

## Achieve Competitive Advantage through a Strategically Aligned Talent Strategy

by Carol Bergeron

*Do you lose sleep over less than stellar organizational performance? Do you feel compelled to shift your business strategy due to fierce competition or a merger or acquisition? As the economy starts to rebound, do you wonder how you are going to deliver results given recent organizational downsizing? Do you sense something is impeding progress but you just cannot put your finger on it?*

You are one of many prominent business leaders who have similar concerns. But the real question is: Are you willing to do something different to proactively address your concerns?

Outstanding leaders know that their organizations' success lies in the hands of people and how well they are aligned with the business vision. Studies have concluded in quantifiable terms such as sales, market share and shareholder returns that organizational success requires a deliberate talent or workforce strategy that is connected with the organization's vision, goals and business strategy.

Done well, the talent strategy should be developed and implemented in conjunction with your business strategy, integrated into daily operations and reviewed and refined frequently. Developing and implementing a talent strategy is an art, not a science. It is a journey not an event. Start with an adaptable framework such as the one described below.

### Three Phases of the Strategically Aligned Talent Strategy

Building the talent strategy is the first phase to achieving organizational alignment. Document your action plan on how you intend to get and

prepare your workforce to execute the business strategy effectively. The action plan consists of a mix of projects for acquiring, cultivating, rewarding and organizing talent. It also includes initiatives needed to deliver a value proposition to employees.

The next phase is to put the action plan into place. This phase is largely focused on designing and implementing the projects outlined in the action plan.

The last phase consists of measuring performance outcomes as the mix of projects is implemented. Essentially, it is here where you determine progress made toward meeting goals and next steps.

## Build it

### 1. Understand the Business Context

In building a talent strategy we must first acquire an understanding of the business and its interdependencies. Failing to do so, usually results in an unconnected talent strategy, poor use of resources and less than optimal performance. One of the most effective ways to confirm business context is to position yourself to confidently answer these questions.

- What value does your organization deliver to its customers?
- What are the core business processes in which your organization must excel in order to deliver customer value and how do you measure the effectiveness of those key business processes?
- What are the business objectives and the initiatives you will take on to meet those objectives?
- What key capabilities (i.e. knowledge, skills and behaviors) must we have as an organization to deliver value to customers?

- What value does your organization offer to its employees?

It is important to recognize the relationship between the answers to these questions. The customer value proposition drives the core business processes and they along with other initiatives you take on to achieve business objectives drive your talent needs.

Developing a talent strategy is not much use if you cannot attract and retain people with the right stuff. Thus your talent strategy will incorporate initiatives that are cause for employees to join and stay with your firm.

Gathering relevant information about your business to ensure you are working with current realities requires leg work. Be prepared to review business documents and interview key stakeholders. Then resolve disagreements and create a common direction among your stakeholders. Upon completion you will have established a solid foundation on which to build your talent strategy.

## 2. Identify Missing Organizational Capabilities

Honesty is required to identify realistic talent gaps between where the organization is currently and where it needs to go in order to realize its vision.

Critical success factors in meeting business objectives may include employee behavior and proficiency in using specific tools and systems in addition to the structures that support them.

Systems may include standard practices the organization uses to get work done such as project management. Tools may include specific technology, equipment and facilities. Support structures may include how work is organized and work or communication flows throughout the organization. The tools, systems and structure will provide insight into the knowledge, skills and behaviors required of the people who do the work.

## 3. Create the Action Plan

Once you have identified the gaps in your talent needs, target the gaps that have the most impact on meeting business objectives.



Brainstorm ideas on how to fill the gaps, giving consideration to the four major components of the talent strategy - acquiring, cultivating, retaining and organizing while being sure to integrate the employee value proposition.

**Acquisition** - Describe the initiatives you will take to identify, attract and recruit people with the right stuff for full and part-time employees as well as non-employee needs.

**Cultivation** - Define what you will do to develop your workforce to meet your talent needs.

**Retention** - Define the initiatives you will take to recognize people for their contributions, reward them for results and entice them to stay with your organization.

**Organization** - Determine the support mechanisms that will be used to communicate important information throughout the organization such as how work is defined, assigned and organized.

After brainstorming ideas for your talent strategy, select and prioritize those initiatives that are most promising. The output of this phase is the documented action plan called the talent strategy.

## Implement it

A well conceived talent strategy is useless without putting it into action. It consists of a series of projects that will be completed in order to fill voids in your talent needs so that the business strategy is executed well. Thus the output for the implementation phase can be achieved using the tools and techniques of project management. Implementation makes all the difference when executing business strategy well!

## Measure it

Recognize that in creating your talent strategy you will have assumed some cause-affect relationships between selected projects and their

impact on business outcomes. It is in this phase where variances between actual and targeted results, reasons for variances and identified trends are explored. Revising the selected projects, the talent strategy and/or business strategy may be the result of the measurement phase.

### 1. Determine What to Measure

There are a variety of ways to think about organizational metrics. Consider a mix of strategic and operational measures as well as lead and lag indicators when measuring solution and performance oriented results. You will want to measure individual projects in your talent strategy, the overall effectiveness of your talent strategy and related business outcomes.

Here are a few examples:

| Strategic measure   | Operational measure  |
|---|--|
| <ul style="list-style-type: none"> <li>• Have the right person with the right skills on the payroll at the right time</li> <li>• Have the right person with the right skills and network of relationships ready to move into an executive leadership position</li> </ul>  | <ul style="list-style-type: none"> <li>• Time to fill a job requisition</li> <li>• Number of high potential employees who finished a prescribed number of developmental job rotations</li> </ul> |
| Lead indicator  | Lag indicator  |
| <ul style="list-style-type: none"> <li>• Customer survey satisfaction scores</li> <li>• Customer retention rates</li> <li>• New customer accounts</li> <li>• Employee survey satisfaction scores</li> <li>• Employee achievement of incentive compensation</li> <li>• Employee participation in development activities</li> </ul> | <ul style="list-style-type: none"> <li>• Revenue</li> <li>• Employee turnover</li> </ul>   |

Be careful not to select too many metrics to monitor. Pick the ones that are true indicators of business performance and you have the capability to measure.

## 2. Analyze the Results

When actual results are not moving in the right direction we must ask ourselves and understand why? This analysis may reveal reasons for unexpected results such as:

- our assumed cause-effect relationship was wrong;
- business direction, customer expectations or market conditions have changed;
- a business process is too complex;
- tools are inadequate to properly perform the work;
- the skills and knowledge of those doing the work is insufficient;
- proficiency in doing the work is lacking due to infrequent needs for the work;
- our employee value proposition is inadequate;
- new laws or compliance issues may have impacted how we view actual results.

## 3. Decide on the Next Steps

Now that we understand what is driving the results then we must determine what we are going to do about it, if anything. If the variance between actual and targeted results is insignificant we may choose to do nothing. If the variance is significant or the trend is moving in the wrong direction then we may decide to take action to improve results. Monitoring how well your initiatives are impacting business results is not only a regular practice of organizations that outperform their competitors but a means of fostering organizational learning. Further, those same outstanding organizations modify and adjust talent solutions and initiatives based on learnings.

## Conclusion

Getting your employees' and their skills, knowledge and expertise in addition to the tools and systems they use, moving in the same direction as your organization's vision, goals and business strategy is the art of organizational alignment achievable through the creation and implementation of a talent strategy. Using a framework, like the one we described, will help you accelerate the process.

Become one of the growing numbers of progressively-minded executives who recognize that people are the most powerful source of competitive advantage. Develop and implement an organizationally aligned talent strategy and lead your firm to organizational excellence.



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