Talent management

Introduction

For two consecutive years, talent management has been identified as one of the lowest rated areas of the Leadership Success Profile (LSP) for public service leaders by the Leadership Development Centre's annual 360 analyses. The State Services Commission has also surveyed public sector agencies on nine dimensions of talent management to find out how advanced these agencies were in using talent management practices in their everyday business. The provisional findings showed that the agencies, regardless of their size, were at varying stages of talent maturity, and that their individual levels of maturity seemed to be impacted by different contextual factors (for example, change processes).

Further work is now underway to support agencies to share insights and practices collectively, to raise the maturity of talent management across the public sector. This will likely result in more common and consistent methods and systems being used for identifying and managing talent across the system.

In this paper, we consider the elements that make up talent management in the LSP and explore some ideas about why leaders in the public service aren't always seen to be demonstrating the behaviours associated with good talent management practice as frequently as they might like.

What is talent management?

Talent management is a strategy for ensuring that the people who work in an organisation are identified, managed and directed towards the area or work in an organisation where they can have the most positive and beneficial impact for the business and themselves. It may sound like a simple strategy, but in practice it encompasses many processes, systems and activities where people engage with the organisation.

Talent management is often recognised as the techniques and approaches used for the identification, development and deployment of valuable of skills, abilities and knowledge that an individual brings to work. Some organisations choose to focus on the individuals who demonstrate the qualities that they believe to be indicators of potential to deliver greater performance or the ability to step into more senior leadership roles.

Another popular talent management philosophy is somewhat more egalitarian, viewing the entire workforce as talent with everyone bringing their own unique set of skills, capabilities

and experiences. In either approach, the 'talent' which people bring to their work needs to be identified so that appropriate action may be taken to apply and develop that talent.

In the LSP, the core dimension of talent management spans three capabilities; **enhancing people performance, enhancing team performance** and **developing talent.** While they share a common denominator of building people's skills and abilities, what may differ is how this is achieved, the context of where this happens and for what outcome.

Enhancing team performance

Diversity and inclusion are key features of enhancing team performance through talent management. These concepts involve the recognition and application of differences in strengths, skills, perspectives and knowledge to the advantage of an organisation. And recent research suggests that there are benefits from this approach. In a study conducted by Hunt et al. (2015), companies rated in the top 25% for their gender diversity were 15% more likely to receive financial returns above their national industry median, while companies in the same position for ethnic diversity were 35% more likely.

Though diversity is typically used to refer to a range of ethnicities and gender, it is also used to refer to a range of experiences, talents and ability levels. In the modern workplace, a greater understanding of diversity can be achieved by searching for differences possessed by individuals and the strengths these bring to an organisation as well as hiring with the intention of acquiring a variety of perspectives. Diversity and inclusion exemplifies the idea that everyone has unique talents and potential - not just those who have been identified as 'high potential'.

Developing talent

It is important to regularly communicate with employees and keep them involved in conversations about their work, the organisation's goals and their own aspirations. A study by Bjorkman (et al. 2013) found that individuals who were informed that they had been identified as high potential were more associated with actively supporting their organisation's strategic priorities than those who had been given no feedback - and a lack of feedback can mean significant costs in terms of employee turnover. In a study by Ariss (2014) the most reported reasons for leaving a job involved a desire for new learning, challenges and more meaningful work. The simplicity of this is both startling and encouraging - if managers can engage in more regular and meaningful development-focused conversations which involve the employee and their future with the organisation then the costs associated with turnover can be greatly reduced. These conversations don't have to be formal or part of a performance management cycle – but they should be meaningful in that they engage the employee in what they're doing, how they're doing it and where they want to go with their work. These conversations help individuals to align their own objectives to organisational goals and priorities.

The development of skills and competencies helps to ensure that employees feel personally fulfilled and successful. The perception of advancement within an organisation is significant to maintain levels of motivation and commitment to the company. If an individual

can see long term potential for growth within a company, there is less likelihood they'll leave.

Enhancing people performance

Increased employee engagement is another significant benefit for organisations from the effective implementation of talent management. Research by Ariss (2014) found that employee engagement in the form of positivity in the work place was consistent with better reputation as an employer and higher reports of satisfaction from customers.

To derive the bottom-line benefits of employee engagement Aljunaibi (2014) states that organisations interested in increasing levels of engagement first need to establish talent management systems that focus and drive talent development.

Talent management systems that are seen to drive and develop employee growth also serve to build an organisation's employee value proposition (EVP), this can increase an organisation's ability to attract skilled employees by establishing a reputation as an organisation that invests in employee development.

Talent management is not limited to development either; on a larger scale it can also facilitate productivity through a positive environment and wellbeing. Job stress is associated more strongly with health complaints than financial and family concerns (NIOSH, 1999). Mercer's global trend study from 2017 reports that 53% of employees want a greater emphasis on health and wellness from their company, while 56% want more flexible work options.

Green-Carmichael (2015) found evidence suggesting a correlation between overworking and factors such as absenteeism, health insurance costs and employee turnover. A Statistics New Zealand report found that 1 in 5 employed people always or often felt stressed at work in the 12 months prior (Survey of Working Life: December 2012 quarter, 2013). The same study found that 1 in 10 people reported they were very dissatisfied or dissatisfied with their work-life balance.

Talent management can be very effective at combatting these issues. Hart and Mann (2017) demonstrated a 41% reduction in absenteeism and a 17% increase in productivity after implementing talent management and engagement strategies in a number of different organisations.

Where to start – what needs to be done?

The LSP suggests that leaders consider their talent management responsibilities in terms of one question: '*how am I building talent for the future - for my agency and others?*' To implement talent management that provides value for organisations, the answer may be as simple as scheduling time to have meaningful conversations about where people want to be in the future and what they want to achieve; talking about people's goals and making (and executing) a plan to support them in getting there. By generating open and honest discussions, managers can look at what roles their employees aspire to while also exploring and reflecting on their own responsibilities, skills and aspirations.

Goals can be further refined by analysing what experience an individual *does* have and where they feel they need development. Leaders can establish a more authentic line of communication, identify starting points and measure their people's progress by discussing with individuals what they feel they need to develop. Secondment and lateral promotion are effective ways to help employees gain a more comprehensive perspective of different roles and features of an agency, in addition to developing a variety of skills. Through encouraging better understanding of specific roles within the organisation, this can help employees to map their ideal career path and to prioritise what skills need to be targeted to progress.

Ensuring that employees have regular opportunities to discuss their progress is a significant aspect of effective talent management but is often overlooked. Renn and Fedor (2001) found that feedback seeking behaviour has a positive impact on work performance and that regular communication can contribute to a better functioning work environment. Not only can this reaffirm the idea that the agency is interested and cares for staff, but also allows for consistent communication between people.

One suggestion for employers looking to provide more comprehensive talent management processes would be to designate a team leader or someone senior to be responsible for employee experiences. Kao et al (2014) found that workplace mentoring can be an extremely useful feature for managing talent as it is correlated with employee resilience. Having a mentor may also help to bridge connections, share knowledge, and bring forth different resources and suggestions for development. Mentoring roles don't necessarily need to be filled by direct managers as there may be some advantages to going outside of the hierarchy, such as feelings of honest communication and a diversity of experience and perspective.

Build your talent management capability. What you can do now:

1. Get feedback:
   - The Leadership Development Centre (LDC) provides a wide range of resources to leaders who are interested in furthering their talent management practices. This includes leadership assessment tools aligned to the LSP, which provide senior leaders with feedback on their leadership behaviours and assists with their leadership development planning. These tools use feedback from managers, peers to help identify and encourage previously low-frequency behaviour. Identified behaviours that are vital in the next step of a person's career can be targeted and developed.

2. Build and target capabilities:
   - LDC's leadership development programmes, such as Management in Action and Leadership in Practice help leaders learn about and use different behaviours to incorporate into their leadership style. Tailored programmes to meet specific agency needs are also available.
   - LDC leadership toolkits target specific behaviours such as developing talent or Coaching for performance. The toolkits include practical advice, checklists and worksheets.

3. Move people around:

Lateral promotion can be just as important for gaining new skills and insight as vertical promotion. This kind of promotion allows for an all-encompassing perspective of how an agency or organisation may run, and may lead to a greater awareness of the variety of roles that are utilised.

The State Services Commission's Career Boards help leaders access lateral promotion opportunities, to help leaders develop new skills and establish networks, and facilitate a more comprehensive overview of the functions and mechanisms of their agency and wider organisational networks. Career boards can be used both internally within an agency and externally across different organisations.

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