

Managing Talent Seminar

22 November 2006

Introduction

Extend a warm welcome to everyone including our strategic partners who have kindly agreed to come along to share their expertise in specific areas of managing talent to help enrich the discussion and debate.

To introduce Maximum Performance, alongside our philosophy of working in partnership with leaders and their people to promote high performance, we devote 15% of our time and effort to the learning community with the aim of helping develop their knowledge and understanding of current trends and concepts.

We have noted a number of trends underway in the methods and language used around talent and would like to share these trends with you and focus on four specific areas where innovations and major changes are coming through.

Traditionally 20% of our time has been spent attracting talent, 25% selecting the right talent, 50% developing talent through organisations and only 5% tracking what happens along the way.

- Mostly well established organisations
- Highly selective of candidates
- Bottom up, graduate based
- Easy attraction
- Management in-house

We have observed a number of trends and challenges, which are noted in a CIPD article published in March of this year:

“in past 20 years the economy grew by an average of 2% per year and the workforce grew by 48% in the next 20 years the economy could grow the same with demographic predictions of a 3% shrink in the workforce”

Expectations, methods and boundaries are changing. There is a transition underway, we are now in an age of entrepreneurialism ‘how can I do this on my own’ for example the Arctic Monkeys using non-traditional methods to bring themselves in front of the right audience; not using a record label.

“... these talented and smart individuals do not want to be led at all”
Goffee & Jones People Management Oct 2006

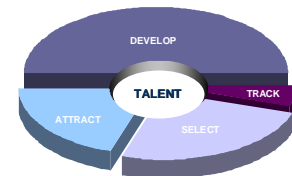
Our insight is based on experience and significant research ahead of today. We see the new world emerging where selection needs to be more rigorous and quicker, attraction needs to be aggressive through old and new channels, development activities more focussed on leadership and ROI and tracking will be very important.

External space management – is this in-house? Out-sourced?

Maximum Performance

“Work in partnership with leaders and their people to become high performing organisations through finding, securing, developing and realising exceptional talent”

Old World?



Trends

- Supply of people / Talent
- Generation X ... and Y
- Wireless, networked, digital age
- Competitiveness is as rampant as ever
- McKinsey's WFT describes

New World



Through the course of the afternoon we intend to address four areas and perhaps challenge some of the assumptions. We will cover talent identification; why it is important and the use of tools, talent development in an integrated fashion, tracking, measuring and evaluating talent and measuring the benefit of talent interventions.

Based on what you have seen so far today what are your learning outcomes?


'Mainstay of opinion on table was the opportunity to meet like minded professionals facing the same challenges; getting a feel for what talent is and how to define it. Of great value to know the different challenges everyone has'

'An understanding of what the foundation is – what do you have to have in place as a critical list, ie a running order of activities and should it be a staged or stepped progression'.

What is talent?

“the word talent itself is problematic. There is something deep in the old British class system that likes to divide people up into those who can and those who can not”

Wendy Hirsh (IES) CIPD article ‘curtain call’ March 2006



Managing Talent within GCap Media

Viv Miles

Head of Performance Development - GCapMedia

Viv's main responsibilities are design implementation, performance management, leadership development and talent management. Talent is a word used right across the organisation but is treated differently.

Gcap has a number of well known brands catering for most of the demographic in the room and was formed when GWR & Capital Radio merged during 2004. Towards the end of 2004 both companies independently tried to understand the environment and climate of where their talent existed. The merger proved difficult and complex for the organisation and through confusion, lack of direction and clash of cultures talent was lost.

Due to the size of company, talent attraction, retention and development has moved up the agenda rapidly over the last years and is now seen as a critical problem. There has been a high turnover in the sales force and this in turn jeopardises the continuity of the sales/client relationship which is key to maintaining our trading position. The on-air talent landscape is more competitive. New media companies are having a field-day making lots of money and paying well for bright talent in the music and media industry.

Understanding our talent and find how to keep them is a burning issue. Lots of people are interested in talent but not many know the answers. There are more website clicks on talent, but it seems that the fear of delving too deeply into statistics stops people going further.

Talent can be defined in many ways, using talent definition methodology:

- Position - by becoming part of a talent programme. There is more heat for succession planning and boards to groom employees for directorship roles. 40% of 'groomed' staff stay for more than 3 years as opposed to 20% if brought from outside the organisation..
- Potential – fast track graduates. Identifying top-end business school people brings a currency of knowledge and expertise to the top culture.
- Performance is more empirical. Hard performance data in organisations eg appraisals development plans.

Managing Talent

Viv Miles
Head of Performance Development
GCap Media



GCap

GCap Media – the Stations



GCap

Talent...Defined in many ways!

• By position
• By potential
• By performance
• Or by combinations of the three

e.g. Talent

	Lo	Hi
Hi		✓
Lo		
	Lo	Hi
	Performance	

GCap

- Or combinations of all the above. Potential v performance.

Talented people are changing. Young talent coming into business behaves in different ways. Corporations rarely lose their talent to other corporations. Talent goes to independent wealth – small business, self employed or emerging companies and economies. These talented individuals need a special environment around them to help their creativeness develop.

What's the environment we need to build?

How do you spot them faster and earlier inside or outside your organisation?

How do you get the best out of talent?

How is talent expressed?

The race for emerging talent is critical. Therefore by running some research outside the organisation and using internal focus groups, what we are discovering is a mixture of three different factors

- Appetite; simply a craving or a hunger is the drive for personal perfection and to be the absolute best for what you are. Very common characteristic is a sense of inner self purpose
- Ability; craftsmanship. Becoming better at what we do – an excessive desire to never stop honing their craft to be the best; continuous self improvement. Harder working than anyone else on the block.
- Environment. Really excellent people in whatever level or discipline need a micro-environment to get the best out of them. Fantastic talent will build the environment around themselves. If managers don't recognise the talent it does not flourish.

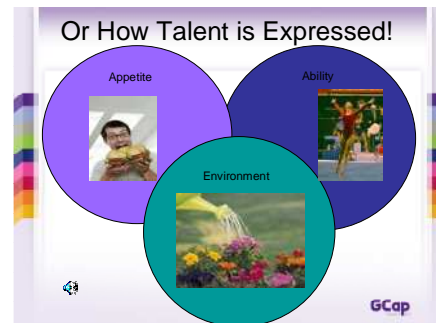
Future visioning of your environment gives talent the ability to describe, create and build their own environment.

Another key area to help identify and focus on when we believe we have an individual who is made of the right stuff is personality. Personality profiling is very difficult to do particularly in this environment. GCap have used Facet 5 to build benchmarks and be more predictive on where talent is, defining talent by finding the core characteristics of particular roles.

Any questions / thoughts?

' From a UKRD point of view and my experience the more headroom talent individuals are given the more they take. How do we manage to ensure maximum performance and adherence to rules and structures?'

'If they don't go with rules – headroom has to be within a framework. Don't think we have much choice but find ways of giving up control. May be a culture just as worried about giving power. Do we get more agile getting better at coaching and encourage trust in the organisation? Pressure on talent is creating enormous pressure on the quality of managers and leaders. Develop leadership skills and coaching skills. Building a trust relationship inside organisations is critical. Secondly some organisations have created their own monsters by giving too much headroom and becoming too big. Not a relationship of trust and respect.'



Some talent you have to be prepared to take the rough with the smooth. Be pragmatic and businesslike on what is achievable’.

‘The nature of the talent in Viv’s organisation with a strong cultural dynamic regarded there as talent could be regarded as highly dangerous within Network Rail. Talent is defined talent very differently within our organisation’

‘Whatever you do with talent has to fit the culture you are within. More similarity than difference – different job titles but the things that talent say they want to stay within an organisation doesn’t shift much from sector to sector. Opportunities to show “I can make a real difference”, flexible, dynamic environment and resources. Leaders who understand value and encourage me. straight talking and inclusive culture.

All these statements do resonate.

The difference lies in the framework that an organisation needs to put around those aspirations. The language used around it and the way it is managed within the culture’.


Jeff Benveniste
Managing Director - Maximum Performance

Evidence?

Most frequently used Talent management activities:

- 63% - In-house development plans
- 43% - Coaching
- 34% - Succession planning
- 32% - Mentoring and buddy schemes
- 26% - High potential development schemes
- 25% - Graduate development schemes and external courses

CIPD L & D Survey reproduced in 'curtain call' March 2006

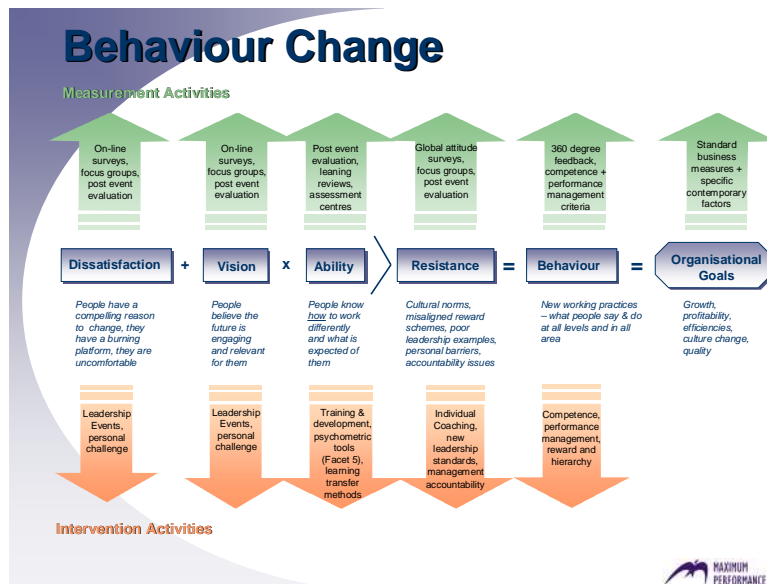


Aligning Talent to needs

- Organisational outcomes
- What you require from your talent
- These are the levers for that change



Organisations are changing – the environment is becoming more complex – lead talent to outcomes.



Bill Templeton

Leadership Curriculum Manager – Network Rail

Responsibility for development and delivery of leadership development – head of a 16-strong team responsible for the hiring and growth of leadership capability of network rail. Joined by Nick Moncaster who is responsible for succession planning and the talent driven out of succession plans

Managing Talent within Network Rail

Network Rail has developed a behavioural competency model using four clusters of behaviour: Achieving, Thinking, Developing, Inspiring. This model underpins recruitment, assessment training, development and performance management. It is a model developed by the 'Centre for High Performance Development' (CHPD) and is the result of 25 years of research, who are an organisation that looks statistically at what it is in behavioural terms that makes the difference between the consistently high performing manager and the less high performing manager. We believe that it underpins the rationale for a lot of the other things we do.

A big challenge is how to select people into the talent pool. Advise heads of functions, departmental heads and functional directors to dig around and find the talent using the Q12 score (annual Gallop survey of 12 pertinent questions that tell you whether your people are engaged or not). High engagement scores suggest something about leadership. Ask them to think about higher level behaviour than what is currently required. Each behaviour can be mapped onto 5 different levels. Eg. certain roles require high degree of flexible thinking others are more about pure achieving.

Nick charts the organisation and charts the succession plan, using two sets of data; one about the financials, the other about the organisation and then aspires to match individuals against opportunities.

Network Rail – what we do

- We operate, maintain and improve every aspect of the railway infrastructure, including:
 - track
 - signalling systems
 - bridges
 - viaducts
 - tunnels
 - level crossings
 - stations
- We do not run the trains or sell tickets
- We are a company limited by guarantee - we have no shareholders
- We invest in the rail infrastructure:
 - Revenue generated from commercial property portfolio
 - Profits from our dealings with TOCs and FOCs
 - Government grants and loans secured on the open market

Slide 2



	Leadership Behaviours	Management Skills
Achieving	Making Things Happen	Personal and Business Organisation <ul style="list-style-type: none"> • Monitoring Personal Effectiveness • Managing Progress • Identifying Obstacles
	Tracking Performance	Safety and Performance <ul style="list-style-type: none"> • Taking Responsibility for Safety • Setting Objectives • Communicating Business Objectives
	Putting the Customer First	Customer Focus <ul style="list-style-type: none"> • Understanding the Customer • Creating a Customer Service Ethos • Negotiating Win-Win Agreements
Thinking	Searching for Information	Commercial Awareness <ul style="list-style-type: none"> • Understanding Business Context • Understanding Managing Stakeholders • Understanding the Value Chain
	Creating Solutions	Business Planning <ul style="list-style-type: none"> • Creating a Rigorous Business Plan • Creating an Emerging Strategy • Analyzing Industry and Business Trends
	Thinking Flexibly	Decision Making <ul style="list-style-type: none"> • Decision Making • Identifying Problems Solving Skills • Identifying Risks
Inspiring	Influencing Others	Negotiating <ul style="list-style-type: none"> • Influencing • Negotiating • Building Win-Win and Participation
	Building Confidence	Assertiveness <ul style="list-style-type: none"> • Displaying Assertiveness Techniques and Models • Creating Agreements to Deliver • Dealing with Conflict
	Communicating Clearly	Presentation <ul style="list-style-type: none"> • Presenting Effectively • Being Effective • Being Credible
Developing	Understanding Others	Appraisals and Managing Performance <ul style="list-style-type: none"> • Conducting Performance Conversations • Working with Under Performance • Giving and Receiving Feedback
	Building Teams	Managing Teams <ul style="list-style-type: none"> • Building and Facilitating Teams • Empowering the Team • Recruiting and Retaining
	Maximising Potential	Coaching & Feedback <ul style="list-style-type: none"> • Coaching • Mentoring • Setting Development Goals and Objectives

Slide 3



Selecting into the Talent Pool

- Between 5% - 10% of managers in target population
- Seek a balance across roles and grades
- Blend of age and gender
- A/B performance ranking
- Q12 score above 75th percentile
- Evidence of higher-level behaviour than required for current role

Slide 4



Measuring & Recording Leadership Capability

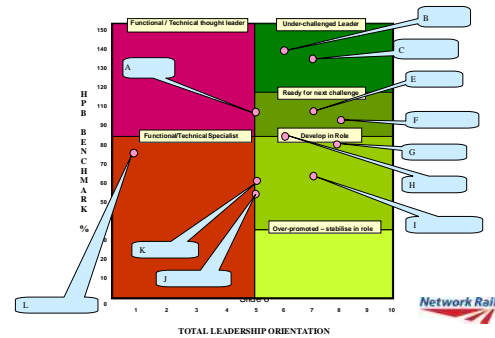
- Development centres to:
 - map benchmark behaviours
 - provide individual feedback
 - draft personal development plan
- 3-page leadership profile to record individual data and track development
- Software process to chart succession and map candidates against opportunities
- On-line diagnostics to support functional talent pools

Slide 5



Leadership is measured against the model. Leadership orientation is the desire to lead. Can find people in senior positions within the organisation who do not have a strong leadership orientation. In terms of the capability mode, have good behaviours but don't have strong leadership orientation. Capability goes hand in hand with talent. Some have a strong desire for leadership but not such strong capability skills. We try to offer the right solutions to the right people.

Mapping Leadership Potential



Educational solutions – more in the way of coaching, mentoring and buddying – exponents need to be worked on and built.

Tailoring Development Options

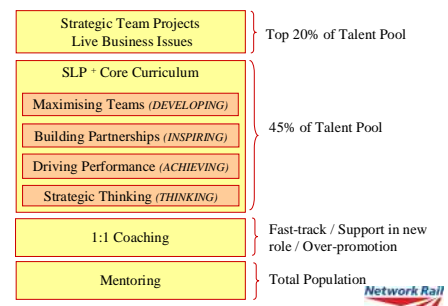
- Educators
 - Warwick University Masters-level programme
 - Conferences & seminars
 - On-line management library
- Exponents
 - Coaching, mentoring & buddying
- Experience
 - job enlargement, job move, job shadowing
 - cross-functional projects, real business issues

Slide 7



How do you build coaching capability in the organisation?

Targeting Skills Development



Right people respond well to the right environment. Top 20% of talent pool get offered live business issues. Everyone gets a mentor.

Developing Talent

Katy Dunton

Learning and Development Manager - Legoland Windsor

Katy heads up HR at Legoland Windsor and share her world in terms of developing talent with a perspective from an entirely different area.

Legoland was originally set up by LEGO Company as a showcase for LEGO products. In 2005 LEGO Company sold to Merlin Entertainments; one of the largest attractions companies in Europe and the largest worldwide in terms of paying guests. The Company philosophy is all about interaction and the primary aims are guest satisfaction, safety, security and cleanliness.

Legoland is only open between early March and the end of October, employing 150 permanent staff and 900 seasonal staff whilst open to the public. Seasonal staff are predominantly in the 16-21 age category (although the oldest is 85). Most are very young and training them to be employees and carry out what is needed is a very different experience. Legoland does have high guest satisfaction; 90% said they were satisfied last year, but there is work still to be done there. Does a 16/17 year old know what it is like to be a mum? We can't send them on a training course. A great example of staff interaction from a piece of

cctv. A member of staff dressed up in an outfit and played with a child whilst on their way in – this makes their day. Cleanliness is getting people as they walk round park and picking up litter. We know its something about pride. Want them to embody at work. We want to give more of a focus on not just showcasing the products but business results/viables. The focus is getting staff to understand that it is about having fun but also the business element.

We have been working with Maximum Performance on embodying some of this looking at a model which we have put together on what suits the business. A four-step process for engaging people with the business but also making people accountable – am I accountable for using skills I have learnt? Changing behaviour and being accountable for it. Internal promotion for frontline seasonal staff can cause conflict when they are still with their peer group.

We made a film to show to staff 'I can make a difference in the business' working with actors, coaching at all levels. We are looking at this as a long term prospect and will be running split level meetings for seasonal staff who were not seeing/meeting those that run the business; getting the top level down to the shop floor, meeting the staff and understanding how we are developing talent to drive the business. It is individual and maybe one size does not fit all.

Tracking of Talent

Grant Crow

Managing Director – Executrack

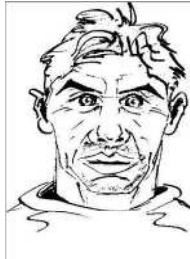
Billy is an expert in e:learning – using software to support the talent process. Executrack are not a solution for the process. If the process is weak we will make the process work weakly more efficiently.

Following current trends in the market, a number of globally complex organisations wish to create a global talent warehouse, held centrally. The top 5 or 10% want to know data about their staff population ie, aspirations, risks of leaving, mobility, metrics etc. One such organisation, Advantis, have empowered 80,000 staff with the accountability of a self service system, empowering them to get involved with their career, development requirements etc, using technology to drive and maintain change. This can be the first major step out of SAP or excel – visionary people are using technology to empower people.

Billy Ward

Business Technology Specialist - Cable & Wireless

Not that I'm competing Viv...



Implementing a global talent warehouse across diverse business units
or
"Just bloody do it"

William Ward
Business Technology Specialist

Cable & Wireless were in acquisition and needed to know who their talent were. The plan was to get a clear picture quickly as we understood that differing talent agendas had different needs and the original talent management processes had little validity.

Talent management in C&W – 2004/2005

- Talent management processes initially had limited face validity for C&W
- However talent management was a corporate governance issue for senior management succession across the Group - so these became key sponsors – together with International
- Priority of International was talent retention, attraction and hire of local talent – a move away from high usage of expats
- Priority for UK business was survival!

A smaller organisation can have a feel for it's talent, but when you are global you don't know and can loose people. Therefore wanted a global secure repository that could carry 500 biographical profiles and a speedy pragmatic solution up and running in an extremely short space of time.

Common global requirements / urgency across the group

- Group requirement to have view of talent for Group board succession processes – became a key driver
- Need for a global secure data repository – accessible by all
- Need to maintain common biographical data for circa 500+ leaders across all business units
- Pragmatic solution to be implemented by next financial year 1st April 2006 – 3 month time frame

Created a functional spec document which became the bible of implementation; plan of what system will actually be.

Managing the project – following Executricks phased approach...

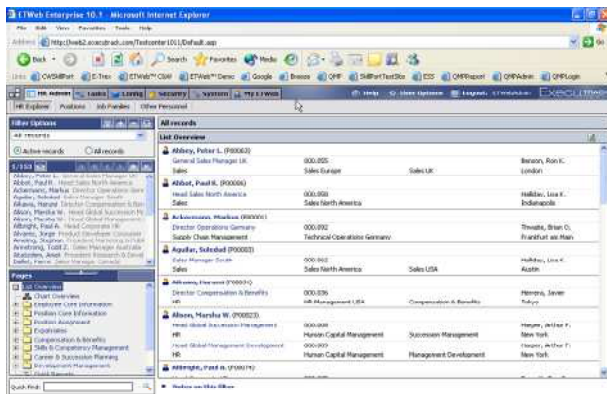
Began by transferring Top 10% to start with, phase 1 basic data and then followed through with phase 2 data on diversity, experiences, mobility etc. This provided a receptacle for information which could then provide touch button outputs:

- The implementation timeline
 - Jan / Feb - Contractual and Functional Spec meetings
 - Feb / March – System build & Configuration / Customization on test site
 - April – Data transfer & Go live – including Sys Admin training
 - May - UAT – Signoff
 - June - HR Admin Training & Manager presentations
- Phase one data (Mixed data sources eg. SAP, Peoplesoft, Fag packets)
 - Initial data load is CORE baseline eg. Name, number, position etc.
 - UK and Bulldog from SAP – automated data loads - easy
 - International from Panama and Caribbean – systems, spreadsheets etc
- Phase two data – ie. Talent data (Less automation here)
 - Including: Diversity, Performance & Potential, Previous Positions, Experience, Mobility, Education & Quails, Professional Qualifications, Aspirations, Development, Retention, Succession planning

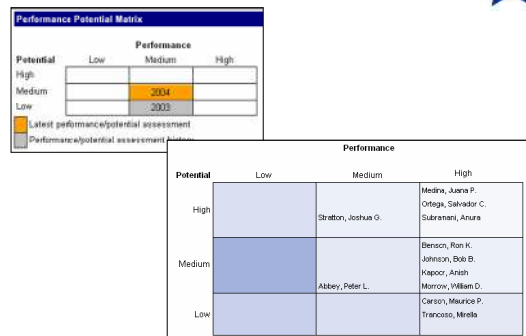
- 'Quick win' data reports to key stakeholders.
- Diversity
- Performance v potential
- Talent profiles
- Succession planning charts
- Dashboard on retention risk
- Interactive charting reports with drill-down

The live system...

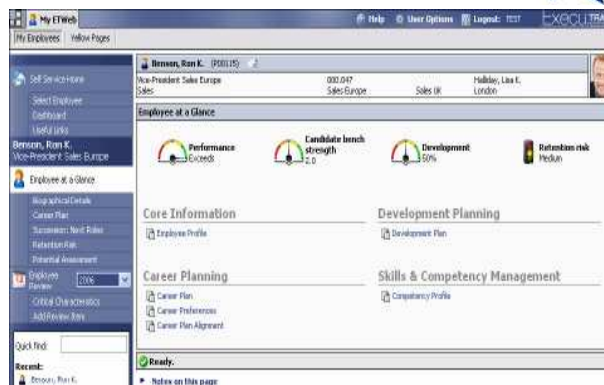
An easy to access, easy to view group talent repository/data warehouse



Individual and group Performance / Potential matrix



Senior manager at a glance dashboard



ROI – Measuring the Benefit

Dr Max Blumberg
Blumberg Partnership

The dull but often most necessary part of any programme is the ultimate reality of who is paying your salary and will you have jobs in the next few years. Has the board managed to attract the right people? What have they based their decision on? Most large organisations have to justify expenditure with business results and therefore the measurement/evaluation of talent management becomes critical at some point.

When equipment is bought it's easy to work out where the money has gone. When we are talking about 'soft' spend on people, no-one knows which spend is producing the results in the organisation.

We have designed a generic model for ROI; being an adaption of the Kirkpatrick model. Define the results for each participant before bringing in a supplier for the programme. Work backwards. The business result change needs to be a behavioural change. Behavioural change needs to be a capabilities change.

Before you get a supplier in work with them to define per participant business result changes from interventions. Then work out what kind of behavioural changes you are going to need to get those results; what are the capabilities required to produce those changes and create a statement of requirements.


Alliance Boots are doing something clever in this space. They are developing a competency bible to run a global healthcare company. Boots are going head on with Tesco and other retailers and need to develop a talent/capabilities bible for every level in the organisation. They have the competencies they require, they are now developing the behaviours that go with the capabilities. What are the results required? Everything needs to be quantified. The difficulties with doing this are that many recruited into senior HR roles are not quantitative thinkers and have been with the organisation for a number of years. Do you need business results in the organisation? If you look at business results and change in an organisation it should come from line managers and employees. Business results are defined by the organisation itself.

The challenge for us is to actually drive some of this through and do it rigorously. A good way of finding suppliers of the intervention and getting them involved in the conversation is structuring fees on results, but don't think the marketplace is quite there yet. Learning professionals shy away from it. A lot of non-traditionalist new style e:learning companies are coming to the table with the proposal of adding KPIs on results. Tend to be post dot.com entrepreneurs.

BLUMBERGPARTNERSHIP

Why is Talent ROI important?

- For example:
 - The extent to which programmes add to or reduce shareholder value is unknown
 - Increasingly difficult to justify talent development funding without successful ROI track-record
 - Performance claims by HR consultants and service providers cannot be tested
 - Organisations that do not measure ROI perform worse than those that do



Process for Measuring ROI


1. Set objectives per participant
 - a. Business objectives
 - b. Performance objectives
 - c. Capability objectives

Programme → Capability changes → Performance changes → Business result changes

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Process for Measuring ROI (cont)

2. Develop statement of programme requirements based on objectives
3. Develop measurement instruments
4. Gather data
5. Analyse data
6. Calculate programme ROI
7. Store data and mine



Questions

Jan Muldowney – Gifford

Experiences of measuring talent interventions. Classify interventions on whether they are adding value. Behaviour change is difficult to link to money/sales. Design capability - don't know need to develop very much board and partners have decided a consequence – will through money at it . We believe in our people – investors in people. Others measure and manage more effectively – ripple effect. No need to do until others are managing more efficiently.

Viv Miles – Gcap Media

Defensive marketing. Less about the positive but more about the potential of losing people. Of the interventions which affect staff turnover and by how much. Great metric.

Billy Ward - C&W

Implementing the system – set up an alumni – let them leave but lets try and make them come back possibly in 18 months to carry on their career. It's about developing social capital as well as human capital.

Jan Muldowney – Gifford

Competency framework – have you converted that into a competency framework?

Viv Miles – Gcap Media

Do have a capability framework – 6 core areas. Worked with 50 people across the organisation to build own capabilities and come up with the capability framework.

Appetite – lot who add value are not top 5% - best sales people would be missed by that. Hunger to be brilliant at what they do – unofficial leaders of the organisation – drive business for organisation.

Psychometrics on top of frameworks has given insight to benchmark key roles that are not top of the organisation.

Bill Templeton – Network Rail

Our matrix maps capability against orientation – relates to hunger/desire/drive. Career anchors are used in form of diagnostic to identify what is the driver for that individual. Sometimes desire to lead and manage are the drivers that come out in the more traditional sense. Sometimes self sufficiency and creativity come out which applies to other areas. Leadership in other formats can take place in different areas of the organisation.

Marilyn Davidson – Maximum Performance

Is there not a danger we might actually missing out the safe pair of hands which is the bedrock most organisations are built on?

Grant Crow - Executrack

My personal view is that talent exists in almost everyone. Certainly those that have a bigger impact on an organisation; I'm not sure the HR community or organisations are ready . The fact that HR are focusing on the top 5% may not be right

Viv Miles – Gcap Media

Easily most amount of time money resource is building capability of junior and middle managers so they become excellent coaches. If you look at exit interviews across the world an average of 75% leave because of communication breakdown between themselves and frontline management.

Bill Templeton – Network Rail

All this is not worth anything if you don't have basic a performance management system in place and managers working it correctly.

Paul Neville – Maximum performance

Where and how you would like to follow-up on areas?