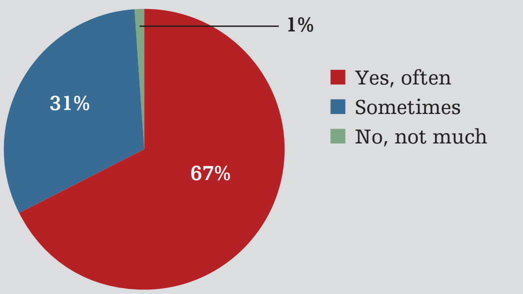
Do you work more than 40 hours a week?



Source: Right Management poll of 2,904 workers, August 2010.

Figure 2: Change Adversely Affects Worker Attitudes

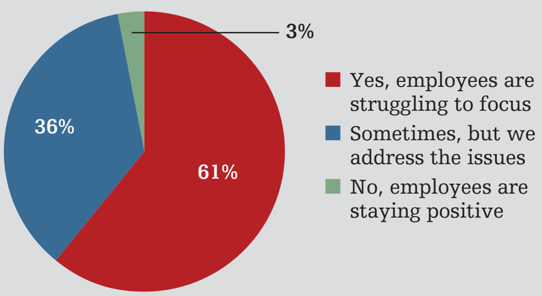
Have you seen how change at work can have a negative impact on workers' attitudes?



Source: Right Management poll of 1,404 human resource professionals and senior executives, September 2010.

Figure 3: Productivity Suffers in a Negative Workplace

Has negativity at your workplace impacted productivity?



Source: Right Management poll of 1,404 human resource professionals and senior executives, September 2010.

more confident in their ability to do their jobs. This will reduce stress and ultimately increase productivity and performance.

- **Value employees.** Demonstrate commitment and loyalty to employees through regular career discussions. This also will help to maintain accountability for appropriate employee behaviors and identify support that may be needed for areas of development.

Here are some tips for talent managers to reduce negativity and create more positive work environments:

- **Assess.** Understand your own reactions to changes and your authentic beliefs about where these changes are taking the organization.
- **Start with yourself.** Check your language and behaviors; show zero tolerance for negativity; and lead by example.
- **Keep lines of communication open.** Keep employees informed about what's happening in the organization and be available to listen to concerns.
- **Don't validate or encourage negativity.** Counsel the complainer and challenge negative and pessimistic thinking and beliefs.
- **Ask for solutions.** Recognize positive behaviors and ask open-ended questions, then listen and help develop solutions.

There are significant implications for not helping employees adapt to change and manage increased responsibilities and workloads. Consider the impact on:

- **Employee health and wellness:** Stress levels escalate, negatively impacting health and wellness. Signs to look for include higher absenteeism, increased turnover and lowered productivity, all telltale indications that performance is dwindling.
- **Job dissatisfaction and performance:** Lower employee engagement threatens overall performance through deterioration in quality of work output, customer service and attention to detail, declining customer satisfaction, lost opportunity costs and problems incurred because of mistakes and inefficiency (Figure 3).
- **Leadership credibility:** Lack of trust in leadership's ability to make good business decisions impedes the ability to lead effectively and execute on strategy. If leaders aren't supported with respect and commitment from the team, trust will erode and performance will falter.
- **Workplace culture:** Resentment brews from individuals working longer hours as well as guilt from those who aren't and may feel pressured to do so.

DASHBOARD continued on page 48

by Lisa Buckingham

Driving Growth in a Storm

Lincoln Financial Group's HR team implemented an executive development program to grow and sustain talent during economic crisis and beyond.

This last recession pressured many companies to cut back on investments, reduce staffing levels and restructure operations. Financial services company Lincoln Financial Group was no exception.

In the midst of making decisions about expense reductions, Lincoln CEO Dennis Glass stressed the importance of investing to prepare leaders for the eventual recovery and re-engaging the workforce at a time when many companies would not be focused on talent development. To carry out Glass' vision, the Lincoln HR team designed a leadership excellence program that would develop the leaders needed to drive Lincoln's growth in the coming years.

Formalizing the Program

The HR team selected the University of Pennsylvania's Wharton School to be its partner in creating an executive development program that would provide executives with the tools required to help them achieve their professional potential and move the company forward during one of the most crucial times in the history of the insurance industry.

Professors from Wharton worked with the HR team to design a custom, weeklong residential program, funded by Lincoln, for the company's top 60 corporate leaders. The program formed the basis of the company's broad-based enterprisewide development curriculum, which focused on delivering on the CEO's key goals — that all leaders at Lincoln share a common language and approach to problem solving, collaboration and strategic planning — and

integration of three disciplines necessary for the company to flourish: strategic thinking, execution and innovation.

To ensure the program design met the needs of stakeholders, the development team conducted interviews with Glass and his senior management committee and focus groups with the 60 members of Lincoln's Corporate Leadership Group (CLG) — the program's targeted participants. The result was an intensive weeklong residency program at Wharton for the CLG, followed by action learning in cross-functional working teams to address critical business projects selected specifically to help the company delve into topics that had the potential to influence strategic direction or investments. Working group members met routinely with Wharton professors to review research findings and scenario planning, culminating in formal presentations and recommendations to Glass and the senior management committee.

LEADing Employees

The first Wharton residency program was held in March 2009. The timing seemed inauspicious at first — the markets had reached their lowest point of the financial crisis in March — but it turned out to be a good time to focus on enhancing strategic skills such as scenario planning and incremental innovation that would prove important to lead the company through the recovery.

Feedback from the CLG participants and the senior management team was positive. From their perspective, the focused investment in leadership development during the downturn resulted in a number of planned and "bonus" outcomes. In terms of morale, the program strengthened the leadership team's cohesion and bolstered their confidence. The program sent a message to leaders and the employee base that Lincoln was continuing to invest in the future.

The result was a high level of employee engagement. According to a 2010 companywide survey, engagement levels remained steady and in some areas even increased compared to a similar survey conducted in 2008. Lincoln also maintained a low level of regrettable turnover.

The weeklong residency program was delivered in two cohorts, the first in March 2009 and the second in April 2010, and formed the basis of a companywide leadership development effort called Leadership Excellence and Development (LEAD). This program was designed to foster the same core competencies of strategic thinking, execution and innovation across the employee base, and it integrates a specific focus on developing both current and emerging leaders for the post-crisis environment and long-term future of the company.

Lincoln's HR team collaborated with Wharton to design a LEAD curriculum that would nurture leaders at every level of the organization, including non-managers, early career professionals and emerging leaders to build and maintain bench strength for the future. The team designed the program in three phases:

- Foundational leadership development is offered to early career professionals, including individual contributors who can lead by example.
- Management leadership development is offered to new and experienced managers who can lead others.
- Executive leadership development is offered to top-level executives who can lead the company as a whole.

The HR team developed the curriculum to harmonize with courses and concepts of the Wharton residency program and incorporated the foundational training necessary to prepare individual contributors, as well as new and emerging managers, for the next phase of their careers. Examples of foundational development offerings include courses on fundamental business and financial skills, goal setting and performance management, critical thinking strategies simulation, time management and presentation skills. Classes have a maximum of 30 participants and are offered through a broad range of delivery methods to accommodate employee schedules, locations and travel restrictions. The program offers live instructor-led classroom experiences, online self-directed learning modules, virtual learning experiences, reading lists,

The development program had impact beyond talent development and engagement by boosting bottom-line sales. Customer firms have requested that Lincoln Financial help them build out their own internal training programs.

tutorials, immersion and consultative experiences with industry experts.

To maintain the program's effectiveness, Lincoln continues to meet regularly with academic advisers from Wharton and periodically conducts follow-up needs assessments.

Within six months of the conclusion of the first Wharton residency program, participants from Lincoln's distribution company, Lincoln Financial Distributors (LFD), requested to use materials from the Wharton program for an upcoming meeting with a strategic customer firm. The HR team went one better and arranged for Wharton to lead a small-group working session at the meeting. Since then, the HR team has partnered with LFD to share industry and management insight, including the importance of scenario planning, with key customers. While it is a somewhat unusual partnership between talent management and sales, this is a natural extension of Lincoln's company culture, enhancing the company's reputation as a learning organization and underscoring its commitment to its customers.

Future Growth

Lincoln's aim in launching the program was to prepare for the future by anticipating talent needs and providing a workplace environment where employees at every level can develop their career potential. Over the past two years, the HR team has worked to instill the leadership development program as a top priority among all of Lincoln's 7,500 employees. Since formally launching in 2009, Lincoln's programs have trained approximately 1,200 employees per year and have provided more than 1,400 individual learning experiences across all business lines.

In addition to employee growth and positive feedback, the LEAD program has had impact beyond the realm of talent development and employee engagement by strengthening customer relations, which ultimately can boost bottom-line sales. A number of customer firms have requested that Lincoln Financial help them connect with Wharton in order to build out their own internal training programs.

The program also has allowed the company to align its leadership under a framework of consistent development that strengthens the talent pipeline and boosts leadership at every level of the organization. To ensure the program continues to deliver value, written evaluations and one-on-one interviews from participants are collected. HR also holds monthly meetings to discuss feedback, gauge program success and focus on opportunities for improvement. As the LEAD program continues to evolve, the HR team will conduct quarterly program assessments to further measure success.

Through the economic crisis, Lincoln Financial weathered the storm by remaining committed to learning and development at all levels and even taking steps to provide more development. The company's leaders take the position that, as the economy improves, companies that focused on talent, innovation and business growth will be poised to emerge as leaders in the new era of the insurance industry. The HR team at Lincoln Financial Group is vigilant that it must foster a learning environment that positions Lincoln's workforce and leadership team for continued success. TM

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Now companies can't afford what they used to provide for expatriates. With all the social and economic issues out there, there's probably more cushion for an employee to want to go to France, England or Germany. Unfortunately, our society is leading us away from people willing to do that because of the nature of terrorism and other things we're dealing with. You're seeing less people raising their hands and taking a two-year developmental assignment. You'll see less long-term assignments and more short-term assignments — we'll send someone on a project for six months. There's less of that permanency and commitment to uproot families, sell your house — you don't see much of that. Especially as we go to other countries like China, Japan or Brazil, you'll see people raising their hands for shorter assignments.

> "It can't remain the same for us to continue to be competitive and be a key player in the global market as we are today. We have to continue to change."
>
> – Tom Capizzi, Executive Vice President, Global Human Resources, DJO Global

TM: What's next for DJO Global in terms of talent management and workforce performance development?

CAPIZZI: As we look at where health care is going, DJO has to evaluate some areas of growth. Perhaps we'll be looking at new business models. The way we sell, distribute and develop products is going to change. It can't remain the same for us to continue to be competitive and be a key player in the global market as we are today. We have to continue to change. The next steps for our organization around talent management are to make sure we don't do that in a vacuum. We don't create a business model, say we're going to do this, then come back and look at what kind of people we need. Talent management is a parallel process that goes side by side with product and market innovation, change and strategy. As we look at new markets, we're going to focus on whether we're developing the right workforce within and where we can find a workforce for the future externally, if necessary.

TM: What is your vision for HR and talent management moving forward?

CAPIZZI: We're redesigning HR around the centers of excellence. They are our key because those centers of excellence have HR functions that are focused on how to manage the workforce and talent and how to grow for the future. I can't grow HR by two to five times, so how do I manage an HR organization that worldwide can affect the success of DJO, our talent and our business? The centers of excellence are designed in key areas. They are service-focused, so there's an environment where all employees can go to a center of excellence, like employee services, and they can provide you with information or data you need to be successful in your day-to-day job.

One center of excellence handles employee benefits, disability issues and common policy questions. This could be anything around their job description and career planning, so this service organizational model will be a key part of keeping employees engaged. Another center of excellence is learning and organizational development, a key area that will continue to grow and help us manage our workforce going forward. It's making sure we're providing the type of learning management systems for employees to be successful. Employee relations, training, compensation [and] benefits — ultimately the rewards [and] recognition system side of HR is an important aspect of it as well. All the typical functions of HR, we've changed them into centers of excellence.

Each center has a head, either a [vice president] or director, who is responsible for that piece of management of effective HR worldwide. They've built and developed a strategy around what that means and how to support that. The centers of excellence work closely with each other and are specific to employees' needs. Each is a core functionality of HR focused at a more global, strategic level that helps drive employee capability.

The HR business partner role, which is clearly the core of where HR needs to focus, is working closely with leadership and ultimately getting us engaged at a higher strategic level, not dealing with day-to-day talent issues from an employee relations standpoint. They focus on getting our business partners to be more strategic in their thinking. They focus on understanding business needs and influencing or being a coach and counselor to those managers in that regard. The tactical side is being handled through the service model. The centers of excellence are key to HR's success, and HR has to evolve to support that. DJO's global HR team is moving in that direction. TM

Focus on managing change, engaging employees and building skills and behaviors that both employees and employers need to thrive in today's dynamic business climate.

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Negative judgment is projected toward the organization's leadership team, which isn't establishing appropriate working boundaries and guidelines with employees.

- **Focus:** Prioritization and focus gets skewed. Leaders need to coach employees to make their own decisions and to effectively prioritize their work so they are focusing their time and energy on top-level projects that positively contribute to performance.

Managing Talent in the New Normal

As organizations recover from the global financial crisis, the reality is flatter organizations, constricted hiring, cash conservation, heavier workloads and disgruntled employees.

The conditions today are here to stay. Managers need to provide guidance and coaching to employees to help them be more agile and work in this changing, increasingly pressurized work environment.

Some practical suggestions for talent managers include:

- **Increase collaboration.** Work on collaboration skills, such as utilizing cross-functional teams, learning how to manage diversity well or adopting software sharing services to increase effectiveness.
- **Be realistic.** Help employees by setting realistic expectations so they're more likely to be successful in completing tasks within reasonable time frames.
- **Promote self-management.** More and more, individuals are expected to be self-directed. For instance, consider the increased ranks of virtual workers and the autonomous skills required to be successful in such an environment. Nurture self-management skills in employees, such as adaptability, autonomy, decisiveness, dependability, tolerance for stress and resourcefulness.
- **Communicate frequently and consistently.** Communicate with authenticity and stay in touch with workers consistently and regularly. Hold brief weekly calls or meetings to make sure team members are aware of priorities, updates on the business and their role in making it successful.
- **Be flexible.** Create flexible structures to accommodate different lifestyles and work motivators. Employees want control over where, when and how they work, as well as the career choices they make. Embrace a "one-size-fits-one" approach and understand the different motivators and needs for individual employees. One employee may benefit from flexible work hours to accommodate the needs of parenting school-aged children, while another employee may flourish from permission to work out in the morning and stay later in the day.
- **Reward accomplishments.** Don't focus on rewarding individuals for the time they put in at work, but rather for what they achieve and accomplish. If one individual's goal is to retain customers through excellent service, allow that employee the freedom to achieve this, perhaps by working flexible hours to meet customer needs as they arise and not sticking to an 9-to-5 schedule.
- **Prioritize.** Equip employees with decision rules to be able to identify what's important so they can focus their time appropriately. Empower employees so they have the ability to decide the priorities and subsequently have a greater vested interest in what they're doing. But empowerment turns to abandonment if leaders aren't providing road maps for people to use in the decision process. For instance, if a company's values focus on customer service, teamwork, innovation and work-life balance, a leader must inform people which values are the top drivers, otherwise employees may not know how to react when work situations force them to choose one value over another, such as customer focus and work-life balance.

Effectively managing talent through change will go a long way to ensure that employees are aligned with the overall business strategy and are committed to doing their part to achieve business goals. Preparing workforces to respond confidently and competently reduces negative reactions, mitigates the risk of turnover, improves morale and boosts productivity. TM

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Who Do People Think You Are?

Reputation is one element in establishing your mojo, that positive spirit that starts inside and radiates outside. It's where you add up who you are — your identity — and what you've done — your achievement — and toss the combined sum out into the world to see how people respond.

Your reputation is people's recognition — or rejection — of your identity and achievement. Sometimes you'll agree with the world's opinion. Sometimes you won't. But many times you may not even be aware of it. You cannot create your reputation by yourself. The rest of the world, by definition, always has something to say about it. But you can influence it, and as is usually the case, I have a few thoughts on how you can do that and how it affects your mojo.

We often want to believe that we have character, but that is different than reputation. We define our character as who we really are and our reputation as who other people think we really are. In situations where their assessment is different than our own, we generally define their assessment as wrong. It takes courage to realize that, in some cases, other people's view of us may be just as accurate — or even more so — than our own view of ourselves.

We often do not know what our reputation is. We're fairly clear-eyed about what we think of other people. But when it comes to what they think of us, we can live in the dark. We may have no clue about what other people are saying about us behind our backs, and therefore no opportunity to correct falsehoods, if they are inaccurate, or to mend our ways, if they are correct. This is one reason, in my experience, that reputation is such a neglected component in our mojo makeup: We don't have enough information to do much about it. So we ignore it.

I know this is true from my one-on-one coaching work with executives who want to change their behavior. The first thing I do is conduct a 360-degree feedback assessment of the executive's behavior on the job. In some cases, this is the first time the executive has ever been reviewed by people below rather than above him or her. I interview 15 to 20 colleagues and direct reports. I tally up the comments and report what I've found. In a few cases, much of what I uncover is breaking news to the executive. He or she will express complete surprise and then utter some variation of: "Really, people think I'm (fill in the blank)?"

These are smart, successful, motivated individuals. They've reached their incredible positions in life by being attuned to what other people think of them — and thoughtfully adjusting their behavior accordingly.

And yet my polling results on their reputation are often an eye-opener for them. If these hyper-successful professionals are sometimes in the dark about their reputations, it's not surprising that the rest of us can be clueless.

[Amid all your list making, organizing and planning your next move, when was the last time you sat down and thought about your reputation?]

Quick question: Amid all your list making, organizing and planning your next move, when was the last time you sat down and thought about your reputation? The likely truth is that unless you're a celebrity, politician or other kind of public figure — people whose reputations are constantly being assessed, elevated and diminished in the media — you've never codified your reputation at work. Never written down what you thought it might be or what you want it to be. You likely have never asked your colleagues for feedback about it. Never even thought about what you must do to establish it. At best, you may harbor a vague notion that you have a reputation for being a nice person or being good at your job or being willing to help out. But that's about it. You've never dug deeper into the specific personality traits, skills, behaviors and accomplishments that help form a reputation.

It's taken me a while to figure out why so many of us neglect our reputations. It's not that we don't care. We care a lot. It's that we confuse our need to consider ourselves to be smart with our need to be considered effective by the world. The two are not the same thing, and one often overwhelms the other. TM

About the Author

Marshall Goldsmith is a world authority in helping successful leaders achieve positive, lasting change in behavior. He is the author or co-editor of 27 books, including Mojo. *He can be reached at editor@talentmgt.com.*