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Talent for Tomorrow: Four Secrets for HR Agility in an Uncertain World

By Ilene Gochman and Paul Storfer

Want to have the right leaders in the right place, ready to meet tomorrow's business challenges? Align your talent strategy with your company's business strategy today.

Acquiring, nurturing, and charting a career path for the talent that will drive your company's future has never been more complex. Technology continues to evolve and shape job requirements and demands—from individual contributors to top executives. Organizations are becoming leaner in structure, more global in reach. Competition, locally and globally, is heating up. HR is increasingly extending its reach through technology, placing career ownership in employees' hands.

When you overlay these trends on the shifting needs and desires of the modern workforce—retiring baby boomers, rising Gen Y leaders, differently motivated Millennials, and all those who defy categorization—the human resource challenges are even greater. In one recent study, 61 percent of organizational leaders surveyed said their organizations either do not or only somewhat have the right talent to succeed in today's changing global environment.¹

Consider the retail sector, as one example. Strategy-busting business challenges include price-conscious and comparison-shopping customers, new competition from non-traditional sources (including online and low-cost retailers), the opportunities and threats associated with big data, and the need for swift, demand-driven stocking of store aisles. These challenges will certainly require retailers to recruit and retain a new generation of leaders who can successfully manage Internet sales, partnerships, outsourced distribution, and other requirements for future success.

Senior executives are already feeling the pressure, as evidenced by turnover among major U.S. retailer CEOs. According to *The Wall Street Journal*, “The turnover at the top—and in some cases the extended searches for their replacements—are further evidence of pressure on the industry where once successful models are out of step with American’s new shopping habits.”² And at lower levels, with the evolution of how things are sold, fewer workers are needed to perform tasks like stocking shelves and processing orders.

In an environment where complexity, change, and challenge are the only certain-

- They understand and demonstrate one of the most critical requirements for business leaders of the future—learning agility—and develop resources to identify, evaluate, and cultivate this trait.
- They adjust and revise success profiles for current and new positions in tandem with the business planning cycle and modify development, succession planning, hiring, onboarding, and other key talent processes accordingly.

Agility in talent management is the new requirement for HR leaders. Master these secrets of delivering talent for tomorrow and you will establish yourself as a valuable player in charting your company’s future.

Make Alignment the Rule

Unfortunately, alignment of human resource activities and the future needs of the business is the exception, not the rule, in most organizations. Hiring, succession, and training decisions are more often based on past or current needs or availability of candidates and resources, rather than the demands of the future and the company’s business strat-

What does alignment look like in practice? Let’s say your company’s business strategy establishes these targets to be accomplished within three years:

- Exceed industry standards for quality and safety across all operations
- Expand sales into China
- Diversify product lines to fill market niches

An aligned talent strategy might include related activities such as:

- Identify future success profiles for quality and safety roles; conduct talent assessment of the current quality and safety team; identify gaps and plan for closing through development or talent acquisition.
- Review the design of the HR function and budget allocation to ensure the quality and quantity of resources in China to support employee relocation, acquisition, onboarding, development, and retention.
- Develop success profiles for new product development and sales teams and use them for talent acquisition and development; ensure incentives and culture foster innovation.

Of course, a complete talent strategy will be much more detailed and broader in scope than shown here. The takeaway from this example is point-to-point alignment. Ultimately, a complete and well-aligned talent strategy will address:

- The talent, mission-critical roles, and resources needed to achieve the business strategy
- Where you have this talent now—and where it’s missing
- Who can be developed and who needs to be brought in externally
- Which talent processes you need in place to support the acquisition, onboarding, development, engagement, and mobility of your future workforce

Consider the Whole Employee

Effectively activating an aligned talent strategy requires good data, which is best derived from the skilled use of candidate and employee assessments. While aspirational and aligned competency models are essential, they are not sufficient in capturing the neces-

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ties, what does it take for a human resource leader to remain relevant and respected when big decisions about a business and its future are made? According to our research and experience, those who approach their work as *agile talent strategists* are the most successful:

- They deliver a detailed and well-thought-out talent strategy that aligns with and fuels the business strategy.
- They focus on acquiring and cultivating leaders who fit multidimensional success profiles designed to support the business’s future needs.

Further, employees are often disconnected from the business strategy and their role in it. Typically, only 5 percent of employees understand it, which significantly impedes successful execution.³

A human resources plan becomes a true talent strategy when it focuses on supporting all aspects of the evolving and constantly changing business strategy, and it actively connects and engages employees in executing the business strategy. One study suggests organizations could achieve a 60-percent increase in value if they were to realize their strategy’s full potential.⁴ Talent strategy, done right, is a powerful force in successful execution of a business strategy.

sary data. Korn Ferry research shows that assessments are 96 percent more predictive of an individual's success when they not only measure skills (*competencies* and *experiences*) but also cultural fit (*traits* and *drivers*). (See the exhibit “Four Dimensions of Leadership and Talent,” below.) When each dimension is clearly articulated and in alignment with the business strategy, the four dimensions create a profile of leaders who will succeed in driving the business forward.

To assure these “success profiles” meet future business needs, it is important to assess requirements at the corporate (business strategy) level and at the individual level, specific to roles, regions, and departments. Here's an example: Many manufacturing companies face exceedingly low margins. One strategy for increasing profitability is to offer services (such as installation, repair, and maintenance) that support

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the company's products. However, the talent requirements for a service organization are very different from those of a product manufacturer. At the aggregate level, well-developed success profiles for the service business can help you determine whether the best talent strategy is to acquire leaders and employees from the outside, develop and promote from within, or both. At the individual level, success profiles provide a means of evaluating internal and external candi-

dates for the new service organization and increases the likelihood of selecting those with the highest potential to lead and support a successful service business.

Companies tend to focus on the competencies and experiences as these tend to be easier to articulate, identify, and measure. However, traits and drivers are equally important—and in some cases, more so. While competencies and experiences provide valuable information about an individual's readiness for a particular leadership role, traits and drivers reveal a person's potential for leadership or for other career directions.⁵

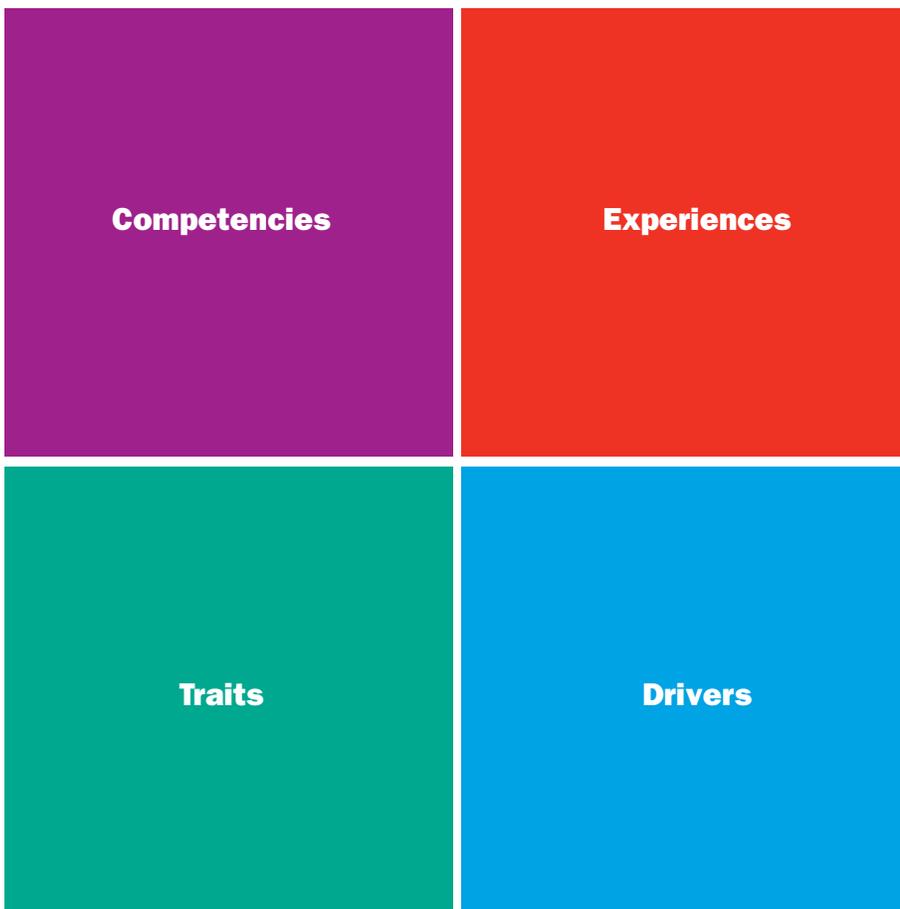
Put a Priority on Agility

As your company moves forward on its strategic path, you will need people who can shift and adapt quickly, who are resourceful, who thrive on change, who can make sense out of uncertainty, and who perform regardless of circumstances. Those abilities are the essence of *learning agility*.

Learning agility is the best predictor of executive success, even more so than intelligence and education. Right now, 25 percent of Fortune 100 companies are using learning agility as a means to assess the leadership potential of internal and external candidates. But learning agility is rare; only 15 percent of people are truly strong, agile learners.⁶

Sir Richard Branson, founder of the Virgin Group, exemplifies agile learning. His biggest motivation is to keep challenging himself with new businesses and ventures. “I see life like a long university education I never had,” Branson said. The late Nelson Mandela demonstrated “people agility”—a key factor in learning agility—as he adapted and evolved to changing conditions in South Africa, while maintaining his focus on civil rights and national unity.

Four Dimensions of Leadership and Talent



SOURCE: KORN FERRY INTERNATIONAL

Five Factors of Learning Agility



SOURCE: KORN FERRY VIAEDGE™ SELF-ASSESSMENT

Along with characteristics such as patience and an aptitude for logic and reason, learning agility resides in the *disposition* dimension of leadership and talent. It's an amalgam of five factors (see exhibit, "Five Factors of Learning," above, for more details):

- **Mental agility:** How comfortable is the individual in dealing with complexity?
- **People agility:** Is she or he a skilled communicator who can work with diverse people?
- **Change agility:** Does the individual like to experiment? Is he or she afraid to be on the forefront of change?
- **Results agility:** Can the individual deliver results in first-time situations?
- **Self-awareness:** Does the individual recognize his or her own strengths and weaknesses?

Leaders with learning agility are the antithesis of status-quo leaders—those who rely on old ways of doing things, who see no reason to acquire new skills or adapt, and who withdraw or dig in their heels when circumstances require change.

If your organization's business strategy requires innovation, calculated risk-taking, and success in new markets and channels, your talent strategy must deliver leaders who are agile learners and align with the complete success profile. Cultivating the expert resources to identify and recruit them is essential.

Execute and Stay in Sync

Creating a talent strategy isn't a "do-it-once-and-be-done-with-it" activity. Most companies update their business strategy annually against a rolling planning horizon of three to five years. Your talent strategy must evolve with your business strategy. That includes updating success profiles for current and new positions in tandem with the business planning cycle and adjusting development, succession planning, acquisition, and other key talent processes accordingly. A consistent and relentless focus on the re-examination of your talent strategy to ensure its continuous alignment—learning from what works and fixing what doesn't—to advance the strategic initiatives is critical to business success.

Long-term success also demands a review of your human resources organizational structure. Key considerations include:

- A comprehensive review of the key drivers for aligned action
- A team plan for converting the strategy into actions
- Identification of processes that will open succession pathways and ignite talent
- A framework for building a culture of strategic engagement
- The technology and resources needed to support alignment and talent strategy activation

Agile learners are a necessary asset for your human resources team, too. You'll need their ability to examine problems, manage diversity and inclusion, experiment, and deliver results critical to talent strategy success.

Remember that a strategy is only as strong as its execution. Make sure your team is structured and equipped to carry out the talent strategy and deliver successes that clearly drive the business strategy. **P&S**

Endnotes

- ¹ Korn Ferry Institute Study (March 2014).
- ² Ziobro, P. & Lublin, J. (May 6, 2014). Big retailers find it hard shopping for a ceo. *The Wall Street Journal* online.
- ³ Gallo, A. (2010, June 24). Making your strategy work on the frontline. *Harvard Business Review* blog network.
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- ⁵ Korn Ferry International. A holistic view of talent (white paper).
- ⁶ DeMeuse, K. (2011, October). What's smarter than an IQ? Korn Ferry Proof Point.

Ilene Gochman is senior partner, global lead for talent strategy and organizational alignment, at Korn Ferry. **Paul Storfer** is senior director, talent and competency strategy, at Korn Ferry.