Today’s Session:

The Art of Talent Management Execution

July 31, 2012
Tips for the Webinar:

Tweeting? Please use this tag: #UNCTalent

(800) 263-6317 or (805) 690-5753
The Art of Talent Management

July 31, 1012
Not your typical consultants!

Jim Shanley
www.jimshanley.com

Marc Effron
www.talentstrategygroup.com

Corey Seitz
www.coreyseitz.com

• **Expert practitioners**..........................Have been the Chief Talent Officer at Bank of America, Avon, EMC, Novartis and J&J
• **Hands on consultants/advisors**......To over 100 Global companies
• **Focused on execution**.........................Making the complex simple and executable in a Corporate environment
How & why can some HR professionals:

• Operate in the “inner sanctum” of the CEO’s executive team?
• Get their executive team to drive the talent strategy & agenda in their organization?
• Design & implement simple, aligned & focused high leverage tools to increase their leaders’ capacity and capabilities?

What do the BEST vs. the rest do?
What is their “secret”?  

Global Talent Management Institute
UNC Kenan-Flagler Business School
The secret?

JUST ONE THING
It’s NOT just 1 thing!

The Talent Management 4 + 2 Capability Model*

The Core Four
1. Business Junkie
2. HR Disciple
3. Talent Production Manager
4. Talent Authority

The Differentiating Two
1. Trusted Executive Advisor
2. Courageous Advocate

Your clients are talking about you…..right now!

What are they saying about you?  What’s your bumper sticker?
Our Agenda

1. Jim Shanley…….. *What it means to be a business junkie?*
2. Marc Effron…….. *How to build a talent philosophy?*
3. Corey Seitz…….. *How to be a talent authority?*
4. Jim Shanley…….. *How can you build these skills?*
5. Open Discussion / Q&A
What it means
to be a business junkie
What it means to be a business junkie

Congratulations….you’ve just been hired as the top HR executive at a Fortune 500 Company. The CEO has charged you with building a world-class HR function and drive a talent management agenda.

The CEO wants to know the following:

1. What are the 3 questions you’ll ask to “test” a candidate’s business acumen?

2. What are the top three competencies you’ll hire to?
My hiring profile for HR, TM, OD, LD, Staffing, Comp

Business leaders

*that can*

establish credibility, build relationships & influence executives

*and*

leverage their broad based & deep technical HR skills….and those of their teammates

*to*

grow the top line & bottom line
Can you talk to your CEO?

1. Explain your company’s strategy and how you make money in “kitchen English”.

2. Go through your company’s P&L and balance sheet

| ✓ Revenue | ✓ Revenue / NI by segment | ✓ Revenue Growth |
| ✓ Tot. Expenses | ✓ Revenue / Employee | ✓ Total assets |
| ✓ Net Income | ✓ Total Labor Expense | ✓ Expense Growth |
| ✓ EPS | • Base | ✓ Operating Leverage |
| ✓ Top Investors | • Incentives | |
| ✓ Market Cap. | • Benefits | |

3. Do you know your payroll expense….per day/week/month?

4. **Everything is public**  www.yourcompany.com/investors

5. **There are NO excuses**
SURVEY: What quadrant are you in?

CREDIBILITY / RELATIONSHIP / INFLUENCING SKILLS TO CLIENTS
Where are you? Where is your HR team?

CREDIBILITY / RELATIONSHIP / INFLUENCING SKILLS TO CLIENTS

Business Acumen

<table>
<thead>
<tr>
<th>HI</th>
<th>LO</th>
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<tr>
<td>2</td>
<td>Shame 30%</td>
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<tr>
<td>4</td>
<td>Goal 10%</td>
</tr>
<tr>
<td>1</td>
<td>Fail now.... 30%</td>
</tr>
<tr>
<td>3</td>
<td>Dangerous 30%</td>
</tr>
</tbody>
</table>

Dangerous 30%

30%
The reality of HR as we see it

- 50+% of HR talent falls in one of the following categories:
  - irrelevant or “non-essential”
  - implementers with limited “theory of the case”
  - administrative and/or transactional
  - employee relations focused
  - fighting for power & turf with HR teammates
- The majority don’t recognize a “P” from an “L”
- Most are either threatened by or totally dependent on consultants
- Few real meaningful metrics exist
- More and more will get outsourced

A great opportunity!!!!!
What CEO’s and senior executives care about

• Analysts
• Their Board
• Customers
• Next quarter’s results….and then?
• Top line & bottom line growth
• Expense reduction
• Regulators
• They don’t care about most of the stuff all of us talk about

The “BEST” frame up HR issues in ways CEO’s get
What senior executives want from us

• Relevant to the business
• Focused on driving the P&L
• Trusted counselor to the CEO & team
• Simple processes
• Flawless execution
• Catalyst for change
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Talent Philosophy

*Your “rules of the road” for managing talent*
What are your rules for managing talent?

Are there clear rules in your company about . . .

• How long is it OK to be an average (50th percentile) performer? How long in a key role?
• How accountable are managers to actually develop employees and what happens if they don’t?
• How transparent should managers be with their direct reports about their potential to advance in the company?

We all have personal opinions on these questions. Few companies have a clear set of rules.
Polling Questions

Does your senior team agree about . . .

- How long is it OK to be an average (50\textsuperscript{th} percentile) performer? (YES or NO)
- How accountable are managers to actually develop employees and what happens if they don’t? (YES or NO)
- How transparent should managers be with their direct reports about their potential to advance in the company? (YES or NO)
Talent Management Philosophy

There are five main areas of a talent philosophy:

• **Performance**: What are the consequences of higher or lower employee performance?

• **Behaviors**: How much do behaviors matter for managers and individual contributors? At what thresholds do we start to care?

• **Differentiation**: How should we allocate Company X’s resources and rewards across varying levels of performance and potential?

• **Transparency**: How open should we be, and with whom, about our talent processes and their outcomes?

• **Accountability**: To what extent should managers be responsible for the execution of talent building processes?
Talent Management Philosophy – Where it Fits

A talent management philosophy describes the “rules of the road” or guiding principles for how talent is managed in your company.

The core processes for ensuring high performing talent

Talent Reviews and Succession Planning
Ensure that high quality talent exists and that it can sustain the business

Performance Management
Align employees with the needs of the business

The foundation for all talent activities

Talent Philosophy
The rules of the road for building your company’s talent

Your Company’s Success Model
The capabilities that will distinguish your best talent
Why having a talent philosophy matters

Without a talent philosophy,

- Individual biases determine who gets managed how
- There’s inconsistent investment in managers who have similar capabilities
- You’re unintentionally developing different capabilities

Overall, you’re sub optimizing your ability to grow talent
How to use a talent philosophy

• A guide for your succession planning and talent development discussions, and other key talent decisions
• Input for redesigning your talent management practices
• Communicate the “rules of the road” to your employees
• Help to advance a culture change
Talent Philosophy Example

• **Behaviors**: An individual’s behaviors meaningfully influence their pay and progression through Company X

• **Performance**: We believe in strong, sustained performance with increased performance standards for more critical roles

• **Accountability**: Managers are accountable to drive high performance through clear goal-setting and coaching

• **Transparency**: We share information with employees about talent processes and the talent decisions that personally affect them

• **Differentiation**: All Company X employees should receive rewards commensurate with their performance. The highest level of performance will receive significantly higher rewards than average performance
# The Talent Investment Grid™

<table>
<thead>
<tr>
<th>Potential</th>
<th>Lowest Potential Category</th>
<th>Middle Potential Category</th>
<th>Highest Potential Category</th>
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<td>Compensation Targets</td>
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<td>Base 50&lt;sup&gt;th&lt;/sup&gt;, Bonus 75&lt;sup&gt;th&lt;/sup&gt;</td>
<td>Base 60&lt;sup&gt;th&lt;/sup&gt;, Bonus 90&lt;sup&gt;th&lt;/sup&gt;</td>
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<td>Consider</td>
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<td>Maybe</td>
<td>Yes</td>
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<td>Global Move</td>
<td>No</td>
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<td>Special Projects</td>
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<td>Compensation Targets</td>
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<td>Middle Performance</td>
<td>Base 50&lt;sup&gt;th&lt;/sup&gt;, Bonus 50&lt;sup&gt;th&lt;/sup&gt;</td>
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<td>Base 60&lt;sup&gt;th&lt;/sup&gt;, Bonus 60&lt;sup&gt;th&lt;/sup&gt;</td>
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<td>Base 60&lt;sup&gt;th&lt;/sup&gt;, Bonus 75&lt;sup&gt;th&lt;/sup&gt;</td>
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<tr>
<td>Special Projects</td>
<td>No</td>
<td>Maybe</td>
<td>Maybe</td>
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Case study

• **Company**: Mid-sized investment company that manages $25 billion in assets

• **Situation**
  – Moving from not-for-profit sector to for-profit sector
  – Needed to shift culture and talent practices
  – Wanted to send clear messages about the new “rules”

• **Actions**
  – Senior team completed the Talent Philosophy Survey
  – Results indicated desired shift toward higher standards on performance, behavior, accountability and transparency
  – Redesigned their processes; communicated widely to managers
For more on the topic . . .

For your copy, email me at: Marc@talentstrategygroup.com
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How to be a Talent Authority
Talent Production Manager

• Build and execute talent production processes
  – The Talent Management Model
  – Focus on target job(s) for development/moves
  – Assignment Management: Manage experience tirelessly
  – Create accelerated development processes for critical talent pools
Talent Management Model

- **Leadership Talent**
- **Job Experiences**
- **Continuous Learning**

An Organization of High Performing Individuals and a Talent Pipeline to Grow the Business

- **Acquire and select leaders at all levels based on a Leadership Success Profile**
- **Leverage ongoing feedback and job assignments to engage individuals in their jobs and develop enterprise leaders**
- **Support individuals’ growth through Learning and Leadership Development**

- **Top 100**
  - General Management
  - Research & Development
  - Emerging Leaders
Defining Potential by Target Job(s)

- A Target Job refers to a job grouping not a single position (e.g., D1, Marketing)
- All Managers and above should have a Target Job. More than one Target Job may be identified
- Target Jobs can be within-function, across functions, sectors, and regions
- Each Target Job will be assigned a related readiness (Ready Now, Ready Later, Ready Future)
- Target Job is identified for the purpose of focusing development and it is not a guarantee

Potential is defined by the ability to reach a TARGET JOB within a five-year time horizon
Assignment Management Process

Objectives:
- Define Talent Needs Based on Business Strategy
- Identify Talent and Drive their Development & Growth
- Strengthen Pipeline for Critical Leadership Positions
- Optimize Talent Deployment Across the Businesses

Potential Definition
- Target Job (5-year)
- Informs differentiated development plans

Employee Conversations
- Career conversation to reflect aspirations
- Feedback to employee on OTR outcomes on talent profile

Organization & Talent Review
- Review bench strength for management team and critical positions
- Define actions to fill talent gaps

Talent Talks
- Fill vacant positions
- Review organization and people actions defined in OTR
Accelerated development process for critical talent pools

- Selection based on target job.
- Candidates selected from Succession Planning Process.

- Candidates participate in specific, customized development programs.
- Programs focus on global, cross-business representation.

- “Talent Roundtables” generate concrete next development steps.
- Succession Planning process - leverage for job assignments.
- Candidates tracked on an ongoing basis.
Talent Authority

• Understand the backgrounds, strengths, weaknesses and development needs of top talent
  – Accelerate the development of the critical position pipeline
  – Create an assessment library for your critical talent
  – Understand and manage the pipeline of critical position talent
  – Success = A pipeline to grow the business; measure your progress
An Assessment Library for key talent

Evaluate employees on three key sets of characteristics:

- **Aspirations**
  - Employee’s career aspirations, motivations, and mobility preference

- **Leadership Skills/Abilities**
  - Cognitive abilities
  - Ability to learn from experience and apply to new situations
  - Leadership Competencies
  - Derailment Tendencies

- **Track Record**
  - Multi-year performance track record
  - Relevant experiences & qualifications
Pipeline for GMs: 5-Year Potential

Pharma BUL2
*Angelino, Paulo (7) [L]
*Atkins, Jim (5)
*Bianchi, Vela (FM/FM)
*Brown, Black (FM/FM)
*Hardy, Bertrand (5)
*Gustafson, Marty (6) [L]
*He, Tony (5) [L]
*Hollis, Rob (FM/E) [L]
*Johansson, Luke (7)
*Mishra, Mohan (FM/FM)
*Small, Constantine (FM/FM)
*Smith, Richard (FM/FM)
*Smith, Eric (5)
*Unwood, Martín (8)
*Kaolin, Julie (FM/FM)
*Hanna, Barbara (7)
*Hogan, Jimmy (6) [L]
*Hues, Pace (6) [L]
*Kermes, Doug (7)
*Lamont, Hal (FM/FM) [L]
*Lynch, Paul (6) [L]
*Murphy, Ken (7)
*Parisse, Max (5)
*Raeote, Saul (7) [L]
*Riveted, Steve (FM/FM) [L]
*Schmidt, Max (FM/FM) [L]
*Sector, Rupert (5)
*Sharky, Timmy (FM/FM)
*Shibata, Toru (5)
*Smallcombe, Rupert (6)
*Smith, Alberto (7)
*Speck, Mickey (7) [L]
*Wang, Wilt (5) [L]

NCH
*Adam, Naira (6) [L]
*Alvarez, Eric (7) [L]
*Balsa, Przemyslaw (6)
*Broadhurst, Vaclav (6) [L]
*Canterbury, Kurt (6)
*Choi, HT (6) [L]
*Ferret, Bob (7) [L, I]
*Goodwin, Umberto (5) [L]
*Halky, Naomi (E/FM)
*Kefalas, Rupert (6)
*Creston, Millie (8) [L]
*Mansour, Prudish (7)
*Matts, Gloria (E/FM)
*Park, Big (5) [L]
*Sand, Ernesto (8) [L]
*San Martin, Mark (7) [L]
*Scaccabarozzi, Salvatore (7)
*Sellers, Paul (8)
*Starkness, Kathy (8) [L]
*Timex, Steve (6) [L]

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Alleles, Mike (7) [L]
Choi, Diego (6) [L]
*Colabungo, Gaetano (6) [L]
*Conway, Steve (6) [L]
*Diego, Fargo (4)
*Garcia Cano, Marco (6)
*Gonzalez, Alex (7) [L]
*Healey, Jimmy (7) [L, I]
*Hogan, Jimmy (6) [L]
*Hues, Pace (6) [L]
*Kalis, Marvin (5)
*Kermes, Doug (7) [L]
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*Sharky, Timmy (FM/FM)
*Shibata, Toru (5)
*Smallcombe, Rupert (6)
*Smith, Alberto (7)
*Speck, Mickey (7) [L]
*Wang, Wilt (5) [L]

NCH VP2
Dempsey, Jack (6)
Se, David (6) [L]
*Patel, Jeremy (6) [L]
*Week, Jeff (FM/FM)

V&D
Bul 4
*(N=6)

Pharma BUL3
Austin, Steve (FM/E)
*Brennan, Walter (FM/FM)
*Ferreira, Gary (E/FM)
*Fischetti, Antonio (E/E)
*Hogan, Jimmy (FM/E)
*Kilman, Nelson (PM/E)
*Lawson, Cornelius (E/FM) [L]
*Laxminarain, Prato (FM/FM)
*Moreira-Raton, Paul (FM/E) (CD)
*Nathan, Susan (FM/E) [L]
*Powell, Dirk (FM/FM)
*Terries, Paulo (FM/FM)
*Wang, Wing (PM/E) [L]
*Wildman, Evan (E/FM)

NCH
*Basel, Rob (8) [L]
*Griffiths, Jack (E/FM) [CD]
*Tuber, Jeff (FM/FM)

V&D
No BUL4s in V&D

Pharma VP3
*Mackey, John (FM/E) [L]
*Wilson, Larry (FM/FM) [L]

NCH
*Durado, Marcos (E/FM)
*Dandy, Sammy (7)
*Dallas, Thad (E/FM) [L, I]
*Gaiter, Took (FM/FM)
*Park, Ball (6)
*Ringbolt, Worm (6) [L]
*Torres, Mike (8)

V&D
BUL 3
*(N=33)

Pharma VP4
*Martinez, Roberto (FM/FM) [CD]
*Bunny, Pat (FM/FM) [CD]
*Peppers, Jake (FM/FM) [CD]
*Topples, Paul (E/FM) [CD]
*Taylor, Ken (E/FM) [CD]

V&D
BUL 4
*(N=6)

5-Year Potential 'Color-Code'
1) CEO potential
2) EC potential
3) BUL4 potential
4) BUL 3 Potential
5) Potential for current role level

Relates to five-year timeframe

L = Leady alumni
CD = CEO Dialogue Alumni
IDP = move/change in position aug ’09-sept ‘10
Measuring Progress: GM Development

8 Groups Complete
Group 9 in progress

- 164 (84%)
- 27 (14%)
- 5 (2%)

159 Positional Changes as of August 2010

- 130 (82%)
- 29 (18%)

Graduates still with XYZ
Incomplete
Left XYZ

- 89 (56%)
- 70 (44%)

In-Sector
Cross-Sector
Promotion to GM
Other Role Changes
• How well do you personally know your top 100 leaders?
  – 1. Just starting to get to know them
  – 2. I could give a detailed assessment of half
  – 3. I can give a detailed, nuanced assessment of all
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Talent Management Institute

We want you to:

• Operate at the highest echelons of talent management and ensure your career success
• Be the trusted advisor on talent and talent issues
• Become a skilled teacher of these skills to others

Join us for the Talent Management Institute

3-day program on Talent Management

November 27-30, 2012

UNC Kenan-Flagler Business School, Chapel Hill, NC
Q & A

• What is still unclear?
• What do you find challenging?
• Other questions?
Thank you

- We appreciate your time
- We appreciate your interaction
- We hope to see you in November!
Upcoming Webinars:

• Aug. 16: How SMBs Can Expand Their Training Reach
• Aug. 28: Crossing the Chasm to Engaging Virtual Facilitation
• Aug. 29: Brilliance by Design: Engaging & Energizing Learners
• Aug. 30: When an Employee Leaves: How Much Knowledge Just Walked Out the Door?

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Stephen M. R. Covey  
Author, *The Speed of Trust*  
Program Date: August 13, 2012

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Beverly Kaye & Julie Winkle Giulioni  
Career Systems Int’l & DesignArounds  
Program Date: September 19, 2012

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Thank You!

On behalf of TrainingIndustry.com, thanks to:

- Today’s Speakers: Marc Effron, Corey Seitz & Jim Shanley
- Today’s Sponsor: UNC Kenan Flagler Business School
- All of you for attending

Questions or Comments? Please contact Tim Sosbe:

tsosbe@trainingindustry.com