Top 5 Talent Questions for Scaling Organizations

- Who are you attracting?
- How do you enable them to be successful?
- How does your team know what’s expected of them?
- What do you do with poor performers?
- Who are your future leaders?
An organization’s Business strategy is driven by numerous dynamic factors:
- external market factors that create demand and shape the competitive environment for products and services
- organizational factors including core competencies, products, structure and composition of the management team, the cultural and political environment within the organization
- people factors including leadership and management competencies, the ability of the organization to develop and retain talent

Human Capital strategy – that is, the people side of business design centered on the selection, deployment, motivation, and management of people – is a key driver of business success.
- almost any significant changes in market dynamics or business design will require changes in a firm’s Human Capital strategy

The HR function delivers a range of consulting and program administrative services based on the organization’s needs. HR’s service delivery strategy must be:
- responsive to the organization’s business strategy
- explicitly aligned to support the implementation of the organization’s human capital strategy
- Might be “owned” by the CEO or COO in smaller organizations.
Evolving the Role of Human Resources


**Where is your organization along this continuum?**
Why Does This Matter?

**Challenges**

- **Vision Barrier:** Only 5% of workforces report understanding the strategy of their organization.
- **Management Barrier:** 85% of executive teams spend less than <1 hour per month discussing strategy.
- **Resource Barrier:** 60% of organizations don’t links budgets to strategy.
- **People Barrier:** Only 25% of managers have incentives linked to strategy.
- **Performance Barrier:** Only 9% of HR leaders report their company is effective or very effective in connecting Human Capital practices to organizational performance.

**Opportunities**

- Coaching and developing others effectively can improve **shareholder value** by as much as 30%.
- Human capital has become more important to success than financial capital, strategy, or R&D.
- The demand for smart professionals who are technologically literate, globally astute, and operationally agile will significantly outpace supply over the next 10-15 years.
- The average initial cost of replacing a managerial-level employee is more than 240% of that employee’s compensation.

Source: Balance Scorecard Collaborative, www.bscol.com
Exploring Your Employee Value Proposition

Do you know what you have?

Do you know what employees want?

What is your Employee Value Proposition?

Why do people choose to work for you?
A Recruiting Framework:
Sourcing and Hiring an Excellent Team

1. Recruiting Game Plan
2. Know Value Prop
3. Attract “A” Players
4. Strong Interview Skills
5. High Standards
6. Reflect & Iterate
Top 10 Checklist to ensure successful hires
...and avoid or minimize mistakes

1. Hire ahead of the curve
2. Use personal networks… and beyond
3. Know your unique value proposition
4. Provide a smooth candidate experience
5. Brush up on behavioral interviewing skills
6. Use the 80/20 rule for talking in an interview
7. Develop a solid onboarding process
8. Ensure happy results
9. Avoid picking the “best of the worst”
10. Fire fast

What changes do you plan to make to your recruiting process moving forward?
Employee Engagement Drives Talent Retention

Culture of Employee Engagement

- Job Clarity
- Trust in Leadership
- Career Development
- Rewards & Recognition

Retention of Valued Employees
- Increased Productivity
- Enhanced Organizational Performance
- Mission Success
Build Employee Engagement By Improving your EVP

Improve discretionary effort by improving recognition programs, and focusing on non cash rewards.

Improve intent to stay by focusing on career development, work-life balance and role clarity.

Note: The maximum impact on engagement capital is calculated by comparing two statistical estimates: the predicted impact when an employee scores relatively "high" on a driver and the predicted impact when an employee scores relatively "low" on a driver. The effects of all drivers are modeled using a variety of multivariate regressions with controls.

Engagement capital outcome measure includes measure of employees' perception of present experiences and future expectations.

Source: CLC HR Engagement Research Survey.
Credible Employee Owned Career Development Drives Engagement Capital

**Organization**
- Focus on establishing opportunities that are credible and employee owned.
- Failing to meet career expectations damages existing engagement capital and undermines employees’ trust in the organization.
- Demonstrating trustworthiness by delivering against career expectations has greater impact on engagement capital than surprising employees with unexpected promotions.

**Manager**
- Accountability for career development rests primarily with direct managers.
- Overreliance on managers limits employees’ visibility into career steps across the organization.

**Team**
- Focus career development efforts on matching employees to the right roles, then leverage teams to help employees navigate career paths.
- Information about internal career opportunities, which builds positive expectations about the future, is best obtained from the team. Teams have larger internal networks than the direct manager and greater insight into roles and opportunities within the organization.
Noncash awards include certificates of achievement, public recognition, thank you notes, gift cards, etc.

The maximum impact on engagement capital is calculated by comparing two statistical estimates: the predicted impact when an employee scores relatively “high” on a driver and the predicted impact when an employee scores relatively “low” on a driver. The effects of all drivers are modeled using a variety of multivariate regressions with controls.

Engagement capital outcome measure includes measure of employees’ perception of present experiences and future expectations.

Source: CLC HR Engagement Research Survey; 2009 Employment Value Proposition Survey.
How do Employees Hope to be Managed?

- Clear expectations
- Positive/constructive feedback on a regular basis
- Involvement in goal setting
- To be treated fairly and consistently
- The sharing of information and resources
- Job/career enrichment opportunities
<table>
<thead>
<tr>
<th>Potential</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>New to Role</td>
<td>Rising Performer</td>
</tr>
<tr>
<td>Too New To Rate:</td>
<td>Meets Expectations; High Potential</td>
</tr>
<tr>
<td>High Potential</td>
<td>• Lives values and behaviors in current role</td>
</tr>
<tr>
<td></td>
<td>• Opportunities still exist for growth and/or mastery in current role</td>
</tr>
<tr>
<td>Mismatch</td>
<td>Solid Performer</td>
</tr>
<tr>
<td>Does Not Meet</td>
<td>Meets Expectations; Medium Potential</td>
</tr>
<tr>
<td>Expectations:</td>
<td>• Lives behaviors in current role</td>
</tr>
<tr>
<td>Medium Potential</td>
<td>• Capable of growth in current role</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Alert</td>
<td>Steady Performer</td>
</tr>
<tr>
<td>Does Not Meet</td>
<td>Meets or Meets Some Expectations: Low Potential</td>
</tr>
<tr>
<td>Expectations:</td>
<td>• Lives behaviors in current role</td>
</tr>
<tr>
<td>Low Potential</td>
<td>• Capable of making further contributions in current role or roles of similar size and scope</td>
</tr>
</tbody>
</table>

Close your eyes.

Picture your strongest employee. Now picture your weakest employee.

Plot each one on the blank matrix handout.
## JOB SCOPE:
- Is the job broad enough to be considered a VP level position?
- Is the span of control similar to other VP jobs?
Are others in similar jobs at the VP level?

## JOB COMPLEXITY:
- What elements of the job contribute to its overall complexity?

## TIME HORIZON:
- Does the job require the person to manage daily transactions or does it plan for the future?

## CONTRIBUTION TO FRANCHISE GROWTH:
- How is the job directly involved with building the business?

## BUSINESS IMPACT:
- How do you measure the job’s impact on business results, revenue generation, risk management, people management and expense management?

## COMPANY-WIDE IMPACT:
- How does the job require the person to work across platforms, businesses, or functions to make decisions or complete projects?

## INFLUENCE:
- What level of executive (internal or external) does this job require the person to influence?

### BUSINESS CRITERIA/RESULTS
- **Demonstrated successes:** What examples exist to show the candidate’s history of consistent, exceptional performance in business results?
- **Strategic capability:** How has this person contributed to the strategic direction of our business?
- **Analytical capabilities:** How has the individual demonstrated the intellectual bandwidth, rigor and agility to solve complex problems?
- In which cross-BU or functional initiatives is this person involved?
- What industry-leading experience and expertise does this person possess?
- **Financial capability:** How has this person’s experience and expertise been applied to benefit the financial performance of the business?

### LEADERSHIP CRITERIA
- **Management capability:** What examples exist to show the candidate’s history of consistent, exceptional performance in people management?
- **Management experience:** What examples exist to show the candidate’s history of consistent, exceptional performance in overall leadership?
- Has the candidate built the organizational & leadership capabilities necessary to sustain improve performance even if they were removed from the mix?
- How has this person shown his/her ability to influence at a senior level?
- Does the individual consistently demonstrate strong motivation and drive to succeed by making the business better?
- Does the individual takes bold action and measured risk to grow the business?
- Does the individual strongly demonstrates our behaviors?

### POTENTIAL
- **1. AGILITY:** The willingness and ability to learn new skills and apply them to being successful under new, tough or different conditions
- **2. PROMOTABILITY:** The willingness and ability to take on a role with greater complexity, impact and scope. Over time, this individual may advance to higher organization levels
- **3. A TRACK RECORD OF SUCCESS:** Effective problem solving and consistent delivery of results over time and changing circumstances

Use this assessment tool to evaluate the dimensions of the “person” and the “role” in consideration for promotion, i.e.: Role Impact/Performance & Leadership History/Capabilities
Applying the Performance To Potential (P2P) Matrix to Your Organization

Plot your leadership team on the matrix.

What insight does seeing them pictured this way provide?

How might this knowledge impact your actions?
What Do You Do with Your Low Performers: Create “Permission” to Exit

Provide clear expectations and consistent feedback.

Consider their potential for a different role.

Ultimately exit, abiding by your values.

Think about the weakest employee you put on the P2P matrix. What makes you hesitate to exit that person? What would help with the situation?
How do you...contend with sustained low performance?

What are the barriers to confronting poor performers?
(hint: identification isn’t typically the issue)

How do you ensure your organization is set up to provide feedback, offer improvement opportunities and manage out low performers effectively?
Poor performers do just enough to get by and do not respond to performance management efforts.

Ignoring poor performers:
- Discredits leadership
- Blocks advancement of A/B performers
- Stifles enthusiasm of new hires and A/B performers
- Causes good performers to settle or leave
- Multiplies the quantity of poor performers (C-performers hire people like themselves)

Manager barriers are psychological and practical.
What Do You Do with Your Star Employees?

Invest in their development.

Reward them in personally relevant ways.

Clone them, i.e., have them help attract other stars!

What makes your stars stars?
Take a few minutes to reflect on those attributes that seem to distinguish these employees.
1. Demonstrate trust
2. Make jobs more complete
3. Introduce challenge
4. Encourage some to become experts
5. Drive out fear
6. Preserve subordinate dignity
7. Address poor performance
8. Empower, don’t micromanage
9. Hire self-motivated people
10. Be a good boss

Thank you!
Appendix

- Recruiting Patterns & Sourcing Tips & Techniques
- Employee Motivation
- Feedback
- Being a Learning Organization
- Talent Management Definitions & Frameworks
- Bridgespan Organizational Effectiveness Data (excerpt from larger study)
**Attraction: Reflecting on Recruiting Patterns We See**

1. Little self awareness around the employee value proposition

2. Lack of recruiting resources and hiring expertise

3. Challenges attracting of Top (“A”) players

4. Using compensation as an excuse

5. Mediocrity will rarely attract Top Talent

6. Recruiting firms don’t often produce high quality candidates
Expand the pool of people you would normally consider

- Look beyond your field, for people with the skills and behaviors you need
  - Hiring non-missionaries with necessary skills can bring valuable diversity
  - Core values should not be compromised, but candidates don’t need to have years of experience focusing on your cause
- Don’t just look for people that are looking
  - The best people still have jobs or are snatched up very quickly when they hit the market
  - You’re too small – most people won’t come to you
- Do your own referral generation, without relying on personal networks
  - You don’t need a firm for this – most are just going to feed you the people that didn’t get the last job they filled
  - Use your staff to generate lists of people that are great at the given job – they don’t need to be personally acquainted
- Calibrate
Launch a new referral program

- Pick a point person
- Educate your staff on what you are looking for
  - Not looking for people on the market
  - People/companies that are the very best in the market
- Can give two types of names:
  - People he/she knows and approves of (give the stamp of approval)
  - People he/she doesn’t know (just a possible name w/ no validation)
- Every person should have 3 names to you by the end of the week (none of which require stamp of approval)
  - Once you narrow it down, use Linked In
    - There is always a way to get to people at least a couple connections away
  - Offer incentives for those that identify people that get hired
Engagement Drivers and Agents

- Translating organizational goals
- Explaining connection between job and organization
- Helping understand role
- Explaining job importance
- Helping understand job responsibilities
- Ensuring job-interests alignment
- Putting the right people in the right roles
- Demonstrating commitment to development
- Developing current skills
- Providing opportunities for networking with peers
- Developing new skills
- Providing career pathing information
- Providing adequate resources
- Setting realistic performance expectations
- Providing informal feedback
- Clearly communicating performance expectations
- Managing low employee performance
- Providing formal performance reviews
- Future orientation
- Reputation for integrity
- Adaptability
- Commitment to social responsibility
- Commitment to diversity
- Customer orientation
- Inspiring communication from manager
- Inspiring communication from senior leader
- Organization communication
- Thank you from manager
- Thank you from senior leader
- Development opportunity
- Resources from manager
- Noncash award
- Peer recognition event
- Career discussion with manager
- Promotion
- Organization-sponsored celebration
- Encouraging innovation
- Encourage work-life balance
- Protecting employees from hostile work environments
- Openness to new ideas
- Encouraging autonomy
- Providing opportunities for employee feedback
- Encouraging collaboration
- Addressing employee grievances
- Sharing relevant information with employees
- Giving a promotion
- Providing a noncash award
- Providing a monetary bonus
- Sponsoring an organization-wide celebration
- Organizing volunteer projects
- Receiving a formal performance review
- Holding in-person meetings led by senior leaders
- Offering job rotation programs
- Discussing development opportunities with manager
- Recognizing employees for accomplishments
- Ensuring rewards are fairly distributed
- Breaking down projects into management components
- Providing formal training
- Sending thank you communications to employees
- Providing compensation increases
- Volunteer opportunity
- Cash bonus
- Above market base pay increase
- Publicly representing organization
- Training
- Leader meeting
- Receiving organization chart
- Help from a colleague
- Below market base pay increase
- Formal review
Do you know how to meet employee expectations?

How does your management enable better performance?
Unlocking Employee Motivation

Extrinsic vs. Intrinsic Rewards
1. **Extrinsic** more commonly focused in commercial sector, e.g. pay, prestige
2. **Intrinsic** more powerful and readily available, growth opportunities, meaningful work, teamwork, positive work environment

*Extrinsic dissatisfaction may be (but not always) rooted in lack of intrinsic reward.*

Intrinsic Building Blocks
1. Cultivate meaning awareness
   - Positive work environment, vision, purpose, relevance, wholeness of tasks
2. Develop a sense of choice
   - Delegated authority, trust, security, clarity, information
3. Develop a sense of competence
   - Knowledge, positive feedback, skill recognition, challenge, standards
4. Develop a sense of progress
   - Collaboration, milestones, celebrations, access to customers, improvement measures

Source: Thomas, Kenneth W. *Intrinsic Motivation at Work: Building Energy and Commitment*
How do you…grow your team skills efficiently?

How do you map an employee’s unique talents to the organization’s needs?

How do you ensure your organization is set up to assess, support and track employee development most effectively?
Where is Your Employee?

How are team members developing?

Who is emerging as a future leader?
Employees who have an opportunity to play to their strengths every day are:

- 50% more likely to work in teams with low turnover
- 38% more likely to work in more productive teams
- 44% more likely to work in teams with higher customer satisfaction scores

Source: *Now, Discover Your Strengths*  
M. Buckingham
Performance rules…a track record of great performance is realized potential.

Today’s top performing leaders aren’t necessarily tomorrow’s…even the best leaders can fall behind or derail. Potential for growth is key. The job is scaling, will the person?

Experience is the best classroom…yet a balanced approach is necessary for development.

Today’s top leaders MUST leave a legacy of future talent…current leaders must teach, mentor & role model others on what it takes to succeed…leaders must avoid the loyalty trap: to whom and to what are you loyal (the person or organization)?

Identify great talent…and plan to stretch them with attainable goals. Ability to scale…hire ahead of the curve…hire for comfort with change and ambiguity…team orientation…willingness to take on new roles. Competence and Character are both necessary.

Deliberately place great talent…in your biggest roles. Always hire the best. Strive for complementary skills, temperaments, talents and convictions… “better than me” and “better than the last” hiring.

Differentiate to win…invest in the best (e.g. coaching, learning opportunities).
<table>
<thead>
<tr>
<th><strong>FEEDBACK</strong></th>
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<tbody>
<tr>
<td><strong>SITUATION</strong></td>
</tr>
<tr>
<td>Describe the specific situation where the observed behavior occurred.</td>
</tr>
<tr>
<td>Example</td>
</tr>
<tr>
<td>I observed (situation) ________</td>
</tr>
<tr>
<td><strong>BEHAVIOUR</strong></td>
</tr>
<tr>
<td>Describe the observable behavior in terms of the expectations.</td>
</tr>
<tr>
<td>Example</td>
</tr>
<tr>
<td>When I observe (these behaviors) in your performance ________</td>
</tr>
<tr>
<td><strong>IMPACT</strong></td>
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<tr>
<td>Describe the consequences and impact (+/-) in terms of the business, the team, the individual.</td>
</tr>
<tr>
<td>Example</td>
</tr>
<tr>
<td>The impact it has on (you, me, the team, the department) is ________</td>
</tr>
<tr>
<td><strong>SUGGEST</strong></td>
</tr>
<tr>
<td>Stop/Start/Continue</td>
</tr>
<tr>
<td>State your request in terms of change, improvement or maintenance.</td>
</tr>
<tr>
<td>Example</td>
</tr>
<tr>
<td>Going forward, I would specifically like you to ________</td>
</tr>
<tr>
<td>The positive impact for (you, me, the team, the department) will be ________</td>
</tr>
</tbody>
</table>
Six key leadership and talent strategies for success

1. Empowering Employees
2. Building Trust
3. Enabling Knowledge-Sharing
4. Encouraging Reflection
5. Demonstrating Learning’s Value
6. Formalizing Learning as a Process
The Continuous Learning Model

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
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<tbody>
<tr>
<td>HIGH POTENTIAL</td>
<td>High Potential individuals demonstrate 3 key attributes:</td>
</tr>
<tr>
<td></td>
<td>1. <strong>AGILITY</strong>: The willingness and ability to learn new skills and apply them to being successful under new, tough or different conditions</td>
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**The common thread in this definition of Potential is “Learning Agility*,” which is characterized by four underlying factors:**

A. Mental Agility - managing complexity and ambiguity and making fresh connections
B. Results Agility - consistently delivering results and inspiring others to perform
C. Change Agility - experimenting effectively and orchestrating change
D. People Agility - knowing oneself well, learning from experience, and treating others constructively
<table>
<thead>
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</tr>
</thead>
<tbody>
<tr>
<td>TOP TALENT</td>
<td>Possess <strong>three or more</strong> of the following attributes:</td>
</tr>
<tr>
<td></td>
<td>▪ Consistently demonstrates outstanding accomplishments in all major areas of responsibility, as well as outstanding leadership behaviors.</td>
</tr>
<tr>
<td></td>
<td>▪ Results are consistently above those of others who hold positions of comparable scope and responsibility- Exceptional performer who exceeds performance goals, achieves break through results and is seen as a role model.</td>
</tr>
<tr>
<td></td>
<td>▪ Demonstrated very high performance over time</td>
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<td></td>
<td>▪ Considered as having greater potential relative to their peers</td>
</tr>
<tr>
<td></td>
<td>▪ Capable of high performance in one of the biggest roles in the organization</td>
</tr>
<tr>
<td></td>
<td>▪ Faster at adapting to new and more complex challenges that their peers</td>
</tr>
<tr>
<td>KEY ROLE</td>
<td><strong>Two or more</strong> of the following job criteria:</td>
</tr>
<tr>
<td></td>
<td><strong>Scale</strong>: significant impact on revenue, brand/franchise growth, cross-BU interface, or impact on customers</td>
</tr>
<tr>
<td></td>
<td><strong>Scope</strong>: Broad geographic reach, customer segment, strategic focus, high business priority</td>
</tr>
<tr>
<td></td>
<td><strong>New Value</strong>: Essential to generating significant value to the organization (revenue/client/market share) in line with 1-3 year business strategy</td>
</tr>
<tr>
<td></td>
<td><strong>Unique value</strong>: expertise/competency required for role is market differentiating (creates significant competitive advantage)</td>
</tr>
<tr>
<td></td>
<td><strong>Franchise growth</strong>: the role is essential for where the business is going</td>
</tr>
</tbody>
</table>
High-performing for-profit companies share common organizational assets…

- Clear vision and priorities
- Cohesive leadership team
- Clear roles and accountabilities for decisions
- Organization structure that supports objectives
- Organization and individual talent necessary for success
- Performance measures and incentives aligned to objectives
- Superior execution of programmatic work processes
- Effective and efficient support processes and systems
- ‘High performance’ values and behaviors
- Capacity to change

Source: Framework developed by Bain & Company and adapted by Bridgespan
Only 14% of for-profits consider their organizations highly effective

Categorization of organization: based on self-reported answer to the question: “All things considered, we have a highly effective organization.” Ineffective = 2.25 or below, Sufficient = 2.25-3.25, Highly effective = 3.25 or above; all on a 1-4 scale
Source: Bain & Company “high performance” organization database (n=510)
By and large, nonprofits resemble the average for-profit on most dimensions.

Vision and priorities
- Clear vision & priorities
- Blurred vision

Leadership team
- Cohesive leadership team
- Uncoordinated leadership team

Decision-making
- Clear decision roles
- Confused decision roles

Organization structure
- Structure aligned with objectives
- Misaligned structure

Organizational and individual talent
- Deep and well deployed talent
- Deficient talent

Performance measurement
- Measures focused on what matters
- Inadequate measures

Program effectiveness
- Superior capabilities and execution
- Poor capabilities and execution

Admin & support effectiveness
- Effective and efficient support
- Ineffective and inefficient support

Values & behaviors
- High performance culture
- Low performance culture

Capacity to change
- Make change happen
- Change paralysis

Scoring: 1=Strongly disagree, 2=Disagree, 3=Agree, 4=Strongly agree

Note: Scores represent average of responses within each category. Given our small sample size for nonprofits and an inability to objectively measure performance, we have not created a “high-performers” nonprofit list. Source: Bridgespan and Bain org diagnostic databases.
Nonprofits start with tremendous assets: a compelling vision, inspirational leadership, highly motivated and skilled staff, and a strong culture.

- **Vision**
- **Leadership team effectiveness**
  - Cohesiveness, skills, behaviors, ability to inspire, ability to learn
- **Right people, right jobs**
- **Staff skilled and effective at their work**
- **Culture that inspires and promotes values**

Source: Bridgespan org diagnostic database
However, they sub-optimize those assets by failing to establish and communicate priorities, delineate clear roles and linkages, and assess and develop their people.

- Setting, translating, and resourcing of priorities
- Communication of priorities
- Clarity around decision-making processes and roles
- Coordination across organization boundaries
- Performance assessment and consequences
- Leadership transitions and succession

Source: Bridgespan org diagnostic database
Resources

- **Talent**
  - *Drive*; Daniel Pink
  - *True North*; Bill George
  - *Flourish*; Martin Seligman
  - *StrengthsFinder 2.0*; Tom Rath
  - *Now, Discover Your Strengths & StandOut*; Marcus Buckingham

- **Marketing**
  - *Up & Out of Poverty, The Social Marketing Solution*; Philip Kotler & Nancy Lee
  - *Managing the Customer Experience: Turning customers into advocates*; Shaun Smith & Joe Wheeler

- **(Social) Innovation Design – Organizations/perspectives**