Talent Planning Introduction

Talent Planning is an important responsibility for leaders. Talent planning is often overlooked because of the day to day needs take precedent, however, in order to ensure your department or organization has the right skills now and for the future, talent planning is critical. The illustration below demonstrates the key segments of talent planning.
What is Talent Planning?

It’s an opportunity to make a strategic difference in organizations by understanding future skill needs and the types of jobs in your organization that are considered critical to the ongoing success and operation of the organization. In order to predict what future skills an organization will need, a thorough review of your organization’s talent is necessary.

According to the Human Capital Institute, talent planning:

- Supports the budgeting process
- Supports the strategic/business planning process
- Identified shortages of qualified talent for critical roles
- Serves as a mechanism for identifying critical roles
- Identifies skill gaps in the workforce

In order to be strategic, planning efforts must:

- Be aligned with the organization’s strategy
- Differentiate roles by their contribution to the business strategy
- Focus first on the critical roles that impact the organization
- Leverage current and future state perspectives
- Use a futuring technique to image a future state
- Result in action plans that are owned and monitored by the leader
Strategic alignment as a key outcome of Talent Planning

Environmental Scanning

Involves taking an assessment of your current state. What skills does your workforce have now, what skills are needed for the future and identifying the gaps so that you may determine how to bridge the gaps.

Environmental Scanning according to Human Capital Institute:

- Is a systematic way to identify and monitor trends that affect the workforce.
- Should be an ongoing activity in the planning process
- Unites quantitative and qualitative aspects of the factors
- Engages the business in determining critical sources of information and trends to watch.

Resource: template – Environmental Scanning
Template for Environmental Scanning – *(Example – Healthcare)*

<table>
<thead>
<tr>
<th>Demand</th>
<th>Supply</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ROW (Rest of the World)</strong></td>
<td><strong>Labor Market</strong></td>
</tr>
<tr>
<td>• U.S. shortage of Healthcare professionals</td>
<td>• New regulations for accreditation of nurse practitioners</td>
</tr>
<tr>
<td>• New regulations for accreditation of nurse practitioners</td>
<td>• Very competitive market nationally for Nurse Practitioners and Nurses</td>
</tr>
<tr>
<td>• Increased competition from other national retail pharmacies</td>
<td>• New training and retraining programs for NP’s</td>
</tr>
<tr>
<td>• Increased need for healthcare professionals due to aging populations</td>
<td>• Market for these positions highly competitive</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Your Organization</strong></th>
<th><strong>Current Talent - Employees</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Revenues and profits have been modest last 3 years</td>
<td>• Existing population of NP’s and RN’s reluctant to work in new locations</td>
</tr>
<tr>
<td>• Plan to increase healthcare clinics by 20% in 3 years</td>
<td>• Week pipelines for these roles</td>
</tr>
<tr>
<td>• Goal to be primary competitor in health care clinics</td>
<td>• Retention of high performers at 80%</td>
</tr>
<tr>
<td>• Strategic (critical) roles are NP’s, Nurses, other related healthcare)</td>
<td>• 10% of these roles are retirement eligible</td>
</tr>
</tbody>
</table>
The Data Requirement of Talent Planning

Obtaining current data is a key piece of defining your talent planning strategy and aligning it with overall goals to help bridge the gaps. Begin with some questions:

- Who is your organization in a strategic (critical) role? From the example above, critical roles are being defined as healthcare professionals, Nurse Practitioners and Nurses.
- How many employees work in each division?
- How many layers removed from senior leadership are the employees?
- Where are your vacant positions?
- What is the position history for a person in a position?
- What positions are most critical to deliver business results?
- What skills currently exist within our organization and which ones need to be developed?
Current State Assessment

- Data produces quantitative as well as qualitative views of a role
- Views from each role from:
  - The business perspective – what do we need and who do we have?
  - The Talent perspective – who are we and what do we want?

Templates – Current State: Strategic/Core roles template and workforce supply groups

Template: Current State for Strategic/Critical Roles

Use the template to think about:

- General characteristics of the role
- Demographics: profiles, trends analysis
- Alignment to strategy – strategic, core, supportive, misaligned
- Competencies
- Challenges
- Retention issues – why do they go? Why do they stay?
### Template: Current State Data – what’s wrong with this picture? (Example)

<table>
<thead>
<tr>
<th>Measure</th>
<th>Current Staff</th>
<th>Recent Hires</th>
<th>Recent Separations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Median Age</td>
<td>44</td>
<td>31</td>
<td>34</td>
</tr>
<tr>
<td>Median Retirement Age</td>
<td></td>
<td></td>
<td>54</td>
</tr>
<tr>
<td>Median length of Service</td>
<td>11.3</td>
<td></td>
<td>4.0</td>
</tr>
<tr>
<td>Female %</td>
<td>67.3</td>
<td>32.1</td>
<td>48.1</td>
</tr>
<tr>
<td>Management %</td>
<td>34.2</td>
<td>21.4</td>
<td>29.6</td>
</tr>
<tr>
<td>HQ Location %</td>
<td>44.0</td>
<td>48.3</td>
<td>26.3</td>
</tr>
<tr>
<td>High Performers %</td>
<td>15.3</td>
<td></td>
<td>28.7</td>
</tr>
<tr>
<td>Mean Working Hours</td>
<td>39.1</td>
<td>38.50</td>
<td>39.26</td>
</tr>
<tr>
<td>Total Turnover %</td>
<td></td>
<td></td>
<td>8.1</td>
</tr>
<tr>
<td># of employees</td>
<td>333</td>
<td>28</td>
<td>27</td>
</tr>
<tr>
<td># of FTE’s</td>
<td>325.5</td>
<td>27.0</td>
<td>26.5</td>
</tr>
<tr>
<td>Recruitment rate%</td>
<td></td>
<td></td>
<td>8.4</td>
</tr>
<tr>
<td>Diversity %</td>
<td>14.4</td>
<td>35.7</td>
<td>40.7</td>
</tr>
<tr>
<td>Silent Generation %</td>
<td>3.6</td>
<td>0.0</td>
<td>0.0</td>
</tr>
</tbody>
</table>
Some key points that stand out with the data above:

Diversity – 40.7% of separations
High Performers – 28.7% turnover with high performers
Females – 48.1% turnover of female employees; almost half of the workforce
Median Age of separations is 34
Hiring rate – 31 hires and 34 separations

In evaluating this workforce picture, it appears that high performers, more recently hired staff, females and people with diverse backgrounds are leaving the organization. The median retirement age is 54, which could be a problem with the amount of turnover occurring in some of these categories. In addition, it may be possible that the wrong talent is being hired for some of the positions with 31 hires being made and 34 separations. More information would need to be gained about these items in question to help with the talent planning process.
Complete a template for each employee talent group, such as:

- Workforce generations
- New hire, experienced hires, transitioning employees
- Talent levels
- Employment Status
- Engagement levels
- For each group, think about:
  - Potential and performance
  - Employment relationship
  - Skill/qualification level
  - Primary motivation focus
  - Availability
  - Retention difficulty
  - Length of service
  - Engagement
Futuring

Futuring involves using a systematic process to think about and picture possible outcomes using scenario planning. In order to plan for talent, organizations use futuring to identify and anticipate future skill needs to continue to be competitive in the job market.

Scenario Planning (Futuring)

- Taken from Italian theater – a brief synopsis of the plot in a play or movie.
- In a business context, develop stories of possible futures.
- With a range of futures, the organization improves its chances of both survival and growth.
- Provides a framework for creative thinking, discussing differences and coming to consensus.
- The very act of participating in scenario planning improves your organization’s agility.
Scenario Comparison Chart

<table>
<thead>
<tr>
<th>Key Issue</th>
<th>Scenario A</th>
<th>Scenario B</th>
<th>Scenario C</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact on strategy, business and finance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impact on customers and value provided</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impact on workplace and employees</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impact on Strategic roles</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Futuring**

- Identify common factors (strategic and business) that must be addressed in each scenario
- Develop a narrative
- Describe the situation
- Identify impacts on the organization and strategy execution
- Identify 3 to 5 workforce impacts
- Name each scenario and “tell a story”
Gap Analysis

- Compares the workforce across a set of dimensions
- Keep timeframes in mind
- All gaps are not equal
- All gaps don’t need to be closed
- The gap analysis feeds directly into action planning where it will be critical to set measurable targets for all actions.
- Gap = the differences between current and future state

Gap Template Example

<table>
<thead>
<tr>
<th>Defined Gap</th>
<th>Changes From</th>
<th>Changes To</th>
<th>Relation to Strategy (how important is it?)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee engagement score</td>
<td>58.2</td>
<td>63</td>
<td>High</td>
</tr>
<tr>
<td>Risk of losing specialists to retirement</td>
<td>10% of employees who are “ready now” to replace retirees</td>
<td>50% ready now employees</td>
<td>High</td>
</tr>
<tr>
<td>Capabilities</td>
<td>Financial function Very good</td>
<td>Financial – very good Communications – good</td>
<td>Medium</td>
</tr>
<tr>
<td>Talent Segments</td>
<td>Stable, profession-focused -90% Managerial, ambitious – 10%</td>
<td>Stable, profession-focused 65% Managerial – 10% Innovative, investigative, organization-focused – 25%</td>
<td>High</td>
</tr>
</tbody>
</table>
Action Planning - The 6B’s and Organizational Design to Close Gaps

1. **Buy**

*Definition:* Bring in new talent from outside

*Actions:* Solidify employment brand, use best sources, make employees talent scouts, develop profiles of technical and social competencies, reward managers for developing internal talent

*Risks:* high percentage of imported talent fails within 18 months, negative impact on morale and career progression.

*Guidelines:* Go outside if candidate is 25 to 35% better than internal or if organization needs new infusion of talent; 85% of people leave organizations because of social and cultural misfits.

2. **Build**

*Definition:* Develop or unleash the talent of people within the organization.

*Actions:* Have training programs to build skills; use action learning and assignments to build experiences; provide coaching and feedback; develop web portals to share knowledge and expertise.

*Risks:* The time it takes to become proficient; poor effectiveness of training; costly programs.

*Guidelines:* 70/20/10 model for development, 75 to 80% of senior positions filled internally.

3. **Borrow**

*Definition:* Utilize talent from consulting, outsourcing or contingent workforces to access needed skills and ideas.

*Actions:* Develop a network of trusted partners; analyze what skills should be borrowed or done internally; manage outsourcing and borrow projects carefully; transfer knowledge internally.

*Risks:* Loss of important intellectual property and capability; reduction in quality; over-dependence on partners; morale of employees.
4. Bind

**Definition:** Retain the most talented employees in vital roles.

**Actions:** Know who your best performers and highest potentials are; provide challenging developmental opportunities; recognize their achievements; open up interesting career choices; involve in the community.

**Risks:** Good people will leave if not challenged or recognized; the best people are most often contacted by recruiters.

**Guidelines:** Be proactive and not wait until a top person is dissatisfied; know all of the top people personally; report on their “flight risk” every 15 to 30 days.

5. Bounce

**Definition:** Remove poor performers, eliminate unproductive roles or revitalize people with old skills.

**Actions:** Have clear performance standards; communicate these standards so they are understood by all, have flexible exit strategies (if possible), assist people in their transitions; provide re-skilling opportunities that you want to retain.

**Risks:** the wrong person leaves; entire skill sets are diminished; morale of remaining employees; the process is done poorly.

**Guidelines:** Plan reductions and reallocations carefully; reduce with a scalpel, not a hatchet; do not have multiple or rolling layoffs; be fair; communicate with survivors; get ready for the turn around.

6. Balance

**Definition:** Determining the best possible balance of all the previous factors.

**Actions:** Receive input from the workforce planning process and the previous 5B’s and OD; develop several strategic scenarios to model the future; continue to adjust these scenarios and update them as new data are obtained.
Risks: hard to predict the future.

Guidelines: Develop different case scenarios; vary external factors such as the strength of the economy, external talent supply, and movement due to turnover; vary internal factors such as time to proficiency, movement of talent and anticipated new skills required.

Monitor & Report

Becoming Data Driven in Human Resources – 7 Keys to Success

1. Design with the end in mind
2. Tie vision to organizational strategy
3. Exploit available resources
4. Seek out partners to help realize the vision
5. Build your foundation on data
6. Communicate outcomes in compelling ways
7. Strive for excellence

Summary

Getting leaders and executives to understand the gaps and buy-in to action plans is a critical skill for successful talent planning.

Gaining support takes:

- The right data presented in an interesting way that promotes an understanding.
- The right stories utilizing elements of dramatic structures.
- The right perspective that takes into account the predispositions of your audience.