

# Sanlam Group Talent Management Practice document

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# 01. Background

Considering significant developments in recent years, businesses are compelled to reassess their operational strategies. Factors such as globalization, remarkable advancements in the information and communication technology sector, the increasingly competitive landscape for talent, and the ever-evolving economic conditions have exerted a profound influence. In many respects, organisations have had to swiftly adapt to these changes. The ability to demonstrate agility and resilience in talent management, as well as adopting a more rapid response to the accelerating pace of business transformation, has assumed paramount importance. It is imperative to recognise that the emerging leaders of today will encounter a markedly different business environment when they assume senior leadership roles. The digital revolution is fundamentally altering our work methods and even the nature of work itself. In an increasingly globalised world, competition is moving at a rapid pace, with businesses facing

heightened expectations for growth and profitability, all amidst regulatory and market uncertainties.

Furthermore, the landscape of talent management has undergone a significant shift, transitioning from an employer-driven market to a candidate-driven one. As a result, organisations like Sanlam have been compelled to place a greater emphasis on listening to their employees, as the voice of the employee (VoE) has begun to drive the Human Capital (HC) agenda. Employees now expect more frequent, context-specific, and personalised experiences in their work environments. This challenge is compounded by the presence of a multigenerational workforce, each valuing different aspects of their employment. Consequently, the Sanlam Group is continuously exploring avenues to enhance the employee experience to improve overall productivity and maintain a competitive edge in executing the business strategy.

## 02. Talent Management Ecosystem

### 2.1 What Is Talent Management?

The precise meaning of “talent management” (TM) is difficult to identify because of the confusion regarding definitions and terms and the many assumptions made by authors who write about TM. The terms “talent management”, “talent strategy”, “succession management”, and “human resource planning” are often used interchangeably.

There appear to be three distinct schools of thought regarding TM.

**1. The first school of thought** defines talent management as a set of standard HC practices, including recruitment, selection, development, and career and succession planning. In this perspective, managing talent involves expediting these processes (e.g., through internet technologies or outsourcing) and extending them across the entire organisation, rather than confining them to specific departments or functions. An illustrative view from this school suggests: “Shifting from traditional department-focused staffing and recruitment to a comprehensive enterprise-wide talent attraction and retention initiative.

**2. The second perspective** on talent management centres on talent pools. In this view, talent management encompasses processes that ensure a smooth employee transition into various roles across the organisation. These approaches often align closely with succession planning and human resource planning and include HR practices like recruitment and selection. At the core of these methods is the projection of employee needs and the management of employee progression within the organisation, often facilitated by enterprise-wide software systems. The primary focus here is internal rather than external. This approach is commonly referred to as “manpower” or “workforce” planning, involving the modelling of organisational staffing and career movements, utilizing hierarchy levels, position entry and exit rules, and factors like costs, expected tenure, and supply and demand.



**3. The third perspective** on talent management takes a broad view of talent, regardless of organisational boundaries or specific roles. Within this perspective, two general views on talent emerge. The first view regards talent, often referring to high-performing and high-potential individuals, as an invaluable resource managed primarily based on their performance. In other words, highly competent performers are actively sought, hired, and differentially rewarded, irrespective of their specific roles or the organisation's immediate needs. This approach encourages organisations to manage pools of talent based on performance levels rather than reserving them for specific job successions, as seen in the previous perspective. Advocates of this approach classify employees by performance levels (e.g., "A," "B," and "C" levels denoting top, competent, and lower performers, respectively). They may advocate for rigorous terminations of "C" players or adopt a "top grading" approach, which involves hiring exclusively "A" players. Top grading aims to fill the entire organisation with top-performing talent, spanning from senior management to entry-level positions, all ranking in the top 10% of talent for their compensation level."

## 2.2 Sanlam Group's Definition of Talent Management

How does the Sanlam Group define strategic talent management in a way that encompasses all these schools of thought? Talent management can be defined as activities and processes that involve the systematic identification of key positions which differentially contribute to the organisation's sustainable competitive advantage, the development of a talent pool of high-potential and high-performing incumbents to fill these roles, and

the development of a differentiated human resource architecture to facilitate filling these positions with competent incumbents and to ensure their continued commitment to the organisation.

Hence, it constitutes a purposeful procedure aimed at addressing how to most effectively leverage our talent to accomplish our business goals.

## 2.3 Talent Management Objectives and Intended Audience

This practice guideline outlines our thinking, approach, and practices, that will drive effective talent management across the Sanlam Group with a specific RSA focus. The intended audience

is all human capital and line management stakeholders involved in talent management practices within the respective business clusters.







## GROUP HUMAN CAPITAL STRATEGY



### OVERALL HC AMBITION:



To help Sanlam to win in the marketplace by enabling people and teams to become exceptional and by creating a great place to work.



### STRATEGIC OBJECTIVES / FOCUS AREAS:

#### 1. Talent

Attract, hire and retain the best diverse talent in the world

#### 2. Culture and Leadership

Make Sanlam a great place to work by embedding a strong 'Leader-Led' Culture

#### 3. Organisational Enablement

Improve the efficiency and agility across the Group by supporting effective implementation of business transactions and enabling high performance teams.

#### 4. Future-Fit Workforce

Embed a culture of continuous learning that empowers our people to adapt, innovate, and thrive in the ever-evolving landscape of work

#### 5. Digital, Data and Insights

Digitally transform the Human Capital value chain and enhance the data architecture to deliver actionable insights that drive business success



### KEY ENABLERS:

- Internal and external talent
- Leadership buy-in
- Group and Cluster alignment
- HC Operating model
- Effective allocation of resources
- Change capability
- Digital HC technologies and AI-enabled tools
- Data & Analytics Capability
- Expertise in SGT for artificial intelligence
- New Ways of Working



### CRITICAL KPI'S:

- Employee Engagement
- Culture & Entropy
- Top Employer % & ranking
- Succession coverage
- Turnover %
- Time to fill (days)
- eNPS (Employer Brand image)
- FSC score – EE & SD
- Inclusions index
- Always on data, predictive insights

Figure 1: Group Human Capital Strategy.



## 2.4 Integrated Talent Management Framework

Talent Management operates within a structured framework, and the efficient management of talent necessitates the seamless integration of various Human Capital (HC) practices. Given the interconnected nature of Talent Management processes, this Framework serves as a valuable tool for fostering a comprehensive comprehension of talent-related practices. By utilising the Talent Management Framework, The Sanlam Group

transitioned from a fragmented view of talent management processes and initiatives to a unified approach that aligns multiple processes and levers of Talent Management with the strategic priorities. Furthermore, this framework aids the business in prioritising and targeting high-impact initiatives that promise to yield the greatest influence on talent management outcomes.

## 2.5 Our Talent Philosophy and Investment

With a focus on prioritising our employees, we firmly hold the belief that “all employees possess talent, “albeit with varying degrees of potential and performance contributions. Consequently, every employee will have access to a wide array of developmental opportunities, benefits, and experiences. Nevertheless, it is essential to note that our developmental offerings will be differentiated accordingly. In practical terms, this entails directing

talent management investments strategically toward roles that are pivotal to our business’s competitive edge.

Top talent is classified as “those employees who consistently deliver consistently strong to extraordinary performance, demonstrate a high growth potential, and occupy roles critical to sustaining our competitive advantage.”



Figure 2: Integrated Talent Management Framework



## 2.6 Strategic Imperative for an Effective TM Practice

The rationale behind implementing effective talent management practices within the Sanlam Group is evident, and the advantages encompass:

- 1. Enhancing Talent Risk Management:** This involves cultivating a robust talent pool and fostering diversity within our talent pipeline, which aligns with our business strategy and helps mitigate talent-related risks effectively.
- 2. Establishing a Coherent Talent Decision-Making Framework:** We aim to create a unified approach to proactively address talent challenges by integrating various human capital practices across the organisation, thereby mitigating both apparent and perceived talent risks.
- 3. Identifying Critical Workforces, Roles, and Scarce Skills:** By pinpointing key workforce segments, pivotal roles, and scarce skill sets, we can strategically influence Sanlam's competitive growth trajectory.
- 4. Expediting Personal Growth and Development:** Our commitment to nurturing individuals' growth and development not only accelerates their progress but also bolsters employee engagement and retention, especially among our top-tier talent.
- 5. Fostering Succession Planning and Development Pipelines:** We are dedicated to building a robust pipeline for identifying and nurturing potential successors, ensuring a seamless transition of leadership and expertise within the organisation.
- 6. Cultivating a Supportive Environment for Career Advancement:** We provide an ecosystem that encourages employees' career advancement and growth, empowering them to realise their professional aspirations.
- 7. Championing Diversity and Transformation:** Our talent management practices actively contribute to promoting diversity and driving transformation within the Sanlam Group, fostering an inclusive and equitable workplace.

# 03. Talent Management Approach

## 3.1 Guiding Principles

- **Alignment with Strategy:** Alignment of TM with the Sanlam Group business strategy is critical therefore the approach will focus on the critical positions that are key to delivering business strategies at the group and subsidiary/business-cluster level.
- **Employee-centric approach to talent management:** the approach to all aspects of talent management should deliver an exceptional candidate and employee experience. The employee is at the centre of the employee-centric talent management framework, with all aspects of talent management processes and people practices designed with the employee experience in mind.
- **Management involvement and ownership:** Talent development is a key accountability of executives and managers. Their success is measured by their ability to develop talent as well as by business performance.
- **Establishing a Unified Competency Framework for Cultivating a Talent-Centric Culture:** The competency framework delineates the overarching skills and behaviors essential for executing our business strategy. These competencies serve as the connecting thread within the talent management processes, ensuring a concentrated effort on the specific capabilities vital to the success of the Sanlam Group.
- **Development of talent is accelerated:** Through various development approaches including deployment in challenging and diverse work experiences across the group.
- The development of senior talent pools will take **full advantage of the diversity** available in the group and serve as one of the vehicles to drive transformation.
- **Robust succession planning** to ensure not only diversity in the Sanlam Group but also the leadership of the future digital world.

The TM principles are there to shape the TM culture and to drive our focus and attention in the right direction.



## 3.2 Talent Segmentation

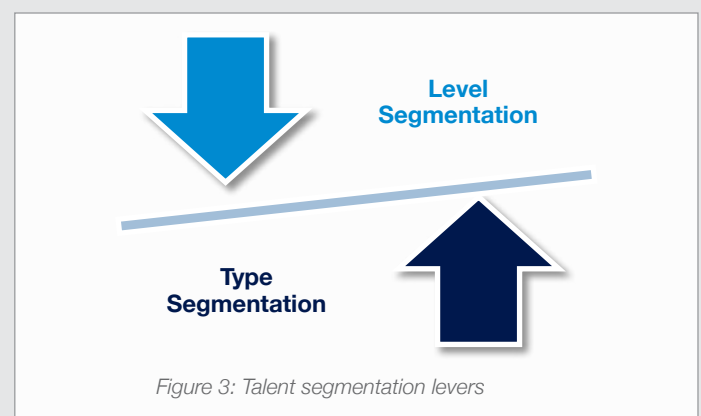
To streamline this process, we employ talent pools as a method of structuring and organising our talent landscape. This approach enables us to group individuals with similar talent profiles, facilitating their monitoring and management in a more customised manner. Given our belief that all employees possess some form of talent and can be assessed based on the performance/potential matrix, Sanlam Group's talent pools must adhere to several key principles:

1. **Comprehensive Span and Coverage:** Talent pools should encompass a wide range of talent permutations within the company, ensuring inclusivity.
2. **Strategic Clustering:** Pools should be categorized based on factors such as size, complexity, and strategic importance to the organisation.
3. **Precise Definition:** Talent pools must have well-defined criteria, making it evident what distinguishes one pool from another.
4. **Mutual Exclusivity:** To maintain clarity and avoid overlap, an employee should belong to only one talent pool.
5. **Alignment with Talent Grid:** Talent pools should establish a clear link and relationship with the positions on the basic talent grid, particularly the performance-potential matrix.

By adhering to these principles, we aim to efficiently manage our talent pipeline and foster a more effective talent management system within the Sanlam Group.

Within a sizable organisation such as the Sanlam Group, efficient talent pipeline management stands as a critical imperative to streamline operations and avoid undue intricacy. In this context, talent segmentation predominantly revolves around two key factors: level and type and important to note that within each type there are various and distinct levels.

1. **Level Segmentation:** This aspect of talent segmentation categorises employees based on their current position within the organisation's hierarchy. It helps identify individuals with potential for advancement to more senior roles, ensuring a well-prepared leadership pipeline. Levels may encompass junior staff, middle management, and senior leadership tiers, each requiring distinct development and succession strategies.
2. **Type Segmentation:** Type-based segmentation delves into the specific skills, competencies, and roles that employees possess or are suited for. It assists in pinpointing specialized talent pools, such as technical experts, sales professionals, or project managers. By recognizing the unique requirements of each talent type, organizations can tailor development programs and succession plans accordingly.



In addition to these segmentation factors, it's crucial to highlight that effective talent pipeline management also considers factors like performance, potential, and alignment with strategic objectives. Continuous monitoring and adjustment of talent segments ensure that the organisation remains agile and responsive to evolving talent needs and business demands. This comprehensive approach fosters a robust talent pipeline and positions the organisation for sustainable success.

### 3.2.1 Level segmentation

Within the Sanlam Group, the diverse talent pools span across a spectrum of occupational tiers, giving rise to distinct talent levels (tier 1 - 6). These levels correspond to the occupational strata of the organisation's leadership teams.

For instance, Tier 2 successors refer to individuals nominated for the Group Exco level. Typically, these nominees are selected from the organizational ranks of Tier 3, although there can be exceptions to this practice.

Figure 4: Talent pool segmentation







### Impact on a Business within a Group Business:

It's worth noting that the Sanlam Group is a group business, where multiple entities or business units operate under the larger umbrella organisation.

The level of complexity inherent in the role of a business CEO, such as in the case of MiWay and Sanlam Private Wealth (Tier 3), can significantly vary and is contingent upon several critical

factors. These factors include the business's size, its industry, its global footprint, and the internal structure that defines its operations. Interestingly, business CEOs may find themselves navigating a similarly intricate landscape as their counterparts at the Cluster CEO level. It is for this and other compelling reasons that their roles may warrant categorisation at a level above that of the tiers in the Group's organisational structure (refer to Figure 5).

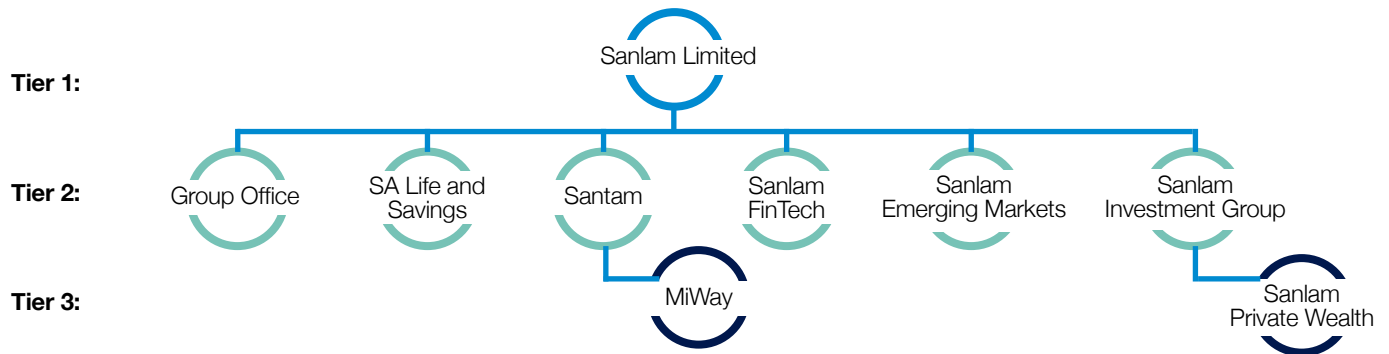


Figure 5: Business Cluster tiers

## 3.2.2 Type segmentation

The table below provides an overview of the Talent Pools in the Sanlam Group.



Talent Pool		Descriptors
Top Talent: Technical Experts/Deep Specialised Talent	Top-talent employees who have highly specialized technical skills and capabilities are identified as critical to the business to maintain its competitive advantage.	<b>Enterprise talent pool</b> Few top talent (high performance and high potential) employees are versatile and willing to be deployed across all our operations. They hold skills and capabilities that could add value to the Group, increase efficiencies, enable collaboration, develop, and futureproof the workforce.  <b>Emerging talent pool</b> <35 years Talent early in their career that has demonstrated strong performance and potential for a future leader or specialist role.
Top Talent: Core Leadership	Top talent employees in current leadership positions with knowledge and experience in key priority, business-critical or revenue-generating areas.	
Core performing talent	Employees whose performance is closely aligned with and dedicated to accomplishing business priorities yet possess a low to medium potential level. This suggests that these employees excel in their current positions but may have restricted opportunities for advancement within the organisation, either within their current roles or across different business functions. Within this group, employees may exhibit limited ambitions for transitioning into more demanding roles. They may encompass a range of roles, including technical experts, leaders, or valuable team/individual contributors.	
Under-performing talent (Managed through P&G)	Talent with inconsistent or low performance due to missing competencies, lack of skill, or attitudinal issues. For various reasons, the employee is not performing as expected for their role, and immediate intervention/s is required to improve their performance or enable their optimal performance levels.	

Figure 4: Talent pool segmentation



### 3.3 Purpose of Talent Pools

The Sanlam Group employs talent pools for several essential purposes:

- 1. Grouping Employees with Similar Characteristics:** Talent pools serve to categorise employees who share common characteristics. This helps in strategically planning the career development of individuals and closely monitoring their progress. For example, employees can be grouped into talent pools like “campus hires” or “leadership trainees” based on their specific attributes and potential.
- 2. Succession Planning:** Talent pools are instrumental in identifying and preparing potential successors for key roles within the organisation. By designating selected candidates as members of a talent pool, the organisation can nurture and develop these individuals to eventually step into critical positions when the need arises.

- 3. Integration into Talent Reviews:** During talent review processes, facilitators have the flexibility to create specific talent pools and populate them with members from the review population. These talent pools can be seamlessly integrated into other review meetings, allowing for a comprehensive evaluation of talent across various dimensions. Additionally, talent pool members can be included in subsequent talent review meetings to assess their performance and potential more effectively.

In essence, talent pools in the Sanlam Group serve as a versatile tool for managing and developing talent, from tracking and grouping employees with similar traits to grooming potential successors and facilitating thorough talent reviews.

### 3.4 Management of Talent Pools

The purpose of categorising and segmenting our talent landscape into pools is to enable a tailored approach to their monitoring and management. Distinct levels of attention, engagement, and,

ultimately, resource allocation is necessary, given the diverse talent profiles within each pool. An illustration of this customised approach to managing the various talent pools is provided below:

TALENT POOL	MANAGEMENT	
	APPROACH	MANAGEMENT BODY
A. Enterprise talent pool B. Emerging talent pool	<ul style="list-style-type: none"><li>• Calibrate and review.</li><li>• Track quarterly (HCLT, CEO)</li><li>• Ensure retention &amp; mobility plans are in place.</li><li>• Ensure rotation across businesses.</li><li>• High levels of engagement and transparency</li><li>• Key project assignments</li><li>• Highly personalised talent plan per individual.</li></ul>	Managed and tracked by HC (Group and Cluster) along with Executive management
C. Top talent: Core Leadership		
D. Top talent: Technical Experts/ Deep Specialised Talent		
E. Core performing talent (no mapping required)	<ul style="list-style-type: none"><li>• Manage through a variety of talent practices executed via Line management.</li><li>• Monitor and maintain performance levels.</li><li>• Identify competency gaps and work with the employee to develop these.</li><li>• Reward and recognise through standard business processes</li></ul>	Managed locally by the relevant line manager
F. Underperforming (no mapping required)	Utilise a Performance Improvement Plan (PIP) and/or coaching to drive performance levels to an acceptable standard.	Managed locally by relevant line manager with HR support

Figure 5: Talent pool management



## 3.5 Talent Mapping

Talent is evaluated and categorised into talent pools based on the intersection of an individual's current performance level and their perceived potential. The Performance-Potential Model is a framework used in talent management and human capital to assess and categorise employees based on their **current performance and their potential** for future growth and success within an organisation.

This model typically involves a two-dimensional matrix or grid where employees are positioned based on their performance (often measured on a scale) and their potential (often categorised as low,

moderate/medium, high, or similar). These two factors collectively determine how employee talent is recognised, segmented, and ultimately overseen. It's crucial to note that the perspective on an employee's talent is dynamic, evolving as their performance levels and perceived potential for future roles change. Talent, in this context, is a fluid concept, underscoring the necessity for adaptable and responsive talent management approaches to consistently recognise and harness the available talent resources for the business. This underscores the rationale behind conducting regular talent mapping identification processes and continually monitoring the talent landscape over time.

# 04. Performance

Our model begins with the premise that employees should have a commendable track record of performance up to the present moment. It is just and sensible to expect that individuals being considered for more senior or pivotal roles have exhibited a deep commitment to the organisation through consistently strong to exceptional performance. Biannually, specifically, at the

mid-point and conclusion of the performance year, employees engage in a self- assessment. Additionally, their line manager conducts a performance review, evaluating the employee's performance against the established performance expectations and objectives.



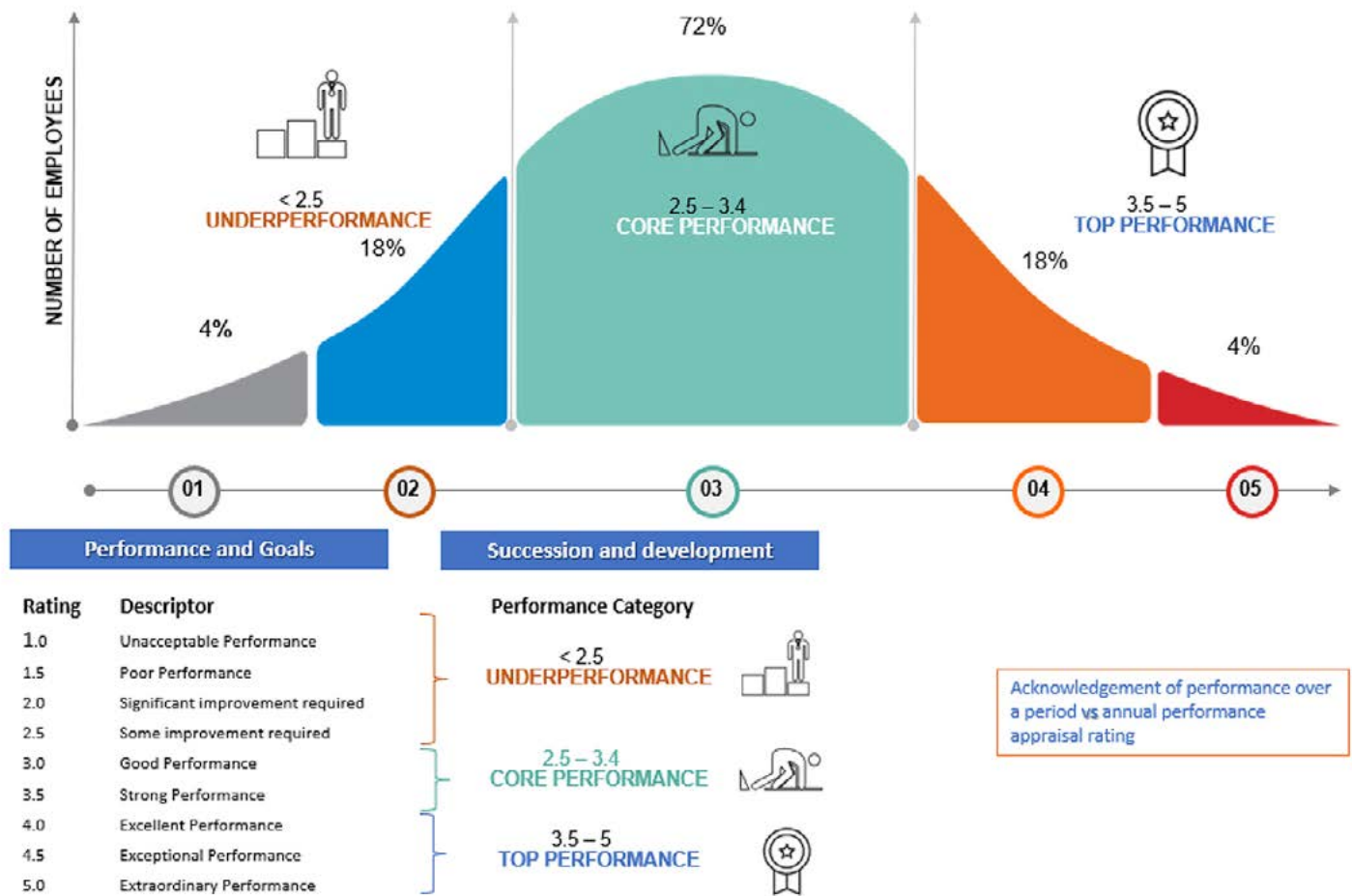


Figure 6: Performance categories

The 3 broad categories of performance placement have significance for talent pool segmentation and further talent management processes. The descriptions:

**1. UNDERPERFORMING:**

Employees with inconsistent performance who fail to meet performance requirements. Delivery on performance expectations is well below the required standard.

**2. CORE PERFORMING:**

Performance, is 100% in line with expectations of the relevant performance goal. Delivery meets the performance outcomes and standards. Consistent solid acceptable performance. This means that the employee is performing in line with expectations and performance is meeting the requirements.

**3. TOP-PERFORMING:**

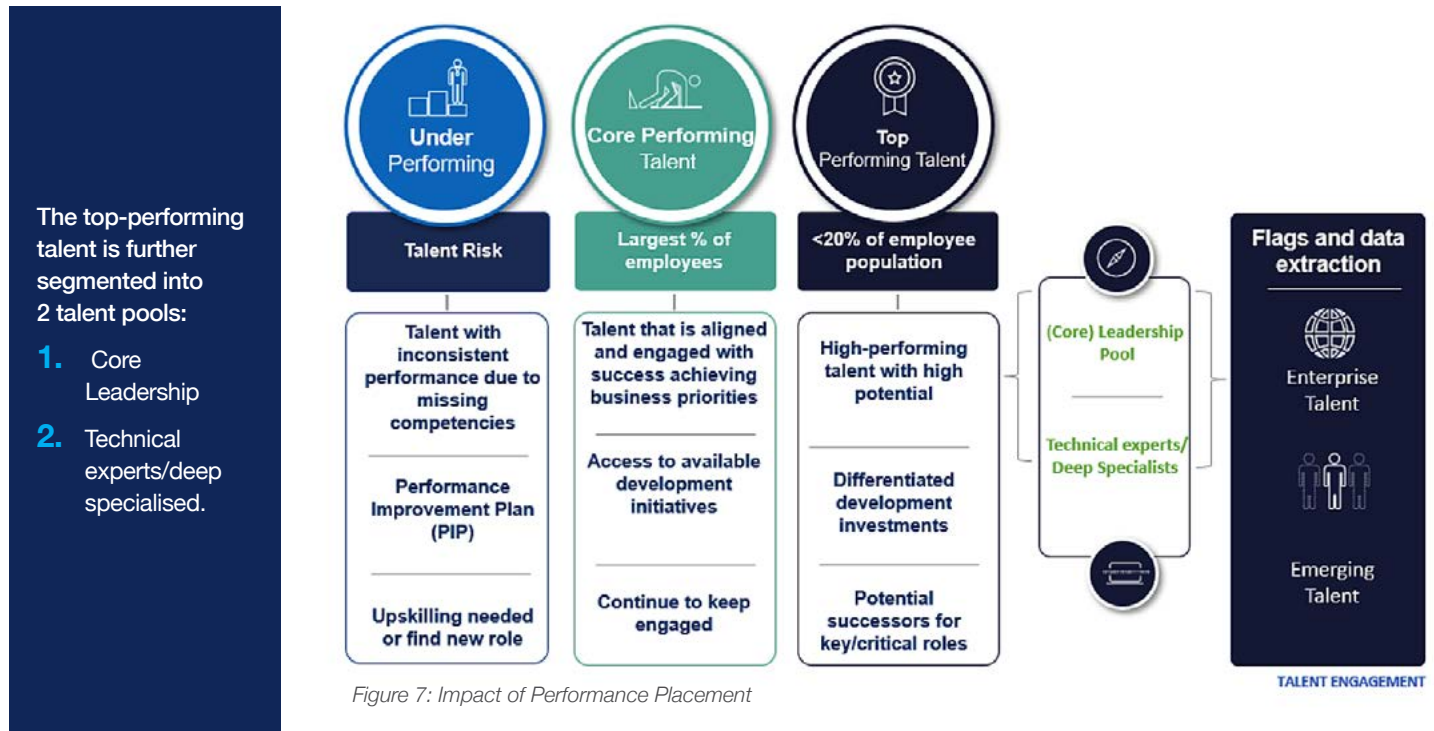
Delivery has exceeded all expectations. All aspects of achievement and effort stand out with clear out-performance of target and BU-wide recognition for impact. High-performing talent with the potential to advance with targeted investment and development.





## 4.1 Impact of Performance Placement

Once the employee has been segmented into one of the broad performance categories of **Top, Core, and Underperforming** based on performance, there are further implications for each.



## 4.2 Further Segmentation of Top Talent

Because both the “Technical Expert/Deep Specialist” and “Core Leadership” roles share the same criteria in terms of high performance and high potential, it is necessary to conduct a more in-depth analysis to determine the appropriate talent pool for the employee. To refine our talent segmentation beyond the initial grid placement, we require additional data on each employee. This supplementary information enables us to more precisely classify and structure our talent, establish distinct talent pools, and effectively manage our talent in a more customized manner.

### 4.2.1 Enterprise Talent

Enterprise talent represents a specific subset of the Top Talent employee group. These individuals not only meet the criteria for being considered top talent based on their performance and potential but also satisfy additional criteria that place them within this distinctive category. To be classified as Enterprise talent, an employee must:

- ④ Demonstrate the capacity to be deployed across multiple business clusters, thereby facilitating the dissemination of their valuable skills, knowledge, and leadership.
- ④ Possess capabilities and competencies that are projected to deliver substantial value to the entire Sanlam Group, transcending the confines of a single business cluster, within the next three years.
- ④ Be highly sought-after, both within their current cluster and in the broader talent market, owing to their exceptional skills and expertise.
- ④ Occupy the pinnacle of their field, making them exceedingly challenging to replace in their

### 4.2.2 Emerging Talent

Emerging talent refers to employees in the workforce who have accumulated less than five years of full-time work experience in any professional setting. To effectively identify and nurture this emerging talent, we will formulate an Emerging Talent Strategy that aligns with the future business's specific capabilities and requirements.

- ④ High Potential: They exhibit high potential for growth, learning, and advancing within the organisation. Their abilities and skills suggest they can take on more significant responsibilities over time.
- ④ Adaptability: Emerging talent often displays adaptability and a willingness to learn quickly. They can adjust to new challenges and tasks effectively.
- ④ Cultural Fit: They align with the organisation's values and culture, making them a good fit for the company's long-term goals.



# 05. Potential

## 5.1 Defining Potential

Potential generally refers to a currently “unrealised ability” and potential identification and development are perceived as the “Holy Grail” of organisational life. Potential is about future possibilities, which are different from current performance. Current performance is directly visible, but the future potential is a prediction about the future. Not all high performers have high potential. Research suggests that only about 30% of high performers should be classified as having high potential (Corporate Leadership Council, 2005).

It is a **multi-factor concept** made up of multiple dimensions and therefore (high) performance alone cannot be used as a metric to indicate potential. Research shows that only 15% of the organisation’s high performers are likely to be of high potential (Gartner). In the Sanlam Group, potential is defined as the readiness, willingness, and ability to grow into a future job as determined by functional expertise, aspiration, required competencies, and agility.

## 5.2 Potential model

The Sanlam Group aligns with the definition of potential as the ability to assume increasingly broad or complex responsibilities as businesses need changes.

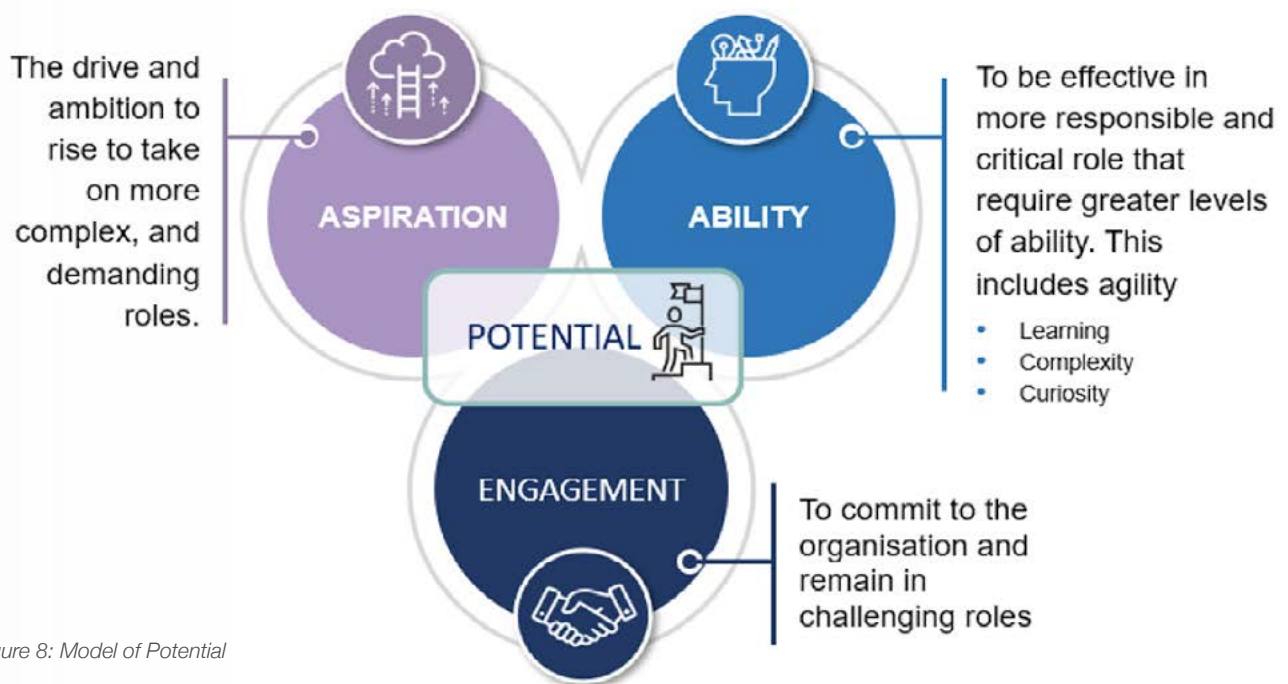


Figure 8: Model of Potential



The Sanlam Group Potential components are still **ability, aspiration, and engagement**, but the organisation needs a new approach to managing these components to keep the alignment with rapidly evolving business needs. There is a tremendous amount of change going on in our organisation right now, so our main challenge is that the roles we are preparing our talent for

are undergoing enormous change. Specifically, the organisation must find a way for identification processes to account for and adapt to changes, and therefore the addition of agility is included as a component of ability. The goal is to identify those with high potential who will make this difference.

**Leaders and HR can use the below table as inspiration to differentiate between varying levels of leadership potential:**

	High Leadership Potential	Medium Leadership Potential	Low Leadership Potential
<b>Ability</b>	<ul style="list-style-type: none"> <li>Strong performer in current role and able to advance to the next level immediately</li> <li>High level of learning agility, easily adapts to changes and ambiguity</li> <li>Capable of moving across and within business units</li> <li>Limitations can be addressed through additional experience and/or targeted development</li> </ul>	<ul style="list-style-type: none"> <li>Strong performer in current role and able to advance to the next level within 2 years</li> <li>Moderate level of learning agility, able to deal with change and ambiguity</li> <li>Likely capable of moving across and within business units with training</li> <li>Leadership limitations need to be addressed</li> </ul>	<ul style="list-style-type: none"> <li>Weak performer in current role or not capable of advancement to next level</li> <li>Low level of learning agility, struggles with change and ambiguity</li> <li>Not capable of moving across and within business units</li> <li>Unable to address limitations through experience and/or targeted development</li> </ul>
<b>Engagement</b>	<ul style="list-style-type: none"> <li>Frequently displays high levels of discretionary effort*</li> <li>Highly likely to remain with the organisation long-term</li> </ul>	<ul style="list-style-type: none"> <li>Frequently displays high or moderate levels of discretionary effort*</li> <li>Moderately likely to remain with the organisation long-term</li> </ul>	<ul style="list-style-type: none"> <li>Rarely displays high or moderate levels of discretionary effort*</li> <li>Unlikely to remain in the organisation; actively looking for another job or prepare to retire</li> </ul>
<b>Aspiration</b>	<ul style="list-style-type: none"> <li>Strong interest in advancement to the next level</li> <li>Strong interest in additional advancement in the future</li> </ul>	<ul style="list-style-type: none"> <li>Moderate interest in advancement to the next level</li> <li>Moderate interest in additional advancement in the future</li> </ul>	<ul style="list-style-type: none"> <li>Little or no interest in advancement to the next level</li> <li>Little or no interest in additional advancement in the future</li> </ul>

Figure 9: Levels of Potential (Gartner 2022)





## 5.3 Dynamic Potential Definitions and Evaluation

Potential is something that has yet to be fully realised or developed, therefore judgments about potential carry inherent risks of subjectivity and are tricky. Although all high-potential employees

are high performers, not all high-performing employees have high potential. Criteria are in no order and is recommended to use these as inspiration to enhance your conversation about potential criteria.

Leadership Experiences	Management Experiences	Personal Attributes	Business Experience
<ul style="list-style-type: none"><li>Ability</li><li>Achievements</li><li>Strategic ability</li><li>Inclusion</li><li>Collaboration</li><li>Capacity</li><li>Innovation</li><li>Results-driven</li><li>Change agility</li><li>Influence</li><li>Leading a team</li><li>Leading a global team</li></ul>	<ul style="list-style-type: none"><li>Inclusion</li><li>Relationship building</li><li>Remote management</li><li>Talent management</li><li>Empowering others</li><li>Delegation</li><li>Coaching</li><li>Building trust</li><li>Developing direct reports</li><li>Creating shared purpose</li></ul>	<ul style="list-style-type: none"><li>Aspiration</li><li>Engagement</li><li>Mental agility</li><li>Resilience</li><li>Growth mindset</li><li>Learning agility</li><li>Intent to stay.</li><li>DEI champion</li><li>Leveraging differences</li><li>Works well across boundaries</li></ul>	<ul style="list-style-type: none"><li>Customer centric</li><li>Calculated risk taking</li><li>Business acumen</li><li>Analytical thinking</li><li>Technical expertise</li><li>Negotiation</li><li>Launching a new product</li><li>Working in new business context</li></ul>

**Note:** criteria might differ across seniority and function. Ensure you can measure the desired behaviour objectively before including it in the criteria to avoid unintended biases influencing the model.

Figure 10: Examples of High-Potential Criteria (Gartner)

By measuring potential on a scientific foundation of validated assessments, the organisation can avoid common talent management mistakes and fill the pipeline with capable leaders.

It can be measured psychometrically using a variety of scientific instruments to support data-informed and fact-driven decisions.

## 5.4 Difference Between Performance and Potential

A key challenge in identifying high-potentials is that present performance, as an indicator, often overshadows other attributes that might be more important characteristics of a high-potential employee. Additionally, in the absence of a clear definition of potential and the competencies that define a high-potential employee, managers often invariably focus on performance alone.

Potential	Performance
<ul style="list-style-type: none"><li>It indicates whether an employee will be able to take up a position and succeed in more broad and complex roles in the future.</li><li>It is a dynamic state, not an end state and a high-potential employee is a dynamic employee who can develop beyond existing skills and abilities</li></ul>	<ul style="list-style-type: none"><li>It is the level of success one can achieve in their current role by delivering consistent results.</li><li>It means that employees possess competencies in line with their current roles.</li></ul>
<ul style="list-style-type: none"><li>Potential predicts the likelihood of future success</li></ul>	<ul style="list-style-type: none"><li>It explains the past and present success</li></ul>
<ul style="list-style-type: none"><li>High potential includes elements of performance i.e., high potentials are highly likely to be top performers</li></ul>	<ul style="list-style-type: none"><li>High performance does not guarantee high potential</li></ul>

Figure 11: Difference Between Potential and Performance





## 5.5 Performance- potential model

The Performance-Potential Model is a tool for organisations to make strategic decisions about talent development, succession planning, and workforce management. It helps identify individuals who should be groomed for leadership positions, those who may benefit from additional support or coaching, and those who may need their roles reevaluated or adjusted within the organisation.

Performance category	Talent pool	Performance	Potential	Description	Further segmentation
TOP TALENT	Core Leadership	> 3.5	High	Top talent employees in current leadership positions with knowledge and experience in key priority, business-critical or revenue-generating areas.	<b>A. Enterprise talent pool</b> <i>Few top talent (high performance and high potential) employees who are versatile and willing to be deployed across all our operations. They hold skills and capabilities that could add value to the Group, increase efficiencies, enable collaboration, develop, and futureproof the workforce.</i>  <b>B. Emerging talent pool</b> ⤵ < 35 years ⤵ Talent early in their career that has demonstrated strong performance and potential for future leader or specialist roles.
	Technical Experts/ Deep Specialised	> 3.5	High	Top talent employees that have highly specialized technical skills and capabilities/scarce skills or deep specialised leadership/unique business skills and are identified as critical to the business to maintain its competitive advantage.	
CORE TALENT	Core Performing	2.5 - 5	Medium/ Low	Talent within the organisation, irrespective of their hierarchical position, exhibits performance alignment and commitment toward achieving business priorities. However, they are typically categorized by having an average potential level and may hold roles that are not strategically vital for the organisation's competitive advantage. This indicates that while these employees excel in their current positions, opportunities for significant advancement within the organisation or across different roles are limited. Additionally, members of this group may have modest ambitions when it comes to transitioning into more challenging roles. This category of employees can encompass technical experts, leaders, or valuable team and individual contributors.	
UNDER-PERFORMING TALENT	Under performing	< 2.5	N/A	Top talent employees in current leadership positions with knowledge and experience in key priority, business-critical or revenue-generating areas.	

Figure 12: Performance potential requirements for succession (all grey highlighted talent in the above table are eligible to be nominated as successors)



# 06.

## Talent Segmentation

### 6.1 9-Box Grid

The 9-box grid is an individual assessment tool that evaluates an employee's current and potential level of contribution to the organisation. The vertical columns of the grid indicate growth potential, and the horizontal rows identify whether the employee is currently below, meeting, or exceeding performance expectations. The intersection of the two determines the employee's current standing and where development may be needed.

The 9-box grid is used in succession planning as a method of evaluating the Sanlam Group's current talent and identifying potential leaders. When leadership performance and potential are assessed and plotted on the graph, individuals in the upper right quadrant (Box 1) are identified as high-potential candidates for succession, while those in the lower-left quadrant (Box 9) may need to be reassigned, put on a PIP or removed from the organisation.



Table 13: 9-Box Grid

The grid boxes indicate where investment is required for cultivating future leaders. Employees in box 1 should be prepared for higher-level leadership roles within 6 months to a year. Those in boxes 2 and 3 have a more extended development timeline but can be nurtured for potential progression to box 1. The remaining boxes can help identify when coaching or changes in job roles and responsibilities

may be necessary. It might not be cost-effective for the organisation to invest time and effort in salvaging an individual with low potential and poor performance. However, an individual with low potential but effective performance may benefit from engagement or motivation within their current position.



## 6.2 Talent Flags

Once the 9-box grid is populated, further analysis is needed to ensure we retain our critical talent. Here we identify two fields of data, namely:

- ② Risk of Loss and
- ② Impact of Loss.

### 6.2.1 Risk of Loss

Key individuals are employees whose knowledge (including client relations and business processes), creativity, inspiration, reputation, and/or skills are critical to the viability or growth of Sanlam, and whose loss may cripple it. The impact of loss is defined at three levels as indicated below.

<b>High</b>	Highly likely to leave within the next 3-6 months / actively looking for a job elsewhere
<b>Medium</b>	Likely to leave within the next 2 years
<b>Low</b>	Not likely to leave in the foreseeable future

### 6.2.2 Impact of Loss

Key individuals are employees whose knowledge (including client relations and business processes), creativity, inspiration, reputation, and/or skills are critical to the viability or growth of Sanlam, and whose loss may cripple it. The impact of loss is defined at three levels as indicated below.

<b>High</b>	Implies employee's loss would be severely negative to the Sanlam Group. An employee is a highly strategic resource with embedded organisational knowledge, deep client relationships, or key process understanding that cannot be replaced.
<b>Medium</b>	Some negative impacts of loss, but can be managed
<b>Low</b>	Low levels of loss impact; the employee is easily replaceable



# 07.

## Succession Management

Gartner defines talent reviews as a comprehensive evaluation and discussion of the performance and potential of a specific group of employees. Organisations leverage these reviews to pinpoint high-potential (HIPO) talent and to nominate or agree upon successors for pivotal roles within the company. Among organisations that have established formal succession planning processes, 68% conduct annual talent reviews,

while 25% opt for talent reviews two to three times each year. Typically, organisations rely on internal resources for identifying top talent, with only 14% collaborating with external vendors for this purpose.

Talent reviews should be conducted at the business cluster level before their submission to the Group CEO and Group Human Capital Executive.

### 7.1 Succession Planning

The initial phases of succession management involve defining both current and future talent requirements and subsequently aligning potential individuals with those forthcoming needs. Enhancing the process of identifying successors can yield significant benefits by bolstering the depth of leadership talent.

The Group follows a talent pipeline management approach to succession, which implies the management of specific metrics, such as talent bench strength and readiness levels. This approach constitutes a continuous and all-encompassing process where management, key stakeholders, and, in certain instances, the

board of directors, prepare for potential transitions across various organisational levels at any given time. This readiness extends beyond CEO positions to encompass their direct reports and other pivotal roles (Jindal and Shaikh, 2020).

Our objectives encompass ensuring business continuity by mitigating talent-related risks through strategic succession planning for critical roles. Additionally, we aim to enhance the transparency of our leadership bench strength and channel focused development investments toward a select group of potential future leaders and critical positions.

### 7.2 Succession Planning Approach

Over the last decade, succession planning has grown more challenging due to the accelerated evolution of business strategies and leadership roles. Leadership positions undergo significant transformations approximately every five years. This transformation includes the creation, elimination, and reshaping of leadership roles, making it increasingly complex to anticipate vacancies. Consequently, the succession planning process must possess

a genuine strategic focus to effectively address emerging risks, which include:

- Focusing solely on current roles and neglecting future ones.
- Maintaining a homogeneous talent pipeline.
- Dealing with delays in backfilling roles.
- Facing unprepared candidate pools.

#### 7.2.1 Succession Readiness Framework

Talent Reviews serve as the catalyst for the organisation's succession planning endeavours, with a clear focus on ensuring that the most suitable individuals are positioned in the right roles at the opportune moment to cultivate a robust and enduring leadership pipeline.

These succession planning initiatives pivot around assessing an individual's preparedness to assume a particular role in the future.





DEFINITION	DESCRIPTION
<b>Ready Now</b>	Has the capability and knowledge to step in and do the job. Models the organisation's culture and values and has the connections and network to do the job.
<b>Ready Next (1-2 years)</b>	Needs to develop capabilities, knowledge, and/or ability to drive results within the organisation. Needs to develop the ability to influence and collaborate within the system.
<b>Ready Next (3-5 years)</b>	Demonstrated ability to learn, grow, and adapt to new scenarios. Is familiar with and acts in accordance with the company culture.
<b>Emerging Talent (&gt; 5 years)</b>	Demonstrated ability to learn, grow, and adapt to new scenarios. Is familiar with and acts in accordance with the company culture. Age < 35 years - Emerging Talent.
<b>Emergency Back-Up</b>	Has the ability to step in and do the job on an interim basis, until a permanent solution is developed.

Table 14: Readiness Levels (adapted from Gartner 2021)

The core principle behind succession planning is the 1:2:2 succession configuration. With this ratio, we drive a succession plan for a business-critical identified role to have:

- For each identified role there should be at least one Ready Now and Emergency successor.
- There should be at least two short-term successors and
- There should be at least two longer-term successors.

- 1/3 of the successors should ideally be from another business cluster – aligned to the Talent Mobility framework.

Nominated successors who fall into the “ready in the short term” or the “ready in the longer term” category should have a clear development plan defined to ensure that conscious, proactive steps are taken to prepare the potential candidate for the future role.

## 7.3 Succession Planning Model

The Sanlam Group takes a pipeline management approach to succession. The focus is on the current leadership and critical roles, identifying successors within and across business clusters, and managing those successors up the pipeline until the succession role is vacant and they are ready to transition.



Table 13: Succession Stages

It is also important to recognise that while the incumbent may be an employee who is currently viewed as top talent, this does not necessarily mean that the role requires succession planning. In this way, the incumbent and role must be separated from each other, and people are reviewed via the talent mapping process, while key roles are identified and planned for via the succession planning process. This will be discussed in further detail in step 2. Succession planning has many constraints, and the following are

noted and unpacked in the different approach steps:

- Deprioritised due to time and capacity constraints.
- Limited to current organisational needs, not considering the rapidly evolving business priorities.
- Stakeholders select from a limited, potentially biased pool.
- The leadership bench is not diverse.



### 7.3.1 Identify Critical Roles

Succession planning only proves effective when there exists a shared comprehension of which capabilities and positions are crucial for supporting both current and forthcoming business strategies. Not all roles merit the same degree of attention in mitigating vacancy risks, making it necessary to distinguish between those requiring succession planning and those that can be filled through standard recruitment procedures. The initial step entails identifying the organisation's future objectives and shaping

capabilities that align with these goals. Prioritising roles involves evaluating their significance in relation to the current and future business strategy, as well as the level of complexity involved in replacing them if they become vacant.

Human Capital partners can utilise the framework (outlined below) to collaborate with business leaders in identifying the roles that warrant focused succession planning efforts.

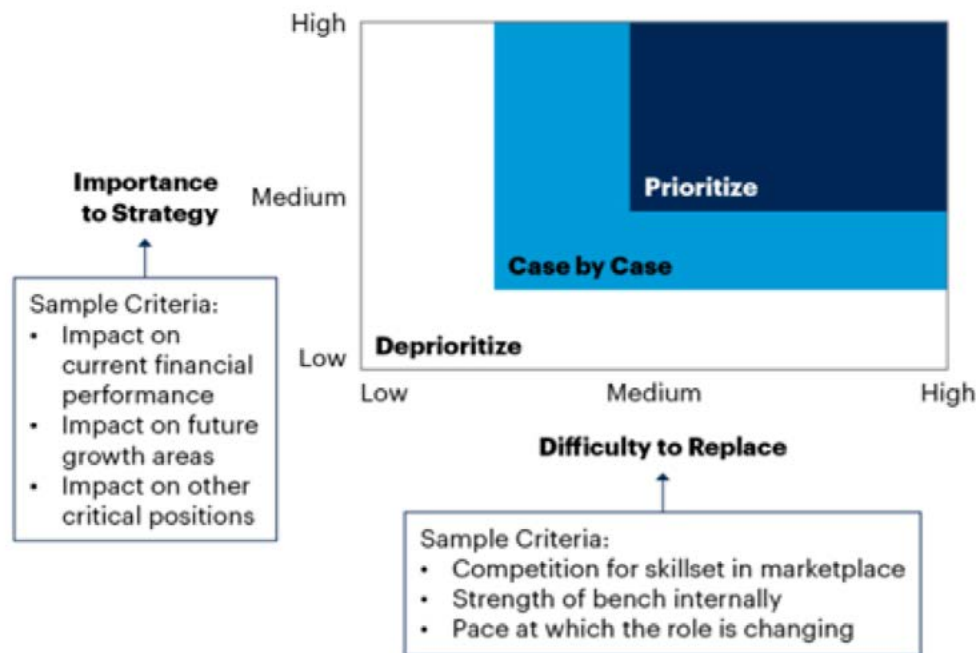


Table 16: Framework to Identify Critical Roles

The resulting list typically includes a mix of executive, leadership, and senior individual contributor roles that are critical to strategy. Below are some indicators to be applied in determining whether a role/position is critical to the business.

- ④ Level of impact on bottom-line results
- ④ The extent to which the position involves identifying/developing growth opportunities in the organisation.
- ④ The extent to which the position involves developing strategy or designing new products.
- ④ The extent to which the position optimises business processes and resources that drive global performance.
- ④ The extent to which position drives revenue.
- ④ Level of risk to the business if the position is left vacant.
- ④ The extent to which positions manage other critical positions.
- ④ The extent to which positions involve relationships with external customers
- ④ The extent to which position influences the performance of other positions.
- ④ The extent to which positions require using a wide range of skills and/or using rare skills.
- ④ The extent to which the position requires exercising broad decision-making authority.
- ④ The extent to which the position requires working across organisational boundaries.
- ④ The extent to which the position requires adapting work plans to change the circumstance
- ④ The current market value of the position
- ④ The extent to which organisations value this position.
- ④ Degree of competition for this position in the marketplace.



## 7.3.2 Nominate Successors

To improve objectivity, business leaders should use the key capabilities of the role to identify successors.

The following are the guidelines:

- ④ Potential successors for any of the key roles, identified through the rigorous process, above must be identified by the relevant line manager. Successors can be nominated from different sources, and all of these should be considered:
  - Own structure
  - Another part of the organisation/business cluster
  - External to the organisation
- ④ Successors should have exposure to other parts of the business.
- ④ The in-depth role requirements and necessary competencies must be well understood by the line manager.
- ④ Successors may require a different set of skills or abilities than the current incumbent, and so the future requirements of the role must be considered.
- ④ The individual strengths and development need of the potential successor should be reviewed with the requirements of the role, not simply to replicate the profile of the incumbent.
- ④ The level of alignment between the nominated successor's career aspirations and the role they have been nominated for. Successors must not be nominated in isolation of their aspirations and career plans.
- ④ The diversity profile of the function and the succession pipeline for the structure (age, race, gender, and people with disability)
- ④ Nominated successors should ideally be from one of the following talent pools:
  - Enterprise
  - Top Talent: Technical experts/Deep specialised
  - Top Talent: Core leadership

## 7.3.3 The Link Between Talent Identification and Succession Planning

To effectively apply the principles and criteria of talent mapping, which centers on individuals, and succession planning, which focuses on roles, it's essential to maintain a clear distinction between people and their current positions. Talent mapping involves evaluating the performance and potential of individuals without regard to their current job or hierarchical level. Similarly, succession planning revolves around identifying critical roles and mitigating the risk of vacancies in those roles, irrespective of the current role occupants. This separation of focus on people and roles is crucial.

However, once all employees have undergone talent mapping, classified into talent pools, and all key roles have been flagged with identified successors, there emerges a valuable opportunity to merge these two processes into a unified talent management practice. Utilizing talent data and robust analytics enables the organisation to optimise its talent resources, placing the most capable individuals in pivotal roles. Talent analytics also aids in identifying other talent-related risks, such as:

- ④ Spread risk of top talent (when a talented employee is nominated for too many succession roles)
- ④ Saturation risk (an excessive number of talented successors identified for the same role)
- ④ Mismatch risk (key roles that demand top talent but have only core performers identified as successors)
- ④ Key role vacancy risk (no successors identified for a crucial role)
- ④ Homogeneity risk (lack of diversity in the succession pipeline)
- ④ Gap risk (no successors ready for immediate deployment, all needing further development)
- ④ Key man risk (top talent employees who are maturing and pose a high risk of loss)
- ④ Furthermore, when the talent identification and succession planning processes are seamlessly integrated into a fluid talent management practice, additional valuable metrics can be generated and effectively managed.



### 7.3.4 Assess Development Needs

High-level career development plans and strategies for potential successors and high-potential employees are identified. If an assessment was not conducted at the talent identification stage, it is useful to conduct an assessment at this stage to inform development. Sanlam Group uses its leadership competency framework to assess and then build individual development plans.

This step is informed by the outcome and the strength of the talent pipeline, and it enables leaders to ensure that key development initiatives are targeted at the right individuals to build a strong talent pipeline. Leaders can also ensure that the development plans of potential

successors address the required capabilities to facilitate readiness.

- Accelerating the development of talent pools improves the readiness for progression and this is critical for engagement and retention.
- The line manager is responsible for ensuring that they have development conversations and develop individual/personal development (IDP) plans with the employees.
- Employees should be encouraged to take responsibility for implementing their agreed development IDP with the support of the manager.

### 7.3.5 Develop Talent

To ensure the readiness of the talent pipeline the business needs to create tailored experience-based development plans that close the highest priority capability gaps for each identified successor. Developing future-ready leaders involves outlining the skills, competencies, and characteristics leaders need to drive their businesses into the future. The Sanlam Group Leadership Competency Framework provides an outline to inform the development initiatives.

The talent development step is guided by the outcome and the strength of the talent pipeline.

- The talent and succession profiles enable leaders to ensure

that key development initiatives are targeted at the right individuals to build a strong talent pipeline. Leaders can also ensure that the development plans of potential successors are addressing the required capabilities to facilitate readiness.

- The line manager, with the support of the HCBPs, is responsible for ensuring that the employees have individual/personal development (IDP) plans and providing support and guidance to ensure that development takes place.
- Employees should be encouraged to take responsibility for implementing their agreed development IDP with the manager.

### 7.3.6 Measure Progress

Readiness assessments (i.e., how ready are they for the new role) of the nominated successor should be based on the gap between

current capabilities and future role requirements. There are different readiness levels with clear definitions and criteria for each level.







## 7.4 Talent Mobility

Talent mobility has over the past been rather confined to a certain level of employee. It also had a narrow focus on geographical movement only.

However, today we experience a more open, wider, and inclusive approach. Mobility is no longer restricted to senior levels. As the need to deploy talented individuals at any level to the most suitable role or position to meet business goals increased, mobility understanding expanded. Today, organisations realise that mobility is a key factor in raising the skills demographic of talent in the business.

Talent mobility is the practice of identifying various skillsets in our

talent (workforce) and deploying employees to roles where they (and the Sanlam Group) will ultimately be most successful. In short, it means our ability to move people from role to role, within and across a department, function, business unit, and/or across borders, ensuring optimal success for all involved. Briefly, our Mobility categories are as below.

Refer to our Mobility Framework for a more detailed overview.

MOBILITY STATUS	STATUS DESCRIPTION	
<b>Not Mobile (No)</b>	<ul style="list-style-type: none"> <li>⌚ Not willing to leave current role/position.</li> <li>⌚ Want to remain in the current location?</li> <li>⌚ Content with current responsibilities and not wanting to progress further in the organisation.</li> </ul>	
<b>Partially Mobile (Limited)</b>	<b>May have certain conditions to be mobile.</b>	
	⌚ Willing to move to another role/position.	⌚ May stipulate which roles are according to career planning.
	⌚ Willing to move to another location.	⌚ May stipulate acceptable and unacceptable locations.
<b>Fully Mobile (Yes)</b>	⌚ May be open for short/medium-term assignments.	⌚ May stipulate the duration of willingness to move/relocate.
	<ul style="list-style-type: none"> <li>⌚ Willing to move to any role/position anywhere in Sanlam.</li> <li>⌚ Willing to take on cross-border assignments.</li> <li>⌚ No or very minor restrictions may exist, conditions which should be shared for understanding.</li> </ul>	

Table 17: Table 9: Mobility Status

## 7.5 Talent Engagement (“Know Your Talent” Initiatives)

Talent development will encompass a range of initiatives, including but not restricted to coaching, mentoring, cross-deployment across business clusters, and participation in both international and local development programs. Considering the significant investment in nurturing talent, the Group CEO and Group Human

Capital Director/Executive must have a solid understanding of these individuals across different tiers, such as enterprise, emerging, core leadership, and technical experts/deep specialists at tiers 1-3. Talent engagement sessions serve as a valuable platform for achieving this understanding.



# 08.

## Talent Management Cycle

Talent management is a business strategy and is fully integrated within all the employee-related processes (talent lifecycle). It is important to align talent management with the business strategy and cycle, ensure integration of talent management levers, and measure talent management effectiveness across the group while taking cognisance of the diversity and size of the businesses.

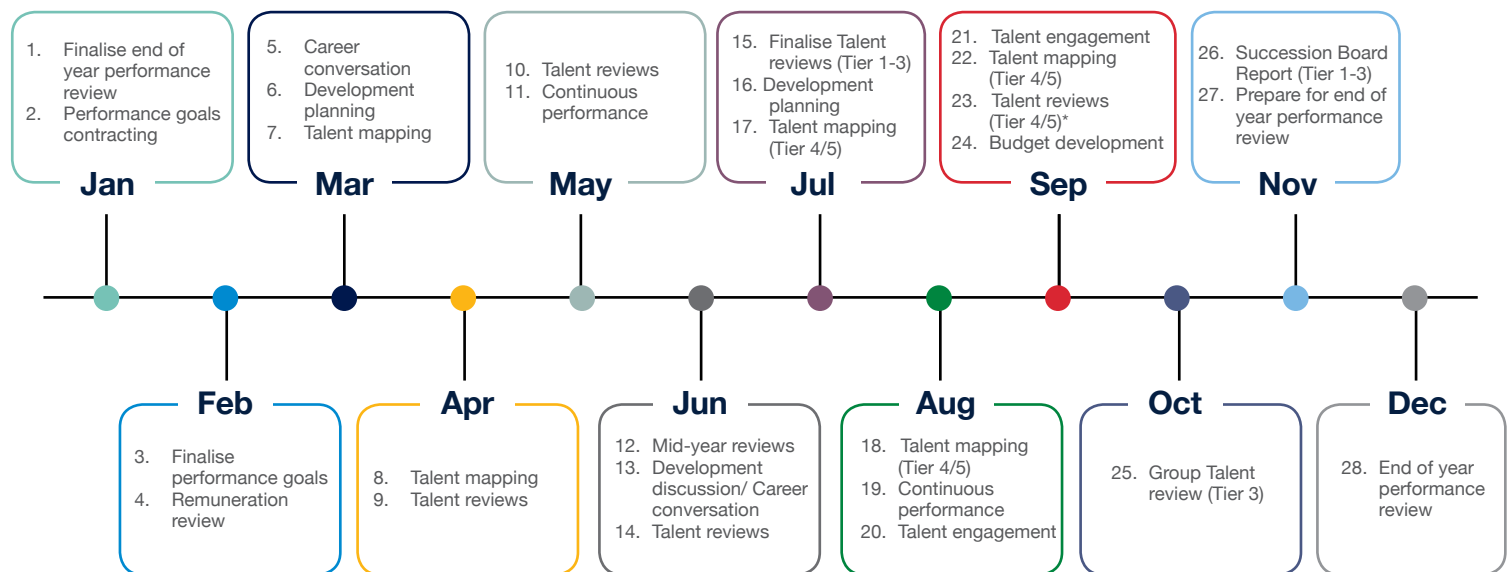


Figure 14: Talent Management Roadmap

## 8.1 Critical Success Factors for Enablement

To implement those ideas, concepts, and principles effectively in the Sanlam Group, the following factors must be in place and should be continually monitored for efficacy:



## 8.1.1 Business Understanding

The line manager plays a pivotal role in identifying and overseeing the talent within the team. They should view talent management as an integral aspect of their overall people management

responsibilities. They must comprehend and value the practice of talent management within the organisation as this fosters attention, focus, and a sense of ownership over the process.

## 8.1.2 HC Capability to Conduct Effective Reviews/Calibration

While business, particularly line management, holds the primary decision-making authority in talent management, Human Capital (HC) assumes a crucial role in facilitating reviews and aiding in the effective calibration of line management decisions. This necessitates that HC possesses the essential competence, confidence, and legitimacy to challenge line management when needed. It ensures

that the principles, measurements, definitions, and concepts are consistently and fairly applied across the organisation. In the absence of this, the talent management process may be compromised, leading to a lack of trust in the data related to talent pool composition, successor identification, and talent metrics.

## 8.1.3 Using Technology as a TM Integrator

Technology infrastructure serves as an important tool for effective talent management. It streamlines executives' and managers' efforts to spend less time on data and compliance, and more time on strategically using talent information to make people decisions and successfully execute our business strategy. The Sanlam Group currently uses **SuccessFactors, as the HC management platform**. This ensures process scalability, the entrenchment of

business rules and definitions, and the ability to drive process steps through the time-based workflow. Capturing talent or succession data on stand-alone systems or applications will not support the collection of high-quality data or the integration of the many HC processes that make up the talent framework. We must drive greater adoption by embedding solutions into the daily activities and productivity tools of both employees and managers.

## 8.1.4 Monitoring and Continuity

The talent management practice relies on cyclical repetition to be effective. It is not intended to be a once-off, standalone process. This is for a multitude of reasons, the least being that the performance and potential levels of employees do fluctuate over time, and so the composition of the talent pools must be continuously reviewed and monitored, to ensure accuracy and fair representation.

Secondly, the purpose of the practice is to support optimal use and

investment in talent. This must be tracked over time, to ensure that talent identification and successor identification have a natural, integrated flow through into development initiatives, retention programmes, pay reviews, and a range of other HC processes. We must ensure that we are managing the talent we identify, and not perpetually generating talent data that we are not acting on. Monitoring this regularly will hold line management, HC, and executive leadership to account.

## 8.1.5 Transparency and Maturity

While the talent management practice may take some time to embed and mature, it is important to outline that the intent of this practice is not to be a subversive, secretive, hidden HC process. Employees should have clarity on how they are viewed from a talent perspective, which should be in line with the level of time, attention, and financial investment, as well as the career planning

and development intervention that they experience. Ultimately, the intention is that line managers can have clear, open, constructive conversations with employees about their talent profile, and actively manage their talent in collaboration with the proactive involvement and agreement of the employee.



## 09. Measures Of Success (Talent Metrics)

The purpose of this framework is to build a draft of how talent analytics can add value to important talent and business decisions.

1. Percentage of diverse leaders
2. Successor coverage for critical positions
3. The ratio of external to internal hires at management levels

Below are the current metrics reported in various reports.

Metric	Definition
Successor Pool Coverage	The average number of employees in the managerial succession pool per leader
Successor Pool Growth Rate	A relative measure of the growth rate of the succession pool
Turnover Rate —Critical Roles	Terminations of employees in critical roles as a percentage of total terminations during the reporting period
Percentage of Diverse Candidates in Successor Pool	The proportion of the total succession pool designated as diverse
Successor development	The proportion of the total succession pool with development plans
Average Successor Pool Age	The relative average age of the successor pool
Positions Without Ready Candidates Rate	Business-critical positions without ready now successors

## 10. Roles And Responsibilities

Governance plays a key role in integrating and driving effective talent management. The Group CEO, in partnership with the Group Human Capital executive, and with the support of Human Capital is the main sponsor for Group TM with a specific vision of leadership and culture., The forums will comprise the following representation and roles:

EXECUTIVE SPONSOR		SANLAM GROUP CEO
Executive sponsor	Sanlam Group CEO	<ul style="list-style-type: none"><li>⌚ The Group CEO, in partnership with the Group HC Director/ Executive, drives the Group Talent Management strategy.</li><li>⌚ Responsibility for succession management rests with the board of directors and the Group CEO with the assistance of human capital.</li></ul>
Talent Management Sponsor	Sanlam Group HC Director	<ul style="list-style-type: none"><li>⌚ Translate the organisation's workforce strategy into a cohesive talent management strategy.</li><li>⌚ Report talent risks to the Group CEO and Board.</li><li>⌚ Enable centres of excellence contributions to talent management strategy.</li><li>⌚ Clarify HC and External Stakeholder Roles in executing the Talent Management strategy.</li></ul>



EXECUTIVE SPONSOR		SANLAM GROUP CEO
<b>Practice Owner</b>	Talent Management COE	<ul style="list-style-type: none"> <li>Establishing organisational standards and infrastructure for Talent Management.</li> <li>Assessing interconnected Talent Management activities.</li> <li>Establishing connections between interdependent activities, introducing new ones, or discontinuing outdated ones.</li> <li>Developing specialised expertise in a particular capability and delivering services aligned with stakeholder requirements and organisational goals.</li> <li>Continuously monitoring and fine-tuning the talent management strategy.</li> </ul>
<b>Consultative forum</b>	Group Talent Management (GTM) Forum	<ul style="list-style-type: none"> <li>Co-create solutions, collaborate, solve challenges, and make proposals for approval to the HCLT to continuously improve the TM process.</li> <li>Lead and ensure system enablement of the TM process within business clusters.</li> <li>Act as the feedback loop to key stakeholders in the respective business clusters regarding TM.</li> <li>Bring the “voice of the business” to the forum meetings to enable customised and fit-for-purpose processes.</li> <li>Report on</li> </ul>
<b>Business cluster TM owner</b>	Human Capital Executive (Business Cluster)	<ul style="list-style-type: none"> <li>The Human Capital Leadership Team (HCLT), a collective of HC Executives, is a decision-making and governance structure.</li> <li>The Heads of HC/HC Managers in the clusters are responsible for the talent management practice implementation, taking into consideration the circumstances and size of the businesses.</li> <li>Communication that will require actions will be circulated to the HC Executive, or the accountable leader of the cluster to send directly to their teams for execution.</li> </ul>
<b>Business Cluster TM Custodian</b>	Business cluster Talent Leads	<ul style="list-style-type: none"> <li>Own the process of identification and management of talent at the business-cluster level.</li> <li>Work with business leaders and HC leaders to execute business unit and organisational workforce goals.</li> <li>Drive manager and employee participation in talent management activities.</li> <li>Facilitate implementation of talent management initiatives/ processes within the BUs, in partnership with the Manager Talent Management, BU Executives, and line managers.</li> </ul>
<b>Talent Management owner (Business cluster)</b>	Line Manager	<ul style="list-style-type: none"> <li>Increase employee engagement in day-to-day work and reduce intent to leave.</li> <li>Communicate and execute every aspect of talent management in employees’ day-to-day experience.</li> <li>Create development opportunities.</li> </ul>
<b>HC Technology owner</b>	Human Capital Chief Operating Officer	<ul style="list-style-type: none"> <li>Ensure HCIS and HCM systems allow managers to easily track relevant metrics for key moments across the employee lifecycle.</li> <li>Ensure employees can manage their skill development and career decisions easily.</li> </ul>

Table 19: Talent Management Roles and Responsibilities

There are key roles and responsibilities to ensure the successful management of the Talent Review process. The Employee, Line Manager, and HC Practitioner are all critical to this process.

- Employee – Provide quality information to ensure objective discussions.
- Line Manager – Owner of the Talent Review Process
- HC Practitioner – Custodian of the Talent Review Practice





# 11.

## Talent Review

A talent review, often referred to as a talent review meeting or talent calibration session, is a strategic and systematic process used by the organisation to evaluate and discuss the performance, potential, and development of employees, particularly those considered high-potential or key talents within the business.

### 11.1 Role Players And Talent Review Process

Below, is a set of descriptions related to what needs to happen before, during, and after each Talent Review meeting and what the respective roles are in executing these activities.

### 11.2 BEFORE the Talent Review Forum

EMPLOYEE	LINE MANAGER	HC PRACTITIONER
<p><b>Employees will need to:</b></p> <ul style="list-style-type: none"><li>Update their Career and Skill Profile in MYWORKSPACE (mWS).</li><li>Provide high-quality information about their career goals and development plans for informed discussions during the meeting.</li><li>Ensure their line manager is aware of your career aspirations and development needs and engage in a discussion with them.</li></ul> <p><b>Employees should take the following steps:</b></p> <ul style="list-style-type: none"><li>Keep their development plan current.</li><li>Keep their career plan current.</li><li>Before the talent review forum, engage in discussions with their line manager and reach an agreement on any proposed changes to their plans.</li></ul>	<p><b>Line Managers need to:</b></p> <ul style="list-style-type: none"><li>Ensure the employee Talent Profile is updated in MYWORKSPACE (mWS)</li><li>Ensure that quality information is compiled about employees for informed discussions and decision-making in the meeting.</li><li>Ensure they understand their role in the meeting.</li><li>Ensure they understand the purpose and expected outcomes of the meeting.</li></ul> <p><b>Line Managers, therefore, need to:</b></p> <ul style="list-style-type: none"><li>Conduct development and career discussions with their employees, establishing agreement on development plans and career aspirations.</li><li>Familiarize themselves with the guidelines and talent review templates in SuccessFactors and gather any additional relevant information.</li><li>Collect and organize all pertinent information about their employees using provided templates.</li><li>Prepare for one-on-one meetings with their direct reports by drawing insights from the gathered information to facilitate meaningful discussions.</li><li>Thoroughly review any pre-reading materials to enable them to make valuable contributions during the talent review meeting.</li></ul>	<p><b>HC Managers need to:</b></p> <ul style="list-style-type: none"><li>Secure quality information for informed discussions and decisions.</li><li>Identify the talent review meeting's audience, ensuring they grasp its purpose and anticipated results.</li></ul> <p><b>Human Capital, therefore, needs to:</b></p> <ul style="list-style-type: none"><li>Review the talent review guidelines and agenda/templates to identify necessary information.</li><li>Collect and present information effectively.</li><li>Prepare for the meeting with information-driven conclusions.</li><li>Arrange meeting logistics, including date, location, and attendees.</li><li>Distribute pre-reading material to attendees in advance for productive contributions.</li></ul>



## 11.3 DURING the Talent Review Forum

LINE MANAGER	HC PRACTITIONER
<p><b>Line Managers need to:</b></p> <ul style="list-style-type: none"><li>⌚ Ensure quality/depth of the discussion per employee represented – making sure the right issues are discussed in the right.</li><li>⌚ Ensure clear outcomes / next steps per employee represented.</li><li>⌚ Keep the “big picture” in mind – encourage cross-functional movement.</li></ul> <p><b>Line Managers, therefore, need to:</b></p> <ul style="list-style-type: none"><li>⌚ Review the health of their function / the organisation’s talent pipeline using SuccessFactors/templates provided and establish key strengths, gaps, and a resulting proposed strategy / action plan to strengthen your pipeline.</li><li>⌚ Be well informed and prepared regarding their employees’ talent profiles and career interests to present them at the meeting.</li><li>⌚ Review the individuals in their area/function, and agree/recommend HiPo nominations, succession plans, and any further actions that need to be taken to strengthen the talent pipeline.</li><li>⌚ Ensure that they focus on what the meeting is trying to achieve.</li><li>⌚ Challenge their peers in the meeting to ensure objective, evidence and fact-based discussions are taking place about individuals in their areas/functions, and meaningful actions are identified to improve the talent pipeline.</li><li>⌚ It is important to listen to all discussions; employees from other areas may be your next top talent.</li><li>⌚ At the end of the meeting ensure that they leave with a clear view of where they are now and where they are heading with regards to talent in your function / the organisation.</li></ul>	<p><b>HC Practitioners need to:</b></p> <ul style="list-style-type: none"><li>⌚ Ensure quality / depth of the discussion – making sure the right issues are discussed in the right way.</li><li>⌚ Ensure clear outcomes are agreed upon and recorded to facilitate follow-up.</li></ul> <p><b>Human Capital, therefore, needs to:</b></p> <ul style="list-style-type: none"><li>⌚ Review the health of the function / the organisation’s talent pipeline using templates provided and establish key strengths, gaps, and a resulting proposed strategy/action plan to strengthen the pipeline.</li><li>⌚ Review the individuals in the function/organisation and agree/recommend HiPo nominations, succession plans, and any further actions that need to be taken to strengthen the talent pipeline.</li><li>⌚ Ensure that they focus on what the meeting is trying to achieve. Do not let templates manage the process but use the templates to facilitate a quality discussion about people and the organisation.</li><li>⌚ Challenge participants of the meeting to ensure objective, evidence-based discussions are taking place about individuals and meaningful actions are identified to improve the talent pipeline.</li><li>⌚ ensure minutes are recorded with clear actions where responsibilities and deadlines are also indicated as you would with any other business meeting.</li><li>⌚ Summarise the key learnings – talent strengths and gaps and their impact on top-line strategies. At the end of the meeting ensure that participants leave with a clear view of where they are now and where they are heading concerning talent in the organisation.</li></ul>





## 11.4 AFTER the Talent Review Forum

EMPLOYEE	LINE MANAGER	HC PRACTITIONER
<p><b>Employees will need to:</b></p> <ul style="list-style-type: none"> <li>Embrace feedback from the Talent Review and clarify content with their Line Manager.</li> <li>Take responsibility to drive their development and ensure with their Line Manager that their outcomes and agreed actions are implemented.</li> </ul> <p><b>They, therefore, need to:</b></p> <ul style="list-style-type: none"> <li>Create or update their development plan and follow through with your development actions.</li> <li>Prepare for how they will drive their agreed strategies and actions with their Line Manager.</li> </ul>	<p><b>Line Managers need to:</b></p> <ul style="list-style-type: none"> <li>Ensure the employee Talent Profile is updated in MYWORKSPACE based on Talent Review discussions.</li> <li>Ensure that there is a process in place to provide their employees with excellent quality Talent Review feedback.</li> <li>Make sure that outcomes and agreed actions are implemented for their employees and track progress.</li> </ul> <p><b>They, therefore, need to:</b></p> <ul style="list-style-type: none"> <li>Use the minutes with agreed actions/responsibilities/deadlines to prepare for Talent Review feedback to their direct reports.</li> <li>Discuss the development plan actions from the meeting with employees as appropriate.</li> <li>Prepare for how they will follow up against the agreed strategies and actions with their employees regularly.</li> <li>Conduct the Talent Review feedback process with the right individuals at the right time.</li> <li>use the outcomes of the Talent Review Forum and succession plans to fill newly vacant positions on the senior level as relevant.</li> </ul>	<p><b>HC Managers need to:</b></p> <ul style="list-style-type: none"> <li>Secure quality information for informed discussions and decisions.</li> <li>Identify the talent review meeting's audience, ensuring they grasp its purpose and anticipated results.</li> </ul> <p><b>They, therefore, need to:</b></p> <ul style="list-style-type: none"> <li>Discuss career plans for the individuals who were present at the Talent Review Forum with their Line Director to capture valuable information about them as well.</li> <li>Analyse outcomes of Talent Reviews to identify trends, themes, and additional action plans.</li> <li>Prepare submission documents as requested by the next-level Talent Review Forum.</li> <li>Circulate minutes/reports with agreed actions/responsibilities/deadlines to attendees of the Talent Review Forum.</li> <li>prepare for how they will follow up against the agreed strategies and actions.</li> <li>Manage the Talent Review feedback process to the right individuals at the right time including measuring the quality of Talent Review feedback using a method of information collection.</li> </ul>

## 11.5 Monitoring and Review

To ensure successful implementation and strengthen the culture of talent management, monitoring and evaluation of TM will be integrated into the business quarterly business. The TM strategy

will be reviewed on an annual basis through consultation with relevant stakeholders. Group Sanlam Human Resources will monitor and evaluate its impact/application.

### 11.5.1 Managing Feedback

#### The Purpose of Talent Review Feedback

It is important to give context and feedback to each employee discussed regarding the focus of the Talent Review Forums and what was agreed upon and actioner specific to him/her. through

this process, individuals have transparency and are informed of what the organisation expects from them and the support they have regarding their careers within the Sanlam Group.



## Typical Agenda for a Feedback Discussion Session

The agenda for a feedback session needs to be customised to suit the situation. In general, however, consider the following steps as a guiding rule.

### TALENT REVIEW FEEDBACK AGENDA

- ④ Set an appointment with the individual.
- ④ Line Manager to prepare by gathering all the relevant information as applicable to the items that follow.
- ④ Open the discussion by stating the objective, namely, to give feedback and clarify any concerns.
- ④ Give a brief review of the Career and development process and how this information was used in the Talent Review Forum.
- ④ Discuss and confirm the career aspirations of the individual – use the Career & Development Plan as a source document.
- ④ Discuss and confirm mobility – if applicable.
- ④ Discuss the overall potential assessment during the Talent Review Forum. It is important to focus on whether the individual is seen as management potential, moving laterally, or remaining in a role soon.
- NB: It is the organisation's policy not to communicate the actual potential rating to the individual. This is used only for purposes of succession planning and focused development as agreed and managed on the organisational/ functional level and should be always treated as confidential.**
- ④ Confirm the development plan in terms of development actions.
- ④ Ask for and discuss any other questions the employee may have.
- ④ Summarise and close the discussion.

When sharing the deemed overall potential assessment with the employee, consider the guidelines in the next section.

## 11.5.2 Share Employee's Talent Review Feedback with Him / Her

Here are some clear pointers for **Do's** and **Don'ts** when discussing potential with an employee.

### DO'S

- ④ Be direct and honest with the employee.
- ④ Explain why it is important for the organisation to assess individuals and their potential for more senior roles, i.e., to build the longer-term sustainability of the talent pipeline for The Sanlam Group and to ensure successors who have the potential to operate on a more complex leadership level have been identified.
- ④ Emphasise the difference between potential and performance. Ensure that you understand the criteria for High Potential Employees. This will help you to contextualise decisions regarding potential although you will not communicate the criteria directly to the individual.
- ④ Take ownership of the feedback from the Talent Review, i.e. "We have reviewed your performance, potential, and career aspirations, and the following were agreed upon at the meeting..." vs. "That's how they rated you at the Talent Review Forum".
- ④ Make sure that the employee understands that potential will be reviewed at the Talent Review Forums on an annual basis and reconfirmed/removed, based on agreed criteria and rules, i.e., if a high potential employee moves to a more senior role, he/she will by default not be a high potential and will have to prove that they are still a high potential after a specified period (typically up to 18 months). Only then will the high potential level be agreed upon and confirmed.
- ④ Be prepared at the start of the discussion with evidence to back up why a particular decision was taken, e.g., if it is foreseen that an individual will move laterally and not to a more senior role, provide the individual with constructive input.

### DON'TS

- ④ Let the employee discover outputs from the Talent Review via another source.



## Key Messages to Employees Identified as High Potential or Growth

- ① “We have identified you as an individual that has the potential to grow to more senior roles.”
- ① “To ensure that you are ready when required, we need to make sure that you incorporate the feedback from the Talent Review Forum into your development plan and focus on expanding your skills and competencies as required.”
- ① “We will be identifying development opportunities to prepare you for future roles. Some development opportunities may involve intensive coursework, participation in special projects/task forces, mentoring/coaching, or a job change, with the possibility of relocation.”
- ① “Opportunities may require a great deal of commitment, energy, and time on your part. It will be your responsibility to take full advantage of opportunities, seek out the support you need, and provide accurate information on your history and progress.”
- ① “This is not a promise for a promotion, specific position, or a raise.”
- ① “You decide to fully commit to your career development. If you decide not to, that decision will not be held against you.
- ① “Identification as a potential for more senior roles is not static — as business needs change, talent needs may change as well, so it is possible that you will not be identified as potential for more senior roles in the future. “

## Key Messages to All Employees

- ① “Take ownership of your development.”
- ① “I have been impressed by your development in areas, especially in your work on and projects.” (Indicate the person’s greatest strengths, offering specific examples.)
- ① “Your goals indicate [insert] and I see you like [insert].” (Discuss your assessment of the person’s performance.)
- ① “To help you achieve those goals, we should focus on [insert], and I will help you by doing [inset].” (Provide specific examples of how you will help this person with development opportunities.)
- ① “My goal is to help you continue (or increase) alignment of your career goals with how you are seen in the company.”

## Emphasise

- ① One of the most encouraging outcomes of the Talent Review is that most of our management/employee population is people making a valuable contribution to moving the business forward.
- ① Avoid labelling people based on potential ratings. Research indicates that around 10% of employees are High Potential and 80% of the population of successful companies are solid performers in their current roles. **Deal harshly with any form of labelling in Sanlam.**
- ①

## Confirm / Discuss the Employee’s Development Plan

Discuss the employee’s development plan and refer to Career & Development discussions and plans. Emphasise the fact that the employee is responsible for driving the process with support from his/her manager. Make sure the employee is clear in terms of what

is expected of him/her in terms of the development plan. Deal with unrealistic career expectations openly and honestly. Employees should be encouraged to explore career opportunities across geographical areas and functions in The Sanlam Group.

## 11.5.3 Succession Planning Feedback

***It is not foreseen that feedback will be given directly to individuals to confirm on the succession plan.***

However, should this be done for any reason, please take the following into account:

- ① If employees are successors for identified positions, feedback in this regard should be done with care. Avoid creating expectations, position the individual as “one of a pool of candidates identified” with no guarantee, and emphasize that this could change due to the individual’s performance, deemed potential for more senior roles, and future business needs.
- ① Employees should understand that, although succession plans have been compiled and approved, roles up to the senior management level may still be advertised. If an employee is identified as a potential successor to a role, he/she will by default form part of the selection process.
- ① It should also be explained on senior levels that other Functions also do succession planning and even though a person may be a successor to a position, someone else (from another Function) also stands the opportunity to fill a vacancy.
- ① Senior positions in The Sanlam Group are filled through succession planning and will only be advertised if no leading candidate has been identified.





## Summary about Feedback

The most important aspect of the Talent Review feedback is to ensure that employees understand where they stand and what is expected from them in the organisation. From a company perspective, they should also understand that the Talent Review process enables the organisation to:

- Establish our resourcing (internal/external recruitment) needs based on clear succession plans.

- Have a clear picture of the calibre of one of our most important assets, our employees/managers.
- Ensure that each employee has a development plan to ensure individual development and to advance the business.

# 12.

## Talent Management System

SAP SuccessFactors is the talent management platform used in the Sanlam Group. This serves as the main source of talent information from where talent reviews are conducted. In broad terms, the roles of individuals and Line Managers are briefly explained.

### 12.1 Individual Preparation

In preparation for the annual Talent Review, employees need to consider their:

- career plan (aspirational role and career path).
- development plan (development actions in the current role); and
- decide their mobility status.

This is done by the employee in their profile portlet in the MYWORKSPACE system:

PERSONAL INFORMATION	EMPLOYMENT INFORMATION	COMPENSATION INFORMATION	PROFILE	HISTORY
<b>Language Skills</b>				
No data				
<b>Geographic Mobility</b>				
No data				
<b>Career Goals and Development</b>				
<b>Career Goals</b>				
Title	Junior Boss			
Level	Manager			
Function	Human Resources			
Timeframe	Ready in 1-2 years			
Comments	My next position			
Title	Senior Boss			
Level	Manager			
Function	Human Resources			
Timeframe	Ready in 3-5 years			
Comments	My career aspiration			
<b>Development Goals</b>				
2019 Individual Development Plan				
Development Goals				
You have no development goal in this category.				
Show more				

Figure 20: Employee profile (mWs)



# 12.2 Line Manager Preparation

In terms of preparing for the annual Talent Review, Line Managers need to complete the Talent Profile. This includes updating the following:

- Risk of Loss.
  - Impact of Loss.
  - Future Leader potential.
  - New to Position (time in current position).
  - Career Track.
- The 9-Box Grid.
  - Nominate individuals for Talent Pools; and
  - Complete the succession plans per critical role ("Talent Search" is also available to identify potential successors outside of their own area of responsibility).

This is done in the Talent Profile portlet of MYWORKSPACE

PERSONAL INFORMATIONEMPLOYMENT INFORMATIONCOMPENSATION INFORMATIONPROFILETALENT PROFILE

Talent Information

Talent Information ? ✎

Risk of Loss-

Impact of Loss-

Future LeaderNo

New to PositionNo

Career Track-

Figure 21: Talent flags



# 13.

## Glossary

- ⊗ **Performance/Potential Grid.** A useful tool that plots talent into one of nine boxes measuring potential and performance. The top right box is the most valuable position (high in performance and potential). Each grid position typically has the name 'Talent Category'.
- ⊗ **Critical Position** – A role deemed critical within an organisation.
- ⊗ **Flight Risk / Tenure Risk** – The likelihood that an individual will leave the organisation. This is usually expressed in terms of high, medium, and low.
- ⊗ **High Potential** – a characteristic (typically expressed as High, Medium, Low, or Unknown) about an employee. Its common interpretation relates to a prediction of the performance or ability of the person in the future when in a more senior or complex role. It is an opinion formed from a Talent Review that may include some form of evidence-based assessment.
- ⊗ **HiPos** – Employees identified as having high potential.
- ⊗ **Readiness** – Describe how ready a Successor is to take on a position or role. This is typically expressed in terms of months or years. It can also be used to identify those who could take on a role on a temporary, interim, or 'caretaker' basis.
- ⊗ **Succession Planning** – The process of identifying and developing successors for key positions within an organisation. Often includes the identification of 'critical positions'.
- ⊗ **Succession Planning Approach** – Typically organisations adopt one of three approaches: Fluid and Informal (creating talent pools of talent and using them when an appropriate opportunity emerges); Prescriptive and Formal (roles are defined clearly defined and key talent is tracked through the organisation); Flexible (data is captured to track the flow of talent but there is the ability to constantly review and monitor the efficacy of the process).
- ⊗ **Succession Planning Model** – The structure and process adopted by an organisation regarding its succession planning policy. Often this is reflected in a Succession Planning Template that contains the relevant information about a person.
- ⊗ **Succession Planning Template** – Traditionally these are spreadsheet-based but more commonly now (and more accurate and up-to-date) these are within succession planning software. They collate the details of those critical positions identified by the business and the names of people who could take over – sometimes with a timeframe allocated. Flags the support needed for that individual to achieve the next role. These are used in Talent Review Meetings.
- ⊗ **Succession Risk** – key risks identified from analysing Succession Planning data. An example would be an individual considered to be a high flight risk, in a critical post, and has no immediately ready successor.
- ⊗ **Successor** – A person considered to be capable of filling a specific role position in the future.
- ⊗ **Talent Gap** – Also known as a Skills gap. This is the situation when an organisation has more jobs than qualified people to fill them. At an individual or group level, it can be a consolidation or 'roll-up' of a group of skills gaps exhibited by that group of people.
- ⊗ **Talent Mapping** – Links the talent currently available to the talent needed in the future. Typically used to inform talent strategy, assess shortfalls or gaps, and inform development planning.
- ⊗ **Talent Pipeline** – A systematic and visible process of identifying candidates for succession, combined with the processes for their development. Often a visual representation of how successors 'flow' through the organisation when personnel changes are made, and successors are appointed.
- ⊗ **Talent Planning** – An essential Talent Management activity to ensure that organisations have the right talent and people to deliver the business strategy.
- ⊗ **Talent Pool** – A group of people typically containing Successors with the potential to fill one or more jobs or roles in the future. This could be a person's role or a role described by several characteristics, competencies, skills, or behaviours.
- ⊗ **Talent Review** – The meeting at which senior management and HC discuss those in the talent pool and the amends needed. Without robust information, can be subject to a range of biases. Succession Planning Templates or software outputs are used in these reviews as discussion and action points.
- ⊗ **Talent Strategy** – The strategic plan of the talent that needs to be acquired, developed, and retained to reflect the organisation's plans.
- ⊗ **Talent Category** – Typically a short name that describes the performance/potential combination or the intended designation of a person from a talent perspective.