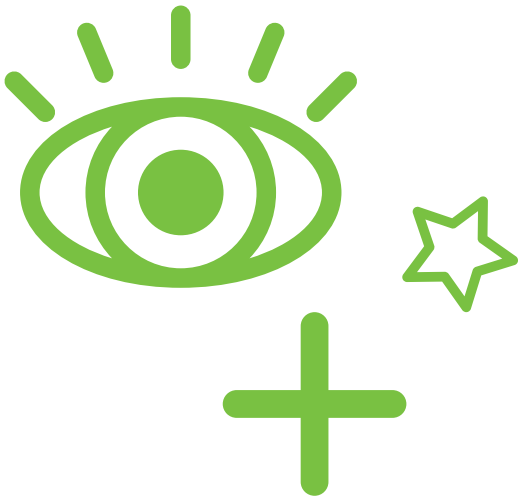


Driving Business Execution

Through Integrated Talent Management

Steven T. Hunt, Ph.D., SPHR,
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Abstract

Running a business requires doing three things:

- 1. Defining Strategy:** Figuring out what you need to do to succeed.
- 2. Managing Assets:** Securing the capital & resources required to support the strategy.
- 3. Driving Business Execution:** Building and managing the workforce to effectively leverage company assets to deliver strategic objectives.

Human Resources (HR) has the knowledge and tools to play a central role in driving business execution. Yet many HR organizations struggle to show how the talent management processes they support are relevant to business success. This paper discusses how to use talent management to drive business execution. It explains what business execution is, how to assess a company's business execution capability and requirements, and how to leverage talent management processes to support a company's business execution needs. This is followed by a discussion of how to increase talent management maturity and build integrated talent management processes. The paper is primarily written for Human Resource professionals whose formal responsibility includes increasing workforce productivity and improving the quality of the work environment. However, the topics in the paper are relevant to any business leader concerned with creating an efficient, productive, and sustainable workforce.

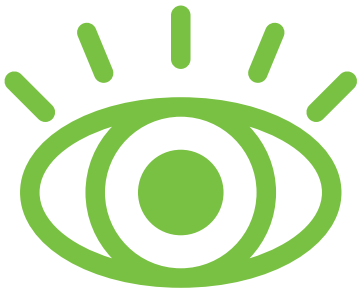


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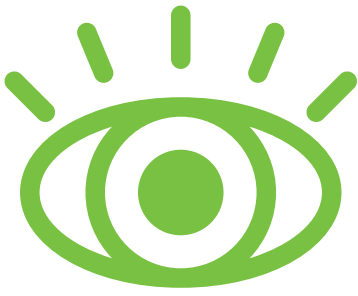
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Author's Foreward

The majority of my career has been devoted to helping organizations leverage psychological science to improve workforce productivity. My focus on this topic is driven by a belief that improving the quality of work is one of the most powerful and sustainable ways we can improve the quality of the world overall. Other than personal health and social relationships, few things have more impact on people's happiness than having meaningful and fulfilling work. Creating high quality work environments positively influences the lives of employees, their families, their managers, their customers, and their broader society. Everyone is directly and indirectly affected by the work environments of the companies they work for or depend upon for goods and services. Higher quality work environments create better world environments.

Despite the value of high quality work environments, our society is plagued by examples of poorly run companies. Workplaces are so frequently mismanaged it has led to the creation of a popular genre of humor solely devoted to making fun of office life (e.g., Dilbert, The Office). I often find this humor enjoyable. But I also find it somewhat sad and tragic. It is sad because it is based on real problems that financially and emotionally hurt employees, managers, customers, and their families. It is tragic because we have the knowledge to avoid many of these problems. The challenge is organizations struggle to effectively apply this knowledge. I often say that creating a healthy workplace is like living a healthy lifestyle. It is not a matter of knowing what do (e.g. eating a healthy diet and exercising). It is doing it on a regular basis.

This paper is about creating a more productive, healthy, efficient and sustainable work environment through leveraging technology-enabled talent management methods (what we call "Business Execution" technology). The paper is specifically written for Human Resource professionals because those are typically the people in organizations whose formal responsibility includes increasing workforce productivity and improving the quality of the work environment. However, most of the topics in the paper are relevant to any business leader concerned with creating an efficient, productive, and sustainable workforce.

The contents of the paper are based on experiences my colleagues at SuccessFactors and I have gained from implementing business execution technology with thousands of companies of all sizes around the globe. The paper summarizes this experience into a set of frameworks and diagnostic tools that enable companies to systematically create a better, more productive work environment for employees, managers, and customers alike. I do not pretend that this paper has all the answers. But it does provide solutions and concepts that have been effectively leveraged in a variety of companies. Some of the topics discussed are a bit complex, but this is a result of the topic area. As is commonly said, if this problem was easy to fix someone would have figured out the solution long ago and we'd all be using it. On the other hand, many concepts in this paper can be effectively learned and applied to your company's strategic planning process in a matter of weeks.

I hope you find this paper to be interesting and useful as you pursue your journey to build a better workplace. I also welcome any feedback and suggestions you may have.

Sincerely,
Steve

Driving Business Execution Through Integrated Talent Management

Steven T. Hunt, Ph.D., SPHR, SuccessFactors

Introduction

Running a business requires doing three things:

- 1. Defining Strategy:** Figuring out what you need to do to succeed.
- 2. Managing Assets:** Securing the capital & resources required to support the strategy.
- 3. Driving Business Execution:** Building and managing the workforce so you effectively leverage company assets to deliver strategic objectives

Defining strategy is owned by the CEO usually with considerable support from business operations, product development, and marketing. Managing assets is often owned by finance and supply chain. Due to advances in talent management¹ methods and business execution technology, Human Resources (HR) now has the knowledge and tools to play a central role in driving business execution (see sidebar “Technology and the evolution of human resources”). The next step is for HR leaders to take ownership of this role. HR organizations have the capabilities to support business execution; they just need the conviction and acumen to use these capabilities to drive real change.

Many HR organizations struggle to show how the talent management processes they support are relevant to driving business success. Rather than being viewed as a critical part of strategy execution, talent management is viewed as an administrative function that is necessary but relatively uninteresting to business operations. Talent management processes in many companies might be likened to electrical wiring in a house. Electrical wiring is crucial for a home to operate efficiently and safely, but it is not usually seen as a key feature for increasing the value of the home. The same sort of thing might be said about talent management processes used for performance management, staffing, development compensation, and succession. Operations leaders appreciate the importance of these processes for running a stable company, but they do not see them as tools for driving strategy execution. This is unfortunate since, if done correctly, talent management is about having the right people in the right jobs doing the right things the right way. When operations leaders tell me “I don’t care a lot about the talent process run by HR”, my response is often “do you care about people doing what you need them to do to support your business strategies?” If their answer is “yes”, then they do care about talent management processes. The problem is they do not understand the relationship between talent management processes and business goals.

This paper discusses how to use talent management processes to drive business execution. The paper is not about implementing new talent management processes. It is about how to use existing processes in a more integrated and focused manner so they have greater relevance and impact on operational business needs.

¹ “Talent management” refers to strategic HR programs focused on increasing workforce productivity (e.g., staffing, succession, performance management). Talent management can be contrasted to more administrative HR programs that support the legal requirements and accounting processes related to employing people (e.g., payroll processing, benefits administration). Both types of programs are important, and many HR processes support both strategic and administrative goals. However, the focus of this paper is specifically on talent management programs whose primary goal is to increase workforce productivity.



Introduction.

The paper starts by explaining what business execution is and how to assess a company's business execution capability and requirements. The next section discusses how to use talent management processes to support a company's specific business execution needs. This is followed by a discussion of how to increase talent management maturity and build integrated talent management processes. The main sections of the paper are summarized below:

Business Execution Capability.

What the term "business execution" means and how to assess a company's business execution capability.

Mapping Business Execution Drivers to Talent Management Processes.

How to create a link between business strategies, business execution requirements, and four core types of talent management processes: hiring the right people, focusing them on the right things, ensuring they are doing things the right way, and supporting them in getting the right development.

Talent Management Process Maturity.

Understanding different levels of talent management process maturity and using this to create a talent management roadmap based around strategic business needs.

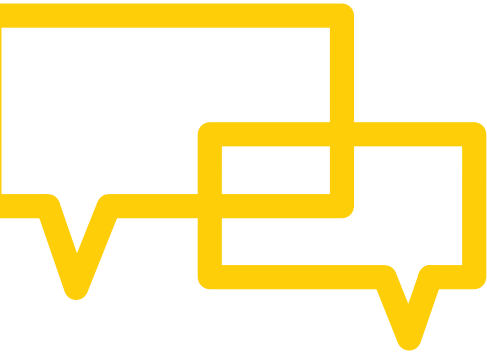
Integrating Talent Processes.

Critical issues related to building out a truly integrated, business execution focused talent management program.

Appendix 1. Assessing Talent Management Process Maturity.

Questionnaire for evaluating the business execution maturity levels of your organization.

In addition to these five main sections, the paper contains several "sidebar discussions" that provide additional detail around concepts contained in the paper. The first of these, "Technology and the evolution of human resources" describes how the field of HR has gradually shifted from being an administrative function to a function focused on increasing workforce productivity as a result of advances in talent management science and technological capabilities.



Technology and the Evolution of Human Resources

The field of human resources can be divided into two basic areas:

Personnel Management: focusing on administrative and legal processes associated with employment of people. This includes things such as managing payroll, providing healthcare benefits, and handling the administrative and legal details associated with establishing and terminating employment contracts. I like to refer to this as the basic care and feeding of employees.

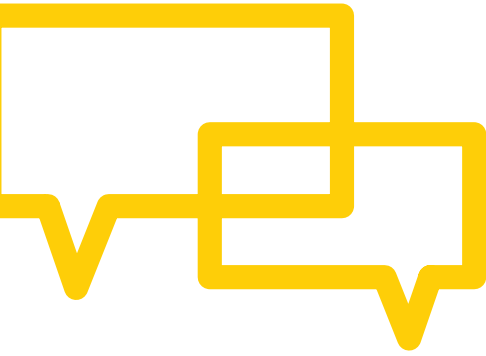
Business Execution: focusing on talent management processes associated with aligning the workforce to deliver business results. Business execution is often described as “getting the right people in the right jobs doing the right things”. You might also add “in a way that supports the right development for what we want people to do tomorrow”. I refer to this as maximizing and sustaining workforce productivity.

Personnel management is critical to organizational performance but it is not seen as strategic. For example, while it is difficult to motivate employees if their paychecks don't show up, paying people on time is not going to give a company competitive advantage. In this sense, personnel management is similar to other crucial support services such as processing expense reports, maintaining e-mail systems, or managing building facilities. The personnel management side of HR typically gets little attention from line of business leaders unless it fails to work.

Business execution represents the strategic side of HR. HR's ability to increase business execution is the primary reason why HR matters to operations leaders. Line leaders rarely ask personnel management questions such as “how do I ensure people get paid on time?” They often ask business execution questions such as “how do I get people aligned around the company's strategic goals?” If HR leaders want greater influence with the CEO and his/her direct reports then being good at business execution is how they will get it.

If line leaders care so much about business execution then why are HR organizations so often viewed as administrative functions consumed with personnel management issues? If HR can help operations leaders “get employees to do what they need them to do”, then why aren't these leaders proactively reaching out to HR executives for help implementing business strategies? The answers to these questions hinge on an HR department's ability to truly drive increased levels of business execution.

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Two things are required for an HR organization to effectively support business execution.

Expertise. The HR organization must have expertise in methods for predicting and changing employee behavior. For example, understanding how to use goals to motivate employee performance or being able to measure employee performance in a way that allows the company to accurately predict future potential.

Implementation. The HR organization must be able to efficiently deploy its business execution expertise across the organization. It does not matter if the HR department knows how to increase employee performance if there is no way to effectively share this knowledge with the line leaders who actually manage employees. This includes talking about HR processes using language that resonates with the needs and interests of operations leaders.

Technology has and continues to play a pivotal role in enabling HR to move from personnel management to business execution. Its impact has been twofold. First, by increasing administrative efficiency, technology has enabled HR professionals to focus more time on building methods for increasing workforce productivity. Second, technology provides a medium for getting HR expertise into the hands of managers so it can be effectively applied across the organization. To illustrate this process, let's take a look at 4 different "generations" of HR that have emerged over the past 20+ years.

Pre 1990:

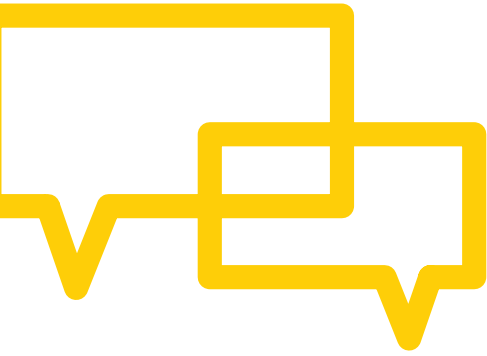
Generation "Personnel Administration". Prior to 1990, many HR organizations were almost entirely focused on personnel administration. This was due in part to the sheer amount of time required to manage administrative HR processes before the widespread implementation of HR automation technology. Prior to 1990 many HR organizations were not even called "human resources". Instead, they had titles such as Office of Personnel Administration or Personnel Department. The main focus of HR in this generation was how to efficiently process employee paperwork.

1990 to 2000:

Generation "Human Resources". Two things happened in the 1990s that led to personnel management being redefined as "human resources". First, implementation of ERP technology significantly reduced the time needed to perform administrative HR tasks. This freed up HR organizations to focus more on business execution topics. This led to significant advances in the expertise found within HR related to predicting and changing employee behavior. Many of the talent management techniques we now take for granted were largely developed in the 90s (e.g., action learning, competency modeling, structured interviewing, goal setting).

Second, the widespread adoption of personal computers made it possible for HR organization to utilize more sophisticated talent management techniques to support key talent decisions. For example, using computer based tools and forms for evaluating employee performance and assessing job candidates. Throughout the 1990s the focus of HR shifted beyond simple personnel management to include processes designed to improve the quality of workforce decisions (e.g., determining who to hire, proactively managing employee turnover, or using job goals to drive employee development).

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2001 to 2010:

Generation “Talent Management”. Widespread adoption of internet systems in the 2000s allowed HR organization to more efficiently share data across what had previously been independent HR processes. For example, automatically importing data collected during the hiring process into systems used to support employee development and management. Greater access to data enabled HR to shift from focusing on specific employee decisions to aligning talent management processes. No longer was HR limited to being a series of isolated silos focusing on staffing, training, compensation and succession. Now HR could function as a set of integrated talent management processes designed to ensure a steady supply of high performing talent in critical job roles.

2011 to ?:

Generation “Business Execution”. As companies increasingly adopt cloud computing applications, HR organizations are spending less time maintaining in-house talent management tools and more time figuring how to use these tools to increase workforce productivity. This allows HR professionals to shift their energy from managing processes to actively supporting business execution. HR is focusing less on simply keeping track of who employees are, and more on ensuring these employees are being used effectively to support the company’s short and long-term business strategies.

The impact of cloud based business execution technology on HR can be likened to the impact that global positioning satellite (GPS) technology has had on the use of street maps. It has allowed companies to take information off of shelves where it was rarely accessed and put it in the hands of decision makers when they need it in a format they can readily use. The result is an increasing number of HR organizations are fundamentally and profoundly improving how line managers run their businesses. This is shifting the role of HR from providing administrative support for the “care and feeding” of personnel to enabling leadership execution of business strategies.



Section 1.

Business Execution Capability and Business Execution Drivers.

To be consistently successful, a company must identify the right strategies to achieve its business goals and execute these strategies better, faster and more efficiently than the competition. There can be little doubt about the value of good strategies. But execution makes the difference between having good strategies and achieving great results. As the pace of market change increases, it is even more critical to evaluate and manage a company's ability to rapidly execute business strategies to meet unforeseen opportunities and challenges.

Despite the importance of business execution, most companies have little insight into their business execution capability. Business execution capability is defined as "the ability to utilize company assets to achieve business results" (see figure 1). This includes a company's ability to redeploy its assets to meet future business challenges. Because employees represent the largest asset cost for most companies, the major issue affecting business execution capability is utilization of talent.



Many Companies have elaborate systems to define strategies and monitor assets, but few effectively manage and measure the capability to execute.

FIGURE 1. BUSINESS EXECUTION CAPABILITY

There is no single process or set of metrics that fully captures the concept of business execution capability. Rather than trying to find the "one thing" that enables business execution, companies must examine and develop multiple processes to support different factors that influence business execution. These factors can be broken into the following six general categories that we call "Business Execution Drivers": alignment, productivity, efficiency, sustainability, scalability, and governance.

Alignment:

Are people focusing on the things that matter for delivering our strategy?

Alignment requires the ability to rapidly and systematically communicate business goals to employees throughout the organization so they see the connection between high level strategies and how they spend their time at work. Does everyone in your company know what goals they are expected to accomplish?



Section 1: Business Execution Capability and Business Execution Drivers.

Do they understand why their goals are important to the company's overall strategy? Achieving alignment requires creating communication between senior leaders and employees around what the company's strategy is and what each individual employee can do to support it.

Productivity:

Are people doing what we asked them to do?

When examining business execution, it is important to differentiate between alignment and productivity. Alignment is fundamentally about strategic communication. Productivity is about defining, evaluating and improving performance. The difference between alignment and productivity is the difference between knowing what you should do and actually doing it. Productivity depends on leaders holding employees accountable for results and employees being given the incentives and resources required to create these results.

Efficiency:

Are we efficiently utilizing the people in our company?

It is one thing to achieve results. It is another to achieve these results using the minimal possible resources. Efficiency comes from having people with the right skills in the right positions, recognizing and retaining superior performers, appropriately managing poor performers, and allocating rewards and resources in a way that maximizes productivity.

Sustainability:

Are we able to maintain stable, consistent performance over time?

One of the biggest threats to business execution is the unplanned loss of critical talent required to achieve key strategic goals. Determining if a company's results are sustainable over time requires understanding whether key people in the company are engaged and fully committed to the organization. It also requires developing processes to effectively manage employee turnover and knowledge transfer.

Scalability:

Do we have processes in place to ensure a steady supply of the talent needed to execute our strategies?

Scalability is a key element of business execution when companies are in growth mode. It is also important for being able to efficiently reduce or reallocate the workforce based on shifting business needs. Effective businesses must be able to scale their workforces to manage changes in business demands and strategic focus. This requires creating processes to attract, develop, and retain the people needed to support the companies evolving business needs. It also means having methods to reduce or re-allocate headcount in an efficient, fair and productive manner.

Governance (security and compliance):

Is anyone in the company doing things that could create significant liabilities for our business?

There are many stories of highly successful companies suffering significant financial losses or even ruin due to inappropriate behavior by a few employees. Governance is about creating methods that reduce the likelihood of employees doing things that put the company at significant risk or long-term disadvantage. This includes creating processes to reduce the risk of excluding certain demographic groups of employees from career benefits and opportunities, achieving short-term results through inappropriate methods, or tolerating negligent, unethical or unsafe behavior.



Section 1: Business Execution Capability and Business Execution Drivers.

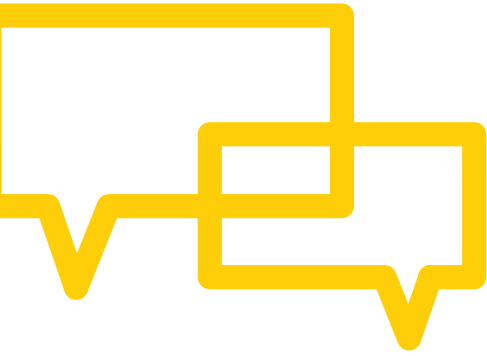
The relative importance of these six business execution drivers changes depending on a company's strategy, external market demands, its current workforce capabilities and existing talent management practices. See the sidebar "Six questions for assessing business execution capability" for a simple diagnostic for evaluating your organization's current business execution capability.

The first step for linking talent management methods to business strategies lies in understanding which business execution drivers are most critical to achieving your company's strategic goals. This means working with operations leaders to clarify the following three topics:

1. What are the most critical commitments our company must fulfill to meet the expectations of our shareholders?
2. How will we need to change our workforce in order to meet these commitments? What will people need to do in the future that they are not doing now? Will we need to add talent to the workforce that we do not currently have?
3. Which of the 6 business execution drivers are the most important based on these commitments and changes? What elements of business execution are paramount for the successful achievement of our strategic goals?

Once you have identified which business execution drivers are most important to your company, you are in a strong position to demonstrate the role talent management processes play in ensuring the company's operational success.





Six Questions for Assessing Business Execution Capability

Business execution capability is defined as a “company’s ability to align and utilize its assets to achieve strategic objectives”. In most companies, the single most expensive asset is its workforce. Salary, benefits, and other employee related expenses represent over 60% of the operating costs for most organizations.

For this reason, business execution capability depends heavily on a company’s ability to optimize the productivity of its workforce.

The following six questions can help estimate a company’s current business execution capability. Discuss these with your operations leaders to assess the relative strengths and weaknesses of business execution in your company. Ask leaders to respond to each question using a 1 to 5 scale where 1 means “no, I have little confidence in our ability to do this if required” and 5 means “yes, I am extremely confident we could do this if required”.

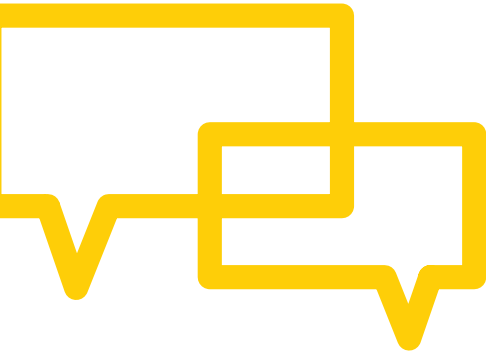
Question 1: Alignment.

Can our company significantly change its strategic direction in 9 months or less? This is the sort of change many companies faced during the peak of the 2008 recession. Quite a few discovered too late that they were not up to the challenge. Refocusing your workforce around a new set of goals in a short amount of time requires more than just communicating the change. It requires ensuring employees understand their individual role in the change. That they know what activities they need to stop doing and what things they need to start doing that they were not doing before. Answering a confident “yes” to this question requires having methods that allow you to quickly clarify how changes in the overall company strategy impact the individual goals and job responsibilities of each employee across the organization.

Question 2: Productivity.

Can our company agree on who the top 20% performing employees are, and explain this to the other 80% in a way that doesn’t make them feel that they should be pursuing opportunities elsewhere? One of the common traits found across high performance work environments is a clear understanding of what success and failure looks like. Employees in a high performance environment do not have to ask someone whether they are doing well. They are given constant feedback that allows them to self-evaluate whether they are performing above or below expected levels. Furthermore, they trust performance evaluations as being consistently and fairly applied. Even if their performance is below average this year, they know what they need to do to become a top performer next year. There is no guess work around the question “what does it take succeed?” Performance is not a function of who you know or work for – it is a function of what you accomplish and do. Answering a confident “yes” to this question requires having processes that clearly define, communicate, and consistently measure the performance expectations set for employees.

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Question 3: Efficiency.

Can our company determine the ROI we receive from investing in employees' salary, bonus, and development? It is appropriate and intelligent for companies to invest more resources in the employees who make the greatest contributions to organizational profit and growth. This includes pay and promotions, but also includes access to additional career development opportunities and resources to support current job performance. Companies pay employees with the assumption that the employees will justify the investment through increased revenue and/or decreased operating costs. Yet few companies rigorously test to ensure they are investing resource in those employees who provide the greatest returns to the company. Many companies do not even know if they have hired an optimal number of people in different roles, or if they are under or over-staffing positions. Achieving peak efficiency requires having processes that establish clear links between operational profitability and growth, workforce headcount, employee performance, and expenditures related to employee pay and development.

Question 4: Sustainability.

Can our company effectively sustain our current level of performance over the next 3 years? It is one thing to achieve performance goals in the short-term. It is another to consistently achieve performance targets year after year. Sustained performance is one of the primary differences between good companies and great companies. When it comes to business execution, the biggest risk to sustainability is unexpected and unmanaged employee turnover. At some point, every employee who works for you will leave your company. What processes do you have to avoid preventable turnover, manage unpreventable turnover, and ensure consistent operations in the face of workforce change? Answering a confident "yes" to this question requires having clear strategies and methods for predicting and managing turnover, maintaining employee engagement levels, and transferring knowledge across different segments of the workforce.

Question 5: Scalability.

Can our company adapt the size of its workforce to meet projected business growth demands over the next 3 years? Most companies hope for aggressive growth but many struggle with the demands it creates. Could you increase the size of your workforce by 50% in under 12 months to support increased market demand for your products and services? This kind of explosive growth is happening in emerging markets, but few companies can manage it effectively. Conversely, if you were hit by a sudden drop in business revenue, are you well equipped to respond? Could you reduce workforce costs by 20% in less than 6 months and still maintain critical productivity, quality, and customer service levels? It is one thing to grow efficiently, but quite another to gracefully scale back operations when necessary. Answering a confident "yes" to this question requires having methods to accurately project future workforce requirements and establishing processes to smoothly increase, decrease, or re-allocate the workforce based on changing business needs.

Question 6. Governance (Security & Compliance).

Can our company ensure no one is doing things that create inappropriate levels of legal or financial risk for the organization? The CEO of one of the largest companies in the world once said to me "one of the things that worries me the most is knowledge that in a company this big there is probably somebody somewhere doing something they should not be doing". There is no way to absolutely prevent employees from engaging in inappropriate, illegal or unethical activities. But companies can create processes that reinforce norms and beliefs around legally and ethically appropriate behavior. Establishing staffing, promotion, pay, and performance processes that reinforce consistent beliefs around appropriate behavior significantly reduces the chance of hiring and tolerating employees who intentionally or inadvertently do things that put a company at significant risk. Companies can also collect measures to monitor whether people in the company are intentionally or unintentionally making decisions around pay, promotions and hiring that might unfairly impact certain populations of people.



Section 2.

Mapping Business Execution Drivers to Talent Management Processes

Business execution is about having the necessary employees required to support a company's strategy and making sure they are doing what the company needs them to do to achieve its strategic goals. Companies increase business execution capability through ensuring the right people are doing the right things in the right way to support the company's strategic objectives. Sustainable business execution requires doing this in a way that fosters the right development so employees acquire capabilities the company will need in the future.

The best way to improve business execution is to increase employee performance levels. Higher levels of job performance lead directly to stronger business execution overall. Figure 2 illustrates the basic components of job performance and the fundamental talent management processes used to influence them. Increasing job performance ultimately depends on managing three things:

Goals that define the business outcomes that are supported by an employee's job (e.g. achieving sales quotas, minimizing accidents, maintaining productivity levels, processing documents). Goals define the reason why a job exists. People are employed to do something. Goals clarify what they are employed to do.

Competencies describe behaviors employees are expected to display on the job. They include things like building relationships, planning and organizing, solving problems, and other activities that influence success or reflect important cultural values of the company. People often distinguish goals from competencies using the concept of "what vs. how." Goals define "what" a person is supposed to do in the job, and competencies describe "how" they are expected to do it.

Attributes are characteristics of employees that are associated with job success. They include qualifications (e.g. job experience, education, certifications), aptitudes (e.g. personality and ability traits), and interests (e.g. career aspirations, salary preferences, work schedule expectations). Attributes define "who employees are" in terms of their knowledge, skills and abilities. The attributes employees possess influence the competencies they display, which determine the goals they can achieve.

The relationship between attributes, competencies and goals can be summed up as "Who you are (attributes) influences how you act (competencies) which determines what you achieve (goals)." All process that increase employee performance, engagement, retention, or any other variable associated with the behavior of individual employees will at some point focus on aligning, measuring, predicting, clarifying, or developing employee attributes, competencies, and goals. Any effort to increase business execution must ultimately influence employee attitudes, competencies, and/or goals to succeed.

Section 2: Mapping Business Execution Drivers to Talent Management Processes

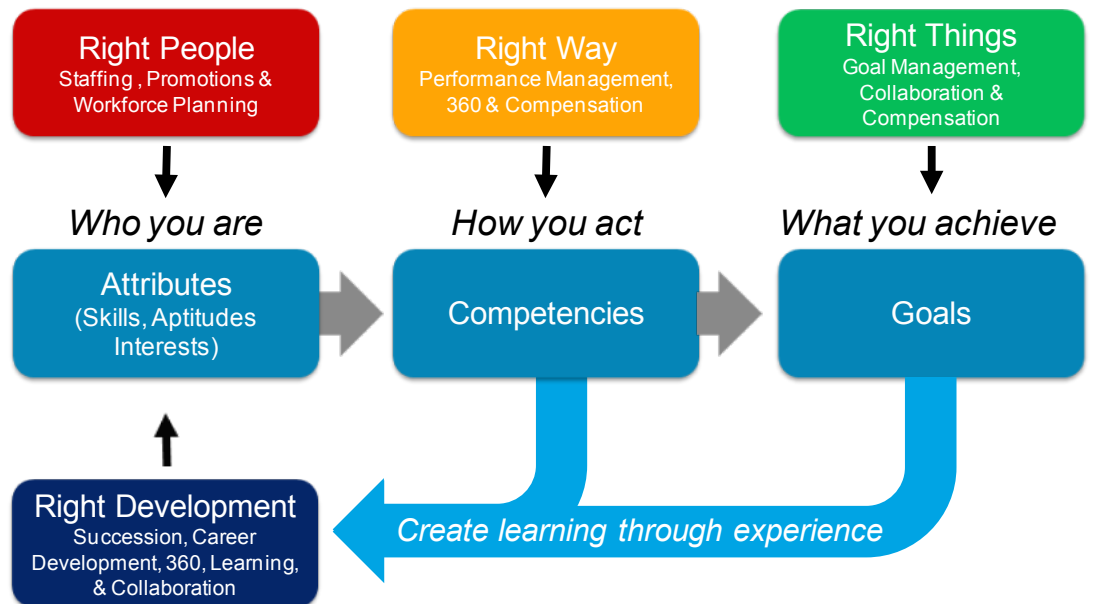


FIGURE 2. JOB PERFORMANCE COMPONENTS AND FUNDAMENTAL TALENT MANAGEMENT PROCESSES

There are four basic ways to influence employee attributes, competencies, and goals: hire the right people, focus them on the right things, ensure they are doing things the right way, and foster the right development.

1. Hire the Right People. Staff positions with employees whose personal attributes match the competencies and goals associated with their jobs. This is the primary focus of recruiting, workforce planning, and certain aspects of succession management.
2. Focus employees on the Right Things. Clearly identify and communicate the goals you want employees to achieve, and measure and reward employees against these goals. This is the focus of goal management.
3. Make sure people are doing their job the Right Way. Define the competencies employees must display to achieve their job goals or support the desired company culture, and provide feedback and other resources that encourage them to demonstrate these competencies. This should be the primary focus of performance management.
4. Provide job experiences and resources that drive the Right Development. Create a work environment that helps employees develop the attributes that influence competency performance and goal accomplishment. Put people in jobs and assign them goals so they acquire experiences and other attributes needed for future job roles. This is the primary focus of career development and certain aspects of succession management.

Right people, right things, right way, and right development reflect the four fundamental aspects of an integrated talent management system. These activities roughly correspond with the “traditional” talent management processes of staffing, goal management, performance management, and succession management and career development. However there are several reasons to describe integrated talent management in terms of these four processes instead of using more common talent management labels (for a discussion of this point, see the side bar “The problem with traditional talent management processes”).



Section 2: Mapping Business Execution Drivers to Talent Management Processes

Figure 3 illustrates how the 6 business execution drivers of alignment, productivity, efficiency, sustainability, scalability, and governance link to the 4 core talent management activities of right people, right things, right way, and right development. Every talent management process can have some effect on each of the 6 business execution drivers. But certain talent management processes will be more relevant to business operations depending on which business execution drivers are most critical to achieving a company's strategic objectives. The typical relationship between business execution drives and talent management processes are described below. Relevant talent management processes are listed in parentheses in the rough order of their influence on each business execution driver.

Creating Alignment

(Right Things, Right Way).

Alignment is primarily about employees knowing what goals they should focus on and why these are important to the company's overall strategy. The best way to increase alignment is to implement goal management processes that ensure employees are focusing on the "right things". This includes making sure employees understand how their actions influence the success of the organization as a whole. Performance management processes that evaluate whether employees are doing things the "right way" may also be relevant for Alignment. This is particularly true if a company is focusing on aligning employees around more general cultural norms and values as opposed to specific tactical goals.

Increasing Productivity

(Right Way, Right Things, Right People, Right Development).

Productivity is directly influenced by performance management processes that communicate, encourage and hold employees accountable for meeting performance expectations (doing the right things the right way). It is also indirectly influenced by ensuring employees are placed in jobs that leverage their strengths and are given tools and resources to increase their performance levels.

Improving Efficiency

(Right People, Right Things, Right Way, Right Development).

There are a variety of methods to increase efficiency. First, ensure the company has optimal staffing levels in different jobs. Nothing undermines efficiency more than under or over-staffing key positions. Second, ensure people are doing things in the most productive manner possible. This requires focusing people on goals that are critical to business success and consistently measuring and improving employee performance. Efficiency can also be significantly improved by increasing internal hiring and promotion of existing employees into key roles and avoiding costs associated with external staffing.

Ensuring Sustainability

(right development, right people).

Sustainability is primarily about managing turnover in key positions through effective staffing, workforce planning, and succession management. This includes hiring and developing people to manage job transitions, as well as managing current employees in a manner that decreases the risk of unplanned, regrettable turnover.



Section 2: Mapping Business Execution Drivers to Talent Management Processes

Creating Scalability

(Right People, Right Development, Right Way).

There are two basic types of scalability: growth to support expanding business demands and “right sizing” to manage shifts in business needs. Scaling to support growth requires having methods to rapidly recruit external talent and get them up to speed to take on new roles. Scaling to support shifts in business needs requires having methods to reallocate staff based on changing workforce requirements (this is also about right people and right development), and if necessary, having tools to guide intelligent downsizing decisions that take into account employee performance contributions (making staffing decisions based on who is doing things in the right way).

Governance

(Right Way, Right People).

There are two primary types of governance: governance focused on complying with government or contractual laws and regulations, and governance focused on discouraging employees from taking excessive risks or engaging in counterproductive activities. The former tends to emphasize the use of fair and appropriate methods for staffing positions and evaluating performance. The latter tends to emphasize methods to communicate and measure core performance expectations and standards.



Alignment

Productivity

Efficiency

Sustainability

Scalability

**Security/
Compliance**

	Right People	Right Way	Right Things	Right Development
Alignment		✓	✓ ✓	
Productivity	✓	✓ ✓	✓ ✓	✓
Efficiency	✓ ✓	✓ ✓	✓	✓
Sustainability	✓ ✓			✓ ✓
Scalability	✓ ✓	✓		✓ ✓
Security/ Compliance	✓	✓ ✓		

FIGURE 3. GENERAL IMPACT OF TALENT MANAGEMENT PROCESSES ON BUSINESS EXECUTION DRIVERS

Section 2: Mapping Business Execution Drivers to Talent Management Processes

Linking business strategies to specific talent management processes is basically a 3 step process. These steps are illustrated in Figure 4. The first step is to understand the company's business strategy. What must the company achieve to fulfill the commitments made to its shareholders? The second step to engage line leader in a discussion around the following questions:

To achieve our business objectives, what sort of employees do we need and what must they accomplish?

What do we need people to do tomorrow that they are not doing today?

Answering these will help determine which of the 6 business execution drivers are most critical to achieving the company's business strategy. The third and final step is to implement the appropriate talent management processes to support the key business execution drivers.

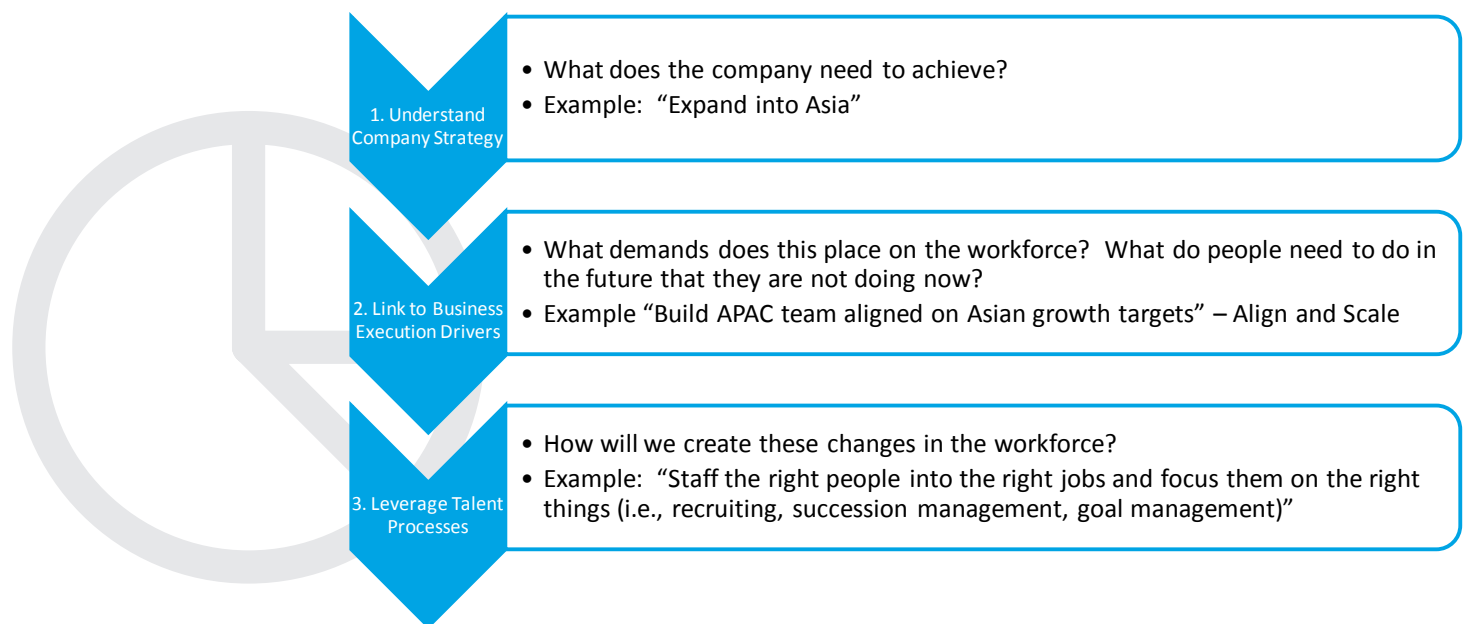


FIGURE 4. DRIVING BUSINESS EXECUTION THROUGH TALENT MANAGEMENT

Completing the three steps in Figure 4 uses business execution drivers to establish a clear link between general talent processes and specific business needs. Failure to define business execution drivers can leave line leaders confused about the business relevance of talent processes. Imagine a CEO declared to the executive team that "our company has to aggressively expand in the APAC region". How would this CEO respond if the HR VP replied by saying "we better start doing 9 box talent reviews² on a more frequent basis"? The CEO may not see a link between conducting 9 box talent reviews and the need to drive revenue in Indonesia.

² 9 box reviews are a method commonly associated with succession management processes.



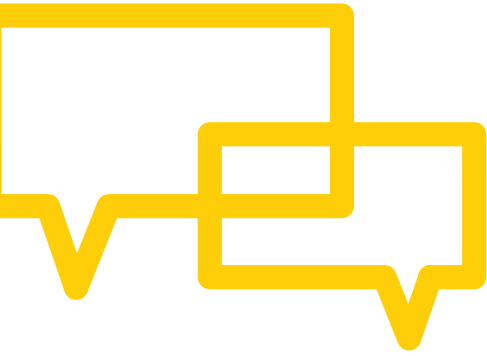
Section 2: Mapping Business Execution Drivers to Talent Management Processes

But what if the HR VP first said, “if we are going to expand in APAC then we need to scale talent to support that region. The best way to create this talent is through making greater use of succession management which includes doing 9 box reviews more frequently”. By using the business execution driver of “Scalability”, the HR VP created a clear link between succession processes and APAC business growth.

Experience shows that many HR organizations fail to clearly articulate the business execution reasons for implementing talent management methods. Links between talent management processes and business strategies may seem obvious to a person in HR who is highly familiar with the importance and benefits of talent management. But this link is frequently not apparent to non-HR line leaders unless it is clearly demonstrated through the use of business execution drivers. Many HR practitioners do not even fully understand how the processes they support impact their company’s business strategies. Consequently, many talent processes are viewed as administrative activities with little relevance to day to day business operations.

The relative importance of business execution drivers will also change over time, and as a result so will the relative value of different talent management processes. For example, scalability is critical when growing a company but as a company matures emphasis may shift to efficiency and sustainability. Different drivers may also be more or less important for different areas of the company depending on their particular business goals and the nature of their workforce. Periodically discussing business execution drivers with line leaders is critical to ensuring that talent management practices continue to be well aligned with the company’s changing business needs.





The Problem with Traditional Talent Management Processes

A recent internet search on the phrase “problems with performance management” returned over 21 million (!) entries describing all the things that are wrong with performance management. How did a process like performance management become so broken? Performance management has been around at least since the 1950s and is used by almost every company. You would think that someone would have figured out how to fix it!

The fundamental problem with performance management and other traditional talent management processes such as succession, development, compensation and staffing, is they are extremely ill defined. Companies designing these processes often start creating forms, tools and process maps without clearly articulating what the processes are intended to do. It is common for companies to try to accomplish multiple, conflicting objectives with a single process. The result is a process that doesn’t do anything very well, except give employees and managers something they can all complain about.

All talent management processes increase workforce productivity by doing three basic things:

1. Forecasting the kinds of employees the company needs to execute its business strategies.
2. Predicting employee behavior to guide staffing and job assignment decisions, and/or
3. Changing employee behavior to increase productivity and manage turnover.

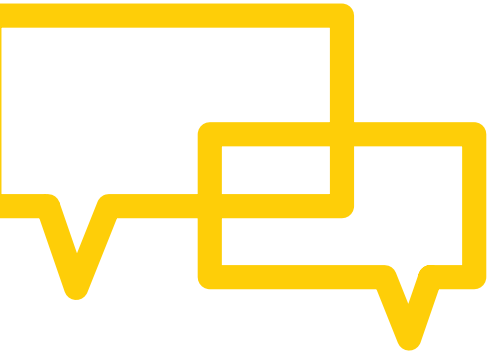
Talent processes achieve these things by creating methods that a) collect data to guide workforce decisions, b) evaluate employee performance, potential, and capabilities, c. encourage conversations between employees and managers to increase performance and retention, and/or d. support decisions related to staffing, promotion, development, and pay.

The major problem with many talent management processes is they try to accomplish too many of these different functions at once, or they over-emphasize one function to the detriment of others. For example, succession management involves a mix of forecasting workforce needs, evaluating employee potential, developing and retaining high potential candidates, and making staffing and promotion decisions. Process steps that support one of these activities (e.g. staffing) may have little relevance to other activities (e.g. development).

It is very easy to create succession processes that place lopsided emphasis on putting the right people in the right jobs vs. ensuring employees are getting the right development.

No talent management process suffers from the problem of “confused and convoluted objectives” more than performance management. As illustrated by the internet search, there is a lot of activity around fixing performance management. But these discussions usually overlook the fact that people expect performance management processes to support multiple activities that do not align well with each other. These activities include, but are not limited to:

...CONTINUED on next page.



Coaching:

Creating conversations that drive clarity around performance expectations and development opportunities. The primary goal is to increase workforce alignment and productivity. This is best done in a more informal, ongoing basis and usually does not include any normative performance evaluation or numerical rating.

Performance Evaluation:

Accurately assessing and rating employees based on the contributions they are making to the organization relative to their peers. The primary goal is to take accurate stock of the talent levels in the company to guide staffing and compensation decisions. This usually includes making direct comparisons between the performance levels of different employees.

Performance Feedback:

Letting employees know where they stand in terms of their performance and how they can increase their performance levels. The primary goal is to ensure employees feel they are being treated fairly and consistently and understand what is required to be successful in the company. It is worth noting that the process required to accurately evaluate performance are quite different from the processes required to effectively share the evaluations with employees. In fact, the accuracy of manager ratings often improves if the ratings are not going to be shared with employees.

Pay and Staffing Decisions:

Ensuring that personnel decisions about staffing, promotions, and pay are influenced by employees' performance levels. The primary goal is to ensure personnel decisions are done in a way that strengthens the company's overall workforce capabilities. Employee performance is not the only factor that drives pay and promotion decisions, but it should be an important factor. But there are times when other factors may significantly reduce relationships between employee performance and pay or promotion decisions (e.g., when there is a salary freeze).

Efforts to design performance management processes benefit when companies approach these four activities as things that are inter-related but far from identical. What does not work is trying to combine all four activities into one annual performance management event.

The main problem with traditional talent management process is the objectives of these processes are not well defined. What "performance management" means to a person in one company may be much different from what it means to a person in another company. If the primary purpose of your performance management process is to evaluate employees, then call it a performance evaluation process. If it is to develop employees, then call it an employee development process. But don't try to create one process that attempts to do both of these things, and ends up doing neither well.

In fact, it may be better to avoid using traditional labels when talking about talent management processes. Instead describe them using language that clearly defines what they are intended to: get the right people doing the right things in the right way while driving the right development.



Section 3.

Assessing Talent Management Process Maturity

Driving business execution through talent management begins with understanding which business execution drivers are most critical to supporting business needs. The next step is to build out talent management processes to support these drivers. Figure 5 illustrates five levels of process maturity associated with the four core talent management processes of right people, right things, right way, and right development. These provide a framework for assessing talent management process maturity and prioritizing development of talent management processes.

Maintaining Talent Pipelines	Influential	Operational	Maintaining Talent Pipelines
Forecasting Future Talent Needs	Calibrated	Coordinated Effort	Career Growth
Building Talent Pools	Impactful	Meaningful Goals	Business Driven Development
Selecting High-Performers	Well Defined	Aligned Goals	Targeted Development
Filling Open Positions	Consistent	Tangible Goals	Individual development planning
Right People	Right Way	Right Things	Right Development

FIGURE 5. TALENT MANAGEMENT PROCESS MATURITY LEVELS

Right People Maturity Levels.

Ensuring you have the “right people” begins with creating processes to efficiently fill open positions. The next level focuses on building assessments to ensure you are hiring high performers. Level 3 shifts the emphasis from screening candidates to building internal and external talent pools of qualified applicants. Level 4 moves from building general talent pools to making specific forecasts around the number of hires you will need to fill different positions and when you will need them. This sets the stage for level 5, actively maintaining talent pipelines to efficiently and effectively put the right people in the right jobs at the right time.



Section 3: Assessing Talent Management Process Maturity

Right Things Maturity Levels.

Making sure employees are focused on the “right things” begins with ensuring employees have well defined goals. Do not underestimate the business value of achieving this level. Simply getting managers to sit down with their employees and map out a clear set of goals and expectations is a major leap forward for many organizations. The next level focuses on ensuring employees’ goals are aligned with the company’s overall strategy. This is typically done through some form of goal cascading process. Level 3 shifts the focus from setting goals that are important to the company to setting goals that are meaningful to employees. This involves using methods to ensure employees’ goals are relevant to their personal career aspirations. Level 4 focuses on building collaboration within the company around common types of goals. It is about breaking down silos and coordinating common efforts across peers and departments. Level 5 emphasizes getting business leaders to use goal processes as tools for running and managing the business. As one COO put it, “you are using goal management correctly when it ceases to become a tool for personnel administration and becomes a tool for strategy communication and evaluation.”

Right Way Maturity Levels.

Ensuring employees are doing things the right way requires defining and measuring employee performance and using performance evaluations to inform development discussions and staffing and pay decisions. The basis of accurate measurement is consistency, which is the lowest level of maturity. This requires making sure employee performance is evaluated using consistent, standardized methods. The next level emphasizes creating clear performance definitions, competency models and goal criteria to guide performance evaluations. Level 3 focuses on using performance data so it impacts decisions related to employee pay, development, and staffing. Level 4 emphasizes the use of calibration processes that get managers across the organization to agree on common levels of performance expectations and employee evaluations. At level 5, business leaders leverage performance management data to gain insight into the workforce itself. For example, determining what competencies are most relevant to success in different roles, assessing the overall strengths and weaknesses of the workforce, and identifying actions that can be used to increase overall workforce productivity.

Right Development.

Right development emphasizes the use of career and succession management to build the overall capabilities of the workforce. The lowest level is simply making sure employees have discussed development needs with their managers and have some form of development plan. The next level focuses on guiding employee development to build specific organizational capabilities or prepare employees for certain job roles. This requires guiding employee development based on future business needs. Level 3 emphasizes having managers staff jobs and assign goals in a way that stretches employees to develop new skills and capabilities. Level 4 shifts the time horizon by providing employees with guidance on identifying and achieving long term career objectives within the organization. Level 5 is about actively integrating employee development with workforce planning and staffing to maintain a steady supply of high performing talent in key jobs across the company.



Section 3: Assessing Talent Management Process Maturity

Organizations do not necessarily need to master lower levels of maturity to achieve higher levels. But maturity levels do tend to build on one another somewhat like the stories of a building. The stronger the foundation of the lower stories, the more stable the higher levels will be. For example, it is difficult to make impactful decisions using performance management data if your company does not have well defined performance definitions and consistent processes for evaluating employee performance.

Appendix 1 contains a questionnaire to assess business execution maturity with regard to each of the four processes or right people, right things, right way, and right development. Developing a general sense of where your company currently is and where it could go with regard to each of the 4 processes will help you to build out a general talent management roadmap. This will provide a sense of where to focus talent management efforts to drive the greatest business value, both in the near term and over several years.





Section 4

Integrating Talent Processes to Create a Seamless Business Execution Machine.

We have discussed the relationship between business execution and talent management. We have also outlined different levels of talent management maturity that companies may strive for based on their business execution needs. But we have not specifically addressed the issues of talent management integration. The phrase “integrated talent management” is often bandied about as something every company should aspire for. But what is integrated talent management? What is required to truly integrate talent management processes?

Integration across talent management processes occurs when companies coordinate the four core processes of right people, right things, right way, and right development. For example, blending “right things” and “right development” by assigning employees business goals that enable or even force them to develop new capabilities. Or blending “right people” and “right way” by using performance management evaluations to guide internal staffing decisions. Integrating talent management processes is critical for at least 3 reasons.

Optimization.

Increasing the maturity level of one talent management process often requires leveraging techniques or data from other talent management processes. You cannot fully optimize any one talent management process without incorporating elements from other processes. For example, level 3 of “right development” is called business driven development. Achieving this level involves using business goals (right things) and job assignments (right people) to support employee development.

Coordination.

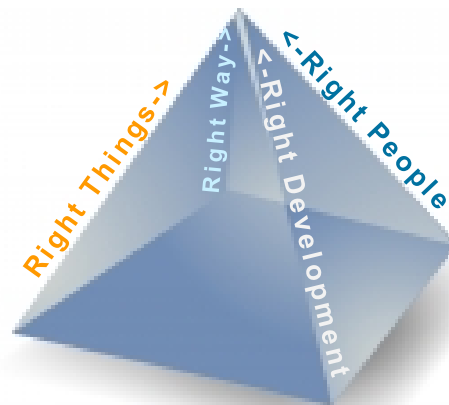
Employees become frustrated when they experience uncoordinated talent processes that are all supported by a single HR organization. As one VP of Operations memorably told me, “the only thing that integrates our HR processes is the poor victim, I mean employee, subjected to them.” Different talent management processes should use common tools, models, and terminology so employees can transfer knowledge learned from one process to other processes used by the same organization. For example, using the same competency model to support staffing, performance management, and succession management.

Efficiency.

Integrating processes enables companies to be more efficient collecting talent management data, developing process technology, and training employees. It allows companies to re-use elements of one process to support other processes. For example, having goal management data (right things) feed into the processes used for performance management (right way) and succession management (right people and right development). Or using the same technology platform to support setting goals, evaluating performance, and creating development plans.

Section 4: Integrating Talent Processes to Create a Seamless Business Execution Machine.

Figures 6 and 7 illustrate how the four core talent management processes integrate with one another. Figure 6 uses a pyramid to illustrate that as talent management processes become more mature they also become more integrated. Figure 7 illustrates this in more detail by comparing the maturity levels associated with “right people” and “right development”. At the lowest level of maturity these two processes are independent. Methods used to ensure employees have individual development plans may have little to do with the methods used to efficiently fill open positions. This changes as process maturity increases. At level 2 both processes focus on hiring or developing people based on well defined job performance requirements. Level 3 emphasizes building talent pools within the organization to support future business needs. Level 4 requires development of long-term models that forecast future workforce needs and career opportunities. And at level 5 the two processes blend into a single process that orchestrates staffing and development activities to maintain a steady supply of high performing talent in critical job roles.



Talent management processes become more integrated as their maturity levels increase

FIGURE 6. INTEGRATED TALENT MANAGEMENT

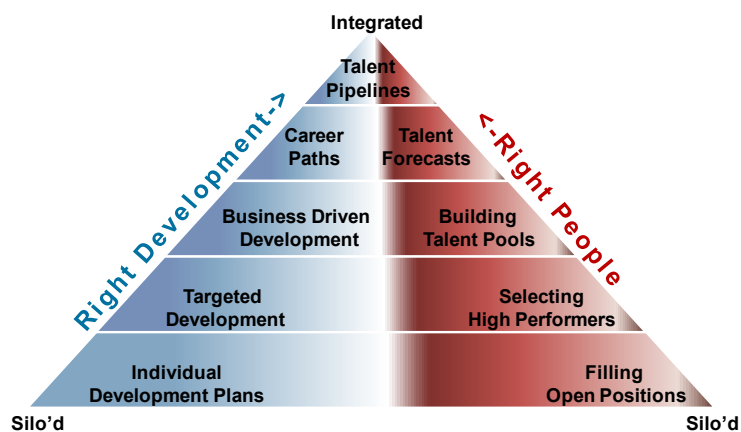


FIGURE 7. INTEGRATED TALENT MANAGEMENT EXAMPLE: RIGHT DEVELOPMENT & RIGHT PEOPLE



Section 4: Integrating Talent Processes to Create a Seamless Business Execution Machine.

When building a talent strategy, it is important to think about long-term structural integration points between different processes. Otherwise you can inadvertently create incompatible platforms that prevent the achievement of higher levels of talent management maturity. The following are five critical integration points to consider when developing a talent roadmap. These are certainly not the only points of structural integration, but they are major ones to keep in mind.

Single system for employee record keeping.

Most human resource information systems (HRIS) focus on tracking relatively uninteresting data from a talent management standpoint. For example, tracking employees' job titles and salary levels without including any information about how effective employees are in their jobs, the relationship between their salary and performance, or their future career aspirations and potential. As you build out talent management system, focus on creating a single employee point of record that incorporates data from each of the four core talent processes. This will make it much easier to collect data in one process and then utilize it to support other processes.

Common definitions of job performance.

Build job descriptions, competency models, and goal plans that can effectively support multiple talent management functions. Think how job performance data will be used to provide employees with developmental feedback, determine pay increases, and guide staffing and promotion decisions. Emphasize the use of standard competency frameworks and skill taxonomies that can be used for staffing, performance evaluation, and development.

Integrated personnel decision making processes.

Review information collected across all four talent management processes and think about the role it should play in pay, staffing, or development decisions. For example, you may want to consider an employee's track record of personal development when evaluating their potential for future job roles. Similarly, there is value in examining the kinds of goals employees have achieved when deciding their pay level. Always strive to collect information once and use it multiple ways.

Shared talent databases.

Develop databases that can be accessed by multiple people to answer a variety of different talent management questions. For example, providing recruiters with access to succession data so they can search the internal workforce for employees who may be able to fill open positions. Or combining performance management data, staffing data, and career development data to identify what competencies and development interventions are associated with promotions. When building this database, it is important to also develop guidelines around data access and security.



Section 4: Integrating Talent Processes to Create a Seamless Business Execution Machine.

Single operational dashboards.

Determine what sort of talent management data will provide the most value to business leaders and present it on a single dashboard. Talent data is usually more interesting when presented in combination with financial or operational data. For example, rather than showing overall turnover rate or the percentage of employees rated as high performers, it may be more interesting to show the turnover rate of employees rated as high performers. Rather than showing performance evaluation levels in different divisions, present a comparison of financial performance with average leadership ratings in each division. Thinking through what data is going to be most interesting to business leaders and how to display it so it creates meaningful insights. This is critical to achieving the highest levels of talent management maturity. Having this “end in mind” is also important for ensuring that you collect the necessary data in the right format.

Paying attention to these five integration points will reduce the chances of creating talent processes that are overly silo'd and potentially incompatible with one another. Always ask yourself, “how could the process I'm currently designing influence or benefit from integrating with other processes”. Creating an integrated talent management “steering committee” or establishing a single talent management coordinator can also help to create processes that employees and operations leaders will see as seamless, well-coordinated, and coherent.





Conclusion

HR is poised to play a major and critical leadership role in driving the execution of business strategies. This shift from administrative support to business execution represents a massive and exciting transformation for the field of HR. But it will not happen by itself. HR leaders must make a concerted effort to make it happen. HR leaders can begin by using the following three steps to start increasing business execution capability in their companies.

Step 1.

Prioritize your company's business execution drivers. Meet with business leaders in your organization and ask them to rank order the 6 business execution drivers in terms of importance. Which drivers are the most critical for executing your company's strategies over the next one to three years?

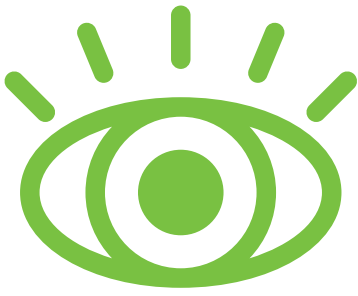
Step 2.

Evaluate your talent management process maturity. Determine which of the four core talent management processes most impact the business execution drivers that are critical to your company. Assess the current maturity level of these talent processes and determine what improvements will have the greatest influence on your company's ability to execute its strategies.

Step 3.

Take action to increase business execution capability. Design and implement targeted talent management processes to increase your company's business execution capability. Emphasize the use of integrated, efficient processes and technology to ensure you achieve the maximum value with the least disruption to ongoing business operations. Do not be afraid to drive change when necessary, but limit change to things that will make a significant difference to the company's strategic success. Communicate the business reasons for adopting more effective talent management processes. Make sure these processes are viewed as tools to drive business execution, and are not merely seen as additional administrative HR tasks.

These actions will help re-define HR from a function that emphasizes process completion to a function focused on driving business execution. This paper has shared a variety of models and concepts that can help to make this shift. We have the knowledge, tools, and a blueprint for getting there. Now it is up to us to make it happen.



Appendix 1.

Assessing Talent Management Maturity

Business execution requires aligning the company’s workforce to deliver on key strategic objectives. Achieving business execution excellence depends on effectively supporting the following four core talent management processes:

Having the Right People

Recruiting and retaining the right people in the right jobs. This primarily comes from effectively matching employee capabilities to job requirements.

Doing the Right Things

Focusing the workforce on tasks and objectives that are critical to business success.

In the Right Way

Accurately measuring employee performance, delivering effective feedback, and making personnel decisions that increase workforce productivity and minimize business risk.

That creates the Right Development

Providing employees with experiences and resources to create the workforce capabilities needed to support future business demands.

The following assessment can be used to diagnose the level of maturity a company has with regard to each of these four processes. This measure is intended to guide effective conversations around business execution. It does not provide specific answers to increase business execution, but can be used to focus efforts on building out a business execution strategy and talent management roadmap.

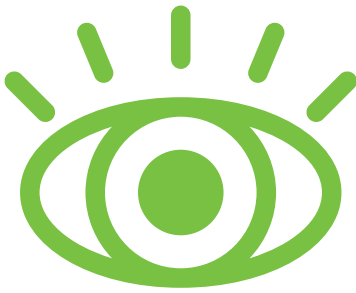
How to use this Assessment

Read the descriptions for each process and give the company a score from 1 to 5 based on the following scale:

1	2	3	4	5
Not at all	Rarely/in a few cases	To a limited extent	Consistently/ Frequently	Always/ Constantly

Add the ratings to create a total “maturity” score for that process. Based on this score, examine the suggested business execution strategies and critical business questions.

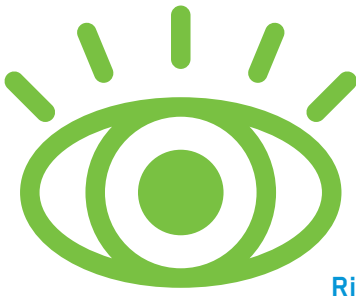
Use the overall score as well as the individual ratings to engage line leadership in targeted discussions around actions you can take to increase the company’s business execution maturity.



Right People.
Recruiting and Retaining the Right People in the Right Jobs.

QUESTION	Rating (1 to 5)
Managers have an efficient process for creating new job requisitions and filling job openings.	
Job opportunities are effectively communicated to qualified internal and external candidates.	
Staffing and selection decisions are based on well defined hiring criteria.	
Performance data collected on recently hired employees is used to improve methods for sourcing and selecting future candidates	
The company actively develops relationships with potential future, external job candidates.	
The company develops internal employee talent pools to support future job needs.	
The company accurately forecasts staffing needs 2 years or more into the future.	
Line leaders are held accountable for having the talent needed to achieve business objectives.	
Decisions to create and staff jobs emphasize developing a steady flow of talent in critical areas.	
Data about workforce talent plays a significant role in the development of business strategies.	
Total Score	

SCORE	Business Execution Strategies you may want to consider
Less than 30	Focus on creating consistent, efficient staffing processes; put a stable system in place to ensure that staffing is done in a reliable, controlled manner across the organization. Ask line leaders the following critical business question: "How do we know if we are hiring the best people?"
30 to 40	Focus on processes that integrate staffing, employee career development, employer branding, and workforce planning. Ask line leaders the following critical business question: "What are we doing right now to ensure we will have the people needed to maintain our performance and growth 1 to 3 years in the future?"
41 to 50	Focus on making more effective use of data showing links between workforce capabilities and business performance. Clarify strengths and areas of concern related to workforce development and business strategies. Ask line leaders the following critical business question: "How can we better utilize our ability to attract and develop talent as a key source of competitive advantage in our market?"

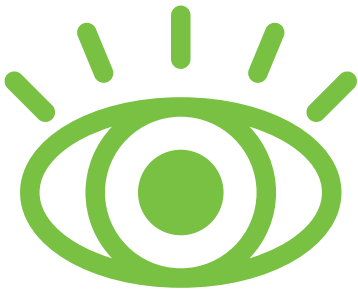


Right Things.

Focusing the workforce on tasks and objectives that are critical to business success.

QUESTION	Rating (1 to 5)
Employees can readily list the 5 to 10 goals they have to achieve this year to be successful in their jobs	
Employees understand what defines success and failure in their job.	
Employees feel a strong sense of commitment and personal ownership toward their job goals.	
Employees understand how completion of their job goals will impact their career objectives.	
Employees at all levels understand the company’s strategy and how their work supports it.	
Senior leaders have insight into the objectives employees are working on and how they relate to strategic initiatives.	
Employees know how their goals and objectives relate to similar goals held by employees in other parts of the business.	
Employees effectively collaborate across departments and functions to work on common goals.	
Senior leaders actively track employee progress on critical business goals and take swift action when initiatives seem off track.	
Employees constantly update their progress on critical business goals and keep leadership proactively appraised of accomplishments, challenges, and obstacles.	
Total Score	

SCORE	Business Execution Strategies you may want to consider
Less than 30	Focus on ensuring every employee knows exactly what he/she is responsible for contributing to the organization. Create systems that provide visibility into whether managers are ensuring their employees have well defined goals. Ask line leaders the following critical business question: “How can we tell if the things people are working on right now are what really matter for delivering our strategic commitments?”
30 to 40	Ensure there is a clear link between employees’ goals and their career interests and aspirations. Utilize goal setting process to support career development. Reward and recognize employees based on the contributions they make toward overall company performance. Ask line leaders the following critical business question: “If required, how would we change the strategic direction of this company in 9 months or less?”
41 to 50	Invest in tools to more effectively leverage goal management data to gain insight into organizational performance. Use workforce analytics to uncover relationships between goal performance and financial outcomes. Ask line leaders the following critical business question: “How do we know if the goals we are assigning to employees are effectively supporting our business strategies?”

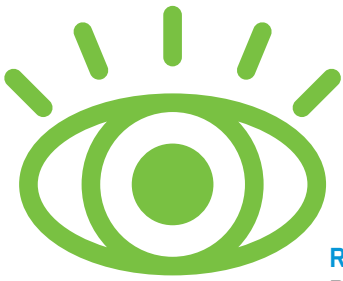


Right Way.

Accurately measuring employee performance, delivering effective feedback, and making personnel decisions that increase overall workforce productivity.

QUESTION	Rating (1 to 5)
Managers regularly meet with employees to discuss performance and areas for improvement.	
Employees receive regular and consistent performance evaluations.	
Employees are evaluated using well defined performance criteria based on their particular job.	
Employees understand both what they need to do and how they need to do it to be successful in their roles.	
Performance evaluation data is used to guide decisions related to pay and recognition.	
Performance evaluation data is used to guide decisions related to promotions and job assignments.	
Managers regularly meet to review and calibrate their evaluations of employee performance.	
There is a high level of consistency across managers in terms of performance expectations and standards.	
Senior leaders use performance management data to gain insight into company strengths and weaknesses.	
The company uses performance management data to diagnose what competencies drive success in different roles.	
Total Score	

SCORE	Business Execution Strategies you may want to consider
Less than 30	Focus on creating consistent processes for evaluating employee performance and providing employees with feedback that will make them more productive in their jobs. Ensure managers are held accountable for assessing performance and providing feedback, and have the skills needed to do this effectively. Ask line leaders the following critical business question: "How do we know who are high performers are?"
30 to 40	Create processes that provide visibility into the level of talent found throughout the organization. Hold managers accountable for steadily improving the productivity of their workforces. Ask line leaders the following critical business question: "What are we doing to retain and develop high performers and effectively manage underperformers?"
41 to 50	Critically examine the relationship between employee competencies and overall business performance. Utilize data to determine where the company should invest in building out stronger leadership and employee competencies. Ask line leaders the following critical business question: "What specific employee & leadership competencies are most important for supporting current and future business success?"



Right Development.

Providing employees with experiences and resources that build workforce capabilities needed to support future business demands.

QUESTION	Rating (1 to 5)
Lists of potential successors are maintained for key roles within the company.	
The company knows which employees are considered critical to business continuity.	
Employees have well defined career development goals.	
Employees have access to tools to help support their career growth.	
Managers are supported and rewarded for developing and promoting talent.	
Staffing decisions and job assignment are actively used drive employee development.	
Employees have a sense of what their “next best jobs” might be within the company.	
People in the company have a good sense of the long-term career opportunities within the organization and what is required to fulfill them.	
The company actively measures access to internal and external talent and creates and staffs jobs in order to maintain a steady flow of high performing employees in critical roles.	
Data is used to understand, predict, and determine the best methods to develop the kinds of talent required to support the company’s long-term business needs.	
Total Score	

SCORE	Business Execution Strategies you may want to consider
Less than 30	<p>Establish processes to help managers prepare for employee turnover and transitions before they occur. Provide employees with access to training and development resources to develop their current job skills and capabilities.</p> <p>Ask line leaders the following critical business questions: “What are you doing to create a work environment that drives employee growth and development? How are you going to manage employee turnover when it occurs?”</p>
30 to 40	<p>Use job assignments and internal transfers to build employee capabilities and experience. Identify high potential employees and invest in developing their careers. Make employees aware of career opportunities and what it takes to advance in the organization.</p> <p>Ask line leaders the following critical business question: “What are we doing to ensure high performers will choose to build their careers in our company?”</p>
41 to 50	<p>Track the flow of talent within the organization. Actively develop and maintain talent pipelines to ensure employees with critical skills and leadership capabilities are steadily advancing and developing over time.</p> <p>Ask line leaders the following critical business question: “What is the best way to ensure the company will have access to the talent it will need in 2 to 5 years?”</p>

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