



“Go Total Talent Management or Go Bust!”

Roelf Woldring
Lead Principal

www.wecrut3.com

416-427-1567

roelf.woldring@wecrut3.com

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Workplace Competence International

www.wcilt.com

Elora, Ontario

Canada N0B 1S0

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“Talent levers everything.”

Note:
Total Talent Management is abbreviated TTM at times.

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Working Draft

Summary

Total Talent Management (TTM) is a forward looking approach to finding, on boarding, managing, developing, and planning for an organization's talent.

TTM starts from values about people that are shared by the leaders of the organization.

“I bring the vision and direction that the staff need. They bring the talent that I need to turn my ideas into something real. Each of us is nowhere without the other.”

“As an organization leader, I will walk the talk about people. I will performance manage and coach the people that work directly for me in the same way as every other manager in this organization.”

“I will treat my direct reports as adults capable of understanding their performance objectives and the metrics that measure the extent to which they deliver on those objectives. I will assume that as adults, they are going to self evaluate their performance using the feedback delivered to them. I will assume that they will initiate corrective action when their performance does not hit targets.”

“My job as my direct report's coach is make sure that any corrective action she or he initiates will fix the problem, and when it is not going to do so, guide him or her to actions that will.

“My final job as a manager of people is to take steps, in conjunction with the talent management specialists in our organization, to address those among my direct reports who do not behave in this way.”

Based on these shared values, TTM is a set of inter-related processes for:

1. **Finding the new talent needed by our organization** and selling likely candidates on the benefits of joining our organization, which will be necessary as they are already likely to be employed somewhere else.
2. **Bringing these new hires on board** in a way that maximizes their quick positive adaption to our culture, and aids them to be solid contributors to our work as quickly as possible.
3. **Managing people's performance** by negotiating forward looking performance contracts with each one, and then making sure that the feedback people need to see

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where they are on their performance targets is delivered to them as part of their day to day work.

4. **Clarifying to our staff the professional development activities** that we value and support.
5. **Stewarding the organization’s talent** by having processes for developing the careers of those individuals who demonstrate high levels of performance and have high levels of future potential. As well, we will have processes that allow us to remediate or outpace individuals who demonstrate low levels of performance and have low potential for future contribution to our organization.

Putting the processes, the tools, and the training in place to equip our managers to do this is the responsibility of our Chief Talent or Chief Human Resource Officer. Ensuring that our people get the feedback they need to self evaluate their performance will need action from our Chief Information Officer. The individual in this role will need to take steps to communicate that we are committed to doing this to our systems professionals.

Communicating performance expectations to the people who work for us is the role of each manager in the organization. Making sure that managers understand that they must do this, and will be evaluated on how well they do this, is the responsibility of each manager who has managers as direct reports.

Our automated business applications will have the needed personal feedback delivery mechanisms included in them. Depending on the size our of organization, we will have a team of talent management specialists who will support managers as they carry out the TTM components of their role.

The benefits of implementing TTM are huge. We will engage and inspire our staff to achieve excellent results. We will retain them in face of the competition for talent. We will deliver outstanding products and services to those we serve.

Introduction

Every time I put the first DVD in the “Lords of the Rings” trilogy into my Blue Ray player, Cate Blanchett’s haunting voice reminds me “The world has changed. I can smell it in the air. I can feel it in the water.”

Yes, in 2013, the world has changed for organizations. Either you, as an organization leader, get your talent management story together, or unless outside forces intervene to save your organization, you face the real possibility that your organization will go bust.

The demographics story is clear. Delayed by the 2008/2009 recession, full of fears for their financial future, the baby boomers postponed their retirement. It is 4 years later. Age is catching up with them. They are starting to leave, despite the financial uncertainty they face. They will leave in droves in the next 2 years. As this occurs, organizations will be deprived of their historical memory about why things happened and their experiential insight into how to deal with problems.

Managing the talent that remains, and attracting new talent into the organization, will be a critical success factor for organizations under competitive pressure of any sort. Many of them will struggle with this. Stuck with HR best practices that developed and evolved from the 1970’s through the 1990’s, they will simply strike out with their staff.

Today’s talent, reared on TV, PCs, smart phones and the Internet, have no sense of organizational loyalty. They don’t share their parents’ sense of an implicit “psychological contract” between them and their employers. They have seen their parent’s jobs disappear as a result of outsourcing. They have experienced their parent’s financial fears as savings disappeared as a result of incomprehensible stock market dynamics and bank / investment manager greed and “shenanigans”. Today’s talent simply does not believe that their employers have their employees’ best long term economic interests at heart.

“Pay me for what I do.”
“Give me cash and let me manage my own pension arrangements.”
“Give me a chance to learn so that I can move to a higher paying job.”
“Give me access to the latest technology.”
and
“Leave me alone as much as possible, thank you.”

These quotes sum up the attitude that many younger employee bring to their jobs. That is why “employee engagement” and “employment branding” are the new HR buzz words.

As usual, HR “consultants” and “self proclaimed experts” are offering silver bullet fixes to both of these problems. But there are no silver bullets. Instead, the solution lies in a

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systematic approach to managing talent. This approach starts at the very top of the organization – with the “walking – talking values about people” of the few in the inner circle - the 1 to 5 individuals who really run the place. It impacts everything that you do in an organization around managing the folks who work for you.

This article lays out the basics of Total Talent Management (abbreviated TTM)¹. It is intended to give you a clear choice. Adopt Total Talent Management or else face the possibility that your organization will go bust.

In response, you may protest. “We have gotten along for a long time with the way that we currently manage Human Resources”. You are RIGHT. “Adopt Total Talent Management or else face the possibility that your organization will go bust” is a black and white statement. It is intended to provoke your thinking, even provoke your protests. If it engages you and motivates you to think about what follows, it will have served its purpose. If at the end, you still reject this statement, so be it. You will have at least been warned.

Working Draft

¹ We are working on the e-book / e-presentation.

What is the problem?

The symptoms

1. Staff² is not as engaged as it needs to be to bring about the excellence the organization needs to compete in a vigorous marketplace or deliver complex customer service³.
2. The right talent is hard to attract, find and recruit, since the people who have the skill sets needed by the organization are already well employed or contracted⁴.
3. The best efforts of the talent already working in the organization don't always add up because there are few ways, other than informal person to person, to align the work of the people in the organization in a way that cascades down from the executive to the individual contributor⁵.
4. Confidential staff surveys show, and/or the informal sense of the most senior people in the organization confirms, that there is frustration among the staff about communication from the top down and with the traditional performance management process used in the organizations.

Frustrated people find another place to work. Today's talent has little to no tolerance for continual dissatisfaction with the content of their jobs, or the inability of the people managing them to inspire or motivate them. They will stay as long as they feel economically threatened. Once that is gone, they will move. The lingering effects of the 2008 recession and the jobless recovery is holding many people in their current jobs. If

² TTM considers all the talented people who work for your organization as Staff whether they are employees or contractors. The economic exchange between the organization and the individual is different in each case, but the underlying psychological dynamics shaping the working relationship have more in common than not.

³ If your organization is a not-for-profit, the intense competition for donor or government dollars, and the competition among not-for-profits to service overlapping segments of the "receiver" community, is just as real as competition among for profit players.

⁴ Current recruiting practices developed during the time in which baby boomers flooded the talent market. Generally, more people were available to fill jobs than there were jobs. Those days are gone in the developed world. From now on, the competition for talent will be real. Sticking with the recruiting / hiring values, people management attitudes, and human resource processes that developed from 1970 through 2008 will hurt, not enable, your organization in the competition for talent. Don't let the lingering effects of the 2008 recession confuse you about this. Organizations that search for scarce talent sets are already painfully aware of the reality of this change.

⁵ Backward looking performance appraisal as a form of performance management simply does not achieve this objective. See Roelf Woldring's book "Performance Appraisal is Dead – Long Live Performance Contracting", ([available at Amazon.com](http://www.amazon.com)) to find out why, and what you can do about it.

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these dynamics start to ease, “I quit to go somewhere else” statistics will increase dramatically.

The underlying cause

These 4 symptoms hide the underlying causes. The causes start in a value set and mental attitude shared by many people who moved to the top of organizations from 1970 to 2008.

“I made it to the top based on my own abilities and efforts. There will always be lots of people like me, competing and striving to get where I am.”

“As a leader, I don’t need to worry too much about the availability of talent. I had to leave lots of capable people behind in my own fight to get to the top. There will always be lots of those folks around. My fight to get here proves that it was my guts and determination that made the difference, not just my talent.”

These are “baby boomers” values, resulting from “baby boomer” experiences. They shaped the leadership dynamics of the last part of the 20th Century. They reflect a developed “baby boomer” world⁶ in which demand for talent generally exceeded supply.

That talent market reality is gone in the developed world. It may still be the case in parts of the underdeveloped world. Global competition has allowed developed world organizations to put off the inevitable impact of this new reality for a few years. Outsourcing sort of worked for a while. But today, it is clear that foreign outsourcing only really works if you have lots of local (and loyal) design and work oversight talent. The short term relief to “talent demand exceeding talent supply” dynamic offered by outsourcing is disappearing.

The social background

Since the 1970’s, human resource practices have developed in a talent market place dominated by the reality of the “baby boomers”. At the same time, the “two income / two career family” became the norm, although women still have a way to go to achieve true equality of opportunity in their careers. The sudden upsurge in people entering the work force created a unique set of factors.

1. There were lots of people available to fill the jobs created by private and public organizations and by governments.

⁶ David Foote’s [“Boom, Bust or Echo”](#) books are the best commentary on the impact of the demographic dynamics globally.

2. More people achieved higher educational levels, partly in response to the larger supply of people in the job market place, and partly in response to the increased competition for the highest paying jobs. At the same time, the progressive adoption of information technology increased the sense of what was required as a minimum to do many jobs (at one point, “reading, writing & rithmetic”; today – a capability to do all three on a PC using the latest office productivity software).
3. The service sectors, particularly in education, health care, and other government paid for or supplied services and legally required services (e.g. accounting filings, income tax preparation, and so on) grew, and made up a progressively larger part of the jobs available to people.

Human resources practices developed in response to these dynamics.

1. **Recruiting was not particularly difficult.** As technology spread, recruiting became a word driven process, in which preliminary lists of candidates were prepared based on resume reviews, and even in the last two years, on “programmed key word resume scanning” algorithms.
2. **People entered into an implicit long term psychological contracts⁷ with their employers.** Because employers were the primary source for many necessary family benefits and for savings for pensions for many people, the psychological contract often involved elements which spanned a person’s entire work career.
3. **Performance management practices reflected the power relationships inherent in the hierarchical structure of almost all organizations.** Performance appraisal was backward looking, and often based on what were experienced as arbitrary standards. Employees were often unhappy about performance appraisal practices, as evidenced in endless employee negative comments in job satisfaction surveys throughout this period. However, the reality was that people were faced with a fairly simple choice as a result of performance appraisal practices – “please your boss or find another job”.

Things started to change with the recessions in the 1990’s and the early 21st Century. Faced with raising benefit costs, and fluctuations in their need for labor, large public organizations adopted contracting and outsourcing. As a result, the almost universal implicit psychological contract between individual and organization lost almost all of its power in public organizations. Sheltered from the impact of the recessions, employees in government paid service jobs and government jobs did not undergo this dynamic.

At the same time, younger people entering the work force experienced the disruption that contracting and outsourcing had on the work lives of the older people in their

⁷ Google “psychological contract” and you will see the perverseness of the idea since MIT professor Edgar Schein first introduced it in his 1965 book “Organizational Psychology”

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extended families. They also experienced the struggles that many of these individuals had as their “safe” pensions were eroded during the financial crisis late in the 1st decade of the 21st century. As a result, younger people’s attitudes to employment have changed. Human resource practices need to rapidly update themselves to deal with these new talent market place realities.

What is the solution?

Update human resource management practices to reflect the reality of today’s talent market place. Understand that this might very well mean that there must be more than one approach to human resource management. What works in organizations that can still depend on the traditional implicit psychological contract, e.g. government and government funded service organizations, will not work in organizations that cannot. These organizations must face the fact that many younger talented individuals are no longer prepared to enter into long term loyalty relationships with their employers.

Total Talent Management (TTM) approaches address all of these causes and social dynamics. As a solution, it has multiple parts. TTM starts with values, moves onto principles, and then onto processes.

Total Talent Management

The fundamental value underlying TTM

The following value will be held by the single or a number of the top leaders of an organization.

“I may be the leader of this organization, with the guiding vision and driving energy. But the devil is in the implemented details.

Implementing my ideas takes dedicated loyal talented people who translate my ideas into real processes, software, ... whatever makes my ideas real. Without them, I am just another person with great ideas, rather than real implementations.

In other words, without talented staff, I have nothing real.”

This value fundamentally drives Total Talent Management. It requires a balance between fierce resolve and humility⁸ on the part of an organization’s leaders. It recognizes:

- Without me, my staff does not have direction.
- Without them, all I have is an idea, not a reality.

Leaders who hold this value are open to the ideas that underlie the Total Talent Management approach.

The guiding principles that shape TTM

Principles guide the translation of values into action. They provide a touchstone any person who translates values into actions can use to answer the question:

“Is this action which I am going to do in line with my fundamental value?”

Principals are key to implementing consistent approaches that re-enforce one another, so that they achieve more than the sum of their parts.

Total Talent Management is guided by the following principles.

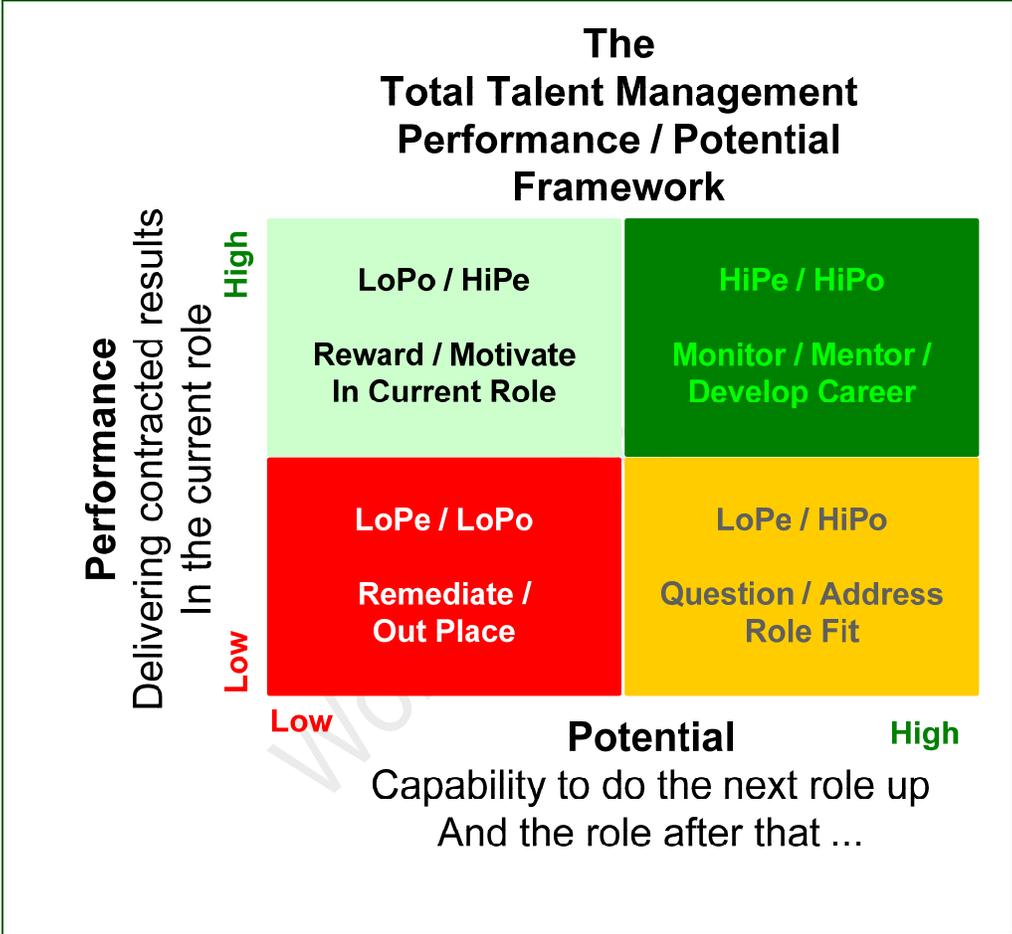
Principal One:

⁸ See Jim Collins’ writing on [how crucial this balance is to organizational success](#). This theme is part of this book “Good to Great”.

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Total Talent Management means addressing a person’s longer term potential in the organization as well as managing that individual’s immediate performance.

The schematic on the following page clarifies what this means in an organizational context.



For the sake of clarity, the Low to High axis is simplified to two categories – Low and High⁹.

**Principal Two:
Staff are Adults**

⁹ As an organization develops its ability to work with this framework, it can think about introducing scales which have finer differentiations on these scales, e.g. 1 to 5 or 1 to 10.

This means treating the people who work for the organization in a way that assumes the following.

1. People desire to make a valued contribution.

They want to do well. They want to be recognized for doing so.

2. People are, and can be held, accountable for their personal performance.

To do so, they must:

1. Know what it is that they are required to do in the coming period.
2. Have insight into how their results (their production) is going to be measured or evaluated.
3. Receive objective feedback on how well they are doing **as they are doing it**.

This means that on-going, regular feedback on personal performance should be an organizational norm. Each person needs access to, or have delivered to them via automation, the information that allows them to self-evaluate how they are doing on delivering / producing each of the results for which they are accountable. The person's manager will receive this information at the same time.

3. People are capable of positive responses to information that indicates that the results they are delivering are not at the level set out in their performance objective metrics (i.e. negative feedback).

Staff members who receive objective feedback on their performance will take steps to deal with "negative trends". If the feedback is delivered as part of the automated business applications they use to do their work, and takes the form of time based trend lines, this response becomes a natural part of their self management. They will either:

- Initiate corrective action that reverses the negative trend,
- or
- Initiate dialogue with their manager that addresses the issue,
 - either by re-negotiating the performance objective or the relevant metric,
 - or by asking for help to find and to implement corrective action.

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Not all individuals will do so. When they do not, the manager, since she or he is also receiving each direct report’s performance feedback, can take steps to address this lack with this direct report.

4. People are loyal to themselves and their career future first, to people they trust second, and to the organization third.

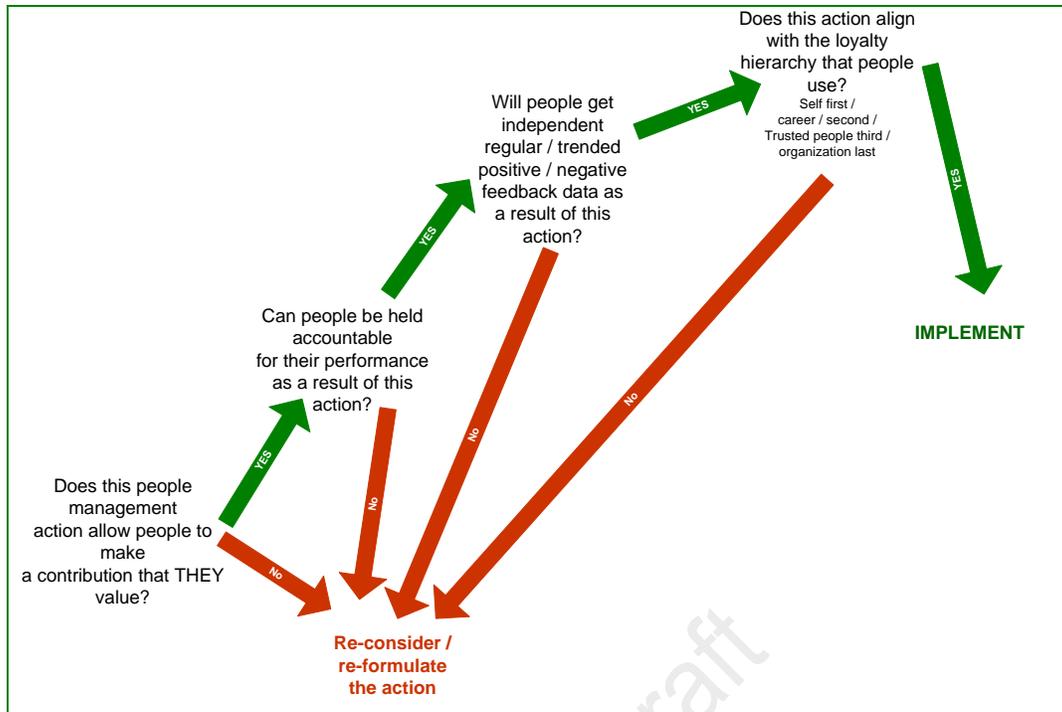
This is simply a restatement of a basic concept taken from economics – that of enlightened self interest. It has a powerful consequence. An organization that behaves in a way, particularly in its performance management processes, which does not allow individuals to respect this hierarchy of loyalties:

- My self first,
- My career next, (i.e., my future earning potential / job satisfaction),
- The folks that I trust next,
 - first those important in my life outside of the organization,
 - and then those I trust inside the organization,
- And last, the organization for which I am working,

will create frustration and discontent for the individuals who work for it.

A simple, practical way to use the “Staff are Adults” principal in evaluating proposed people management practices.

Translating this principal into a guiding framework for evaluating potential talent management actions is not hard. Just use the following decision tree.



Principal Three:

Total Talent Management oversight in an organization cannot be done by outsiders.

Outside expertise can certainly help an organization develop and implement the steps needed to take a TTM approach. Outsiders can also do part of the operational processes that make up a TTM workflow.

However, the fundamental components of talent management can only be done by people who are in a reporting chain relationship to the individuals who are running the organization. A TTM approach starts in the Executive Inner Circle. At its best, the business sponsor for TTM is the most senior individual in the organization (e.g. CEO, Executive Director, General Manager, Lead Principal or Owner ...). This individual makes the time:

- to actively participate in reviews of the TTM activity.
- to participate in the planning / development / proving work that is done for the organization's identified High Performance / High Potential individuals.

Finally, this individual actively walks the TTM talk. He or she will engage in all five of the Manager TTM accountabilities with respect to her or his direct reports. In setting the performance expectations for these individuals, she or he will include these “manage your own direct report” accountabilities. The lead will also review each individual's feedback on the associated metrics during their coaching sessions.

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The individuals who report to the organization’s leader also walk the TTM talk as a result. This starts the action cascade that progressively moves TTM down the organization to the individual contributor level.

Working Draft

The Total Talent Management Processes

TTM involves doing 5 related things well. They are outlined below. They work together to supply the talent needs of the organization.

Take In New Talent	On Board New Talent	Manage Talent's Performance	Develop In-House Talent	Steward The Organization's Talent
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Details on each of these 5 activities, broken down into its main components, follows.

Take In New Talent

1. **Attracting Talent:**
 - maintaining a top of the line “employment brand” story in the talent market place.
2. **Recruiting Talent:**
 - by preparing performance based recruiting profiles;
 - finding the talented individuals who fit these profiles;
 - motivating them to be interested in the opportunity when they are already employed;
 - assessing the performance fit and their culture fit of interested final candidates in conjunction with the hiring manager.
3. **Negotiating the offer:**
 - deep reference checking candidates who will be made an offer;
 - formulating an offer in conjunction with the hiring manager;
 - negotiating the acceptance (and revision of the offer, if required) of the offer with the selected individual;
 - offering alternative candidates if the first offer/negotiation fails.

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On Board New Talent

Each new hire in a TTM organization will make a contribution to the organization over a number of years, working for a number of different managers. Although hiring managers have prime responsibility for the eventual immediate performance of the new hire, during the first three months, this responsibility is shared with the TTM recruiter.

TTM recruiters do more than just “hire”. They take responsibility for the successful integration of the new hire into the organization. They manage the probation process. They are the ones who must act to protect the organization to “undo” any bad hires early in that person’s life with the organization.

1. **Equipping the new hire’s work space (facility),**

with all the information technology and equipment needed for the person to be productive on day one. Coordinating the needed activities with facilities management and information technology staff.

2. **Socialize the new hire:**

- by delivering the needed orientation sessions.
- by connecting the person to a peer “come on board” mentor.
- by conducting “so how is it going meetings” with the new hire in the first 3 months.

3. **Proving that the new hire:**

- does have the right performance and culture fit by administering the probation process;
- and following up on it with the hiring manager to ensure that the hire was a good one.
- Acting on the required outplacement if the new hire does not prove her or him self during the probation period.

No one likes putting people out of work. Managers are not normally emotionally equipped to do this. They thrive on good intentions and shared motivation. Having to “terminate” someone well takes special emotional intelligence and maturity, as well as knowledge of the legally required steps. This is a “special skill set” that should be provided to the organization by a talent management specialist.

When managers carry this responsibility for new hires, they often avoid the emotional and lack of personal specialized skill difficulties by assessing / rating the new hire more leniently than appropriate. In the long run, this hurts the new hire, the manager, and the organization.

The most important recruiting metric

The metric of importance for assessing the performance of a recruiter in an TTM organization is not cost per hire, nor time per hire. Instead, it is the performance and potential rating of the new hire over the person's first two years with the organization. Cost per hire and time per hire are useful pieces of information, but not nearly as important **a measure of hiring success as new hire contribution.**

Manage Talent's Performance

1. Inspire and motivate staff to perform,
 - o By clearly articulating and "walking" the organization's core values about performance and its consequences.

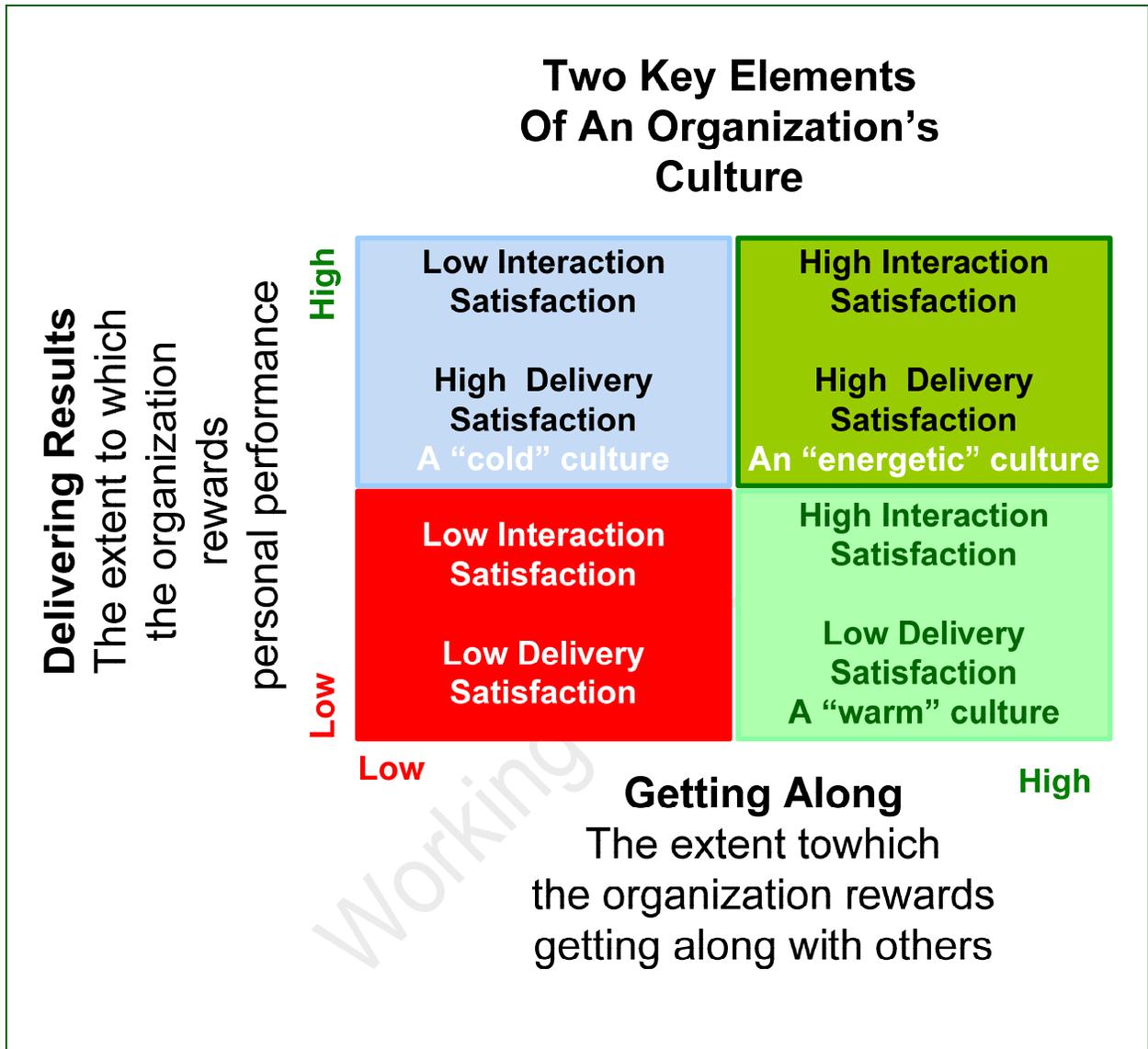
The organization's prime leader (e.g. CEO) and her or his direct reports are responsible for creating the organization's culture. What they do, rather than what they say, will largely determine it. Yes, a written statement of core values is important. **But even more important is what these key people do.** Value statements that are not consistent with behavior will quickly come to be seen as paper artifacts. Staff interpret the following actions in particular as the definitive guides to the actual people values of the organization.

- Who gets hired?
- Who get fired?
- Who gets promoted?
- Who gets publicly rewarded / recognized?

Delivering Results and Getting Along Organizational Cultures

Organizations vary in the amount of "walk" attention they pay to two key elements: **delivering results** and **getting along**. Each organization's culture can be mapped somewhere the following schematic, depending on where they fall on these two dimensions.

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Total talent management organizations by definition fall on the high end of the delivering results dimension. However, the Executive inner circle can add personal respect, teamwork / collaboration and “politeness elements” to the culture through their personal behavior and through the performance elements which get rewarded. In such organizations, the culture emphasizes getting along as well as delivering results.

Emphasizing and rewarding both, from the top down to the lowest levels of the organization, tends to “energize” everyone. It leads to “self removal” by those individuals who prefer to work in cultures where one or the other (delivering results or getting along) is more important than the other. It creates peer pressure that

motivates individuals who prefer to work in cultures where neither is important to leave.

2. **Align performance throughout the organization.**

- Use a look forward performance contracting process that cascades down from the organization's prime leader (e.g. CEO) and her or his direct reports through each layer in the organization in a consistent, comprehensible manner.

3. **Provide performance results feedback.**

- Add components to the organization's automated business applications (and other manual work flow processes) that provide each staff member with performance results that align with the performance metrics associated with each person's forward looking performance objectives.

Who is responsible for what in relation to Talent's Performance Management?

The role of the CTO/CHRO and the CIO

Translating this abstract definition of performance management into specific processes and behaviors that can be used to do this by managers with direct reports is one of the prime responsibilities of the organization's **Chief Talent Officer (CTO) or the Chief Human Resource Officer (CHRO)**. But that individual needs the active collaboration and support of the organization's **Chief Information Officer (CIO)**.

The second responsibility is not often recognized in today's organizations. Automated business applications are the source of most of the organization's information about what is happening. Unless these business applications include components that collect, sort and report / trend data about each staff member's work performance, the task of providing performance feedback could quickly become undoable. The CIO is responsible for setting these general application design principles and ensuring that they become part of the implementation of each automated business application, no matter what its source (packaged software or customer build).

The role of the CEO

Insisting that this be done, and establishing metrics by which its success or failure is measured in the personal performance contracts of the CTO/CHRO and the CIO is the responsibility of the organization's prime lead executive (i.e. the CEO in many organizations).

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The role of manager level performance management related metrics

Ultimately, the only way to ensure that forward looking performance contracting / management is done throughout the organization to include specific metrics about performance management in the performance contract of each manager who has direct reports¹⁰.

Managers are the people who communicate the detail of what is required in automated business applications. Unless they are measured on the extent to which they include metric based feedback elements for their direct reports in their specifications, they will never insist that these components be added to automated business applications.

The need to “walk the talk, not just talk the talk” about performance management

Action on these manager level metrics, positive or negative, makes this requirement real in the organization. If there are no positive consequences for those managers who do this well, nor negative consequences for managers who do it badly, people in the organization will quickly understand that the organization “talks” performance management but does not “walk” it. Talking it, but not walking it, is a sure fire formula encouraging organizational politics and tribe like conflict in an organization.

Of course, CEO and the CEO’s direct reports can “exempt” themselves from this requirement. The moment they do so they clearly signal to the rest of the organization that performance management is a “talk the talk” issue for senior individuals, and really only applies to “those down below”. Ultimately, this will undermine the effectiveness of performance management, and of TTM. Managers will also learn to “talk the talk”. Staff will be clear that this is the case. Everyone will provide “lip service” to it, and find ways to get around its practical impact on themselves, and thus the organization¹¹.

Develop In-House Talent

1. Assess each staff member’s potential.
 - o Coordinate the periodic assessment of potential by each manager of each of their direct reports.

¹⁰ Five such metrics will be outlined later.

¹¹ This is what has happened with performance appraisal in many organizations. It has become an annual “fill in the forms” process which nobody really believes has anything to do with actual performance on a day to day basis.

Assessing potential is always a subjective judgment. What one manager sees as high potential, another will see as average. However, such judgments are usually the most cost efficient way of collecting this data. The average of peer assessments is likely to be more accurate but most organizations do not yet have an easy way of periodically collecting such data¹². One possibility is that such 90°-270° techniques are used as part of the stewardship process applied to the organization's "high performers / high potentials" (abbreviated as HiPE/HiPo), where it will have the highest payoff for the organization.

2. Coach current performance.

Managers can coach direct reports on immediate performance issues. They are involved enough in the work of their direct reports to have both the personal and technical insights to do this coaching well.

Individual contributors promoted into positions where they have direct reports, and new hires for positions which have direct reports, need to go through a development / familiarization process during which they "get" what is required in their performance management and coaching accountabilities. This training program needs to be well designed and delivered, with very focused organization specific examples and role plays / simulations. The content needs to cover "know how to", not merely be an overview that gives these individuals some "know that you are accountable" lists and generalizations. It also needs to clearly indicate the "know why" consequences that result when managers in the organization do not do performance management and immediate performance coaching well.

3. Develop the talent required.

- Manage / administer an appropriate set of professional development opportunities through relationships with outside suppliers.

¹² Research from the days of the Office of Strategic Services during the US's World War Two efforts showed that, after training, peer predictions of operative (e.g. spy) performance in actual operational theatres were significantly more accurate than instructor or self predictions.

Peers are most likely to have the most "non-power relationship impacted" interactions with individuals. It makes sense therefore that they have the most "data" about how a person is likely to behave in a variety of circumstances.

Averaging future potential assessment over a number of peers using a 90°-270° data collection technique is most likely to produce accurate predictors of potential. (Note: 90°-270° data collection refers to a 360° which is limited to a person's peers "to the left of them and to the right of them on the organization chart.)

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- Support “self initiated” professional development activities with procedures to support (with time and dollars) those professional development activities which the organizational values.

Every talented staff member will have an implicit or explicit sense of where they want their career to go. For some this will be crystal clear. For others, it will be a “sort of in this way” direction. In either case, a staff member’s personal sense of career direction may or may not line up with the organization’s future talent needs. Understanding this, and accepting it, is completely in line with value and the principals that underlie TTM activities.

Clarifying the organization’s willingness to support personal professional development is a key talent retention tactic. When a staff member knows what professional development the organization is prepared to support with time and funds, the person can make clear choices. This is consistent with treating staff as adults. Many talented professionals will adapt their personal sense of career to align with the organization’s future talent needs in response to clearly communicated professional development guidelines.

- Work with managers to align professional development activities undertaken by staff members with “immediate opportunities to apply them” so that there is a high probability of use of the new skills on-the-job.

Organizations can always seek to hire the talent they need at some point in the future. However, developing talent from within has substantial strategic, competitive and operational advantages.

- Existing people already fit the organization’s culture. There is little to no risk of culture mismatch, which is always a possibility in a new hire, especially at more senior levels.
- Lateral moves for existing staff are one way to develop experience with the business for high performers / high potentials. It is also a good way to keep high performers – normal to low potential contributors motivated and inspired to contribute.
- Upward moves for high performers / high potentials decreases the risk that they will manage their careers through moves to other organizations.

Steward¹³ the Organization's Talent

1. Steward the organization's LoPe/LoPo's and HiPe/HiPo's.

- Work in conjunction with the appropriate managers for formulating an appropriate action plan for each LoPe/LoPo, whether that plan involves remedial personal development that brings performance back into where it needs to be or outplacement.

Working with individuals who are currently not performing up to expectations, and who have not been evaluated as having normal or high potential, is difficult. It requires both advanced interpersonal skills because it includes difficult communications under conditions of high interpersonal stress. It requires special know how to skills, e.g. planning effective remedial development programs or mitigating the legal issues involved in outplacement. Expecting managers to have these skills sets is unrealistic. Managers who must deal with low performance / low potential individuals in their direct report group need deep support from talent management specialists who have these specialized abilities.

By taking active responsibility for these people, talent management specialists also avoid what happens in many organizations. Managers knowing that they have people who are in this category, but also knowing that they do not personally have the skills to deal with them effectively, avoid the issue by "overrating" their performance or their potential. When this happens, the manager, the individual and the organization are all hurt, in both the short run and in the long term.

- Work with appropriate senior executives to create personal development and career tracking plans for each HiPe/HiPo individual in the organization. Ensure that these individuals are thought of as an organizational resource, not just as part of a manager's direct reports.

HiPe/HiPo's could easily be future leaders in the organization. A balanced approach to them, which:

- takes into account their abilities and contribution,
- without interacting with them in ways that inflate their sense of self,
- or developing them too quickly in ways which undermine their potential,

¹³ Steward is a deliberately chosen word. The asset steward cycle involves the following 5 steps: 1) plan for, 2) acquire, 3) implement – put in operation, 4) operate – maintain, 5) retire – salvage. Talent is a crucial organizational asset. The stewardship cycle applies.

“Talent levers everything.”

- identifies roles where they can move in the organization to make important contributions,
- while continuing to develop their potential for future contribution,
- finds them mentors / coaches so that they can make mistakes in dialogue rather than for real, which can severely undermine their continuing self confidence,
- and ensures that they continue to work well for their current manager,

takes skills that are not part of the competency profile expected of every manager in the organization. Talent management specialists with those skills need to be involved in these activities.

2. Administer Management Succession.

- Identify the crucial executive positions for which the organization needs to identify potential incumbents, should the position become vacated for unanticipated reasons, or in the normal course of organizational events.
- Identify potential individuals who could fill these executive positions either as part of normal organizational or under stress conditions in the case of unanticipated events.

Management succession planning is now a well understood and normal process. When well done, it has clear ties to and is integration with the organization's stewardship of both HiPe/HiPo's and HiPe's.

3. Analyze future talent pool needs.

- Examine the formal or informal (shared in dialogue among the members of the senior inner circle of organizational leaders) strategic plans for the organization and translating this into an appropriate gap assessment:
 - Talent we have,
 - Talent we will need.

The Manager / Direct Report Relationship in a TTM Organization

When Total Talent Management is alive and well in an organization, the nature of the manager's¹⁴ role with respect to direct reports becomes very clear. It is also very consistent from manager to manager. Much of the confusion about manager's roles often reported in confidential employee satisfaction surveys disappears. Many of the complaints about a lack of clear, concise communication from top management down diminish¹⁵.

A manager may have "individual contributor" accountabilities, as well as being accountable for managing direct reports. Such individual contributor deliverables are not explicitly covered in what follows. They simply form part of what the manager deals with dialoging with her or his own manager about personal performance.

Managing direct reports means doing the following 5 things well.

1. Managers are accountable for clarifying each direct report's future performance objectives and the associated metrics.

Managing means making things clear for the people who work for you. The largest part of this accountability has to do with the work the person is expected to do. If managers don't make this clear, then who will?

Organizations can be placed at different points of the following scale.

¹⁴ To keep things straight forward, the following definitions are used.

Individual contributor – accountable for personal deliverables.

Manager – manages individual contributors, that is, has direct reports who are individual contributors, who may or may not work as part of teams.

Executive – manages managers, that is, has individuals as direct reports who themselves have direct reports.

The executives in an organization can be "several layers deep" until you reach the top.

¹⁵ These two complaints by staff, along with frustration with the performance appraisal process, have been consistent findings on job satisfaction surveys for decades.

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Nature of Workflow

Procedures & processes well established / defined
e.g. transaction processing
or “standard” manufacturing

Work largely custom with large “creative” components
e.g. software development
or engineering design

Clarifying what a person is expected to do, and helping them create / understand the metrics which will be used to measure / evaluate their results, may require more cognitive work on the part of managers in organizations that fall on the right end of this scale. But in principle, the requirement for managers is the same in all organizations.

Managers must clearly communicate:

- “This is what you are expected to do in the days, weeks, months ahead”;
- and
- “Here is how I am going to measure what you did / evaluate your performance”;

to each of their direct reports.

2. Managers are accountable for putting in place feedback processes which deliver “results achieved to date” data to each of their direct reports on each of their performance objectives.

Much of the information needed to provide this feedback is captured in the automated business applications organizations used today by direct reports to do work. Managers, as the ‘resource negotiators’ for their groups, are the ones who must get access to this information for their direct reports. They must arrange for its delivery in formats that are meaningful to their direct reports.

Information system professionals seldom understand that this is a requirement for automated business applications they create and administer. They generally only think about the work flow and business logic requirements when they implement such applications. However, personal “performance” feedback is a crucial requirement as well. Generalized organizational or departmental level feedback is not very effective for managing individual performance.

Most automated business applications track who does what for security reasons. Consequently adding reporting components that produce “individual” result metrics is usually not very complicated. Neither is putting the information in a format that shows the trend in individual performance over time.

If managers don’t ask for, indeed insist on, these additions to automated business applications, they will not get them. But they cannot manage their direct reports’ performance, never mind provide them with objective feedback about that performance, without these automated elements.

3. Managers are accountable for coaching each of their direct reports about their immediate performance.

Coaching commentators and experts talk about a manager’s responsibility to develop their direct reports for the future. In many ways, asking managers to do this is a waste of time. Managers are not the best people in an organization to “anticipate the longer term future”. Their job is to make sure that the results that their direct reports need to deliver in the next days, weeks and months in fact get delivered. However, managers are in the best position in the organization to provide direct reports with coaching about their “immediate” performance. In fact, it is crucial that managers know how to do this, and are themselves evaluated on their coaching results.

When direct reports know what they are required to deliver and get “objective” feedback on their delivery progress, most of them will initiate corrective action when it is required. Managers need to verify that this is happening, and that the corrective action selected by the direct report has a high probability of success. If not, managers need to guide direct reports to better actions during coaching. Managers may have to “educate, mentor, guide, demonstrate, train, ...” their direct reports in these more effective corrective actions. When managers do this, they are being effective coaches who provide value to the organization.

When managers move beyond this, into “coaching” their direct reports about abilities they will need for “their next job”, managers are moving into areas they are seldom equipped to do well. Managers may or may not have an accurate understanding of what “abilities” are required at some point in the future. Often, they have only a generalized picture of these competencies, and so provide generic, rather than specifically focused and immediately applicable coaching. Generally, coaching or training which a person cannot put into effect immediately in the course of day to day work is wasted. People need to apply in concrete, specific ways in order to develop the smart habits which truly increase their capabilities.

The one exception to this has to do with being a manager. Managers are equipped to “coach” their direct reports about what it is to “manage direct reports”. Once again though, unless direct reports have the opportunity to “do these actions on-the-job” almost immediately, this coaching must be general rather than focused and specific.

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4. Managers are accountable for periodically summarizing each of their direct reports results delivery, using the organization’s scale for rating performance from Low (LoPe) to High (HiPe).

Organizations need some form of systematic, consistent performance management process. As well as providing input for things like bonus distribution, this process allows the organization to do a “health check” on the capability of its staff.

When

- a manager’s direct reports know what they are required to do,
- how it will be measured and evaluated,
- and both the manager and the direct report have been receiving regular trend feedback on these metrics,

summary performance assessments for direct reports are a snap. The manager simply puts a summary number on a scale for each direct report. This rating is either consistent with the pattern in the feedback given to the direct report in the period under consideration, or it is not.

When it is consistent, even if the summary rating is negative, no one should be surprised. The regular feedback, and the coaching sessions between manager and direct report, will have anticipated this summary rating. The consequences of the rating may be unpleasant, but the fact of the rating should not be.

If it is surprising to the manager, then that individual has not been acting as a competent manager of this direct report. If it is surprising to the direct report, then the individual has been ignoring his or her regular performance feedback, as well as the coaching sessions with the manager. In either case, the underlying cause will be apparent to the manager’s manager, or to talent management specialists brought in to understand why this surprise is present. In either situation, the appropriate corrective action is relatively straight forward. In fact, the fact that the likely occurrence of this situation has not been apparent before hand to either the manager, or to the manager’s manager, is the real cause for concern.

When the summary performance rating is inconsistent with the direct report’s regular performance feedback pattern, whether the summary rating is negative or positive, the inconsistency will be immediately obvious. The summary rating simply will not match the feedback pattern that the direct report has been receiving. The manager’s manager now has immediate insight into the fact that this manager is not performing well as a manager. The manager’s manager can now take steps to both address the lack of direct report management capability in the manager, and the inappropriateness of the summary rating for the direct report.

5. Managers are accountable for periodically assessing each of their direct report's future potential, using the organization's scale for rating potential from Low (LoPo) to High (HiPo).

Organizations need to plan for their future talent needs. As part of this, organizations need some form of systemic, consistent potential assessment for each staff member. The collection and analysis of these ratings allow an organization to do the following.

1. Assess whether or not an individual has the capability to take on more role scope in future.

High potential / high performance individuals need to come to the attention of talent management specialists. **They are the organization's future, and need special consideration and planning to map out an adequate development and proving path for them over a number of years.**

2. Determine if a person with potential could be "stuck" in the wrong role.

High potential / low performance people need to be reviewed in a manner which involves a talent management specialist. The dialogue among the direct report's manager, that manager's manager and the talent management specialist will under cover the reason for this situation. Such individuals are essentially being wasted, and need to be thoughtfully dealt with because of the following potential consequences of ignoring their situation.

- Job dis-satisfaction, a situation that will be obvious to peer co-workers, and could impact morale.
- Loss of a talented individual to the organization, if that person moves to another enterprise.

3. Determine if a person who is a solid contributor in the current role may be a potential misfit with the future of the role or with the future of the organization.

Low potential / high performance people also need to be carefully identified. In a stable organization, with low degrees of change, they are often among the most important contributors. Motivating and inspiring them, when they see peers moving up in their careers takes special energy and focus.

The nature of their relationship with the organization may need examination.

- Contractors should always be high performers for instance, regardless of their potential.

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- There may be personal dissidence between a manager and a high performance / low potential direct report which may disappear through a role move or coaching of the manager.
 - The person may be a high performer in the current role, but that role may be changing in a way that makes that continued contribution less likely. Managers with such individuals need support from talent management specialists to determine the most appropriate action. Talent management specialists need to get involved in the dialogue between a manager and that manager’s manager about such individuals.
4. Provide support for managers dealing with Low Potential / Low Performance individuals.

The idea that each and every manager should somehow naturally have the skills, the personal emotional maturity, and the motivation to deal with low potential / low performance individuals is a destructive one for organizations.

Managers are accountable for rating performance and potential, and therefore for identifying such situations. But their personal accountability to deal with them ends there. They need support, both from their own manager’s, and the organization’s talent management specialists, to deal with such individuals.

The choices are simple. Either remediate through performance improvement coaching and training or outplace. Talent management specialists need to be involved in the action dialogue with the manager and the manager’s manager to formulate the action plans for both. In the case of outplacement, talent management specialists need to be involved in preparing the conditions of the outplacement, and in delivering the message.

When organizations fail to put in place these processes, manager’s often deal with the problem by “overrating” both performance and potential. They tend to “rate” such persons as average. In the longer run, that is not good for the person, for the manager and for the organization.

Metrics for Evaluating the Performance of A Manager on the Five Direct Report Accountabilities.

Each of these 5 Manager accountabilities has a straight forward metric associated with it.

1. Managers are accountable for clarifying each direct report’s future performance objectives and the associated metrics.

The metric:

Direct Reports Have Performance Contracts or Can Clearly Articulate their Performance Objectives and Associated Metrics

Each direct report can either produce her or his performance contract, which contains their performance objectives and associated metrics;

or

Each direct report can verbally describe her or his performance objectives and associated metrics in a way that is understandable by any “peer” member of the organization.

This is a simple yes or no metric. Quality can only considered after the basic metric is met. Quality will be a subjective assessment. What one manager considers superb, another might view as overdone. What counts in all cases is the degree to which the DIRECT REPORT is clear on his or her performance objectives and associated metrics. The easiest way to determine if they are is to simply ask them.

2. **Managers are accountable for putting in place feedback processes.**

The metric:

Feedback on Personal Performance Metrics Goes Directly to Direct Reports

Each direct report gets feedback on each of their metrics. This performance feedback comes to them independently of their manager, and at the same time that the manager receives it.

Once again, this is a simple yes or no metric.

3. **Managers are accountable for coaching each of their direct reports about their immediate performance.**

Performance by Direct Report

Low,
not achieving some
or all
performance targets

High,
exceeding some
if not all
performance targets

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Coaching will vary in nature and in intensity depending on where the performance of a direct report falls on the above scale during the performance period.

Clearly, managers need “training” and mentoring in coaching. For most people, the skills needed to effectively coach immediate performance at work do not develop spontaneously or naturally. They have to be learned through professional development or coaching.

The results achieved by coaching are a function of two individuals – the manager and the direct report. The best coaching skills in the world may not produce performance improvement with an unmotivated, poorly skilled direct report. Poor coaching skills on the part of the manager may result in dramatic performance improvement with highly motivated, self initiating, self learning direct reports.

The metric:

Coaching Happens

Coaching sessions are scheduled and carried with each direct report at regular times during each performance period.

This is a simple yes or no metric. It is not as much about the content of the coaching, as it is about its occurrence. Coaching quality needs 180° at least, and 360° feedback at best, to assess it properly.

4. **Managers are accountable for periodically summarizing each of their direct reports results delivery.**

The metric:

Managers Make Accurate Summary Performance Ratings

Each direct report gets a summary measure when required.

The summary metric is an accurate reflection of that individual’s performance feedback during the period, and agreed to by the manager’s manager, and any talent management specialist who may be asked to comment.

5. **Managers are accountable for periodically assessing each of their direct reports future potential.**

This assessment is a subjective judgment. It may or may not be accurate. Only time will tell. The only way to assess a manager’s ability to make accurate potential assessments is follow the individuals assessed over a

period of years. Consequently, the metric is mostly about the fact that the manager makes these judgments.

The metric:

Manager Completes Acceptable Direct Report Potential Assessments

Each direct report gets a potential assessment when required.

The manager's manager agrees with the manager's subjective assessment of potential for each direct report.

Any talent management specialist who gets involved formulating action with respect to any direct report agrees with the manager's subjective assessment of potential for that direct report.

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Locating The Total Talent Management Function within the Organization Structure

It Depends on

An organization is an organic response to a great number of factors including:

- The organization's history,
- Its current size in terms of number of people and number of operating locations,
- Its relative economic position,
- Its past and current culture,
- The personalities, beliefs and values of it's most senior leaders,
- The place of the organization in it's industry,
- The nature of work done by the organization and the assets - hard, soft, and informational - that it uses to do that work,
- The personalities, abilities and experience of the people occupying various roles / posts in the organization.
-

The list can go on.

Consequently, it is not possible to detail an organizational structure for talent management.

Neither is it necessary. The following outline describes the functional responsibilities for which a Total Talent Management function is accountable. Using it, an organization of any size (from several people to thousands of people) can determine which TTM organization structure best suits it, whether that structures involves one person or many.

The TTM function is part of Human Resources and is responsible for the following activities.

One:

Stewarding the Performance / Potential Management Process used in the Organization

- Put in Place a Performance Contracting process (training, and at minimum an e-mail and word processing based, at best a specific computer application) that Managers can use to performance manage their Direct Reports.
- Run the periodic process by which Managers summarize their Direct Reports' performance on the Low Performer (LoPe) to High Performer (HiPe) scale used in the organization.
- Run the periodic process by which Managers assess their Direct Reports' future potential on the Low Potential (LoPo) to High Potential (HiPo) scale used in the organization.

Two:

Stewarding the Professional Development activity that accomplishes the following.

- Administering the professional development program for all individuals who are (or become) Managers (i.e. have direct reports) so that they have the competencies they need to:
 - complete forward looking performance contracts with their direct reports,
 - get the feedback to them that provide the information on performance that is required by the performance metrics associated with each performance objective,
 - conduct immediate performance coaching sessions with them,
 - provide performance summary ratings for them when requested
 - and provide future potential assessment for them when requested.

The TTM function may chose to develop and deliver this training itself, or it may choose to use an outside supplier to do so. In either case, the TTM function must specify the curriculum requirements, and provide the "local content" needed to make the training exercises, role plays, and simulations specific to the organization.

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- Provides all individuals in the organization clear information on which professional development programs are valued and supported by the organization, as well as helping individuals get access to those professional development programs.
- Builds and manages the working relationships with selected professional development suppliers who provide services to the organization.

Three:

Stewarding the Low Performers / Low Potential and the High Performers / High Potentials in the Organization.

- Administer and coordinate the planning of, and the delivery of mentoring, competency development and capability expanding / proving role assignments for the organizations HiPe/HiPo's in coordination with the organization's most senior executives and the managers who have such individuals in their direct reports groups.
- Manage the future of the LoPe/LoPo's in the organization, either through remedial action which returns their performance to where it needs to be, or through outplacement, in coordination with the managers who have such individuals in their direct report groups.

Four:

Stewarding the Talent Intake / Talent On Board Process

- Oversee and do part or all of the talent intake activity.
 - Plan and execute the "employment brand" activities for the organization (e.g. social media, website, publicity, etc).
 - Execute or outsource performance profile based recruitment instances which find / identify final candidates.
 - Execute or outsource performance profile based recruitment instances which find / identify final candidates for hiring managers.
- Oversee and do part of the talent on boarding activity.
 - Coordinate with information technology and facilities management the activities by which a new staff member is fully equipped to work on the first day of arrival.

- Coordinate with the hiring managers the socialization process by which the new staff member is integrated into the culture of the organization.
- Outplace any new staff member who does not prove her or him self at the 1, 2, or 3 months points in the probation period.

Five:

Plan the Future Talent Needs of the Organization

- Run the planning process which specifies which competencies the organization will need next year and the year after it.
- Run, in coordination with the most senior level of the organization's executive, the "management succession planning" process used in the organization.

Six:

Integrate / Align the TTM activities with the other Human Resource management activities of the organization.

- E.g. compensation, staff records, etc.

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Moving to TTM

Which Organizations Must Make the Transition?

Any organization can make the transition to TTM. All organizations can benefit from it. But organizations in which any of the following hold have little choice but to make the transition if they expect to thrive at any level of excellence.

- The work done by the organization contains large “one time elements” whose success depends upon the creative and cognitive talents of the staff.

Examples:

Software development

Life sciences research and product development

Engineering design / analysis

Custom, high value added manufacturing

Complex customer service which involves understanding the customer’s problem or situation and marshaling technical services to respond

Short life cycle product design, manufacturing and marketing (e.g. smart phones and devices - short cycles means months to a few years)

- The organization is in start up, turn around or break out (i.e. dramatic growth) mode.
- The organization is in a life or death competitive struggle in a volatile, fast moving industry.

Note that this can be as true for not-for-profit as it may be in for profit organizations. For not-for-profits, the competition may be about funding and service opportunities.

Making the Transition

The first step is a gap analysis, which looks at what is in place now and clarifies the gap which has to be closed in order for the organization to become TTM aligned. The gap analysis needs to be organized around:

- The Functional Responsibilities Of the TTM Organization

- and The Manager / Direct Report Relationship in a TTM Organization

sections¹⁶. These are checklists that are that effectively shape the analysis.

The gap analysis best done by a joint team of outside TTM experts and innovative HR professionals from inside the organization.

Once the “gap” is clear, a transition plan can be prepared. It lays out the actions, the individuals responsible, the resources required and the target dates for the transition execution plan. Then it take two things for the organization to succeed in the transition.

1. Will on the part of the most senior executives, including the top leader, to walk TTM in their own management of their direct reports.
2. Execution of the plan, by including appropriate elements of it in the forward looking performance contracts of right organizational individuals.

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¹⁶ You can access them on previous pages in this document.

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Conclusion

TTM organizations feel different. People in them are focused, engaged and aligned. There is little role dissatisfaction. Individuals who do not like working in this getting along / getting results environment tend to move themselves out of the organization. Those who are left are too busy “getting on with it” to be un-engaged.

TTM pays for itself in results. TTM organizations are either excellent or on their way to being so. That is as true in not-for-profit TTM organizations as it is in for-profit ones. The only differences are in the kind of excellent results that each produces.

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