

## SCRIPT – KEY CONCEPTS IN TALENT MANAGEMENT AND SUCCESSION PLANNING

### Cover Page – Slide 1

I welcome you all to this exciting session on Key Concepts in Talent Management and Succession Planning.

Come along with me.

### Learning Outcomes – Slide 2

At the end of this session, it is my belief that we would have achieved the following Learning Outcomes:

- Explain the concepts of Talent Management and Succession Planning
- Discuss the benefits of talent management and succession planning
- Explain the components of talent management
- Discuss the difference between talent management and succession planning.
- Explain why talent Management and Succession Planning matters to organisations.

### Concept of Talent Management and Succession Planning – Slide 3

Most organisations today are confronted with the challenges of attracting high talent and retaining them for organisational sustainability and growth. The success and sustainability of every organisation transcends the conception of the business idea by the business driver or visionary leader.

An organisation as a corporate entity and a going concern relies heavily on its workforce – the human assets i.e., the people. For an organisation's success and sustainability, the core object of the organisation must be driven by people with the right skills sets and competencies.

Suffice to mention that several local and global organisations today had gone into oblivion or some others are struggling because the business models often than not were built solely round the main visionary leader. The demise or incapacitation of the main business driver oftentimes bring an end to the business. This is so much the case because most organisations fail to put in place a pragmatic and efficient talent management and succession planning processes which are core elements to an organisational growth, success and sustainability. Organisations must have the best talent in order to sustainably succeed in the current hyper competitive and dynamic global economy.

***Some human resource experts believe that talent management system is the key element to the sustainability of organisations. Such a system includes processes of absorption, identification and retention of those employees who constitute the talent core of every organization and who represent a small percentage of the employees at highest level in favour of the organizational interests (Berger :2004).***

## What is Talent? – Slide 4

Talent in an employee involves all kinds of elements, from their educational qualifications and skills, previous experience, known strengths and additional training they have undertaken, to their abilities, potential and motive, qualities, and personality

Summarily, talent can be said to mean any of the following.

- Ability, aptitude, bent, capacity, endowment, faculty, flair, forte, genius, gift, knack.
- Unusual natural ability to do something well that can be developed by training.
- Person or people with an exceptional ability.

## What is Talent Management? – Slide 5

***According to Tom Ridley (2021) “Talent management is a constant process that involves attracting and retaining high-quality employees, developing their skills, and continuously motivating them to improve their performance.”***

Talent management aim at creating a motivated workforce who will stay with your company in the long run. Oftentimes, the exact way to achieve this will differ from company to company.

***In 2019, Prarthana Ghosh, defined Talent Management as “the methodically organized, strategic process of getting the right talent onboard and helping them grow to their optimal capabilities keeping organizational objectives in mind.***

The process of Talent Management thus involves identifying talent gaps and vacant positions, sourcing for and onboarding the suitable candidates, growing them within the system and developing needed skills, training for expertise with a future-focus and effectively engaging, retaining and motivating them to achieve long-term business goals. The definition brings to light the overarching nature of talent management – how it permeates all aspects pertaining to the human resources at work while ensuring that the organisation attains its objectives. It is thus the process of getting the right people onboard and enabling them to drive the business at large.

Every strategic HR department of organisations need to go beyond transactional personnel management and policy custodians to adopt the practice of talent management that will enable and sustain an organisation's business strategy through its people.

Strategies and practices should be put in place to assist in identifying, developing and ensuring the retention of the best performing employees or employees within critical roles whose engagement in the organisation is very critical to the organisational sustainability.

It is no longer alien to say that along with the understanding of the need to hire employees, develop and retain high performers, organisations must be aware that they must manage their talent as a critical source to achieve the best possible outcome that is sustainable within the organisation.

Succinctly put:

“Successful organisations like Apple and Google, renowned for a strong company culture and ideology, attract a workforce that doesn't just work for a paycheque. Employees share the same beliefs and motivations and therefore invest more of themselves in achieving great results and contributing to the overall business success”. [Chandler and Macleod, 2014]

## Key Concepts of Talent Management – Slide 6

The key concepts in Talent Management are as follows:

### **1. Talent Identification:**

Veritable talents can also be sourced from within the existing pool of staff. This is explained by the term talent identification. HR department often use talent assessments to identify high potential employees primed for professional development.

### **2. Talent Attraction & Acquisition:**

One of the major challenges with most organisation is how to get a high performing talent to join its team. Talent attraction thus refers to the practical strategies put in place by organisation so as to appear appealing to prospective new employees. Such may involve employer branding, compensation packages etc.

### **3. Talent Development:**

Once a high potential employee is identified, the next phase of talent concept and stage in talent management is to invest in their professional development.

This development would assist to help talent develop and acquire new skills. It is an integral part of their career mobility and their performance within the organisation. This curbs stagnation possible lack of interest in the organisation. Professional development ensures they stay motivated!

Talent development is better handled for high potential when an organisation makes it a part of its talent management culture. Organisations are thus encouraged to Invest in professional coaching to improve skills, and help employees work in ways that enable them to thrive within the organization.

### **4. Employee On-boarding Experience:**

On boarding has to deal with the process by which new employees learn about their position and company, obtain skills in order to complete tasks necessary for the role, and become an effective member of the team. If not well handled, the talent management process of an organisation may be negatively affected. A bad first impression they say is hard to change. A new employee's perspective during the on-boarding process considers the amount of time to transition into the role and the company, the quality of work performed by the employee during on-boarding, and the satisfaction and stress of the employee throughout the process. This experience must be exciting to boost the employee confidence in the organisation which would further aid retention.

### **5. Employee Retention:**

Talent Management also aims at increasing productive employee retention. An employee retention strategy helps the company's ability to keep its employees from leaving its employment. This may include a company's specific efforts to achieve this feat. After going through all the trouble to attract, identify, and develop talent, the last thing an organisation would want to happen is for that talent to pack up their bags and leave. Retaining talent is an urgent process for HR in any organisation.

Talent retention is a strategic HR objective to ensure that talented employees stay, by providing an optimal and positive work environment that promotes engagement and shows appreciation to employees for their efforts.

Concerted efforts should be deployed to organisations to retain talent because it can lead to myriad organisational issues, but also cost the company and affect its bottom line. Going through the process of recruiting, hiring, training and developing new employees slows an organization down, prevents growth, and costs money.

## **6. Employee Turnover:**

Employee turnover refers to the number of people who leave an organisation and are replaced within a certain amount of time. This usually increases employee costs (vide replacement and training costs). It is a critical concept in talent management. Talent Management aims at reducing employee turnover and its associated costs.

## **7. Employment/Recruitment Process:**

This is a term in talent management which focuses on the employer, the process beginning when an employer receives an application, screens, selects, and tests candidates to interview, and obtains necessary information about the candidate until the candidate is legally working with the organisation. The experience gathered during this period has implication on early employee exit or not. Some staff may not stay long in an organisation where they do not have an exciting recruitment process.

## **8. Talent Management System (TMS)**

A set of tools (usually software) to manage the organization's recruitment processes, employee performance, and development, and retain employees

## **9. Talent Management Activities:**

The process covers all key aspects of an employee's "life cycle:" selection, development, succession and performance **management**. Key components of a highly effective **talent management** process include A clear understanding of the organization's current and future business strategies.

## **10. Employee Development Plan**

An individualized plan for employees to learn and develop skills for their current or prospective job roles and responsibilities within an organization.

The talent management model is a process that can be diagrammatically represented thus.

## Seven Components of Talent Management – Slide 7

Talent management includes seven components that when implemented strategically, combine to keep an organization on the leading edge and a force to reckon with.

1. **Strategic Employee Planning:** Developing your organizational goals and strategic plan is the first step. Next you must think about how to reach your goals and implement the plan. More specifically, you must identify the key roles and personnel who will get you there. You may already have the positions and people in place, or you may need to adjust the current structure to fill the gaps.
2. **Talent Acquisition and Retention:** Bringing new talent into your organization is important, yet equally so is recognizing and cultivating talent you already have in-house. Hiring from within your organization is more cost-effective, so when you're working at talent pooling, remember to look internally as well as externally.
3. **Performance Management:** Aligning the right person with the right role is the heart of performance management. Its ultimate goal is to ensure that roles align with business strategy to achieve goals. It enables you to ensure that you're aligning a talented employee with a role that suits them, develops goals for success, supports their development, and moves the organization forward.
4. **Learning and Motivating:** Semantics become important here, because learning is more than training. Learning is the acquisition of information and skills, which yields knowledge and experience. Implement learning programs that include activities and tasks that support the organization's culture and initiatives. When employees see how their growth impacts the organization, they'll see just how valuable their role is.
5. **Compensation:** Alignment remains the important concept. Aligning your strategic goals with incentives means recognizing employees, rewarding contributions to success, and acknowledging their value to the organization.
6. **Career Development:** This ties back to the talent retention component and the notion that hiring from within is not only an option, but often preferable. Nurture potential leaders by providing professional development tools that can advance their career.
7. **Succession Planning:** Knowing the talent within your organization is a start. Knowing the key roles essential to its success is equally vital. Which roles are critical to success? Who currently fills those roles? What happens when those positions become available? Having a plan in place means that the decisions are already made, and that the organization will continue to run smoothly if a key position must be filled quickly.



## Benefits of Talent Management – Slide 8

The benefits of talent management include but not limited to the followings:

- a. **Right Person in the right Job:** Through a proper ascertainment of people skills and strengths, people decisions gain a strategic agenda. The skill or competency mapping allows you to take stock of skill inventories lying with the organisation. This is especially important both from the perspective of the organisation as well as the employee because the right person is deployed in the right position and employee productivity is increased. Also, since there is a better alignment between an individual's interests and his job profile the job satisfaction is increased.
- b. **Retaining the top talent:** Despite changes in the global economy, attrition remains a major concern of organisations. Retaining top talent is important to leadership and growth in the marketplace. Organisations that fail to retain their top talent are at the risk of losing out to competitors. The focus is now on charting employee retention programs and strategies to recruit, develop, retain and engage quality people. Employee growth in a career has to be taken care of, while succession planning is being performed those who are on the radar need to be kept in loop so that they know their performance is being rewarded.
- c. **Better Hiring:** The quality of an organisation is the quality of workforce it possesses. The best way to have talent at the top is have talent at the bottom. No wonder then talent management programs and trainings, hiring assessments have become an integral aspect of HR processes nowadays.
- d. **Understanding Employees Better:** Employee assessments give deep insights to the management about their employees. Their development needs, career aspirations, strengths and weaknesses, abilities, likes and dislikes. It is easier therefore to determine what motivates whom and this helps a lot Job enrichment process.
- e. **Better professional development decisions:** When an organisation gets to know who its high potential is, it becomes easier to invest in their professional development. Since development calls for investment decisions towards learning, training and development of the individual either for growth, succession planning, performance management etc, an organisation remains bothered where to make this investment and talent management just makes this easier for them.

While talent management majorly deals with the identification of the talents and its development, closely related is succession planning which helps to build other talent pipelines and development that would aid an organisational sustainability through effective succession planning framework.

## What is Succession Planning? – Slide 9

***“Succession planning can be defined as a purposeful and systematic efforts made by an organisation to ensure leadership continuity, retain and develop knowledge and intellectual capital for the future and encourage individual employee growth and development” (The Economic Times, 2021).***

According to Wayne Bleakley (2006), Succession planning needs to be focused on senior management positions, starting at the top of the organisation (with particular attention paid to the CEO and/ or Managing Director) and going at least Six of Seven Levels down so as to include middle management positions. It's not necessary to continue down to team leader positions as these are more fluid'

This does not however mean that teams at the lower cadre should be overlooked in the succession planning, the emphasis is on the criticality of the roles and its feasibility of non to close in the event of unforeseen exit. Where the lower cadre are so fluid such that there are enough employees within the organisation that could easily serve as replacement or where exit does not

affect significantly the operation of the business, emphasis on succession planning may not be too critical a matter to plan for.

For example, Where a driver of the MD/CEO suddenly resigns, though he functions with a C-Suite, there is however no need to make a succession ladder for a company driver. There may be others within the pool that could easily fill this gap. This is quite different where an MD/CEO or CFO for instance suddenly exits, there must have been some concerted efforts in place to build succession preparatory to any sudden exigencies as this.

### Objectives of Succession Planning - Slide 10

- To have a steady pipeline of leaders who are ready to step into leadership positions
- For greater organisational stability and resilience, which breeds market confidence and drives shareholder value
- For preservation of organisational knowledge for business continuity
- To provide for orderliness and compliance with global standard
- To avoid challenges associated with what we refer to as **one-man** business in Nigeria and environ

### Benefits of Succession Planning – Slide 11

- Limits disruption to daily operations and minimizes recruitment gaps via a talent pool of ready- now successors.
- Boosts engagement, development and retention of top talent and motivates them to work toward achieving the business goals.
- It helps in attracting quality and dependable candidates
- Improve innovation & growth of the organisation as experience and expertise of individuals in critical roles are preserved.
- Minimizes time and financial resources in shortlisting, recruiting and grooming leadership from outside
- It helps and strengthens the actualisation of the organisational goals and objectives.

### Difference between Talent Management and Succession Planning – Slide 12

Talent Management entails a holistic process of an employee life cycle from manpower planning, sourcing talents, talent attraction, selection, training and development, onboarding retention and integration, performance management etc.

Succession planning on the other hand specifically deals with building both a short-term employee replacement plan and strategizing a long-term framework for grooming talent pool for future succession across all critical roles.

***Talent management deals with a broader analysis on the employee lifecycle, the Succession planning focuses majorly on building replacement plans in an organisation to avoid business disruption both in the shorth, medium and long term.***

## Reason for Talent Management and Succession Planning – Slide 13

According to Levensaler (Bersin & Associates, 2008), there are 9 key challenges facing organisations as listed below. These challenges are easily resolved by effective Talent Management and Succession Planning Framework.

1. **Gaps in leadership pipelines:** Most organisations lack employees with the right skills and competencies within the workforce for possible closure of vacancy in the event of unforeseen occurrence at the leadership level. Adoption of talent management and succession planning practices tends to easily address this.
2. **Creating a performance driven culture:** Performance Management is a critical factor to organisational sustainability. Some organisation finds it difficult to design and stick to career path that ensures that progression to the leadership roles are performance driven. Talent management and succession planning ensures that the right staff are placed at leadership role as adjudged by their level of productivity, potential of driving the organisation along the path of the organisational objectives.
3. **Difficulty filling Key employee positions:** Organisations explores the option of referring to Executive Search Employment Consultants to help fill key roles within the organisation. Where the employed staff resumes usually after an extensive and expensive procedures, he or she may exit for higher offer somewhere else. Organisations are usually left in a state of dilemma at such instances. Talent Management and Succession Planning ensures leadership of key roles are identified, developed and reserved in the pool ahead of such eventualities without truncating organisational sustainability.
4. **Retention problems:** Some organisations may have the right pool of talents with the requisite skills, knowledge, abilities and other core competencies. However, unchecked attrition may impair the sustainability of the organisation. Where the organisation proactively activates a pragmatic talent management and succession planning framework, these set of employees will envisage a future and great career prospect and progression within the organisation which will help boost an organisational retention rate for enhanced sustainability.
5. **Developing new skills to meet business conditions:** For driving a business in a dynamic economic space as it is today, skills and business knowledge needs to be developed and updated across key leadership roles. Such skills and learning process for the organisation to succeed, may not be limited to the CEO/MD alone. There may be also need for cross pollination of idea, this is where the talent management models come into place to ensure that the right framework and strategies and put in place for the organisational sustainability.
6. **Hiring people quickly due to company growth:** Researches has shown that some executive recruitment has been known not to provide the desired results. Some organisations go into sudden massive recruitment because of an expansion or sudden business breakthrough. While some may succeed in this voyage, others may fail while there may not be also a seamless integration and achievement of the organisational goals through these new recruitments. The new employees may require time to acclimatise into the new workspace and accept the cultural perspectives amongst others. Talent Management practices provides a solution quite ahead of this situation for seamless transformation process.



7. **Impending retirement of key workers:** Many organisations are usually at a cross road where there is an impending retirement of key workers. Frantic searches for possible replacement begins in earnest, at other times, some employees are quickly assigned to the retiring employee to understudy. The time for this may not be sufficient enough to equip them with the requisite skills and knowledge required, hence posing a challenge to the organisational sustainability. Talent Management and Succession Planning if well implemented provides ample opportunities to train and develop replacements for such roles quite ahead of time.

8. **Meeting development need of younger workers:** The easiest way to ensure the development need of the younger workers are met and a built for a critical role within the organisation is to implement a practical talent management and succession planning strategies through career pathing for the identified younger workers. Training programs, coaching and mentoring could be leveraged as basic tools.

9. **Downsizing workforce:** Business exigencies, downturn may warrant downsizing, rather than being caught in the web of dilemma, talent management through and existing performance management tool would have made it easier to identify and shortlist staff scheduled for exits. An existing or implemented succession planning practice also makes for easy replacement without affecting the business continuity of the organisation.

#### **Findings on Talent Management – Slide 14**

***According to the Global Leadership Forecast 2018 study, conducted by DDI (A renowned global leadership development consulting firm), The Conference Board, and Ernest Young [EY], more than 1,000 C-level executives identified developing the next generation of leaders and the failure to attract/retain top talent as their top two challenges—far ahead of other critical business concerns.***

This emphasis on talent management is inevitable given that, on average, companies now spend over one-third of their revenues on employee wages and benefits. An organisation can create a new product and it is easily copied. Lower its prices and competitors will follow. Go after a lucrative market and someone is there right after it. However, replicating a high-quality, highly engaged workforce is nearly impossible. The ability to effectively hire, retain, deploy, and engage talent—at all levels—is really the only true competitive advantage an organization possesses.

***A global survey results reveals that the talent shortage is endemic across the world today. Another study in India in April, 2012 revealed that an estimated ten million manufacturing jobs worldwide cannot be filled due to shortage of talent/ The survey was conducted by the World Economic Forum and Deloitte Touche Tohmatsu, notes that the future of manufacturing is turning into a competition for talent.***

It says the shortage is pervasive despite the high unemployment rate in many economies where companies are struggling to fill manufacturing jobs, such as highly trained workers and engineers.

## Conclusion – Slide 14

Hey, so in the past few minutes, we have been able to look at:

- Talent Management and Succession Planning.
- Benefits of Talent Management and Succession Planning.
- Differences between Talent Management and Succession Planning, and,
- Reasons for Talent Management and Succession Planning.

***Talent management has never been more of an immediate concern than it is right now. But in the rush to fill a perceived talent management void, organizations must be careful not to rush into implementing initiatives or programs that are more about taking action than about implementing a well-crafted solution.***

***Careful planning, culminating in a sound talent strategy that is tightly connected to the organization's overall business strategies and business needs, is required for talent management to become ingrained in an organization's culture and practices. Only when this happens is it possible for talent management to be both effective and sustainable.***

Talent Management combined with a well-structured and implemented succession planning strategy can guaranty the sustainability and productivity of an organisation.

Thank you and Stay Safe. Bye

