



# Talent Planning

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Methodology & Business Scenarios

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## Talent Planning Overview

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A successful talent management strategy has the support of top-level leadership who have made a commitment to the process, the resources, and funding necessary to support such an initiative. Resources should be a dedicated team of individuals, working on talent management-related activities on a continual basis. Talent management should not be viewed as an initiative strictly undertaken by HR, but rather an initiative impacting the overall mission and objectives of the organization. Talent management is not simply an annual event. It is a continual, strategic process that is comprised of a series of activities taking place at various points throughout the year. As the impact of talent planning resonates throughout an organization, the buy-in and support for the process needs to come from top leadership.

As part of the talent management process organizations must have a solid understanding of their bench strengths, both in terms of headcount and skills. A major component of this process is identifying the various Talent Pools within your organization. A Talent Pool represents a group of individuals the organization has identified and grouped together based on specific criteria (e.g., education, experience, certifications, employee specified interests or goals). Individuals placed in Talent Pools are often targeted for specific jobs or leadership development programs within the organization. It is critical for organizations to track, maintain, and develop their bench strength and Talent Pools at the right level. Organizations need to be able to predict their organizations and industries demand for skills and understand their current talent supply situation. The successful talent management system cascades from the senior ranks down to even the lowest levels of the organization. It does not focus solely on the organization's leadership positions, although this is often a logical starting point as these occupations represent a large percentage of an organization's mission-critical positions.

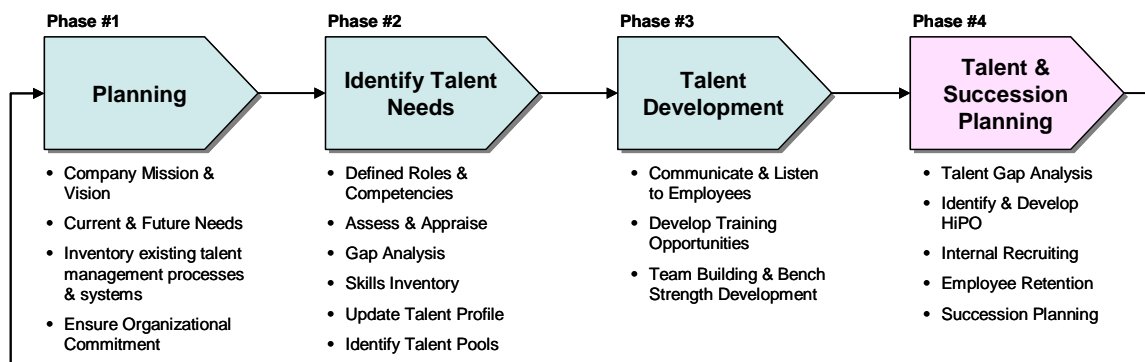
While there are many aspects to a successful talent planning strategy, we will focus on the following:

- Talent Gap Analysis
- Employee / Talent Development
- Identify & Develop High-Potentials (HiPO)
- Internal Recruiting
- Employee Retention
- Succession Planning

Finally, we will provide an example implementation plan from a customer who is taking a multi-phased approach to talent planning.

# Talent Planning Methodology

In this section we detail a multiple phase approach to developing and executing a talent planning strategy. The below illustration depicts this process as a continual cycle. This is true, but in addition, there are many interconnected processes between each of the phases. For example, to have an effective talent management and talent planning system requires numerous process connections and seamless interaction between Phases 2 – 4. The process diagram below, however, does provide a solid framework in which to formulate and begin to build your talent planning strategy.



Phase 1 in developing a talent management strategy is the planning phase. During the planning phase organizations should re-visit the mission and vision of the organization in order to best determine the business needs. During the planning phase it is important to focus not only on the current business needs, but also to assess future business needs and demands. All existing talent management systems should be listed and pros and cons documented to determine if they should be part of, or need to be replaced by, the new process and system. Also, since talent planning is not just an HR initiative, leadership support and resources, along with alignment with business owners, must be obtained.

Once the business drivers have been identified, organizations can begin reviewing and identifying their talent needs. During Phase 2 of the talent planning process organizations should look to define, assess, and determine the proficiency level gap of their critical organizational job roles and competencies. Determining the gap in critical organization competencies helps an organization better understand where their proficiency gaps exist so they can best target their training efforts. Identifying the critical competency gaps also provides an organization insight into the areas in which they are most vulnerable if their high performers leave the organization. Retaining high performers is one of the more important measures an organization can take to maintain the health of their organization. Assessments of the competencies should be done on a continual basis through the use of a 360 multi-rater assessment, or similar tool, and also via the performance review appraisal process. In addition to identifying the critical competencies, organizations should identify the high potential and critical employees that should be developed across the organization.

At this stage certain sets of employees, for example high-potentials, could be placed in a Talent Pool for special development programs (e.g., leadership development).

The information gathered in this stage is part of an organization's skills inventory, which also include additional employee information contained in their individual Talent Profile (basic employee information, education, current goals, professional certifications, internal work history, social interests and communities).

Finally, once the competency gaps have been assessed, in Phase 3 organizations should take action to help employees close their competency gaps. The commitment to employee development and employee career management needs to come from top-level leadership. Ensuring resources are available to support employee development and implementation of those plans needs to be a priority.

The first step in doing so is communicating to employees the areas where they have developmental needs. The next step is to develop training opportunities that are tailored to meet the needs of all employees. Some examples of such training opportunities include leadership development programs, mentoring, coaching, job shadowing and job rotations.

In the next section (Phase 4) we explore a few of the most common and valuable talent planning practices.

## Talent Planning Business Scenarios

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### Talent Gap Analysis

Identifying the critical positions, competencies, and performance goals is the first step to identifying the Talent Pools an organization should focus their attention on. Next, organizations must understand their talent needs in order to attain the performance-related goals. Understanding the talent needs enables an organization to attract, develop, and retain those employees whose talents are well matched to the current and future needs of the organization and who are motivated to perform. Positions where competencies and skills are scarce should be looked at more closely when it comes to talent management. These are positions that will likely be difficult to fill in the future due to lack of specialized skills, market demand, or other environmental factors.

Regular evaluation and talent assessments are critical components in determining the potential performance of individuals, groups, and organizations. A sound performance management system establishes strategy-driven goals defined by both the employee and managers; assesses performance against those goals; and provides continual feedback on performance and progress toward those goals.

As a first step to performance management, organizations should start with the goal setting process. The goal setting process should define what should be accomplished over the course of the year and how those goals will get accomplished. Goals should be set in advance and acceptable levels of performance should be communicated to employees early on in the year. Employees and supervisors should work together to define goals to make sure the objectives are clear. HR teams should work to ensure the goals are measurable and the associated ratings are meaningful. The more collaborative and interactive the goal setting process, the more likely employees are to accept the goals.

Performance management should not be viewed solely as an annual event comprised of an appraisal, but should be viewed as an on-going process. After the goal definition process is established, supervisors, coaches, and mentors need to work with employees to ensure they have access to the resources necessary to help them achieve those goals.

A final and important aspect of performance management is a pay-for-performance system that provides a direct linkage between the completion of objectives and goals to rewards. One way to accomplish this is provide a direct correlation between the ratings on a performance review to an employee's compensation and rewards. It is important to keep in mind that pay-for-performance discussions should take place separate from those discussions involving developmental feedback.

The performance management process plays an integral role in setting the standards of performance and providing the critical feedback mechanism necessary to help employees close their competency gaps.

## Identifying and Developing High Potential Employees

One example of using a Talent Pool capability to identify and develop high potential employees may be an organization that needs to ensure they have highly skilled individuals in a particular business unit. The organization wants to identify high potential & high performing employees and enroll them in a leadership development program. To do so, the organization searches their Talent Pools to find potential employees who meet the following criteria:

- Members of a particular business unit
- MBA, Masters, JD, or Ph.D.
- 3-5 years of related work experience
- Consistently high performers on performance reviews
- Indication of management interest and willingness to relocate in their Talent Profile

Once these individuals have been identified, the organization groups them into a Talent Pool and conducts a 360 leadership competency assessment and uses those scores to derive each individual's Overall Potential Rating. The organization then analyzes the results of the 360 leadership competency assessment and further groups the individuals into 3 Talent Pools:

- High Potential Rating – Acceptance into leadership development “fast track” program
- Moderate Potential Rating – High potential, leadership development recommended
- Low Potential Rating – Not ready for leadership development program at this time

Leadership Candidates					
User Name	Job Position	Organization	Overall Potential Rating	Performance Rating	
<b>High Potential - "Fast Track" Leadership Program (3)</b>					
Amanda L Freeman	Vice President	Information Technology	3.00	3.00	
Brittney M Garcia	Director	Information Technology	3.00	3.00	
Jason M Lane	Director	Information Technology	3.00	3.00	
<b>Moderate Potential - Leadership Dev. Recommended (7)</b>					
Aaron E Miller	Vice President	Information Technology	2.00	3.00	
Arun Bhardwaj	Director	Information Technology	2.00	2.00	
Dawn R Figman	Manager	Information Technology	2.00	2.00	
James A Heckman	Manager	Information Technology	2.00	2.00	
Portsia S Smith	IT Manager	Information Technology	2.00	2.00	

Example Leadership Talent Pool

Once the Talent Pools are defined the organization can assign targeted development opportunities to each group. For example, the High Potential Talent Pool is automatically enrolled in the leadership development program, while the Low Potential Talent Pool may be assigned other targeted training opportunities that will help their career development. Additionally, the organization can track employees by their Talent Pool and compare individuals across Talent Pools.

## Employee / Talent Development

Employee development is a critical element to any talent management strategy and often results in a win-win situation for both the organization and the employee themselves. As organizations expand their development opportunities they need to balance between classroom training and on the job experience, or job shadowing. The job experience approach has proven to be highly effective as it gives employees experience dealing with real-life issues, decisions, and the outcomes that can be attributed to their actions.

In addition to the formal training opportunities offered by an organization, employees need to take responsibility for their own career and development. One way in which this is accomplished is through the use of coaching or mentoring programs that help the employee understand their career opportunities and work with them to develop an actionable plan to meet their career goals.

Another method which is gaining popularity is the idea of employee career management, or career self-service. Organizations who have successfully adopted this concept clearly define career paths for employees and identify the competencies necessary for successful job performance at the next career level. However, solely identifying the competencies is not enough. Successful organizations take it a step further and outline the requisite training opportunities necessary to help the employee achieve the next level of competency proficiency.

This process allows employees to drive their career growth by targeting specific jobs or developmental opportunities in the organization. The idea of an employee managing their career, with the guidance of a coach or mentor, is in the best interest of both the organization and employee. Employees who can make solid decisions regarding their career will ultimately be better performers for the organization than those who feel they have no influence on their career roadmap.

Continual feedback is another integral part of employee development. Performance appraisals and 360 assessments are an important part of employee development. The feedback should:

- Be effective and timely
- Give employees a clear idea about what the future of their organization will be
- Inform employees of the skills they need in order to achieve their career goals
- Educate employees on what they need to do in order to achieve those goals

However, simply providing feedback on how to achieve those goals is not enough. Organizations need to invest the time and money to provide the resources necessary for employees to meet their goals.

Making career information easily accessible on the web gives people personal coaching and feedback without having to touch another individual. One of the ways to accomplish this is to post individual development plans to the web which provide a forum in which the employee and supervisor can document, track and measure progress towards goals and organizational initiatives throughout the course of the year.

## Internal Recruiting

With workforce shortages imminent, especially for experienced and skilled workers, organizations are looking for ways to develop and retain their employees; one important thing to consider is movement from one assignment in the organization to another. In order to support such transitions, organizations need to have a well-developed posting system for job openings and a willingness to support internal transfers. The re-assignment of individuals should be as transparent and visible as possible so that employees view the redeployment as a fair and equitable process

One way in which organizations can identify potential candidates for re-assignment is through the use of Talent Profiles. Talent Profiles provide a way to search an employee's background (both internal and external to the organization), interests, and competencies to see if they would be a good fit for internal positions. Making decisions based on Talent Profiles provides objectivity and standards to what may be perceived as a subjective selection process.

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**Jonathon Marr**  
 Manager - Information Technology  
 Virginia  
 4401 Wilson Blvd, Suite 400  
 Arlington, VA 22203  
 United States  
[Map](#)  
[jmarr@acme.com](mailto:jmarr@acme.com)  
[\[Edit Photo\]](#)  
 LinkedIn Public Profile: <http://www.linkedin.com/jmarr>  
 Facebook Profile: <http://www.facebook.com/jmarr>

**Employee Information**  
 Gender: Male  
 User ID: JMARR  
 Employee Type: Supervisor  
 Employee Status: Full Time  
 Supervisor: Brian D Connolly  
 Number of Direct Reports: 3  
[More Employee Information](#)

**Competencies**  
 Dealing with Ambiguity  
 Motivating Others  
 Drive for Results  
 Customer's Champion  
 Innovation Management  
 Trust & Integrity  
 Go Beyond  
[More Competencies](#)

**Education**  
**Masters in Business Administration, 1983**  
 Virginia Tech  
 Blacksburg, VA  
 United States  
**Bachelors in Engineering, 1975**  
 Virginia Tech  
 Blacksburg, VA  
 United States  
[More Education](#)

**Current Goals**  
 Performance Goals  
 Project goal by 12/30/2008 (Business Process)  
 Become the Travel Technology Leader in Western Europe by 12/30/2008 (Corporate Goals)  
 Operate with Budget by 12/31/2008 (Financial)  
 3.00%  
 0% 100%  
 Current: 3 Target: 100  
 74.00%  
[More Current Goals](#)

**Professional Licenses/Certifications**  
**DBA, 2/4/2008**  
 ID: 587CH3676  
 United States  
 Database Administrator  
 Valid until 2/2/2009

**Career Planner**  
 Current Job Position: Manager  
 Cumulative Competency Gap against Current Job Position: -20.00%  
 Target Job Position: Director  
 Cumulative Competency Gap against Target Job Position: -45.16%

**Internal Work History**  
**IT Manager** 1/29/2008 - 02/4/2008  
 Information Technology  
 Manager  
 Virginia  
**IT Manager** 3/1/2/2006 - 1/29/2008  
 Network Administrator  
 Accurate: 1/1/1987 - 1/1/2003  
[More Internal Work History](#)

**Curricula**  
 Critical Thinking Complete  
 General of Employee Orientation Incomplete

Example Talent Profile

Redeployment and transfers of internal candidates is often difficult for organizations to support. Lack of management support is often an issue because transfer of a valuable employee inconveniences the manager whose employee is moved to another office or division. Managers sometimes hide their most talented people or go out of their way to ensure their best people are not moved. The key to discourage this type of behavior from managers is to consider the short and long-term benefits of internal transfers. In the short-term the employee benefits from learning a new skill set, but in the long-term the organization benefits from the knowledge and experience that individual will be able to share across many groups in the organization. In addition, that individual may share knowledge gained during their internal transfer and use that knowledge to train others within their group.

## Employee Retention

Developing employees is only one part of the talent management equation. Employee retention is one of the primary measures of the health of an organization and successful retention strategies play an integral role in the talent management lifecycle. Losing top performers comes at a significant cost to the organization. Losing a valuable member of its staff can cost a company much more than money. When employees leave, often times they will take with them intellectual property, relationships, investments (time and money), and sometimes, clients or other employees. There are many factors to take into account when considering the cost of losing an employee. And, often, those costs are not recognized until months or even years after their departure. This is why it is so important for organizations to retain their most highly skilled, top performing workforce in their mission-critical positions.

The first step to retaining high performing employees is to identify who the organization's high potential performers are and identify the behaviors that make them successful. The goal of this exercise is to find the most critical talents of those individuals for which you can target your efforts at increasing talent flow. When targeting efforts for increasing talent flow organizations need to understand the market, understand what their competitors are offering, and understand how the organization can gain a competitive advantage.

High performance talent is the most expensive and difficult to replace. Once high performing individuals have been identified, the organization needs to focus on rewards and recognition for those individuals. Traditional rewards typically come in the form of Compensation. Short-term incentives, such as bonus and spot awards, are typically used as forms of recognition for performance. While long-term incentives, such as stock options, are typically used as a retention strategy to keep top performers at the organization. However, while rewards should be directly linked to performance, they are not always given in traditional forms, such as monetary rewards. Some examples of non-traditional awards are: opportunities to attend professional conferences, developmental or stretch assignments, specialized training, enrollment in a leadership development program, or assignment of a coach or mentor.

## Succession Planning

Success of an organization depends not only on the ability to develop and retain high potential and high performing employees, but also the ability to fulfill critical positions in the future. Succession Planning identifies and monitors an organization's Talent Pool in order to address the future needs of the organization.

Organizations that successfully employ Succession Planning strategies ensure high potential successors have been identified for key positions, when those positions come vacant in the future. In today's organizations, it is important to focus not only on key leadership positions, but also include key positions in various job categories.

Succession Planning ensures employees are ready for new leadership roles as the need arises, and when someone leaves, a current employee is ready to fulfill that role. As such, Succession Planning should be implemented in conjunction with other performance management activities, such as competency development and career development paths. Clearly defining the competencies and behaviors leaders need to achieve is critical to ensuring high potential successors are available to fill future roles.

The following are critical steps towards the development of a successful succession management plan:

- Involvement and support of senior management
- Assessment of current organizational mission, goals, and objectives
- Identification of critical positions/jobs
- Competency assessment and gap analysis
- Assessment of future staffing requirements
- Identification of high potential successors

A common pitfall organizations encounter regarding Succession Planning is the inability to plan ahead. Implementations of succession plans typically fail when the organization takes a reactive approach to addressing the issue. If an organization waits around until they recognize they have a problem, it is often too late. Typically, a reactive approach results in critical employees and critical skills leaving the organization with no plan in place to harvest their knowledge, or develop existing employees to fill critical roles.

Succession Planning monitors various Talent Pools in order to address the future needs of the organization. If an organization fails to have the right people in critical positions, it can have a detrimental effect on business growth. Sustainability of an organization can be defined as not only as making sure key positions remained filled, but also as making sure employees have the competencies and skills necessary to fulfill those positions when the time arises.

Best practice organizations, such as the ones mentioned above have a consistent record of successfully implementing succession plans. One factor contributing to their success is managing the Succession Planning process on a continual basis. Best practice organizations have a standardized methodology in place that is implemented, at a minimum, on an annual basis. In addition, these organizations position their employees for success by defining the competencies, or criteria, necessary to successfully fulfill the roles of higher level

positions. Their Succession Planning processes are transparent to employees throughout the organization. In addition, they clearly define and communicate related training and development opportunities to employees.

Managing Succession Planning is not an easy task, or one that can be accomplished by a single individual. Managing the Succession Planning process requires a dedicated team of resources, who are supported by senior management. Once a standardized methodology for implementing a plan is in place, it can be leveraged and repeated for various positions within an organization.

It is also important to provide business leaders and managers with tools to manage Talent Pools and Succession Planning. An organization leader may want to take various actions like a deep dive into a Talent Profile, or group views of several candidates such as employee matrix graphs, competency comparisons, job position comparisons, and print views. Additionally, in order to grow and develop talent, they may want to assign training or learning activities.

Compare Users to Incumbent				
	 <b>Ashley H Brooks</b> Chief Information Officer Information Technology	 <b>Amanda L Freeman</b> Vice President Information Technology	 <b>Brian D Connolly</b> Director Information Technology	 <b>Christine A Peitler</b> Director Information Technology
<b>Competencies</b>				
<b>Cumulative Relative Competency Gap</b>	-26.67%	-2.94%	-4.00%	-8.00%
<b>Consensus Building</b>	80%	100%	80%	80%
<b>Strategic Thinking</b>	60%	100%	80%	60%
<b>External Awareness</b>	60%	80%	80%	60%
<b>Accountability</b>	80%	80%	60%	60%
<b>Organizational Stewardship</b>	80%	80%	60%	80%
<b>Vision</b>	60%	80%	80%	80%
<b>Integrity</b>	80%	80%	80%	60%
<b>Entrepreneurship</b>	60%	100%	60%	60%
<b>Coalition Building</b>	80%	80%	80%	80%
<b>Degree</b>				
<b>Bachelors</b>	Computer Science, 1989	Computer Science, 1987	Business Admin, 1996	Liberal Arts, 1993
<b>Masters</b>	Business Administration, 1992			
<b>Language</b>				
<b>Spanish</b>	Read, Write, Speak	Read, Write, Speak	Read, Write, Speak	Read, Speak
<b>Security Clearance</b>				
<b>Secret</b>	Valid until 8/31/2009			

Example Talent Comparison

About Plateau Systems

Plateau is a leading provider of [talent management software](#), content and [services](#) designed to increase workforce productivity and drive business success. Plateau's award-winning software is powering talent management initiatives across some of the world's [most successful organizations](#), including the American Red Cross, General Electric, the Internal Revenue Service, Capital One Services and the [National Aeronautics and Space Administration \(NASA\)](#). Industry analysts at [Bersin & Associates](#), Forrester Research and other leading information and technology research and advisory firms continue to recognize Plateau's leadership in delivering best-in-class functionality, technology and customer satisfaction. Plateau is headquartered in Arlington, Virginia and has offices across the United States, Europe and Asia Pacific. For more information, please visit [www.plateau.com](http://www.plateau.com).



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