



# Paper

## Talent management: responding to uncertainty

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In the face of uncertainty it is always tempting to throw in the towel on planning and hope that you can get by on a series of short-term responses to meet your needs. This applies to workforce planning and investment in skills just as much as to business planning itself. There is indeed a narrative, which has been ticking away for at least the past twenty years, that jobs will cease to exist and that employers will hire people for a task or a project as and when required (Bridges, 1994). Zero-hours contracts and the 'Uberisation' of service provision feel very much like this story coming to life.

And yet there is another narrative, just as prevalent, centred around the employee's continuing need for a more developmental employment relationship and a sense of community at work, giving the business a workforce of higher quality, engagement and commitment.

These different responses to uncertainty are being played out in the field of talent management as many large organisations seem to be reflecting on where they have got to and where they need to be going next. In this article, I share some of the trends in thinking and practice that we have been observing in the leading organisations we work with in our research and consulting in the field of talent management.

Throwing in the towel on talent management for groups of jobs and people key to business performance is not a risk CEOs are prepared to take any time soon (PwC, 2015; IED, 2014). However, there are some interesting changes to note in who is considered 'key' in this sense and what organisations are looking for in them.

## Top leaders fit for change

Corporate talent management has focused heavily on managing succession and the talent pipeline for very senior leadership roles. This area of focus is still firmly on the agenda, especially in terms of facilitating access to broader career experience for those seen as having 'high potential' for general management. Breadth often means making career moves across functions, business streams and geographies. This is very difficult for people to achieve just by applying for vacant positions, as they lack what would normally be considered as necessary experience for their new area of work. Talent management essentially manipulates or at least influences internal labour markets to enable these more developmental, cross-boundary career moves to occur. Senior leadership and high-potential development programmes are also responding to uncertainty by placing increased emphasis on developing the emotional intelligence and resilience of current and future business leaders. Leading and motivating others through change is becoming one of the central aspects of leadership in all sectors.

## Sustained career development for key skill groups

Research has, for some years, identified the need to re-balance this focus on talent management for senior leadership with increased corporate attention to selected, much larger groups of people and jobs, especially the pipelines for experienced and innovative professionals, core to the particular business. During 2016 we have seen some leading businesses shifting their talent management more decisively in this direction. This is driven both by fragile labour markets for experienced professionals right across the world and the extent to which such people are central to delivery of products and services in fast-changing markets. Going out to recruit highly skilled staff to seize new opportunities is simply too slow when everyone else is chasing the same kinds of people and others might get there first. Even growth through acquisition leads to the need to understand the professional talent that has been acquired so as to make best use of it.

This increased focus on key professionals exists in many different sectors, from scientists and engineers in technology-led businesses, to lawyers, accountants and consulting staff in professional services partnerships, and many specific areas of expertise in public and third sector organisations.

In concrete terms this re-balancing of focus shows itself in:

- Extended, structured development for *all* staff in key professional groups, well beyond the typical short period of induction or even a couple of years of early professional training. This blend of planned skill acquisition and a range of career experience gives a broader and more robust professional grounding. This can then be built on and deployed as specific business needs and personal interests change over time.
- Sustained positive attention to career development also seems to be a key factor in retaining professionals once they have several years' experience and so are becoming really attractive to other employers.
- Within these broader professional populations, ideas about 'high potential' are applied to talent management for potential world-class specialists as well as to spotting potential business leaders. Such key specialists are usually only needed in very small numbers, but they can make or break businesses that depend on innovation. Specialists have career paths more focused on depth in one function, but these days they often weave between jobs focused on their professional contribution and other roles with a higher managerial component. These mixed paths can continue to senior levels. Top experts these days may not carry large formal management responsibilities, but they are certainly not 'boffins' in any back room sense. They require highly developed influencing and coaching skills and broad business understanding to fulfil their demanding roles as leaders in key areas of expertise.

Some of the standard talent management tools, like the 9-box grid (of performance against potential) do not deal at all well with organisations needing both leadership and specialist potential. They tend to put specialists in a low-potential box which is both misleading and pretty insulting.

There are clearly deep uncertainties about how technology will change professional work over coming years. Some kinds of expertise will become ever more important. Other jobs seen in the past as requiring long training times may disappear altogether as professional expertise is built into computer systems. These specific changes will be played out sector by sector and occupation by occupation: an additional imperative to keep key skill groups front of mind.

## Reaching further back down the talent pipeline

One might expect that in times of uncertainty, talent management would move to shorter time frames and faster responses. Indeed, short-term agility is part of the answer as advocated by Cappelli (2008) and others. But flexibility within the current workforce is only possible in practice if longer-term strategies have already got people there with the right kinds of attitudes, abilities and knowledge bases to be able to respond. So we see a paradox in which organisations are having to think and act longer term in order to be able to adjust more quickly to short-term shifts.

A stronger focus on key professional skills, as outlined above, is giving some businesses a more robust pool to draw on to meet changing business needs. It also enriches the future talent pipelines for leadership, as the same people move through their careers. Employers are actively looking for longer-term leadership abilities in their graduate recruitment strategies (Pollard et al, 2015) and not just for those individuals coming into 'high potential' entry schemes. In shortage labour markets, as in many STEM occupations, the interest in longer-term talent extends even further back into influencing the education system and forming relationships with potential recruits through work experience while they are studying.

Employers recruiting people for an uncertain future need to think about what the whole person might have to offer, in addition to their current skills and competencies. This more holistic approach considers attitudes, values, and especially how individuals learn from their experiences. 'Learning agility' was the buzzword for a while but is just one example of the search for people at all career stages who will be able to deal well with continuing change and ambiguity.

We see another example of talent management earlier in the pipeline in a renewed emphasis on serious development for all first line managers. This is often driven by finding that there are too many middle managers who have not learned how to manage people well at an earlier career stage. Indeed some may not even want to be managers. Companies that cut their first line management training to save money have been putting

it back in again, albeit with blended learning methods rather than long off-the-job residential courses. The emphasis here is on getting the management basics right from the start, especially with regard to managing people.

Early exposure to managing others is also important in later career decisions. Many professionals who do not manage people in early career assume that becoming a manager means giving up their professional skills. They may even see it as some kind of punishment to be endured for a higher grade or salary. Those who are well supported in their early experiences of managing others might find that they have a flair for it and also that managerial and professional expertise often need to go hand in hand.

## Diversity of thought

The current drivers of talent management are putting diversity centre stage in new and interesting ways. Seeking to increase diversity in terms of gender, ethnicity and other protected characteristics is now a familiar part of the talent management landscape. Much has been achieved but there is still a long way to go in generating top teams that reflect the make-up of the workforce, let alone of the customer base or society as a whole. Building diversity into resourcing and development practices at all levels in the organisation can gradually shift corporate culture as well as improving the metrics.

Diversity as part of talent management is, however, now reaching way beyond these familiar parameters. Age is of considerable relevance here. Uncertainty makes an ageing workforce dangerous as it may lack the vital inflow of new ideas and also cut off or block the flows of people who will in time be needed to replace future retirements. As a result of this, we see organisations turning more attention to the young.

But in uncertain times, recruitment, development and deployment need to respond to the shifting organisational context. Creating clones of the old guard clearly will not do.

*'..... even the highest talent can be "in the groove" at one point in their career, but can soon be out of it again, simply because the business context has changed. Talent management is more than managing cadres of the anointed.'*

(Sparrow, Hird and Balain, 2011)

So having a broader mix of types of people in talent pipelines at every level seems to be a good bet – akin to having a wider gene pool in ecological terms. Some organisations are looking to get greater 'diversity of thought' into their workforces. They see this as potentially coming from recruiting people of much more varied social and educational backgrounds than their current employees. For example, Standard Life is bringing in new ways of thinking through a work-experience programme for school leavers with few qualifications, most of whom are moving into permanent positions in the company. These

entrants are very unlike the current workforce. As the company website says, for this scheme 'You don't need experience. Just talent.' This approach also brings the business a much-needed younger workforce, better matching their shifting customer base. The Civil Service continues to seek more diverse backgrounds in its long-established Fast Stream entry, but is also augmenting its talent pipeline by using a parallel apprenticeship intake in a similar bid to widen its social net.

Businesses operating internationally are increasingly interested in the potential of their employees in all countries. In the past, those working in locations remote from the corporate centre may have been actively talent managed locally, but were less likely to be picked up on the corporate radar. Integrating local and central talent management approaches gets more important as both markets and workforces grow in the more rapidly-developing economies far away from where many large organisations are still headquartered.

## Backing intentions with practical support

So far so good it seems. It makes sense for talent management to become more dynamic and responsive and to pay attention to broader groups of high-skill employees – both professional and managerial - as well as to talent for the top.

Where organisations are extending their talent management to significantly larger proportions of the workforce, we can observe that they are having to back this with more support both from managers and HR in order to give:

- More in-depth and personalised feedback and career information and advice. Everyone is talking about 'career conversations' but relatively few employers really train their managers in career coaching, although some are now mainstreaming general coaching skills into management development. Few HR or L&D functions have dedicated career development or talent management staff, except for senior leadership populations or graduate/apprentice training schemes.
- Facilitated access to jobs/career moves and developmental work experiences (projects, secondments etc) on the basis of potential, and not just existing skills and prior experience. This is not necessarily about managed job moves, but does require a job-filling process and a management culture that builds development into resourcing decisions.
- Access to people and networks that provide political support as well as practical help with skill and career development, for example, through mentors and/or senior people in HR. If talent is not visible and connected in this way, it gets overlooked.

Achieving this even for limited parts of the workforce is quite a stretch, but for high-skill groups the business case is pretty clear. This is still, however, a very long way from implementing the widespread rhetoric about developing the potential of all employees: a

much more inclusive approach to talent management. How far organisations are prepared to go in supporting career development for the whole workforce – as opposed to managing their performance and skilling them for their current jobs – will depend on: how they approach the design of work in uncertain times; the actual career opportunities they can offer; and the wider resourcing strategies and employment relationships they choose to pursue.

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## More on this topic

Wendy has written extensively on talent management, including an IES HR Essentials paper, *Effective talent and succession management: A framework for thinking about your own approach*. The papers in the HR Essentials series are aimed at HR practitioners and can be downloaded for free from the IES website: <http://www.employment-studies.co.uk/research-collections/hr-essentials-research-collection>

If you would like to continue the discussion around the ideas raised in this chapter, or learn more about IES's work in this area, please contact Wendy Hirsh, Principal Associate:

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