

## **Integrated Talent Management**

*by Alykhan Bandalji, CHRP*

Standing at a cocktail party in the midst of a great conversation with a fellow HR professional, the topic turned to performance evaluations for employees. The colleague said that her organization had just invested in a new software program to run their performance evaluations, and that the investment was worth the incredible amount of money because it printed really cool-looking reports - I think she called them a dashboard. I was really impressed when she told me about the software's capability of defining corporate competencies and the ability to run 360-degree evaluations. Then I asked one simple question: are the competencies evaluated for each employee tied to the individual employee's specific job or are they generic corporate competencies? She replied, "Well, they are general corporate competencies that everyone should be striving for, of course."

I rebutted by saying that if the competencies are not specific to the job nor are they aligned with the corporate vision, what is the purpose of doing employee performance evaluations against those competencies? Wouldn't it be nice to have the evaluation based on the original competencies defined through the evaluation of the employee's job?

My colleague looked puzzled by this statement, and after a small pause in the dialogue, she began to describe again the type of reports that the software produces. "The report I get is very cool, it has pie charts and color coded summaries on the competencies and the employee's performance." With one look over my glasses she looked to the floor and admitted, "I guess the report is all show and no relative substance."

This simple dialogue is a symptom of a current barrier in human resource departments today. Over the past 10 to 15 years, we have been trying to create direct value of the HR function to the bottom line of the organization. Visionary authors like Jac Fitz-Enz have argued that, "(t)odays managers face a new reality, more competition for fewer people with the skills/education needed, and a coming labor pool with not enough skills to meet all needs. Organizations (will) come to realize that people are the only dynamic asset in their mix, HR professionals must aggressively evaluate their goals and look at the value-added content of HR activity."

In a rush to create a voice for HR at the corporate table, many organizations have created valuable sub-departments that specifically focus on areas such as Training and Development, Organizational Development, Succession Planning, Performance Management, etc. So where is the problem as it relates to the party talk above? The problem lies in the integration of those speciality areas. Just as in the example above, if the outcomes of one area are not tied to the work of another speciality area, what we have created is a silo approach to the

profession of human resources and ultimately to the management of our organization's talent.

Further to this, it can be argued that much of the disconnect is due to the fact that the new speciality areas of HR have grown apart from the development of the older and more foundational sides of HR such as job evaluation, job design, compensation, and employee recognition. These original starting points for the field of human resources hold the key to the total integration and harmonizing of the HR voice at the corporate table.

Without integration, HR's place in the executive suite can be out of sync, possibly irrelevant, and at worst a flood of noise not making true sense as to the impact that HR has on the bottom line. If this is the case, the silo approach makes it easy for executives to criticize HR as being irrelevant to corporate strategy, and relegating the area back to being a cost centre to the organization.

The best starting point for integrating HR functions with the rest of the organization is in the area of job evaluation and job design. Every job in the company should – ideally – be contributing to achieving the company's goals. That is to say that even before the recruitment process starts, the job and its design should be meaningfully connected to the bottom line.

This evaluation process can be most effective if organizations can define concrete and meaningful competencies and behaviours related to each job. This process is extensive but necessary for the success of differentiating jobs and expectations. This in turn will set the company up for better retention and engagement of employees. Organizations must stay away from the lure of short cuts during this process. Short cuts in this process range from not investing the time in designing jobs and evaluating them all together, to not defining the competencies of the organization, to the creation of generic competencies to be used by the organization as a whole.

An exceptional job evaluation process forces HR to know the organization and its business. Once an organization has invested time in job evaluation, it is in a position according to better target potential employees because then you are searching for specific skills, experience, traits and behaviours of prospective employees that match the specific competencies of the job.

According to a report by the Harvard School of Business Publishing and Mercer titled, "Tempered by Fire: Where HR is. And where it needs to go.", the authors stated the following.

*"Many senior HR executives are thoroughly tired of the conversation around "strategic partnering" or "business partnering." "I remember having this conversation 20 years ago." Ditto for discussions of whether HR is adding value: "Why would we even debate whether or not we add value?"*

*This has been going on for 10 years, the same conversation. If you have to ask whether or not you're adding value, you're already off the boat. Get out if you have to ask." They have no patience for what they see as the traditional defensiveness of HR. Where did this confidence come from? Clearly, in many instances it derives from going through the wars of restructuring and cost cutting with the rest of the senior management team – this is the "tempered by fire" part – showing that HR could hold its own in the implementation of some tough changes that might have given pause to prior generations of HR specialists, described by one participant as "nurturers." "When you're doing cost cutting, you're doing strategic work," one guest observed. Perhaps even more fundamental – and this is key to the skill set they see required of their successors – many take great strength from their deep understanding of their company's businesses.*

Now that jobs have been defined and evaluated based on a consistent set of competencies and aligned with the business of the organization, true integration begins. Human resources can relate the defined competencies of the job to applicants in the recruitment process, ensuring that hiring is done based on the competencies the job needs, not just a dynamic interview. The next step is to translate those competencies to the behaviours and skills being evaluated as part of each employee's performance evaluation. Research tells us that employees today are seeking more meaningful evaluation feedback as it relates to their job. With the clarity of what is expected from the employee prior to them accepting the job and the performance evaluation being based on those same competencies, organizations stand a greater chance of success not only in achieving their mission, but also of better employee retention.

For example, the competencies that are needed for an administrative assistant are different than those that are needed for a vice president – although there are some similarities, with the difference being in the level at which the competency needs to be performed. Neither of these employees will receive a valuable performance evaluation if it is based on generic competencies. If proper job evaluation has been done, the administrative assistant is being evaluated on the specific job they were hired to do and she also understands how her job relates to the achievement of the bottom line. This gives greater recognition for the employee intrinsically, not to mention providing more meaningful feedback.

The next step is to integrate other HR areas such as training and development, mentoring, and organizational design by analyzing the results of performance evaluations. This will provide better use of budget dollars by targeting the areas that truly need improvement, not just focusing on the squeaky wheel employee, or the flavour-of-the-month training program.

When an employee can see the direct link between their performance review and their training plan, they will be more engaged in learning new skills, resulting in more effective results from training. They will concretely see how the training will

improve their performance directly, as well as how that will contribute to the organization's goals. More meaningful investment in training also leads to a feeling of recognition for the employee, and increases the chances of retaining that employee.

Further in this analysis, employees can be highlighted for their achievement in specific competencies and then linked as a mentor to employees who need development in that area. This type of mentoring program provides recognition to the employee who has been highlighted as an "expert", and it gives the employee who is being mentored a source of knowledge and support within the context of the organization. Once again, organizations can see value in the dollars that they invest in such programs by tracking performance improvements, as well as in the increased engagement and retention of employees.

Lastly, areas such as succession planning and organizational design can integrate their work by analyzing performance evaluation data. Meaningful training programs can be designed for specific employees for future vacancies, career planning can be achieved at all levels of the organization, and the organization can show respect and recognition to all employees for their prospective opportunities based on their past meaningful performance. The potential for retaining employees will only increase as they receive recognition for their past performance and the organization's viewpoint of seeing them as part of its future.

Getting back to the conversation at the cocktail party...after more dialogue around the idea of performance evaluation, my colleague turned to me and said, "What are my next steps?" My answer was a question in return: If these symptoms and silos sound familiar, then does your HR leadership have the courage to do what others see as our expertise, and change course, even if it means doing things differently?"

In trying to create a place for ourselves at the management table over the past ten to fifteen years, we need to have the conviction that in order to see talent management in this new way, we must show true leadership in doing things differently. That will be the lasting legacy that HR leaders of today leave for their successors tomorrow.