

Reinventing Talent Management: The New HR Imperative

REINVENTING TALENT MANAGEMENT

How to Maximize Performance
in the New Marketplace



William A. Schiemann

“Reinventing Talent Management is an outstanding blend of research and practice.” **Dave Ulrich, University of Michigan**

“Today more than ever, it’s essential that leadership maximizes alignment, capabilities, and engagement.” **Paul Schultz, COO, Jack in the Box, Inc.**

“The book is loaded with good examples and must-take actions that lead to a winning talent management strategy.” **Edward E. Lawler III, Director, U. of Southern California**

“Reinventing Talent Management has arrived just in time.” **Keith Lawrence, Director, HR, Procter & Gamble**

Co-published by:



WILEY

Metrus Group

Metrus Institute HR Research and Cases

- We have learned a lot about creating **HR value...**

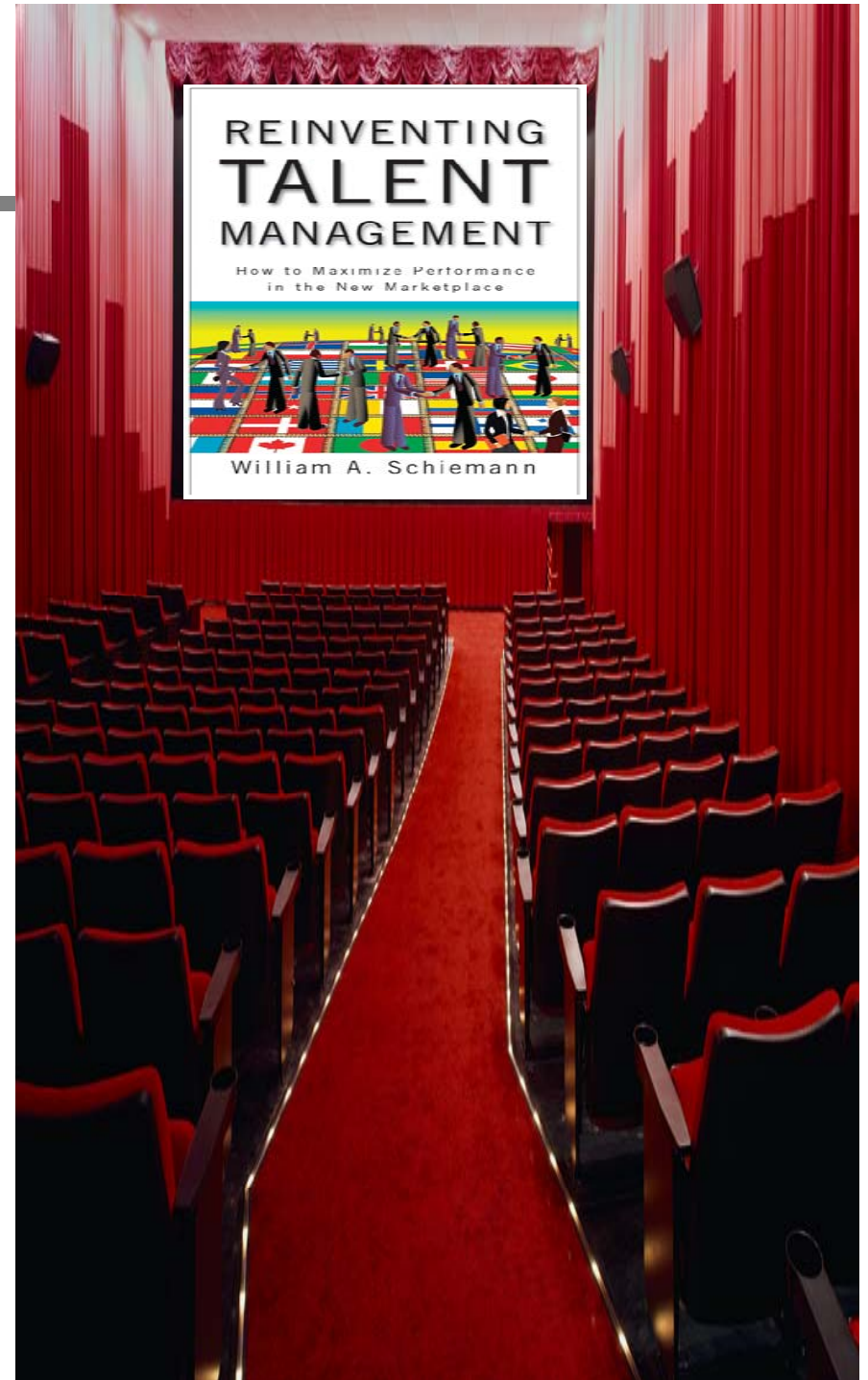
- Executive interviews for *Reinventing Talent Management (2009)*
- SHRM Hawaii People Equity Study
- HR Benchmarking Study of over 1000 firms (*Quality Progress, 2007*)
- Human Capital Study in over 2000 organizations (ASQ, 2005)
- Many more (see www.metrus.com)....



Metrus Group

Four Acts

1. Trends
2. The Value Proposition
3. Three Powerful Factors
4. Talent Implications



Act One



The Times They Are A-Changin'

- **Competition is fierce—Value is King!**
- **Agility; constant change; just in time**
- **Talent is great differentiator**
 - Managing talent will be a premier skill
- **More with Less**
- **Technology change**
 - You will become outdated faster
- **Good talent has choice**
- **Lots of people competing for few slots**
 - **Few people “competing” for many slots**
 - Making average people great!

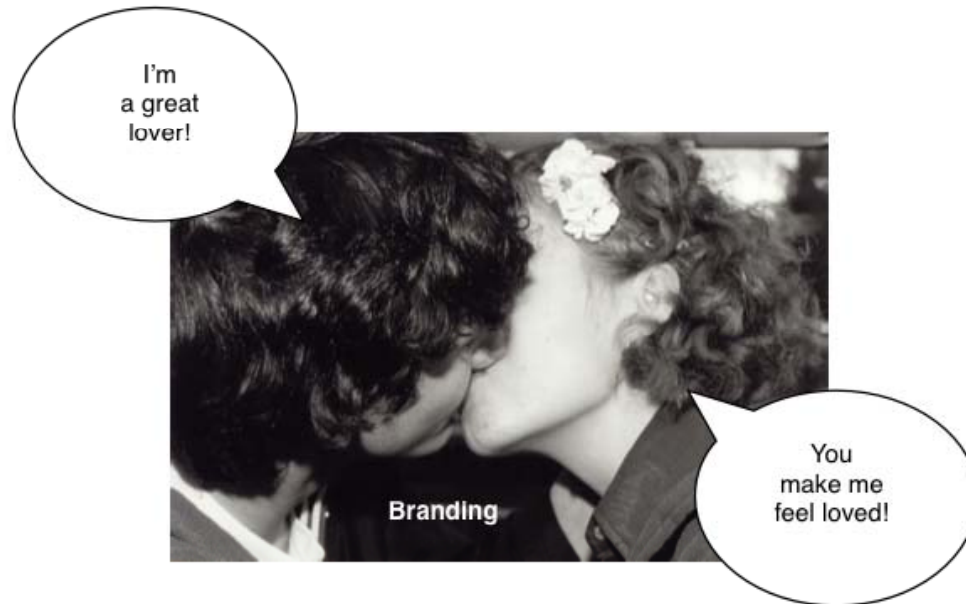
Act Two



What's Your...

Value Proposition?

e|Harmony®



Value Equals...

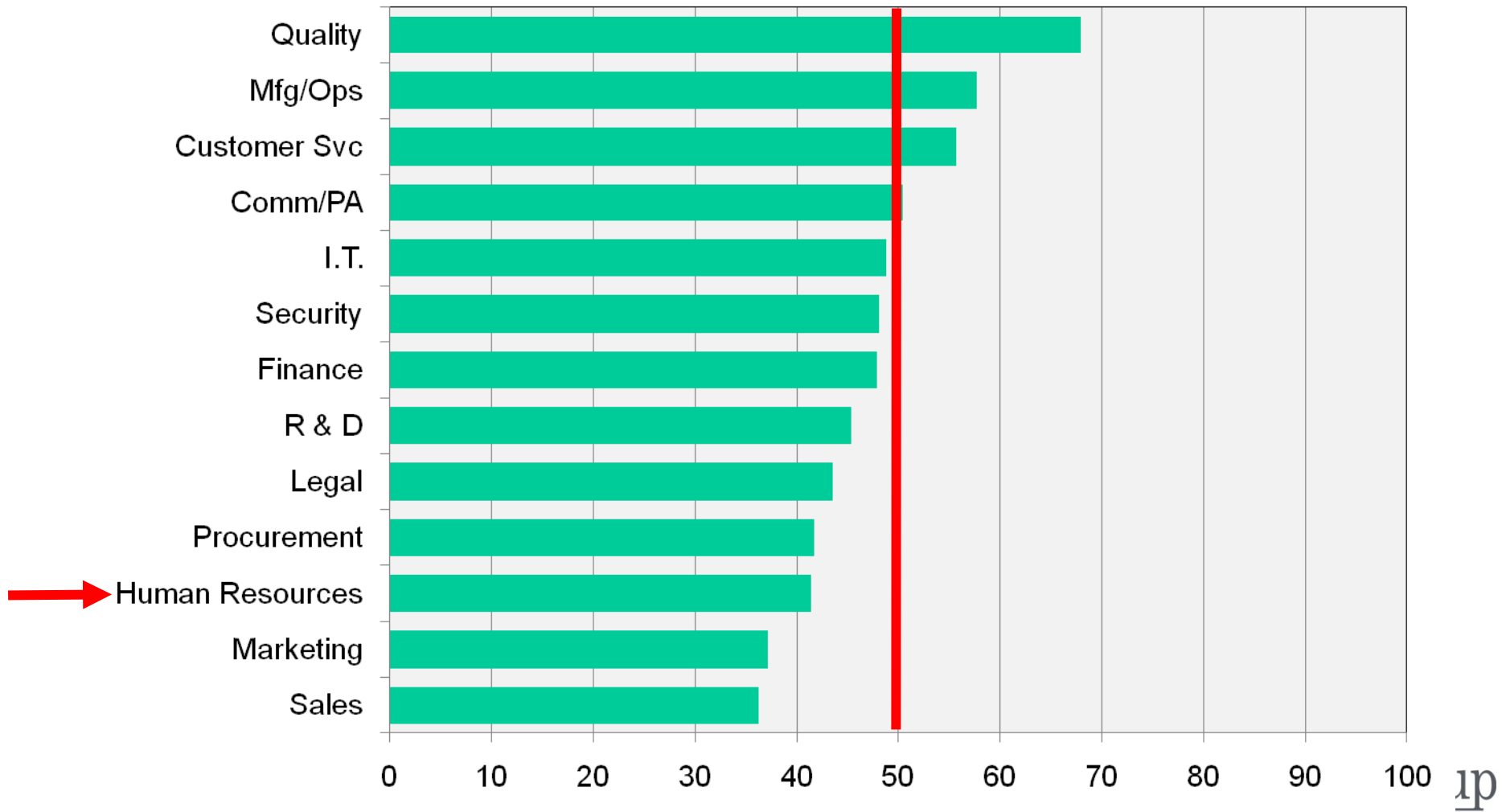
Quality of Relationship/Service
Cost of Relationship



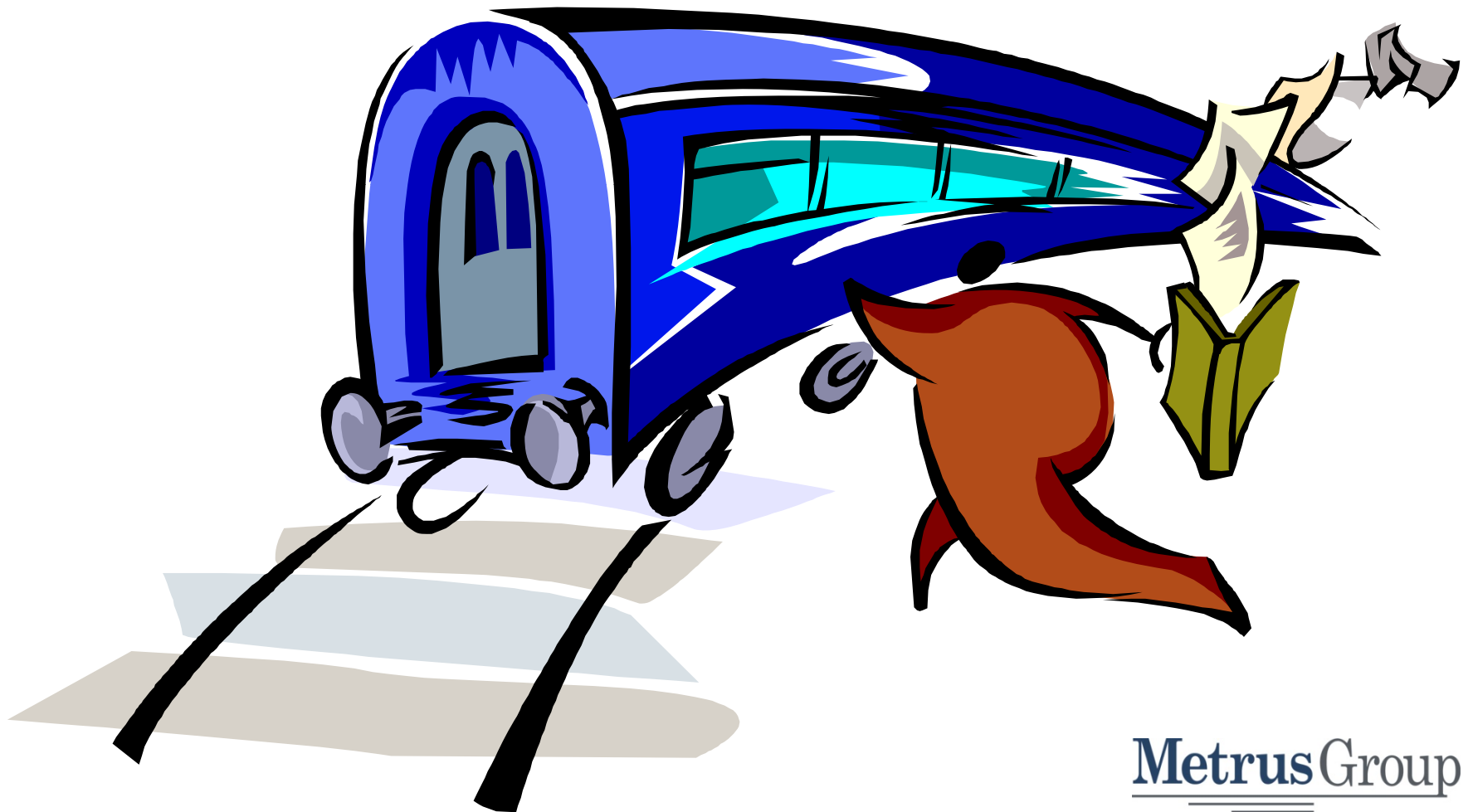
Metrus Group

Service-value Chain Extends Internally

Percent Favorable Ratings



Connecting What HR Does to the Value Proposition



Metrus Group

Implications for HR

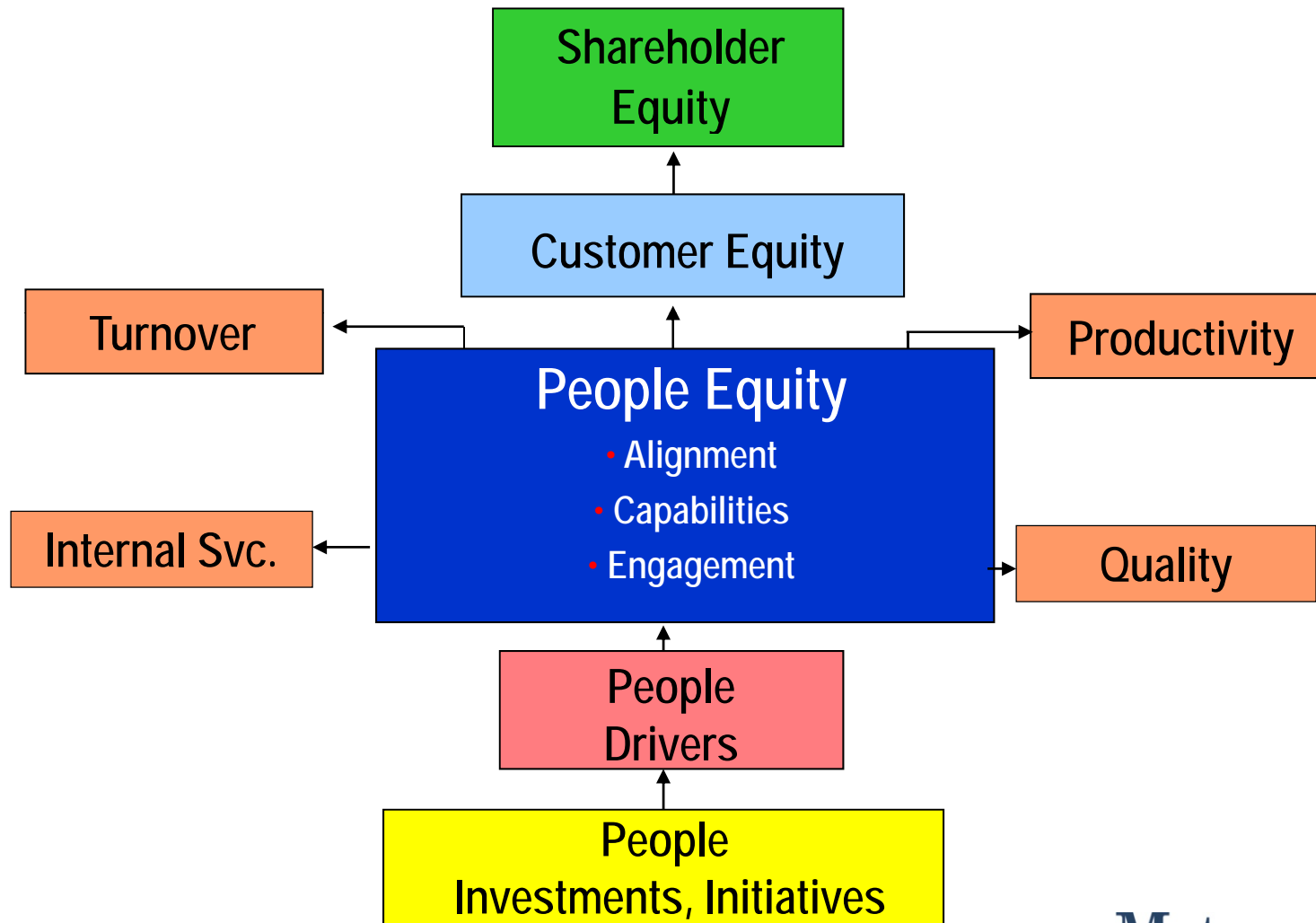
- **Perceived Value** is making or breaking every organization
- Need to have a clear **people strategy**
 - What makes you different from your competitors?
 - What are the A jobs?
 - Why do you deserve to get and keep the best talent?
 - How will you optimize your talent?
- Enabled with good **strategic metrics**
 - How will you know if you are optimizing your talent?
 - How will you know if HR is effective?



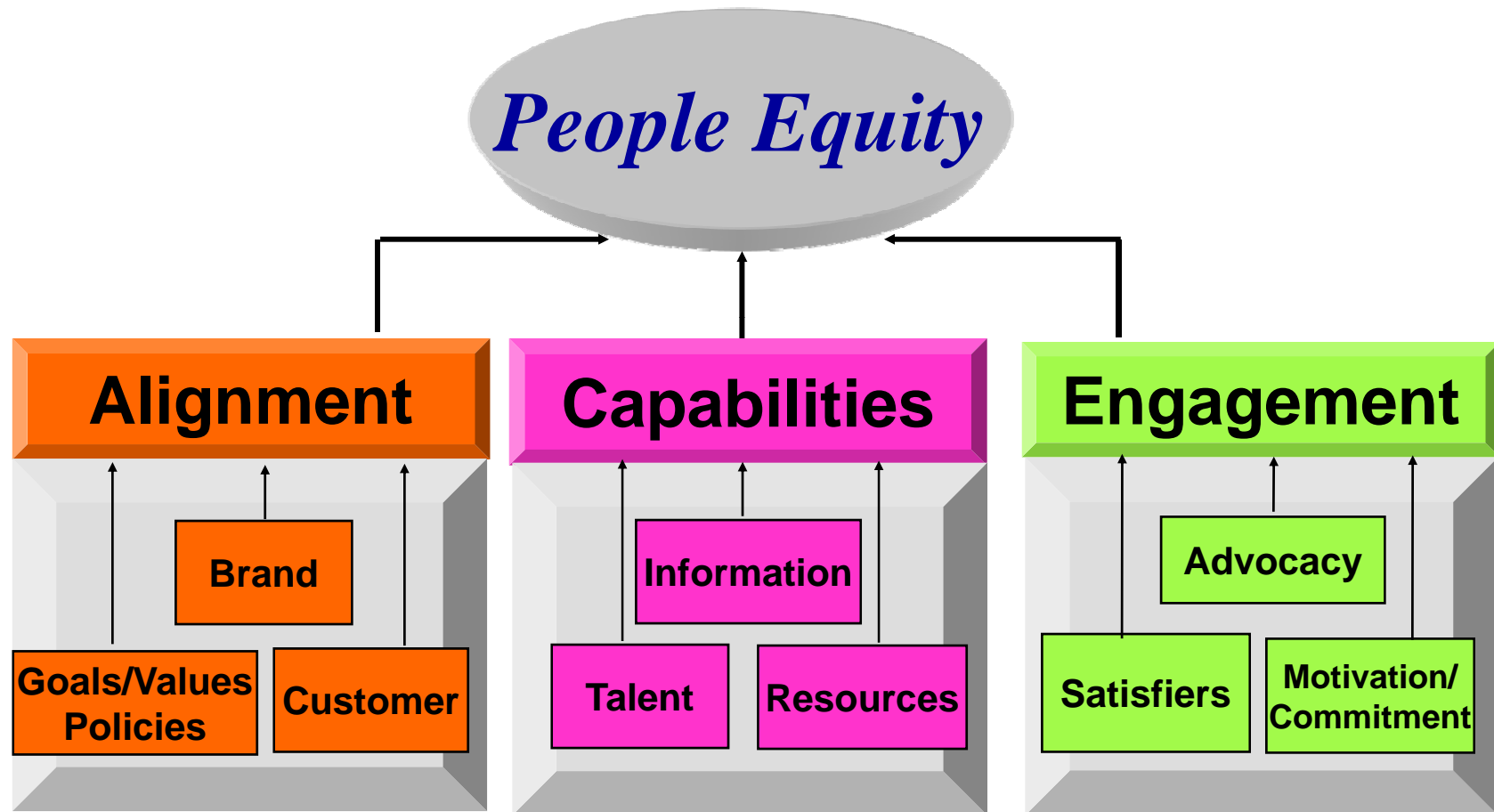
Act Three



People Equity is Key Driver of Shareholder Equity



The People Equity Model



Metrus Institute Research

Companies with high ACE

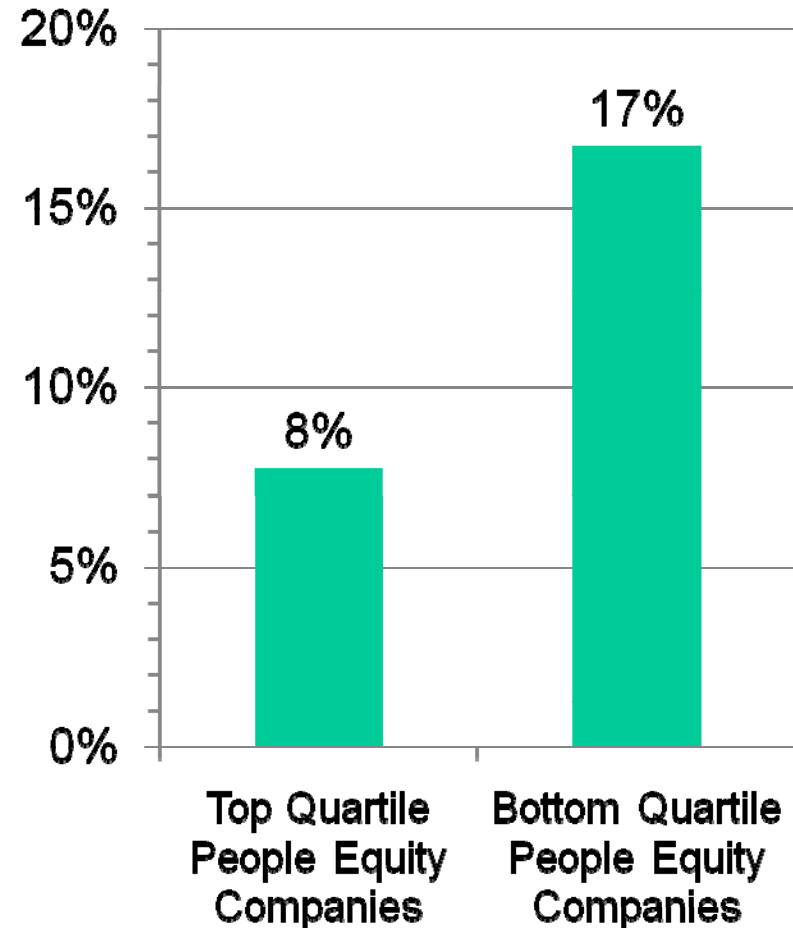
- ✓ Averaged half the turnover of low ACE companies
- ✓ Were **3x** more likely to be quality leaders in their industry
- ✓ Were **2x** more likely to be financial leaders in their industry
- ✓ Averaged **40 percentage points higher** on Internal Customer Service ratings

Sources:

Kostman & Schiemann, People Equity: The Hidden Driver, Quality Progress, 2005

Seibert & Lingle, Internal Customer Service: Has it Improved, Quality Progress, 2007

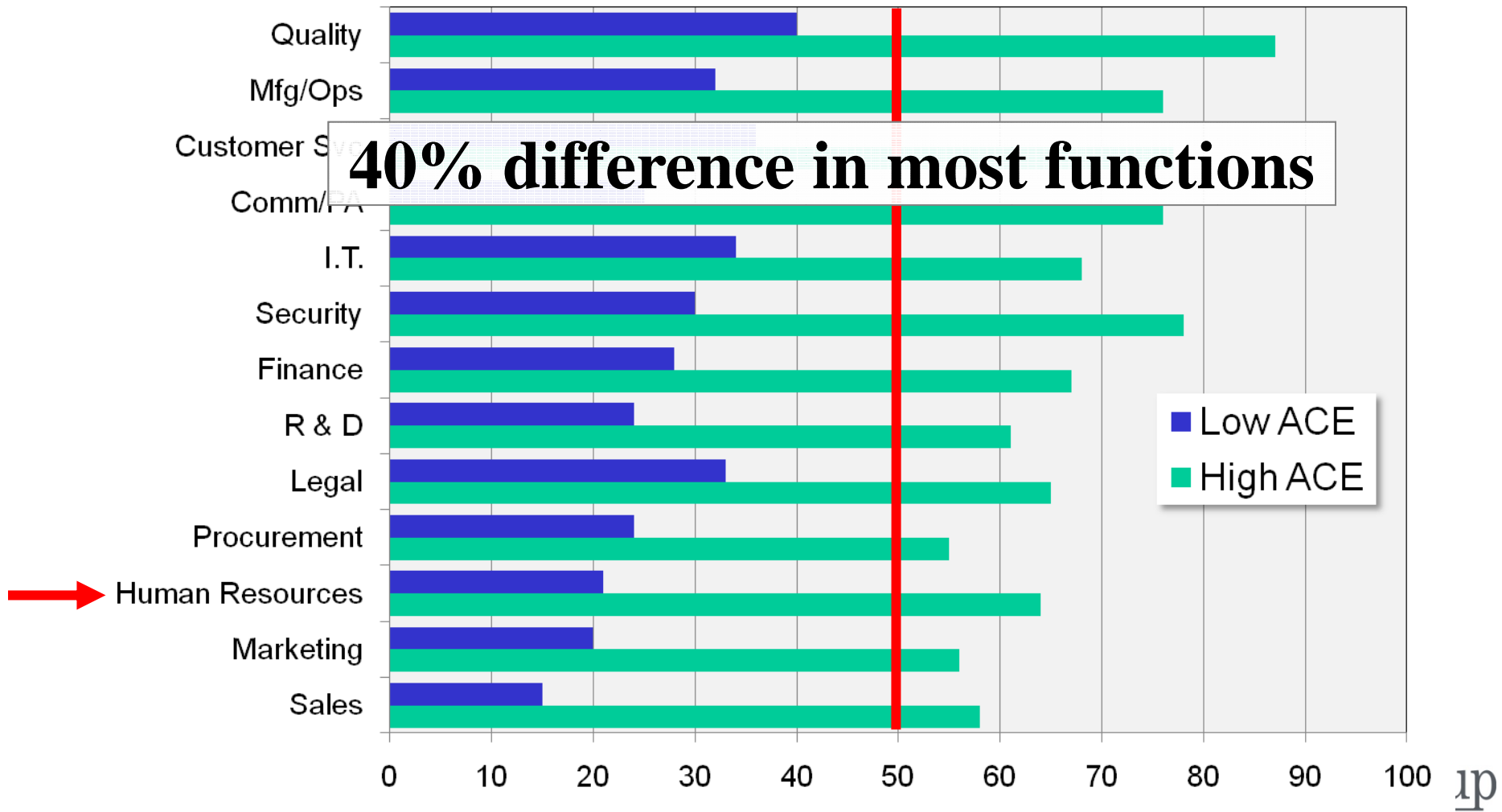
Turnover



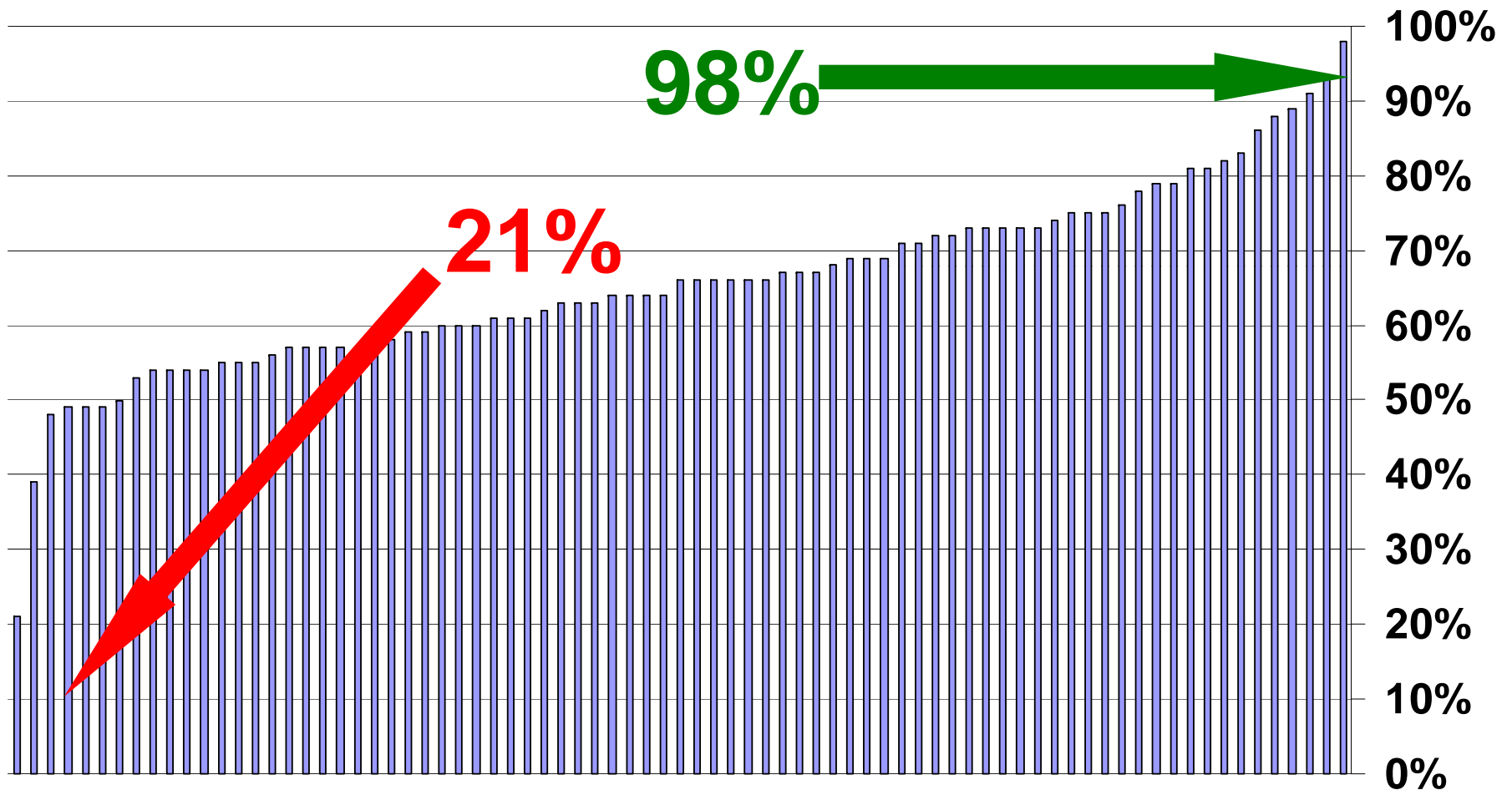
Metrus Group

Does People Equity Affect Internal Service?

Percent Favorable Ratings

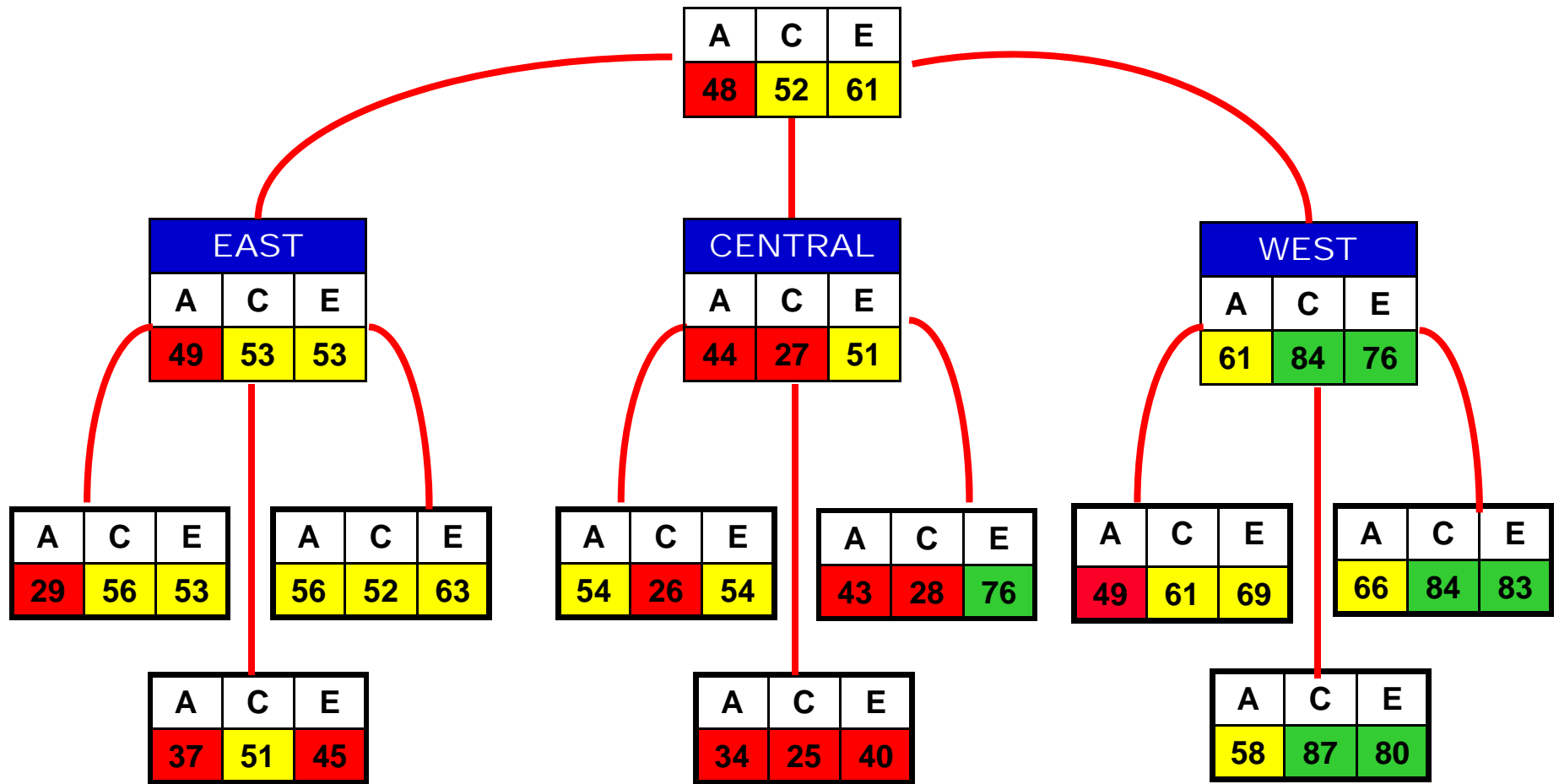


Measures that Matter: People Equity Scores in Hospitals: Life or Death?



Metrus Group

Measures that Matter: People Equity Scores



A - Alignment C - Capabilities E - Engagement

Red = Trouble Yellow = OK Green = Strength

Which Profiles Do You Manage?

| Alignment | Capabilities | Engagement | Profile |
|-----------|--------------|------------|----------------------|
| ↑ | ↑ | ↑ | Superior Performance |
| ↓ | ↓ | ↑ | Cheerleader |
| ↑ | ↓ | ↑ | Under Equipped |
| ↓ | ↑ | ↑ | Strategic Disconnect |
| ↑ | ↑ | ↓ | Under Achiever |
| ↑ | ↓ | ↓ | Indifferent |
| ↓ | ↑ | ↓ | Talent Waste |
| ↓ | ↓ | ↓ | Performance Laggard |

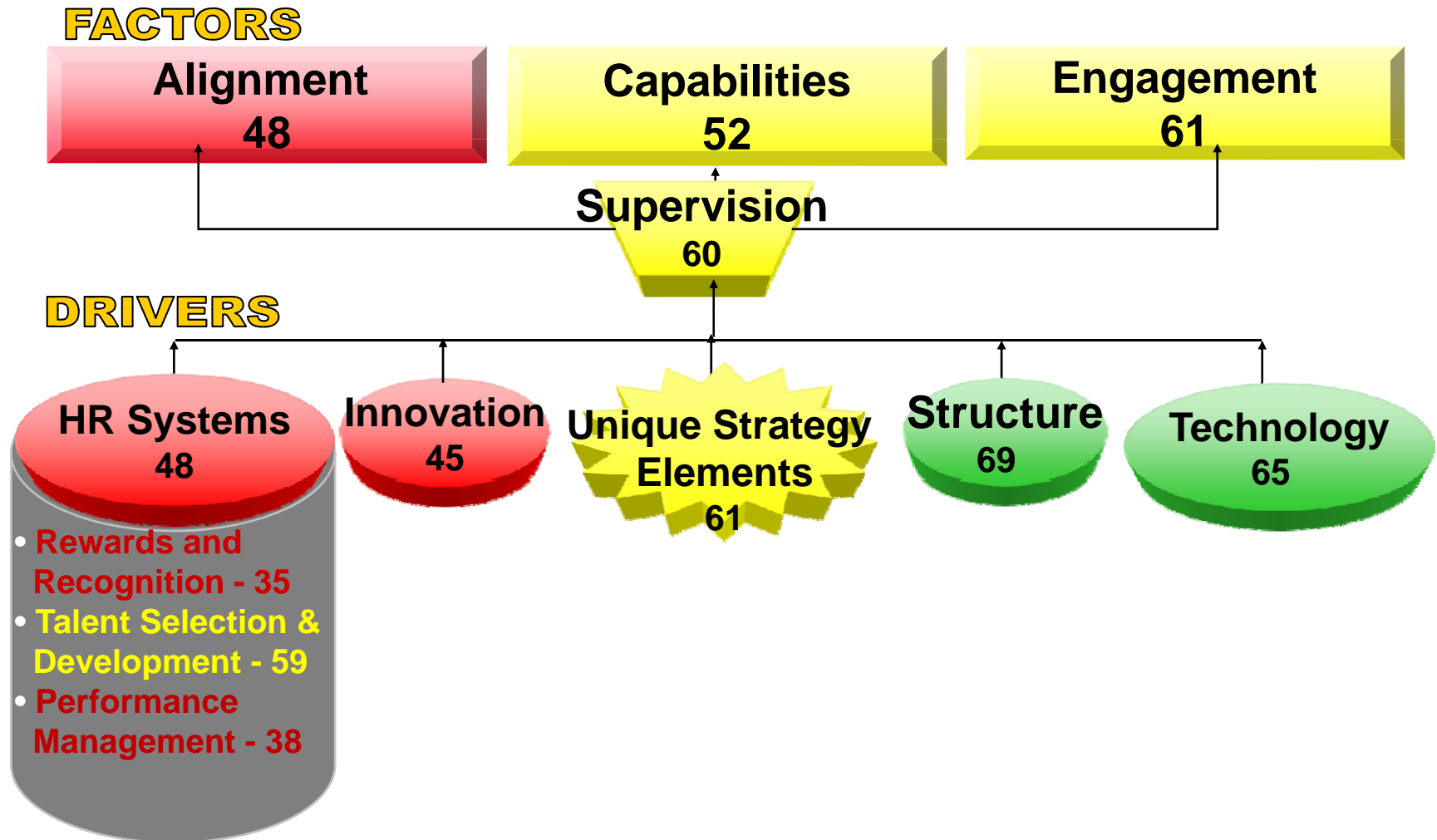
Measures that Matter: People Equity Scores

| A | C | E |
|----|----|----|
| 48 | 52 | 61 |

A - Alignment C - Capabilities E - Engagement

Red = Trouble Yellow = OK Green = Strength

People Equity Detail: Total Organization



People Equity Detail: Total Organization



Growing Value—How Can You Increase Alignment?

- Clear Direction
- Clear Unit/Personal Goals
- Measures that Connect
- Performance Feedback & Coaching
- Accountability—Rewards



Growing Value—How Do You Grow Capabilities?

- Person-role fit
- Customer focused
- Teamwork
- Resources/tools
- “Right” Information



Growing Value—How Do You Increase Engagement?

- Supervisor:
 - Communication style
 - Fairness
 - Respect
- Values fit (e.g, diversity, work-life balance, ethics)
- Growth
- Recognition
- Respected & Motivating Leadership



Metrus Group

ACE Facts You Can Take to the Bank

- Need all 3! Engagement alone is not enough
- ACE drives business results: financial, quality, customer, retention, value
- Can be measured
- Lots of variance
- Eight profiles require different actions
- HR rated higher in high ACE organizations

Metrus Group

A Few ACE Implications

- HR in key position to influence ACE
- Similar HR processes *DO NOT guarantee* same ACE scores
- Stop “one-size-fits-all” programs
- Can’t manage ACE if it isn’t *measured* throughout talent lifecycle
 - Predictor, reflector and strategic indicator
- Usually best to attack weakest area of ACE

Act Four



Managing the Talent Lifecycle



Rethinking Performance Management

- Facts:

Performance Appraisals often cause more damage than value

- Basic conflict of A and E!
- Too complex, rigid
- Not helping development
- Pay rarely differentiates

- Potential Actions:

- Make it part of daily life
- Build in flex
- Helping employees “get an A”
- Link rewards to employee/team deliverables—Value!

Developing Leaders

- Facts:
 - Performance: “What” strong; “How” weak
 - Skills: Technical strong; people weak
 - Lots of variance on A, C, & E
 - Over or under-developing
 - Talent decays, or leaves
- Potential actions:
 - Don’t forecast; develop JIT
 - Better people measures
 - Deploy talent in <10 months
 - Teach ACE holistically



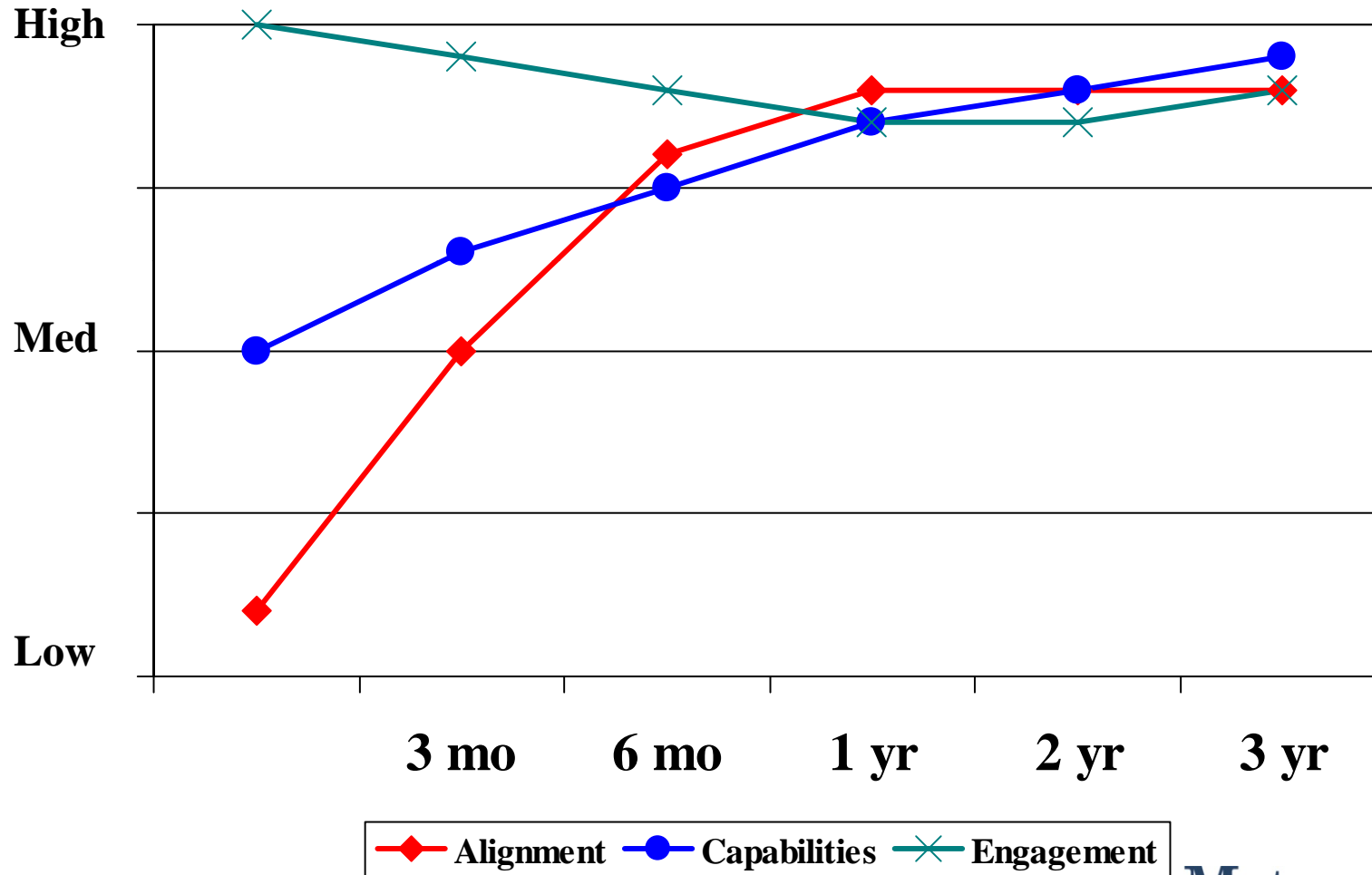
On-boarding Talent

- Facts:
 - Acculturation as a goal is often missed
 - First impressions count!
 - Most weak on evaluating training impact
- Potential Actions:
 - Acculturation starts BEFORE hire
 - Manage early impressions
 - Measure transfer of training to job
 - Track ACE early on . . .



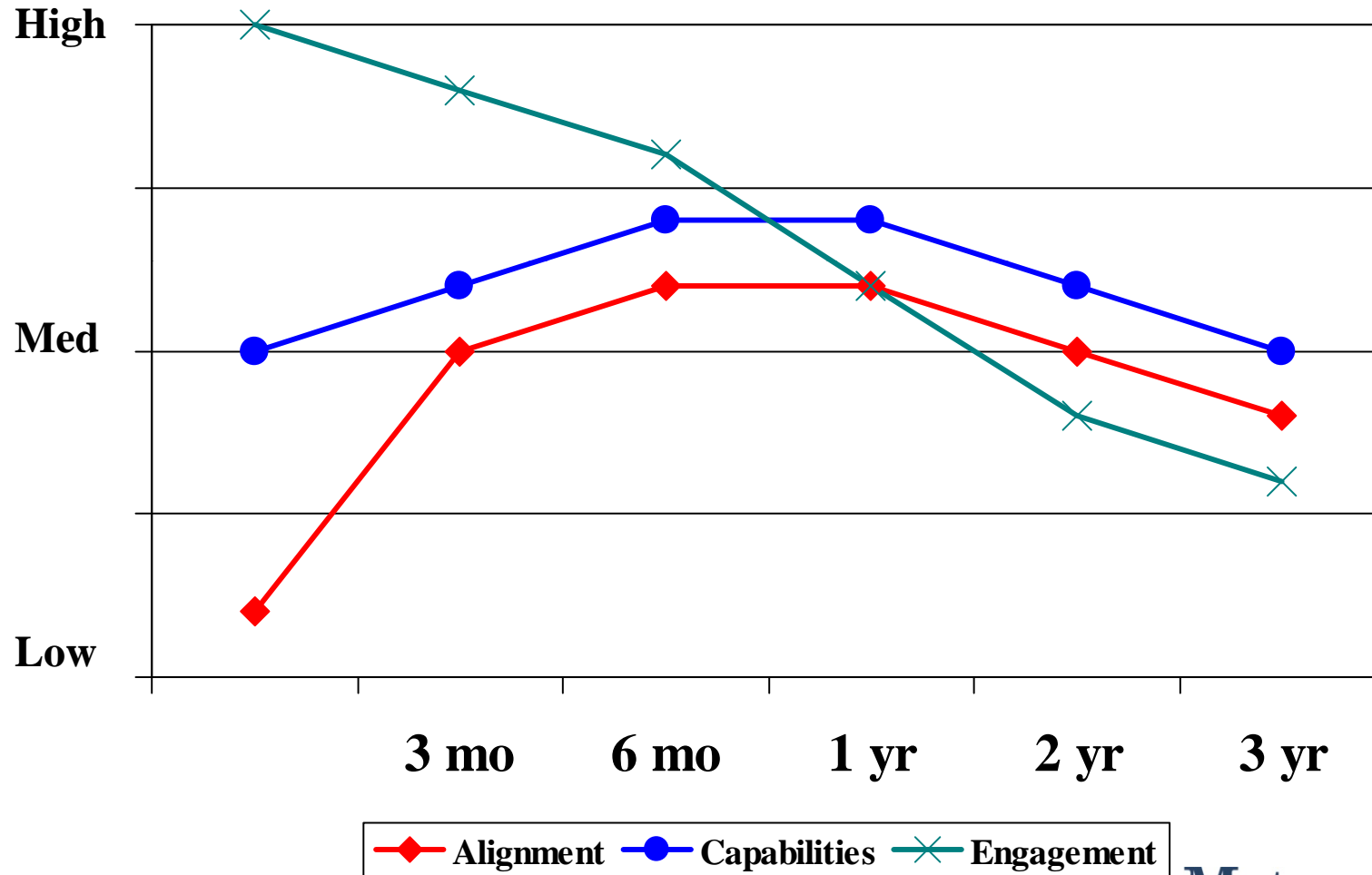
Metrus Group

Typical High People Equity Profiles



Metrus Group

Typical Low People Equity Profiles



Metrus Group

A Call To Action Checklist— Adopt a New Mindset

- Business Acumen? Do I understand the unique business Value Proposition & Strategy?
- Do we have a strong People Strategy?
- Do we have a high People Equity (Alignment, Capabilities, Engagement)?
- Have we re-thought talent management in new context?
- Are we measuring the right strategic things? (e.g., ACE and its Drivers—not just Engagement or Satisfaction)?
- What's My Personal Value Proposition?

Creating Personal Value

What will make customers
ask for **you**?



Metrus Group

DREAM THE DREAM!



Metrus Group

Sources for Additional Information

- **Reinventing Talent Management: How to Maximize Performance...**
 - Schiemann, John Wiley & Sons, 2009
- **SHRM Foundation Effective Practice Guidelines**
- **Bullseye: Hitting Your Strategic Targets...**
 - Schiemann & Lingle, Free Press, 1999
- **Strategic Surveys: Linking People to Business Strategy**
 - Schiemann & Morgan, *Getting Action from Organizational Surveys*, Jossey-Bass, 2006
- **The HR Value Proposition**
 - Ulrich and Brockbank, Harvard Business School Press, 2005
- **People Equity: The New Paradigm for Measuring and Managing Human Capital**
 - Schiemann, *HR Planning*, April 2006, Volume 29.1
- **Talent: Making People Your Competitive Advantage**
 - Lawler, John Wiley & Sons, 2008

Thank You!

Dr. William Schiemann

[Metrus Group](#)

wschiemann@metrus.com

908-231-1900

Metrus Group