Final report to research participants.

Business Talent Challenges

Exploring Meaningful Solutions to Business Talent Challenges

May - November 2016

About this document:

- This document presents the summary of a focused two-part research study comprised of an online research questionnaire and a professional development workshop, presented at the 2016 Meeting of the Academy of Management in Anaheim, California, USA, sponsored by the HR and OB Divisions of the Academy of Management.

- This report has been distributed to research participants. The research is confidential and does not identify any individuals or organisations.

- Thank you for your participation in this research. For more information or questions, please contact Karin King at k.a.king@lse.ac.uk

Business Talent Challenges

Focus of this research
- To explore meaningful solutions to real "Business Talent Challenges" defined as challenges and problematic issues which organisations are facing in seeking to effectively attract, engage, develop, retain and deploy talent for business performance.

Aims of the research and the workshop
- To critically explore practical business talent challenges with participation of both management practitioners and management scholars to inform and shape impactful and relevant future research.

Background
- Talent management is an established topic of management attention argued to be of strategic relevance to business performance and competitiveness. However, in both academic literature and in management practice, challenges have been identified which may be limiting its practical value and intended contribution to business.

Research and workshop approach: *Practice + Research = Insight*
- "Question's first"
- Diversity in collaboration

Final Report – Business Talent Challenges
- This paper presents the summary of a two-part study which integrates critical perspectives from both management practitioners and academic researchers to consider how applied research can inform solutions to address pressing business talent challenges.
    - Part 1: Summary of findings from survey of Management Executives & Management Scholars
    - Part 2: Summary of critical discussion at Academy of Management Workshop

Business Talent Challenges

Part 1: Summary of Management Executives & Management Scholars survey findings

Business Talent Challenges
Part 1: Summary of survey findings
Survey of Management Executives & Management Scholars

Key themes emerging from the survey:

- Talent management is viewed as **effective, but underwhelmingly so**
  - Neither business nor academic respondents reported very strong views of TM *effectiveness*, neither positively nor negatively, although more than half of respondents reported talent management as effective or somewhat effective (72% business and 54% academic respondents)

- However talent management is viewed to be **more effective in business than in academic** organisations
  - 56% of business respondents viewed their organisation's talent management as somewhat *efficient* or moreso, compared with 33% of academic researchers.

- Respondent group views agree on priority rankings of why talent management is important.
  - Both executives and academic scholars in management identify talent management as of most importance to **business performance (#1) and business strategy (#2) and business value (#3-5)**

- However, respondents do not agree on the **time orientation** of talent management.
  - Management scholars prioritise talent management for attractions of skills for business performance today, whereas business management practitioners identify talent management as a priority for business performance in future)

Business Talent Challenges
Part 1: Summary of survey findings
Survey of Management Executives & Management Scholars

Key themes emerging from the survey:

- The significance of talent management as a way to address other business priorities may be a **missed opportunity**.
    - Neither management practitioners nor management scholars identified any of **diversity, risk management, customer outcomes or brand** within the top 5 of business priorities which talent management is seen as important for.
- Respondents were aligned on perceptions of **talent challenges** were
    - Top 3 talent challenges for business were identified as: TM strategy & design, TM outcomes & reporting, TM implementation. This was consistent across both management executives and management scholars.
- The **underlying sub-themes i**dentified within the top challenges were:
    - Talent Strategy & Design: **Definition of talent**, **alignment** to **business strategy**
    - TM Outcomes & Reporting : **Retention, identification & assessment** of talent potential
    - Implementation of TM: **capability of line managers**, **consistency** of implementation
- Talent **measures and metrics are in need of development**:
    - Turnover & retention measures are still the most relied upon analytic measure for management information and use in TM. There is agreement that more meaningful analytics are developed.

Business Talent Challenges
Survey Respondents

Participant Responses	Business Practitioner	Academic Researcher
Invited participants	200	195
Completed responses	32	48
Response Rate	16%	25%
Gender of Respondents		
Male	56%	61%
Female	38%	29%
Primary Role		
Business or management	100%	21%
Academic or Research		85%
Responsibilities include		
Supervise Others	87%	54%
Talent management	97%	31%
Human Resources	63%	8%

25 countries

Asia-Pacific
Australia
China
Japan
Pakistan

Nordic
Denmark
Finland
Netherlands
Norway

Middle East
Lebanon
Saudi Arabia
United Arab Emirates

Europe
Belgium
Cyprus
France
Germany
Ireland
Switzerland
United Kingdom & N.Ireland

North America
Canada
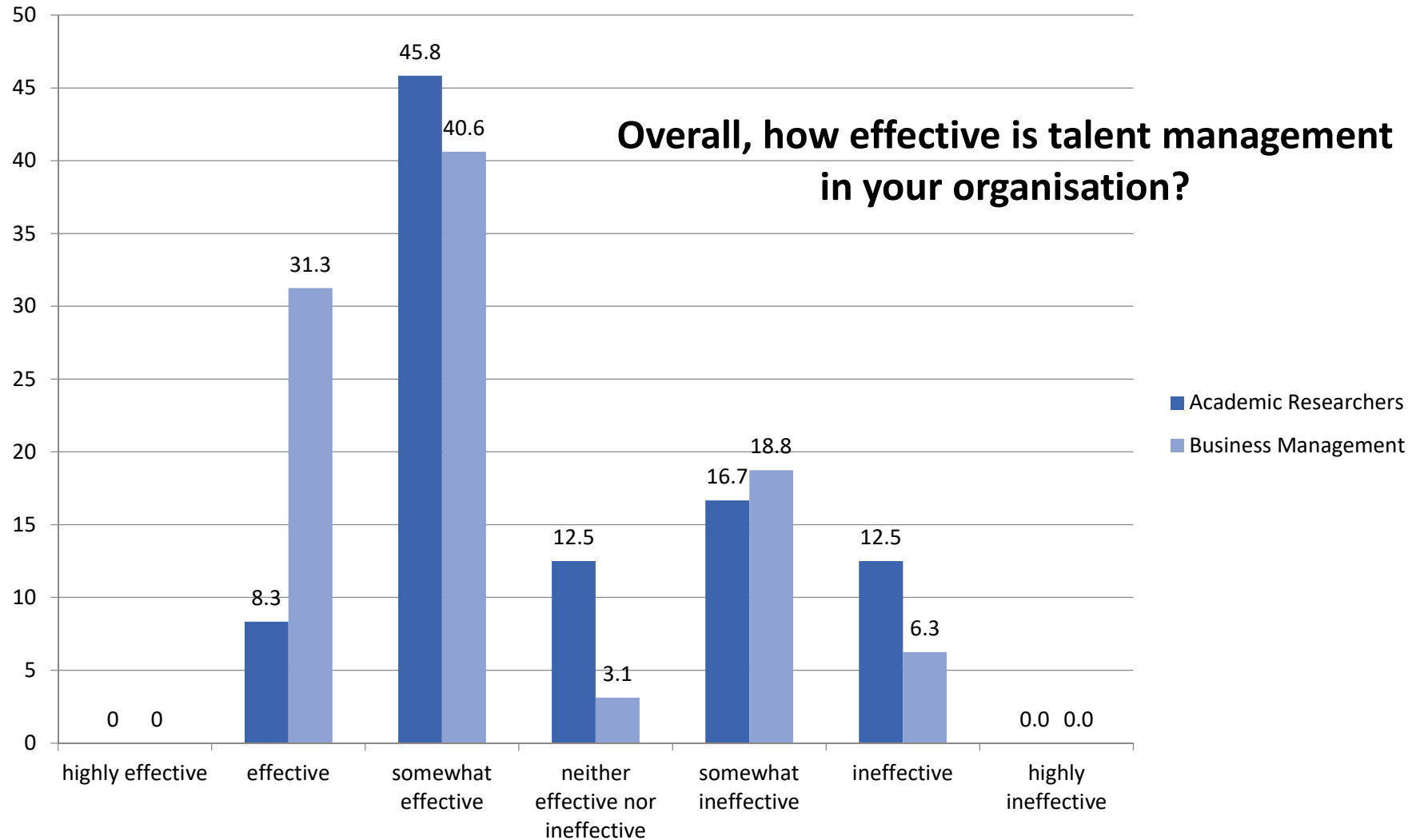Mexico
United States of America

South America
Brazil

Diversity of academic and business perspectives, geographic location, gender of respondents
Majority have responsibility in current role for talent management or supervision of others
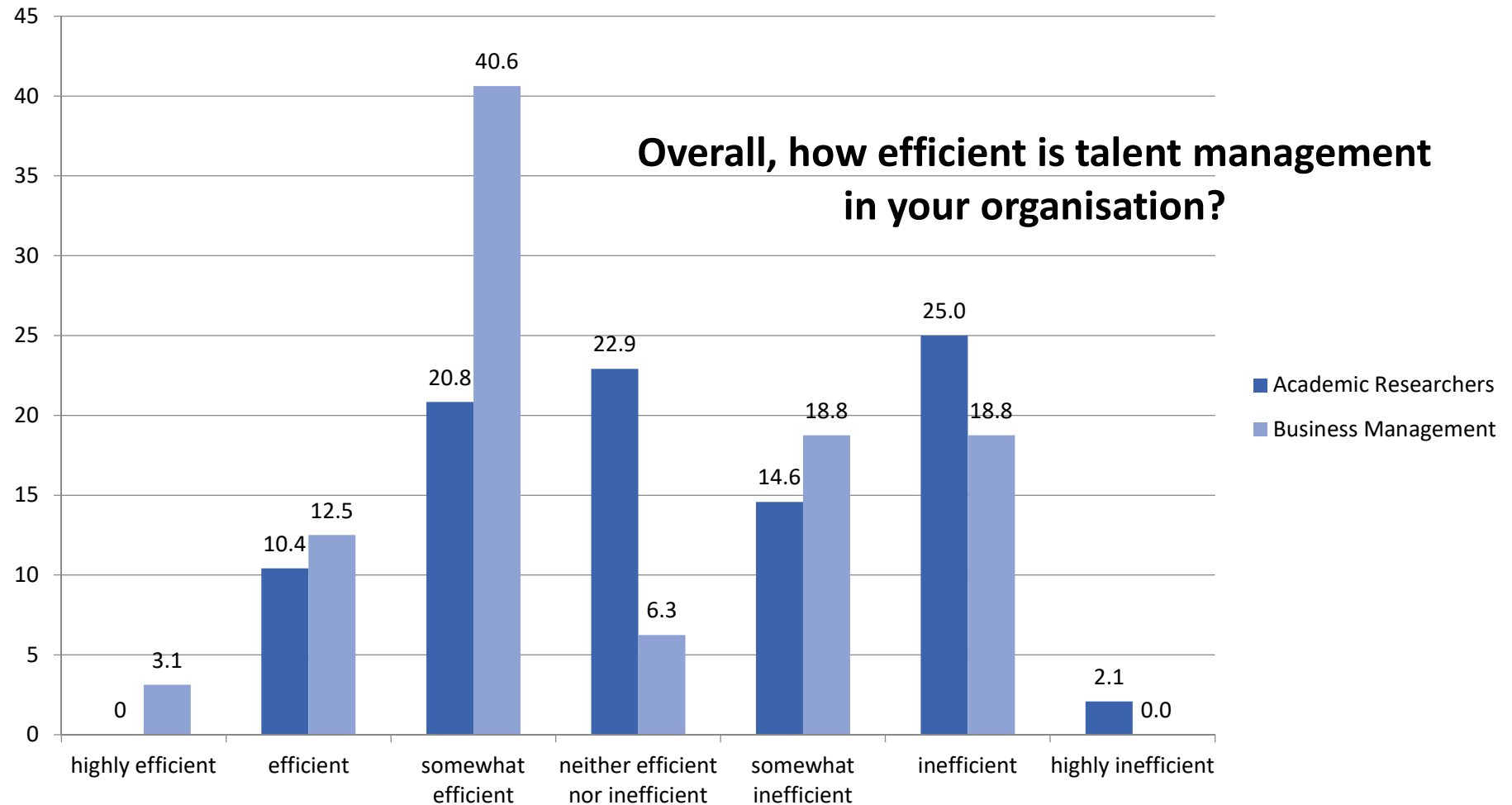
Business Talent Challenges
Talent management effectiveness

Overall, how effective is talent management in your organisation?

Legend: Academic Researchers, Business Management

Category	Academic Researchers	Business Management
highly effective	0	0
effective	8.3	31.3
somewhat effective	45.8	40.6
neither effective nor ineffective	12.5	3.1
somewhat ineffective	16.7	18.8
ineffective	12.5	6.3
highly ineffective	0.0	0.0

Neither business nor academic respondents reported very strong views of TM *effectiveness*, neither positively nor negatively, although more than half of respondents reported talent management as effective or somewhat effective (72% business and 54% academic respondents)

Business Talent Challenges
Talent management efficiency

Overall, how efficient is talent management in your organisation?

56% of business respondents viewed their organisation's talent management as somewhat _efficient_ or moreso, compared with 33% of academic researchers.

Business Talent Challenges
Ranked importance of talent management for business priorities

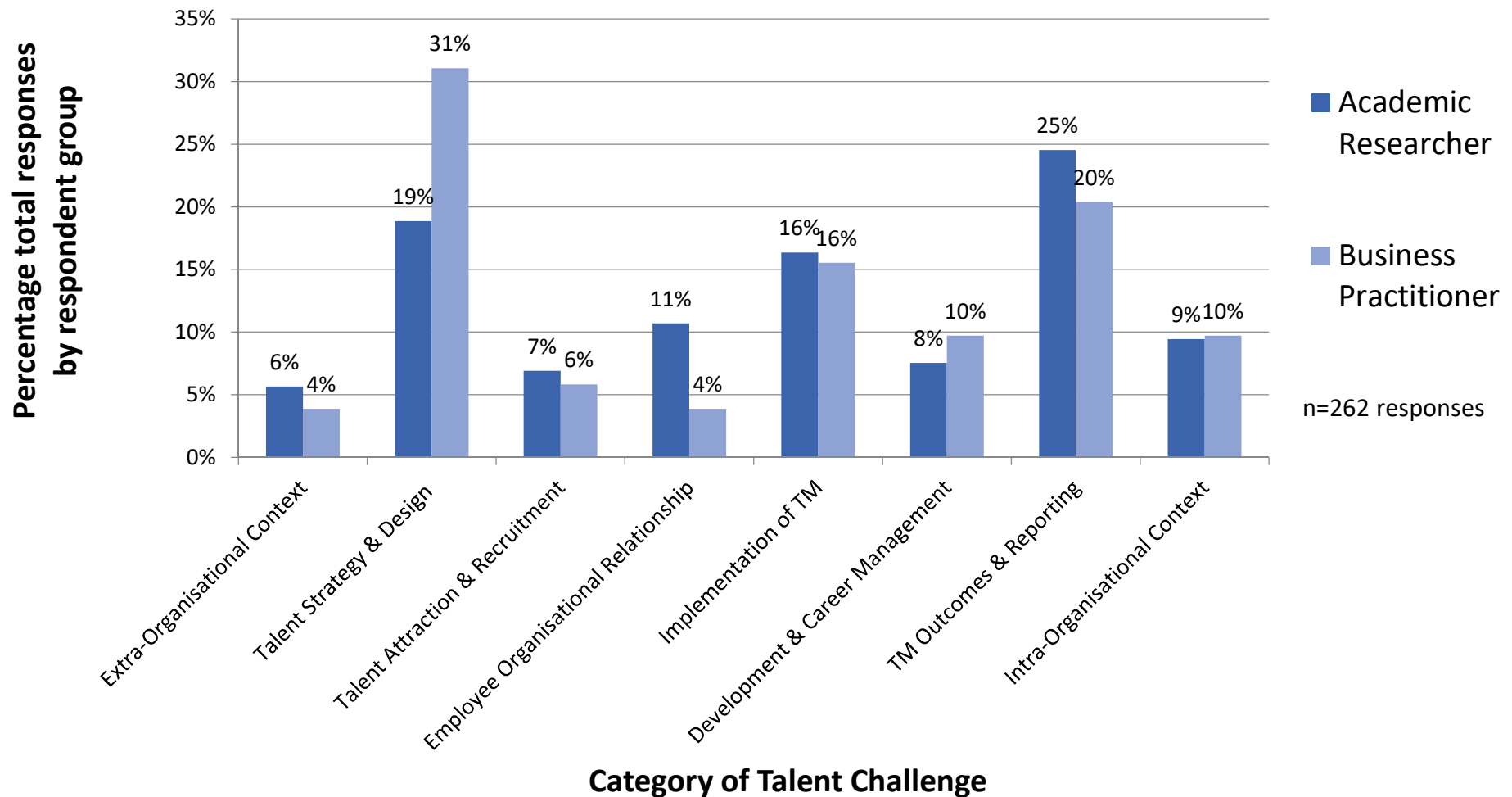| Academic Researcher	Ranking	Business Management
Performance	1st	**Performance**
Strategy	2	**Strategy**
Value	3	Retain & Develop (Perform Future)
Attract Skills (Perform Today)	4	**Engage & Motivate**
Engage & Motivate	5	Culture
Retain & Develop (Perform Future)	6	Value
Innovation & Creativity	7	Business Sustainability
Culture	8	Attract Skills (Perform Today)
Business Sustainability	9	Customer
Customer*	10	Manage Risk
Brand**	11	Innovation & Creativity**
Manage Risk*	12	Brand**
Control Cost**	13	Control Cost***
Other – Diversity	14th	Other- Equitable pay for perf. all levels

Respondent group views agree on priority rankings of performance and strategy. Is talent performance a priority for today or tomorrow? Missed opportunities: diversity, brand, risk, customer?

No single cases of ranking in
*1st or **Top 3
***Ranked within Top 6 in only 1 case

Business Talent Challenges
Most significant business challenges

Top talent challenges in our organisation

Academic Researcher

Business Practitioner

n=262 responses

Percentage total responses by respondent group (y-axis): 0% to 35%

Categories (x-axis):
- Extra-Organisational Context: Academic Researcher 6%, Business Practitioner 4%
- Talent Strategy & Design: Academic Researcher 19%, Business Practitioner 31%
- Talent Attraction & Recruitment: Academic Researcher 7%, Business Practitioner 6%
- Employee Organisational Relationship: Academic Researcher 11%, Business Practitioner 4%
- Implementation of TM: Academic Researcher 16%, Business Practitioner 16%
- Development & Career Management: Academic Researcher 8%, Business Practitioner 10%
- TM Outcomes & Reporting: Academic Researcher 25%, Business Practitioner 20%
- Intra-Organisational Context: Academic Researcher 9%, Business Practitioner 10%

Category of Talent Challenge

Alignment of perceived **top 3 challenges**:
- TM strategy & design, TM outcomes & reporting, TM implementation

Business Talent Challenges
Most significant business challenges

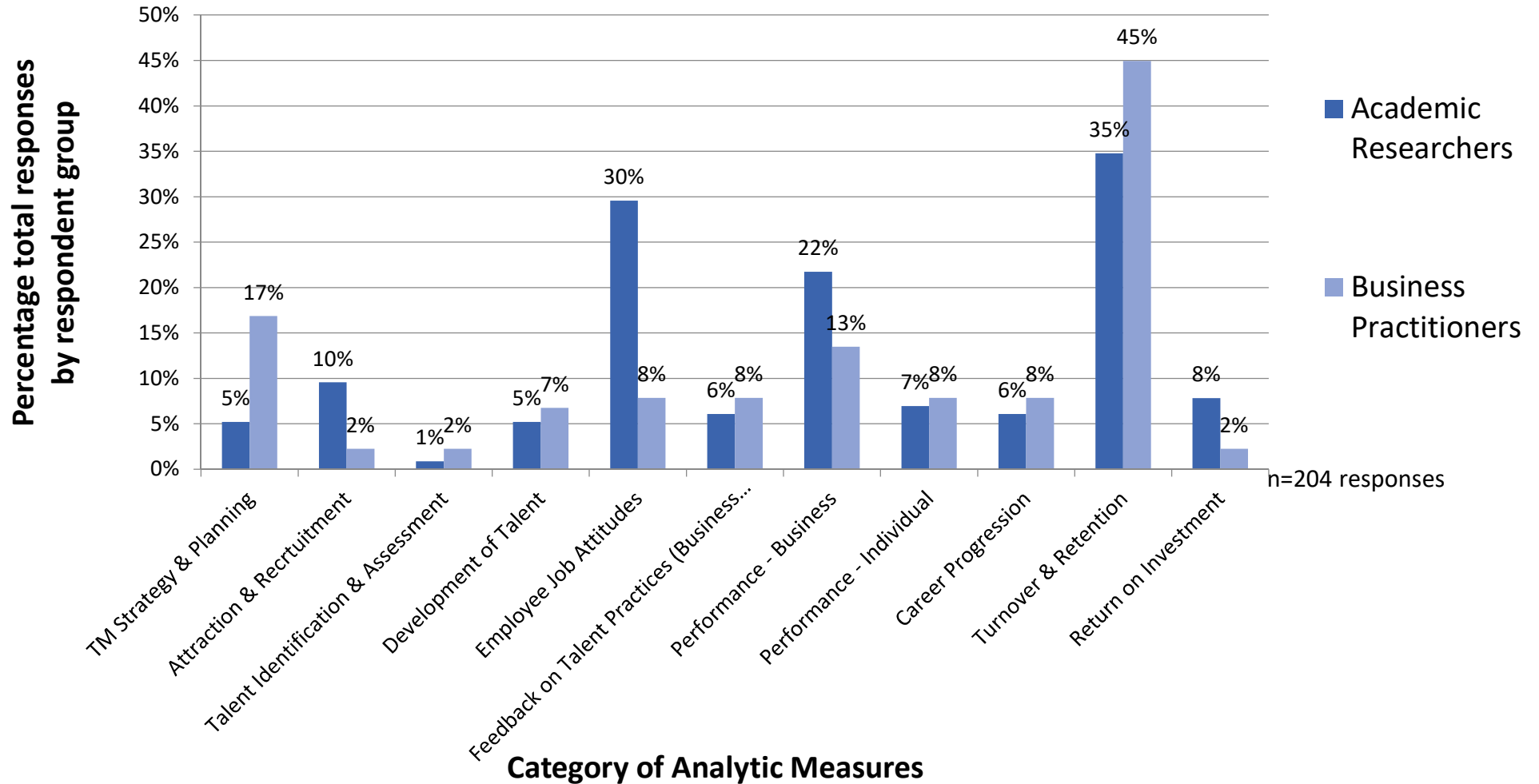| Management Practitioners	Top 8	Academic Researchers
Talent Strategy & Design 31%	1	**TM Outcomes & Reporting 25%**
TM Outcomes & Reporting 20%	2	**Talent Strategy & Design 19%**
Implementation of TM 16%	3	**Implementation of TM 16%**
Intra-Organisational Context 10%	4	Employee Organisational Relationship 11%
Development & Career Management 10%	5	Intra-Organisational Context 9%
Talent Attraction & Recruitment 6%	6	Development & Career Management 8%
Extra-Organisational Context 4%	7	Talent Attraction & Recruitment 7%
Employee Organisational Relationship 4%	8	Extra-Organisational Context 6%

Most-frequently reported sub-themes:
- Talent Strategy & Design: **Definition of talent**, **alignment** to **business strategy**
- TM Outcomes & Reporting : **Retention, identification & assessment** of talent potential
- Implementation of TM: **capability of line managers**, **consistency** of implementation

Business Talent Challenges
Most important analytical measures

Most important analytical measures our business and its leaders rely upon for talent management

Turnover & retention measures are still the most relied upon analytic measure for management information and use in TM.

Business Talent Challenges
Most important analytical measures

Management Practitioners	Top 10	Academic Researchers
Turnover & Retention 45%	**1**	**Turnover & Retention 35%**
Talent Strategy & Planning 17%	2	Employee Job Attitudes 30%
Performance – Business 13%	**3**	**Performance – Business 22%**
Employee Job Attitudes 8%	4	Attraction & Recruitment 10%
Career Progression 8%	5	Return on Investment 8%
Performance – Individual 8%	6	Performance – Individual 7%
Feedback on TM Practices 8%	7	Career Progression 6%
Development of Talent 7%	8	Feedback on TM Practices 6%
Return on Investment 2%	9	Development of Talent 5%
Attraction & Recruitment 2%	10	Talent Strategy & Planning 5%

Most-frequently reported sub-themes:

- Turnover & Retention: Measures by **talent pool** (high performer, top talent, tenure)
- Employee Job Attitudes: **engagement, satisfaction, motivation, commitment**
- Talent Strategy & Planning: **Succession plan, Talent Review, pool quality, skills gap**, aging
- Performance – Business: **KPI's, profit, revenue growth, sales**, external **peer** benchmarking

Business Talent Challenges
ONE thing I do as a manager which has greatest impact

Themes emerging

- Actively develop potential & facilitate development opportunities (24%)

- Individual 1 to 1 talent potential & development honest conversations with employees (22%)

- Engage, motivate, encourage & recognise employees to support development (15%)

- Maintain transparent communications as a leader (12%)

- Prioritise the company talent strategy and the time to implement the plan (11%)

- Role model positive leader behaviours (9%)

- Develop and maintain a support company culture & values (8%)

- Effectively manage performance (7%)

It's about action: "managing talent" not "talent management"

Business Talent Challenges
ONE thing I would change (organisation could change)

Themes emerging

- Align talent strategy directly to business strategy (10%)
- Establish talent management as a business delivery priority(10%)
- Establish a clear definition of talent in the specific context of the organisation and its businesses. (10%)
- Establish business leadership accountability for talent management outcomes and provide framework for leadership talent decisions (6%)
- Define KPI's, and establish planning, implementation & reporting standards for talent management for consistency and governance. (10%)
- Include diverse range of talent pools in talent strategy, both within and outside of organisation. (10%)
- Develop line manager engagement and invest in line manager capability to manage talent in the business (11%)
- Establish organisational capability for talent management, beyond seeing TM as an HR process. (7%)
- Develop talent and facilitate opportunities for career progression (10%)
- Engage and support talent actively over time. (Identification is not enough to retain and develop, nor are short term financial incentives) (11%)
- Facilitate clear, transparent communications of talent management from strategy through implementation (7%)

n=72 responses

Talent management is an organisational capability, requiring senior leadership accountability and line manager skill, with clear business-strategy-linked mandate, supported by governance and management information, if to deliver value.

Business Talent Challenges

Part 2: Summary of Critical Discussion at Academy of Management

Workshop: "Business Talent Challenges"

Business Talent Challenges
Talent challenges presented by executive management guests

Industry evolution, business model changes, increased competition	• Rapid emergence of competitors with more progressive, technical, and innovative cultures, which compete for talent in the same space as traditional companies in a given sector • Rapid industry and organizational changes, require support to build affiliation with new brands
Leadership capabilities gap	• A need to establish foundations across people, process and technology which support leader development
Cultural change, confusion and lack of clarity	• Following significant growth by acquisition, a critical need to establish ONE new organization and "our" new way of working together • Urgent need to communicate with the workforce, introduce and incubate a cultural change while avoiding organizational resistance • Enabling leaders to facilitate a culture which rewards innovation, creativity and learning critical to competitiveness

Business Talent Challenges
Talent challenges presented by executive management guests

People management, engagement and retention	• A need to build a culture of internal career advancement to support business growth requirements while also managing attribution or redeployment • Performance still matters: The need to establish performance standards and align with talent development programs
Talent and potential	• Focus and success of talent management systems goes in cycles • Predicting potential is (still) not reliable • Talent analytics and metrics are improving but still inconsistent • The need to "fix" broken internal career paths and internal recruitment / job assignment processes
HR functional effectiveness, workforce management technologies	• Addressing a lack of consistent HR practices and services while investing in a strong talent organization • Picking up the pace and quality of HR technologies to enable better management information about talent, support line managers and engage employees in career development

Business Talent Challenges
Critical questions for roundtable debate

Competition for Talent in a given industry	What steps do traditional companies in a given industry need to take in order to create the necessary culture to compete with peer companies for that same talent pool?
Facilitating culture change	How does a traditional media company introduce and incubate a cultural change and avoid organizational resistance?
Leading change internally	What should be primary components of the internal marketing plan to communicate to the workforce the company's desire for cultural change?
Engagement and Connection	How do we keep employees in an organization where legacy company affiliation is stronger than the new one company affiliation? How to build the new affiliation without deteriorating the bond from the legacy companies?
Retention in a changing environment	While managing necessary attrition in some sectors (e.g. oil and gas) of our business, how can we build a culture of internal career advancement to support growth areas of our business?

Business Talent Challenges
Critical questions for roundtable debate

Developing a culture of creative innovation	When current environment and management focus require financial rigor, how can companies bring a balance of innovation and creativity to stimulate growth? What can leaders do to establish a culture of innovation and encourage employees to exhibit creative behaviors needed to grow the business?
"Keeping the trains moving"	How to balance building the HR foundation and operational focus for business performance today while also building a strong talent capability within HR crucial to supporting the business with talent for tomorrow?
Effective Talent Identification	What would it take to achieve a significant change in the success rate of identifying high potentials?
Grass is greener… here!	What would have to change to make finding the right next role *within* the organization easier than finding a new role *outside* the organization?
Talent Development- Performance Link	How do we make a stronger link between development and realized performance improvement?

Business Talent Challenges
Future directions for effectiveness in talent management

Business context flux and pace of change	• Selective, context based talent definitions and practices can focus on business-specific requirements for capability. • Talent system specification requires alignment to business context and flexible design to evolve as business requirements evolve. • Talent definition, identification and investment in development may not be aligned to expected ROI and stakeholder interests.
Simplicity & focus	• Identification is central to effective talent management but identification methods need to be improved and flex according with business needs • Focus on key talent pools or positions relevant to a given business – which may range from inclusive to exclusive models of talent management • Individual performance is critical to current business performance, while potential is identified to help focus organizational development of talent for future business requirements.
Culture, careers & engagement	• Talent management can be meaningful to employees by providing a link between business strategy and priority capabilities and skills needed for the business. • In practice, transparency in talent strategy and practice can support talent management and shift to competency based views of potential. • Learning and development can engage employees in future career advancement and business talent requirements

Business Talent Challenges
Future directions for effectiveness in talent management

Leadership & communication	• Developing skilled line managers is necessary to support effective implementation and to enable mature conversations about future career opportunities while managing overall employee engagement, • Regular communication by leaders to enable talent culture and employee identification with the company's future talent needs • All workforce has value and dual career tracks can be considered, not just hierarchical management career track.
Effectiveness through HR function and technology	• Quality of evidence is important to operationalise talent management effectively • Skilful HR business partners are important to facilitate the talent management cycle and processes in the business • Technology is not the solution but is a helpful tool to align to a common framework across the business but requires valid data input. • Scalability in talent management can be effective when the fundamentals are in place.
Governance and reporting	• Talent reviews provides at minimum a dual-layer of review and leadership oversight of the practice of talent management in the business. • Fundamentals must be in place if talent system to achieve business objectives such as talent definition, metrics, leadership review and ongoing adjustment to business evolving needs. • Like performance management, management information and valid measures are important to managing talent.

Business Talent Challenges
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Thank you for your participation in this research. For more information or questions, please contact Karin King at the London School of Economics k.a.king@lse.ac.uk