



Fall 2007

www.keystonepartners.com

Cultivating Stars: Developing Talent Throughout an Organization

We've all heard the doomsday forecasts about the impending labor shortage: When the baby boomers start to retire, companies may not have enough workers to sustain our nation's economic growth. Statistics show there is reason to worry. Currently, baby boomers make up approximately one-third of our workforce. Each year, they are creeping closer to the traditional retirement age. In just a few short years the first boomers will reach 65, and in the next decade, tens of millions of baby boomers are poised to retire.

The situation doesn't have to be as dire as some industry experts predict, however. With the proper planning and support, organizations can weather the labor shortage and become more strategic about how they approach their workforce challenges. It is true that the employee base will be shrinking. Companies will be forced to "work smarter" with the employees they already have, and they will have to work harder to attract, retain and develop their existing talent. Since organizations won't have an abundant candidate pool to choose from, they will need to make every new hire count.

Those companies that have well-thought out talent management strategies in place will be better positioned to succeed during the labor shortage. Here are five key strategies organizations can implement to prepare for the dearth of skilled staff and meet their talent management issues head-on:

Secure commitment from the top—A talent management strategy is destined to fail if it is conceived in the HR department and never leaves the walls of the office. There needs to be buy-in from senior management, ideally from the CEO, that talent management is a legitimate issue that needs to be addressed. The CEO must set the standard for the entire organization and can't just talk the talk. The first step is for the CEO to develop his or her own direct reports to help retain staff, and empower managers in the company to do the same. There needs to be a visible commitment from leadership for employees to believe it is a priority.

Assign accountability—Once there is commitment from the top, it needs to cascade down through the organization. Who is accountable at various stages? How are individuals, managers and senior leaders responsible? Are there checks and balances in place? How will achievement be recognized and rewarded?

Follow a practical roadmap—Many CEOs say, "We want to be a learning organization." That's a great start, but what is the plan for reaching that learning goal? There needs to be a clearly articulated roadmap that defines the journey—and also the end. What is the organization's goal? What is everyone working

toward? How will the plan roll-out through the organization? What are the anticipated challenges? How will success be measured?

One way to start mapping out the future is by developing a competency model that clearly outlines the skills and experience that are valuable to the organization (i.e. our ideal employee will do X well and have Y characteristics). This model should be tailored to the individual company and address its business needs and challenges. These behavioral indicators help leadership and management distinguish between average and exceptional employees. With the competency model as a guide, organizations are able to assess their talent needs and make better informed decisions in hiring and development.

Align talent management strategies to other HR functions—Look at the umbrella of human resources functions; from hiring and promotion, to development, succession and retention. How can these functions be integrated with the talent management strategies to realize maximum impact? Talent management should not exist in a vacuum, but instead should be closely aligned with the company's other strategies to achieve a higher level of performance throughout the organization.

Incorporate talent management into business goals—It also makes sense to link talent management strategies to the organization's values and business goals. How does talent management apply to the mission statement? How can these strategies address the company's—and the industry's—business challenges? How can they help the organization achieve its business goals?

Companies that have effective talent management strategies in place will be better prepared for the labor shortage. It helps to put the *right people* with the *right skills* in the *right place* at the *right time*. Companies will experience improved business results, including higher retention, more internal hiring and promotion, and will have a stronger, more cohesive team.