



Talent Management

A Guide for the Digital Sector

RFC Executive is delighted to publish this guide which is part of our ongoing commitment to providing practical cutting edge information for leaders in Ireland.

Our aim is to share knowledge, increase learning and understanding, and help our clients make informed decisions on talent acquisition and management.

RFC Executive produces many resources for leaders including guides, news articles, surveys and research reports. We also provide talent tools for organisations across Ireland and internationally through the 59 offices of our worldwide partner CFR Global Executive Search.

For more information please visit www.rfc.ie or call us on 01-8727008

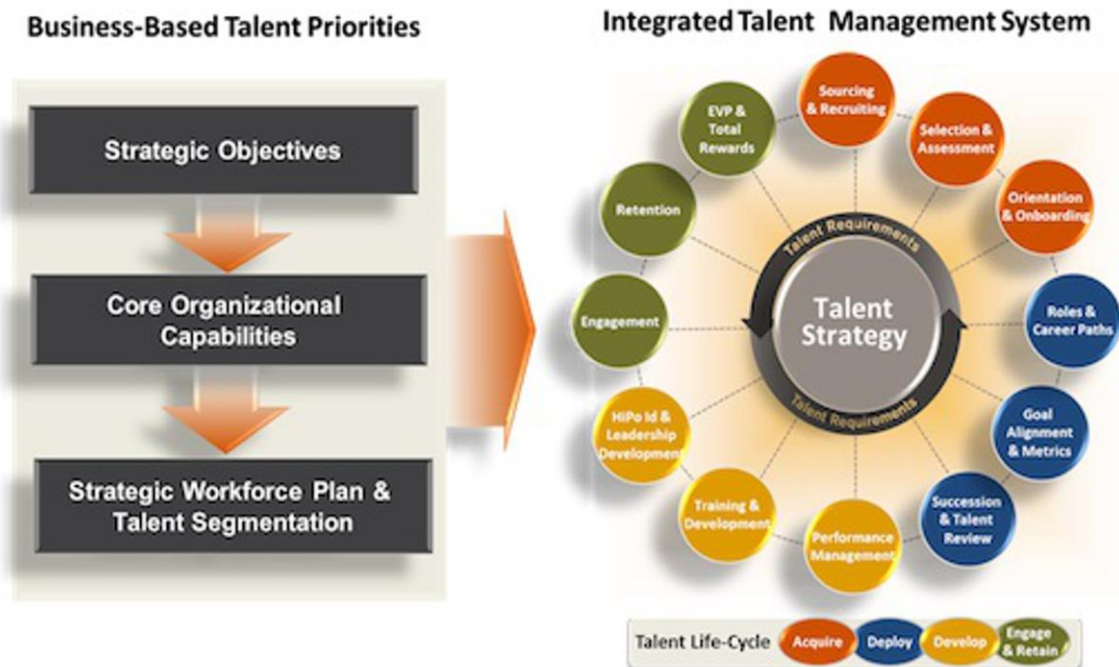
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Director

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Introduction

What is Talent Management?



The CIPD has defined Talent Management as systematic attraction, identification, development, engagement, retention and deployment of those individuals who are of particular value to an organisation, either in view of their 'high potential' for the future or because they are fulfilling business/operation-critical roles.

78% of CEOs intend to make changes to their strategies for managing people, according to a recent PWC Global CEO survey, while Deloitte's 2016 Human Capital Trends research, which surveyed over 7000 HR and business leaders globally, has highlighted the vital role of finding, managing and motivating leading talent in keeping companies competitive and meeting strategic objectives. It is no longer sufficient just to attract individuals with high potential. Developing, managing and retaining those individuals is equally important.

Why is Talent Management important?

“Digital talent is scarce and it is challenging for organizations to find the required competencies in the market.” - Deloitte

Over 60% of companies cite leadership gaps as their biggest challenge according to a 2014 Bersin study.

In today's economy talent is not only critical, it's also scarce. Many executives say that finding and retaining talent is a top priority. Management should consider that an effective way to attract and retain talent is to create an environment where talented people can develop. Just 18% of millennials are planning to stay with their current employer so attracting and retaining younger workers is imperative (PWC survey).

Some components of an effective talent management process include:

- A clear understanding of the organisation's current and future business strategies
- Identification of the key gaps between the talent in place and the talent required to drive business success
- A sound talent management plan designed to close the talent gaps
- Accurate hiring and promotion decisions
- Development of talent to enhance performance in current positions as well as readiness for transition to the next level

What are the elements of Talent Management?

For the purposes of this guide we have broken talent management down under the following headings: Assess & Plan, Acquire, Develop, Succession Planning, Engagement & Retention

Assess & Plan

How do you design a talent management plan?



Talent management helps a business leverage its most valuable asset - its *people*. The ability to effectively find and motivate talent, at all levels, is really the only true competitive advantage an organization possesses.

When designing a Talent Management plan begin with the end in mind. Your business goals and strategies should drive the quality and quantity of talent you need.

Ask yourself the following questions:

- Do I have the talent to quickly execute my organisation's strategy?
- Do I have the people with the right skills, knowledge and experience in the right places?
- Which roles are the most pivotal in my business and am I resourcing them correctly?

- What is the cost of turnover?
- How am I engaging and rewarding talent in these pivotal roles?

Talent Acquisition

How do you determine if you have the right talent on board?

Only 30% of CEOs are confident that they will have access to the talent they need over the next 3 years.

Look at the key skills required to ensure that business objectives are continually met and regularly review them. You don't want to hire in key people only to find their expertise redundant in a matter of months. Conduct a skills gap analysis to see where you are exposed- identifying these gaps early is vital. The Boston Consulting Group found that recruiting ranked No. 1 among 22 different HR functions as having the highest impact on revenue and profit margins.

How do you find the best people?



In order to ensure that you are getting the best possible fit in terms of skills, motivational and cultural fit you need to verify the competencies required for each role and review the best methods for testing these. Outline the skills required to ensure that business objectives are met and map the market to see where this talent is currently situated.

- Determine the skills and competencies required
- Determine hiring budget
- Research market availability and salary profile
- Revisit these regularly throughout the process

Once you have determined what skill sets are required, you can go to the market.

What are the best selection tools?

When assessing candidates there are three key areas to focus on:

- | | |
|-------------------|--|
| Skills Fit- | Can they do the job now and in the future? |
| Motivational Fit- | Will they do the job now and in the future? |
| Cultural Fit- | Does their value system complement that of the organisation? |



Once you have shortlisted applicants how do you assess whether they have the right skills, motivational and cultural fit? There are a number of tools you can use for this:

- Behavioural or competency interview
- Assessment centres
- Aptitude test
- Psychometric testing- which can evaluate emotional intelligence, personality type and values
- Presentation and Q& A session
- Reference checking

To ensure cultural fit there are further tools which can be used:

- Value based psychometric test
- Values based interview with on site tour

- Discuss company culture during initial interview
- Follow up with questions related to these values
- Meeting with general staff
- Culture testing tool such as OCAI
- Ensure you have a solid induction process that includes cultural induction

Develop

Why is it so important to develop your staff?

53% of CEOs see a lack of key skills as a major challenge with 70% concerned that they will not have access to the skills they need over the next 3 years.

McKinsey & Co. in their article on CEO succession have reported that companies are not developing their skills fast enough or their leaders deeply enough. In today's fast paced global economy it is imperative that skills are constantly upgraded and leaders rapidly developed. Developing talent is one of the best ways to assure your organization has the leaders it will need for a strong future and pain-free transitions of power. In today's business environment, learning is an essential tool for engaging employees, attracting and retaining top talent, and developing long-term leadership for the company.

You have to maximize your employees' value

There are four main areas that need to be addressed for Talent Development



Talent Development | 12

Identifying developmental needs is the first step to implementing a development plan

- Gather data about current skills and capabilities via ongoing performance management or development centres
- Keep the process simple and flexible
- Look to future needs as well as current capability requirements
- Communicate clearly about needs and how they will be addressed
- Ensure follow through

Development: The how



Once you have sourced the best talent, developing them is one of the best ways to retain them. Talent development goes beyond training and begins with identifying skills gaps among your current employees.

A successful talent development plan will have the following elements:

1. Clearly defined responsibility
2. A focus on talent not skill
3. Time and priority
4. Real training
5. A culture of talent development

For the best results, your talent development program needs to be agile and include both planned and unplanned learning

It's important to keep in mind that learning and development is an essential tool for engaging employees, attracting and retaining top talent, and developing long-term leadership for the company.

Succession Planning

Why is succession planning important?

59% of HR and Learning Development managers in a 2012 study by Korn Ferry felt that filling gaps in the leadership pipeline was their biggest challenge. The development of an internal mobility and succession plan will not only ensure that positions that are critical to business success do not remain vacant for long and that a seamless transition can take place with minimal disruption. It will also act as a motivator for current staff and as a retention tool.



How do I approach succession planning?

Here are some fundamental issues you should consider when beginning to develop a succession planning process:

1. High potentials vs everyone
2. Hiring from within vs
3. bringing in someone new
4. Factoring in diversity
5. Making sure you have support from the top

Ask yourself the following questions when considering your succession plan:

- Which roles must be earmarked for succession?
- How will we identify the successors?
- What percentage of key roles will have successors identified?
- Should we hire from within or look for an external candidate?
- Do we have anyone internally who is qualified?
- Whether we hire internally or externally; does anyone know the specifics of what that person was doing?
- What kind of impact will this change have on our capacity to deliver on our mandate?

What is the best way to develop a succession plan?

Step 1- Identify critical positions

Step 2- Identify competencies

Step 3- Identify talent pool for succession

Step 4- Document& implement succession strategy

Step 5- Evaluate& measure effectiveness

Remember to keep it simple and realistic.

Retention and Engagement

“Digital labour platforms have created a more transparent job market. Top performers know their value and are growing more footloose as a result; many are going online to find new opportunities and to evaluate potential employers.” - McKinsey

Why is retention so important?

27% of high potential employees are planning to leave their employer in the next 12 months according to a recent PWC survey thus highlighting the importance of retaining key talent. Employees care more about growth opportunities, work life balance and recognition more than they do about salary and perks such as free food. In recent times a lot of attention has been given to talent shortages, and while this is something that definitely needs to be addressed, it can be mitigated to some extent by sharpening the focus on employee engagement and retention.

NB The cost of employee turnover can be up to 150% of employee salary (the equivalent of 6-24 months salary) so it is important to hire the right people from the start.



How do you improve employee retention?

Retention and engagement was viewed as one of the most important priorities for businesses in our recently completed survey. The survey, conducted with 500 senior executives, explored this topic from the perspective of the organisation and the candidate. When respondents were asked what the main factors were that attracted them to a certain job and company our research yielded areas that can to be reviewed and possibly improved when developing an acquisition or retention strategy.

The responses have been collated to form 15 Factors outlined below in order of priority:

1. Opportunity to grow
2. Technology
3. Recognition
4. Work/life balance
5. Working environment
6. Flexibility
7. People relationships
8. Stability
9. Reputation of company
10. Challenge
11. Location
12. Opportunity to learn
13. Excitement
14. Length Of service
15. Salary

It is interesting to note that the three most important factors were:

- Stability / Security
- Opportunity to grow
- Recognition

Tools & Further Information

Talent Management

- search RFC [research & insights](#)
- see RFC [Talent Strategy](#)
- see RFC research articles
 - [Six Principles of effective global talent management](#)

Acquire

- search RFC [research & insights](#)
- see RFC Talent Management: [Why use Psychometric Testing](#)
- see RFC research articles
 - [How to hire international executives](#)
 - [How to recruit for a cultural fit](#)

Develop

- search RFC [leader & team coaching](#)
- see RFC [research & insights](#)
- see RFC Research: [How to recruit for a cultural fit](#)

Succession Planning

- search RFC [research & insights](#)
- see [assessment & succession](#)
- see RFC survey on [How executives make a career move](#)
- see RFC research: [Do you know how expensive turnover is?](#)

Research and Insights



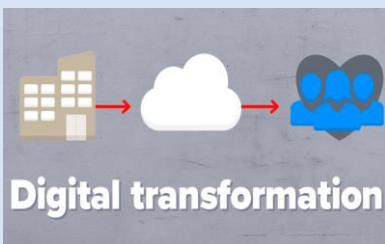
Successful digital transformations: what do they have in common?

<http://www.rfc.ie/successful-digital-transformations-what-do-they-have-in-common/>



What actually is digital transformation?

<http://www.rfc.ie/what-actually-is-digital-transformation/>



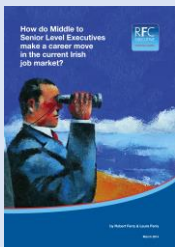
Digital transformation: meeting the needs of the B2b Customers

<http://www.rfc.ie/digital-transformation-meeting-the-needs-of-b2b-customers/>



Market Sentiment Report H1 2019

<http://www.rfc.ie/executive-market-sentiment-report-h1-2019/>



How do middle to senior level executives make a career move?

<http://www.rfc.ie/how-do-middle-to-senior-level-executives-make-a-career-move-in-the-current-irish-job-market/>



Employers guide to retention & engagement

http://www.rfc.ie/wp-content/uploads/2018/04/Guide-Retention-and-Engagement-_1_.pdf

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PWC (2012) Available at: <http://www.pwc.com/gx/en/hr-management-services/assets/pwc-strategic-talent-management.pdf>

Robert Ferry Profile



Robert has over 20 years experience in talent acquisition and management acting as a trusted advisor to a wide range of Irish and multinational clients. He holds a B.A. in HR and is a member of the chartered institute of personnel and development and is currently completing an MSc in Coaching.

Many organisations use his expertise when they need to review or improve leadership talent for their organisations. Robert has the depth of experience to understand how to identify, attract, select and retain the right leaders with the requisite skills, motivational and cultural fit to deliver.

Current role:

Robert is the founding director of RFC Executive, which was established in 1998. He is responsible for leading the team in delivering solutions for middle to senior level executives through to Board Directors. He also represents the firm as the Irish branch of CFR Global Executive Search.

Earlier Career:

Robert began his career in NCB Stockbrokers as a private client advisor. He then moved to join a leading specialist firm, Professional Placement Group, as a recruitment consultant covering accounting and financial services professionals. He progressed to director level leading the technical team which specialised in engineering and supply chain supply chain professionals and managers, a role he held for over six years until 1998.



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