



# Book Talent Management

## Strategies for Success From Six Leading Companies

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## Recommendation

Talent management is a fascinating topic full of potential for dramatic motivational speaking and cutesy pop psychology: Learn to manage talent, excite the troops, spread the vision, enlist the worthy, prepare the next generals and make a tidy profit, all while doing noble work. Alas, the real world of talent management isn't that simple or passionate, but it does have room for plenty of inspiration, creativity and innovation. Editor Larry Israelite, a vice president and human resources (HR) manager at Liberty Mutual Group, compiles valuable, specific information that hits those high notes. He and the book's other contributors present a fresh look at talent management ideas. A few of his writers overdo the HR-speak, but most stay pragmatic. From four steps for creating a talent plan to six success stories to 10 tips for getting on board with talent management, this book provides explicit advice for anyone seeking better talent management. *BooksInShort* recommends it to human resources employees and managers as well as their superiors, up to and including CEOs.

## Take-Aways

- Talent management isn't a job just for the human resources department anymore.
- Everyone in the organization should be involved, from executives to salesclerks.
- As the workforce ages, the talent pool is shrinking.
- Thus, organizations face an even greater need for comprehensive talent management, ideally starting from the top.
- Customize talent plans and strategies to fit your company and your industry.
- Integrate your talent needs with your business goals. Separating them will jeopardize both.
- Learn from six companies that excel in talent management: Cisco Systems, McDonald's, Avon Products, Children's Healthcare of Atlanta, Ciena and Liberty Mutual Group.
- Leaders' transparency, honesty and commitment ease employees' resistance to change.
- Don't be afraid to revamp long-established systems, like performance evaluations.
- Take advantage of new technology but keep your methods simple, focused and explicit.

## Summary

### What Is Talent Management?

Talent management isn't a new concept to human resources (HR) leaders or to major companies, but it takes on new meaning and greater importance in volatile economic times. The definition of talent management varies among industries, companies and even branches of the same business. That's generally smart because it

means managers are molding the concept to fit their firm's needs. The best approach is to define it simply as the work businesses do to get the most out of their people – for the sake of their employees and the bottom line.

“Talent management systems enable the management of people in accordance with best practices. In other words, it is today's systems that make talent management concepts a reality.”

Human resources departments should not own talent management. It should pervade a company's goals and involve the whole workforce, although not necessarily in the same way. Ultimately, you must define what “talent management” means for everyone in your business. That includes properly categorizing talent, preferably as anyone working for the company in any way, perhaps even contractors. Within this broad vision, your talent management activities might include hiring, training, evaluating performance, developing employee careers, coaching executives and planning for succession. Create your talent management vision, and then teach it and support it.

## It Takes More Than an HR Plan

Talent management used to mean little more than grooming high performers for future leadership jobs. Now, according to talent management consultant and analyst Josh Bersin, it is a vital foundation for any business. Properly conducted, it integrates business strategies and goals with the people and skills needed to achieve them. “High-impact talent management” can improve your decision making when you face calls to reorganize, improve results, handle a rash of retirements, update your compensation plan or help your industry expand. Good talent managers create plans for handling these issues that do not mimic HR but that apply HR strategies to meet corporate needs. Bersin uses a four-step process he calls “the essence of talent management”:

1. **Determine the business challenges ahead** – Set goals and plans for up to two years.
2. **Identify people problems that block these goals** – Use models to see what you're missing, whether you need more people, greater expertise or new capabilities.
3. **Make a plan to solve these problems** – The solutions might require a new recruiting system, fresh branding or other improvements. Seek simple but specific answers.
4. **Put the plan to work** – This doesn't have to involve a new computer program. Software accomplishes little without an action plan centered on a business problem or change.

“And, ideas transcend hierarchy.”

This model requires everyone in the organization to understand that the top executives – not HR – must “own” talent management. That gives HR a supporting role as lead consultants. Information technology personnel, departmental management and training staff members also might take supporting roles. Any talent management plan must cover performance, competency, leadership development and corporate learning. Respect your firm's culture when creating your plan, so it will fit seamlessly into your employees' work lives. Learn from these six companies:

1. **Cisco Systems** – Talent management leaders at Cisco predict four impending challenges: a smaller talent pool, a huge age span among employees, a growing need for culturally diverse leaders, and worldwide hiring opportunities, demand and risks. As this fast-growing \$40 billion company works to become a “solutions-based” business instead of a producer of goods, it seeks leaders who can navigate new markets. Cisco wants to lead its industry – starting from within the company, as the CEO's vision statement reveals: “Best in the world; best for the world.” The business plan for changing Cisco depends on changing its leaders. Cisco gives each executive an individual motive for personal transformation, and offers a three step – or three “pillar” – method for achieving it. The first pillar defines five leadership goals following Cisco's “C-LEAD model”: “collaborate, learn, execute, accelerate and disrupt.” The second pillar helps people advance by using individual evaluations and education, including the “Action Learning Forum,” where future leaders study and solve an actual business problem. The third focuses on talent management to fuel Cisco's overall goals. As you pursue this agenda, don't bog down. Concentrate on the possible. Pay attention to people, quality and business achievement.
2. **McDonald's** – The burger chain declared its first loss in the fourth quarter of 2002. During the next two years, it underwent unprecedented CEO turnovers, including losing two CEOs in one year. This prompted a transformational change that turned the company around and now keeps it on top. Its “Plan to Win” strategy set standards for “people, product, place, price and promotion.” These systemic changes, including a four-step process for managing talent and planning succession, gave the firm a difficult transitional year, but the effort paid off as – in step one – it revamped its overly upbeat performance management system. Employees accepted scaled-back, more realistic evaluations; saw their pay change to align with their evaluations and watched higher-ups endure the same shifts. Afterward, the remaining three steps fell into place: designing a “talent plan” for the future, developing programs to build potential leaders and creating the McDonald's Leadership Institute, a virtual center for training and connecting new and veteran leaders. In the five years after McDonald's launched these changes, it achieved positive sales and record stock prices. It adapted this strategic plan to fit its unique markets worldwide.
3. **Avon Products** – Avon, a cosmetics company built on person-to-person sales, became overextended in 2006. To reverse course, it underwent a major reorganization built on a foundation of talent management. Its core changes included implementing a matrix structure and eliminating seven layers of management. Avon set out to address its talent program's six flaws: it was unclear, complex, too homogeneous, sporadic, too personal and, finally, “meaningless,” because staffers faced no consequences for ignoring its measures. Corporate leaders focused on these six pivotal areas and achieved progress within half a year. First, they worked toward companywide transparency by creating a straightforward 360-degree evaluation system and discarding privacy clauses that prevented some managers from even seeing their employees' assessments. Then Avon simplified its practices, striving to restrict nearly every process to a single page. It individualized its work by tightly matching employee programs to recipients and by overcoming its habit of disproportionately favoring high-potential workers. Avon improved its personnel tools and demonstrated CEO Andrea Jung's commitment to talent management by explaining the example she set. To maintain Avon's well-known warm atmosphere, executives added more hands-on fact-finding to its evaluation process, including skill ratings and senior managers' observations. Finally, managers explained why everyone in the firm should participate in the review. Solving problems with simple, easy-to-perform processes helped Avon cut expenses and increase growth and revenue.
4. **Children's Healthcare of Atlanta** – This company has three hospitals, 14 local facilities and an autism center. It experienced great strain as it tried to maintain superior quality and safety. To tackle its internal and external challenges, the company developed a “People Strategy,” a vision of what it wants to be and a plan for its operations. The system's leaders envision its strategy as a house. Its business vision and goals are the roof. The People Strategy supports the roof and belongs to everyone in the organization: “7,500 employees, 1,400 physician partners and 20,000 volunteers.” Employee development forms the walls of the

house; the foundation is the corporate infrastructure, including an integrated data and technology plan connecting information from many parts of the company. As the company created forward-looking plans for workforce development and training, its leaders pledged to pursue “quality of life” objectives and its employees made a renewed commitment to excellence.

5. **Ciena Corporation** – This global communications company incorporates talent management into its business strategies. Ciena Learning Solutions, an arm of its HR department, integrates employee development activities companywide by working hand in hand with every department around the globe. This gives Ciena the flexibility to identify and meet training needs quickly. That tactic works strategically because it connects employee learning and development with products from their inception. Ciena relies on an innovative annual talent evaluation process. Executives assess managers according to 14 “leadership indicators” and create biographies and growth plans to guide their future development. Ciena offers hundreds of online courses in business, leadership and sales techniques, among other subjects. Talent managers handle succession planning and select candidates for development based on the company’s needs. The firm makes talent management part of its core business, right down to “profit-and-loss responsibility.”
6. **Liberty Mutual Group** – Starting with its CEO, Edmund “Ted” Kelly, Liberty Mutual makes talent management every manager’s most important duty. The insurance giant’s leaders believe that this explains its growth during the past 10 years. Liberty Mutual throws everything it has at talent management, using a three-pronged focus. The first element is “alignment.” Employees unite in their commitment to three common and universal ideals: interacting honestly, respecting people and providing products with good value. The second factor is “management development.” The company trains managers to handle talent management professionally. Liberty Mutual delineates the responsibilities it expects its more than 47,000 employees to fulfill at every level of advancement. The third prong is “measurement.” Liberty managers get detailed reports and specific ratings to guide their performance. This includes the twice-a-year “Talent Management Metrics Report,” which tracks each person’s progress toward mandatory training goals and talent objectives. Liberty looks to the future by using employee surveys to reveal any gaps or surpluses in succession planning.

## Transforming Worker-Boss Relationships

Talent management adviser Nigel Paine predicts five workplace shifts. He believes workers will: 1) take jobs and make them into positions, 2) bring talent rather than skills to those positions, 3) expect professional development, 4) share their contributions for the company’s good and 5) revel in team accomplishments rather than solo feats. To handle these upcoming challenges, Paine offers 10 tips:

1. Think holistically and get everyone working toward the same goal.
2. See the potential in all employees. Trust everyone until proven wrong.
3. Recognize that talent belongs to the whole firm, not a single manager. Move people around if you can.
4. Scrutinize the HR department and its goals to align them with the business’s goals.
5. Be sure performance evaluations and other processes fit the business.
6. Enlist senior leaders or the board of directors for support.
7. As in kindergarten, demand sharing – but of knowledge.
8. Establish rules if you decide to use social networking.
9. Encourage honesty by teaching leaders to listen and own their errors.
10. Gather data and use it.

## Technology and Talent

Technology allows broad connections among different areas of talent management: developing and teaching staffers, managing performance, setting goals, conducting training and planning succession. Adam Miller, CEO of Cornerstone OnDemand, says technology can improve recruiting, screening and tracking. The newest technological tools – social media websites – can help companies create networks, including informal connections within global firms. Companies can benefit from “talent management suites,” software systems that coordinate talent management tools in a central databank. Managers can use these tools beyond traditional boundaries, for example, by including freelancers or distributors in their scope.

## About the Author

Longtime corporate manager **Larry Israelite** is a vice president and manager of human resources development for Liberty Mutual Group. He also edits and contributes to various publications.

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