



## TALENT MANAGEMENT CURRENT STATE – OTHER VIEWS

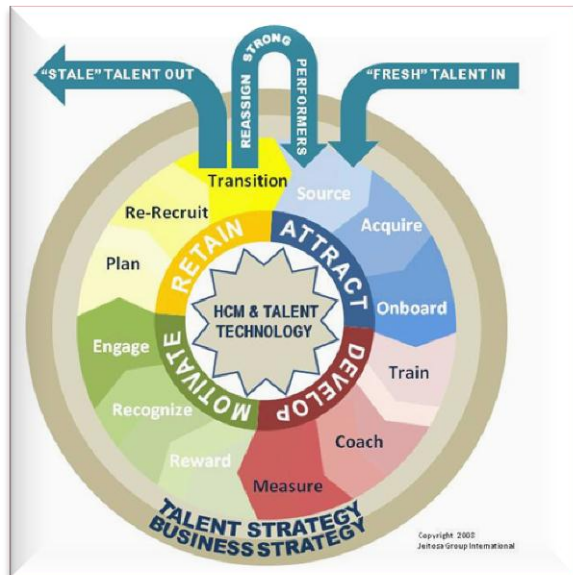
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I MIKE KENT

In this column, in the last issue of HRinsights, I described several recent surveys and articles illuminating the current state of talent management as viewed by practitioners in the field. In this issue, I will offer some views of talent management by executives and other users and beneficiaries of the current state of talent management efforts in their organizations.

### The Jeitosa Comprehensive Talent Management Model

As a reminder, and for easy reference as to what activities and principles constitute comprehensive talent management, the model and its key features are again shown here.



- TM is driven by an overall talent strategy.
- Talent Strategy must, in turn, be determined by, and aligned with, the Business Strategy.
- Good TM is supported by good technology.
- Change is inherent in the system; affirmatively or otherwise, people, programs, funding, priorities, and needs are constantly changing.
- Talent is always moving through the system; sometimes in ways the company wishes and plans for, sometimes not.
- The four phases and 12 steps are inextricably linked, i.e. steps may be emphasized or de-emphasized, but skipping any step disrupts the entire system and weakens all other steps.

## Some Recent Surveys by and about Non-Practitioners

- The *Talent Management Practices and Opportunities* survey conducted by the American Society for Training and Development indicated that “51% of respondents say that their company leaders see talent management as vital to organizational success” to a high or very high extent. As to who is responsible for talent management, 48% say it is the whole executive team and 47% say it is the CEO.
- A survey of 340 senior executives conducted by Ernst & Young found that companies that align talent management with business strategy average a 20% higher return on equity than those which do not. In addition, those with integrated talent management programs averaged 38% higher returns. Although 63% of respondents said they aligned talent management efforts with business strategy, only 32% said they were integrated globally. Among the characteristics of the most successful companies surveyed: promotion of diversity, emphasis on flexible work arrangements, deployment of a variety of special recognition programs, focus on employee engagement and integration of performance management and employee development into the key evaluation metrics of managers.
- A white paper on the CEO’s role in talent management, authored by the Economist Intelligence Unit, reported on detailed interviews with the CEO’s of 20 major global corporations. This group reported that talent is an increasing pre-occupation of the group and that many have personally taken ultimate responsibility for this function which had been primarily the province of HR. Most reported spending around 20% of their time on the issue and several reported spending 30-50%. Virtually all respondents reported spending more time and getting more involved than in the past.
- The New Talent Management Network recently reported the results of its *State of Talent Management* survey. Some of the findings were reported in the last issue. In regard to the roles and opinions of non-practitioners, there were several key findings. Analyzing how executives and line managers assess the effectiveness of TM processes, they found that the percentage who would rate them “always or often effective” ranged from 58% for setting clear goals to only 28% for development planning. Other processes fell somewhere in between, including driving employee engagement, coaching, managing high potentials, succession planning and leadership training. Regarding the ease of use of the same processes, training ranked highest with 62% of respondents saying it was extremely or mostly easy to use and development planning ranking lowest at 38%.
- Development Dimensions International and The Economist Intelligence Unit conducted an in-depth study of 412 executives from around the world. Most of them strongly linked company performance with talent and believed that organizational performance suffers when there is a lack of key talent. They generally agreed that they are not doing enough personally or organizationally to address the issue. The shortfall is attributed primarily to issues of alignment and execution rather than availability of tools, programs and processes.

## Conclusions

After reviewing these studies, the conclusions are essentially the same as they were from the analysis of practitioner surveys in the last issue. The effectiveness of talent management processes, tools and practitioners is improving, though slowly. The increased recognition of the importance and impact of talent management is recognized as much by business managers as by HR professionals. There is also recognition of the growing need for good, comprehensive TM as the economy improves, as competition heats up, as baby boomers retire and as the management of contingent workers all become bigger factors in an organization’s ability to attract, motivate and retain key talent. As one executive in the DDI report said “The best thing you can do in a company is build an A-team. Our whole focus is building and developing and retaining people.”

And the sub-title to that report succinctly sums up everything we have seen so far about the state of talent management: “High Priority, Limited Progress.”

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