

## Talent Management, AKA people productivity drives competitive advantage

It would not be unusual for anyone to believe that the product of the company delivers competitive advantage, however, as we all know in the world of 'Service in Industry' this truly can be the difference between a consumer staying with your brand; sharing a great 'service' story but equally about whether their purchased products delivered to specification as committed.

Conversely, how many leaders and managers believe and take the action to demonstrate the value that Talent Management can drive as a competitive advantage? The combination of service and people leadership is the differentiator that winning service companies will need to deliver sustainable growth.

So as the world of Human Resources evolves, and its contribution become more tangible, an increasing number of leaders are paying more attention to the growing belief in the refreshed terminology for key HR deliverables, i.e. Talent Management (TM). The precise definition of TM is still evolving, however, in summary it refers to the potential synergy of the HR processes that aim to attract, select, develop, deploy, engage and retain employees. In the past, these HR processes were known individually as Performance Management; Learning & Development; Recruitment and Contracting; and finally Reward Management. It is the synergy, the strength of a total delivery that can truly enable competitive advantage.

I believe that TM can best be explained when I use the learnings from the module I studied for my MBA, called Manufacturing Management for Strategic Advantage. If we care to think about it, there are many examples in the manufacturing processes that can be applied to HR. In this regard, I believe we should consider TM in the context of delivering People Productivity.... The formula of which is simple - total output to number of man-hours to produce the desired output (quantity and quality)

I find clarity of this People Productivity direction by using the visual below - in summary, our strategies at the organisation, team and individual level should be focused on the Build, Borrow and Buy model, see figure 1.



BUILD	BORROW	BUY
BESPOKE TM SERVICES, E.G. INTERNAL SELECTION; JOB DESCRIPTIONS; ASSESSMENT	EXTERNAL VENDORS & SUBCONTRACTORS	EXTERNAL RECRUITMENT
LEARNING & DEVELOPMENT: 70% EXPERIENCE; 20% COLLABORATION; 10% FORMAL TRAINING		

Figure 1. Build-Borrow-Buy model

An investment of time and focus on understanding the interconnectedness of this model, together with developing smart strategies and strong delivery plans for leaders will unquestionable deliver value and competitive difference. Let's discuss in more detail:

**Build** – the most important, nay critical focus has to be on building the capability of the current team. The return can be significant, and this is the key lever on employee retention, motivation and contribution. Let's review each one in terms of their potential impact on productivity:

- Employee development – questionable one of the most important activities to drive productivity. It impacts many related areas, clearly, if you keep hiring externally and you don't develop your current team, the obvious will happen. Most importantly, if you don't identify how to help current teams and individuals to contribute more through improved skills, capability, knowledge and experience you are undervaluing their impact. There are 25+ ways to develop your team and would demand an article in itself.
- Succession planning – in terms of today's context this term can feel outdated, with tenures reducing and the need to work in the current landscape, versus plan 3-5 years out considering where employees might be. However, consider the simplicity of driving 3-5 core capabilities and accelerated experiences over one year for our high potential employees and the plan looks doable.
- Employee retention – each time a valued, performing employee departs, productivity will be impacted. The period before the employee departs and time taken to hire and bring the replacement up to speed is lost opportunity. So, unless you can prepare someone in advance or hire a similar or higher capability individual the key focus has to be on retention.
- Expanding job scope, redeploying employees and managing attrition are three impactful options that require more attention, as they really can have a direct impact on productivity. We can become very mechanistic in our HR processes, staying with our current structures and simply replacing versus stopping to consider the options that can grow current employees. More agile structures focused on the outcome and not static can really focus the mind on productivity and deliverables.

**Borrow** – yes, it's here to stay and accelerating. The decision to go external can be difficult as the investment in your current team(build) is the natural way to go. However, the borrowing of talent for a specific deliverable or long-term outsourcing can have a positive impact on productivity. The

time invested in bringing a less experienced employee up to speed can have many impacts, e.g. lost revenue opportunities due to reduced sales momentum.

Another accelerating “borrow trend” is to focus your companies’ capability on the core product/service and outsourcing the more transactional areas that do not create value or profit. The ‘Gig Economy’ will become a standard workforce option – there will be more self-employed people in the next decade than in the past five.

**Buy** – it is a constant in our leadership roles – external hiring brings challenges but also opportunities e.g. new ideas, ways of operating, refreshed office energy to name a few. Whether it be full-time, part-time or a fixed contract, the search for your next employee can be daunting and made more challenging by the lack of understanding of the ‘Service in Industry’ contribution, value and function.

Even if you have done a great job of defining the job description, very few HR teams and Recruiters really understand Service.

Often Service teams are direct revenue generators and thus continuity and quality of the team can have a significant impact on productivity.

The Leadership of these employees is therefore of the utmost importance – ensure you find the right recruiter to help you.

**In summary**, leadership is not going to get easier, however, with a refreshed view of how Talent Management can contribute to the organisations productivity, more effective strategies and more committed delivery, the service function will impact the company’s competitive advantage beyond the core deliverables.

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