THE TALENT MANAGEMENT ROADMAP UNDER THE MICROSCOPE

RESULTS OF THE RESEARCH
Since two years Hudson has been working on the development and optimization of the Talent Management Roadmap©. It is the first non-normative HR model integrating several approaches on the employee’s role in an organization.

End 2009 Hudson started an extensive research regarding the Talent Management Roadmap©. More than hundred organizations have participated in this research, from various sectors and sizes. The first generic conclusions of this research are presented in this report.

On top of challenging the Talent Management Roadmap© once more, the research’s main objective was to investigate a number of assumptions Hudson had made when developing the Talent Management Roadmap©.

In the following research report, we will demonstrate, based on our extensive interactive exercise, that:

I Organizations successful at reaching their objectives do not necessarily need a strategically integrated approach towards Talent Management.

I Performance Management processes & Reward Management processes are treated totally different from Career Management processes by the large majority of the organizations, even though these three clusters are clearly linked to one another.

I Organizations, after or during a crisis, have the intention to bring their HR and Talent Management processes to a more strategically integrated level in the near future, rather than to emphasize the consolidation and optimization of current approaches and processes.

I The most individualized TM services are the least strategically developed. Career Management, being a cluster of processes focussing on the individual and his/her career development, is the most operationally approached cluster of all Talent Management Roadmap© clusters.

In this research we will also focus on the shift of responsibilities that HR professionals experience, when shifting their priorities on the Talent Management Roadmap© in function of the context that they are in at a particular moment in time. Finally, we will emphasize the crucial role of the HR manager as a change & project manager when implementing future Talent Management priorities.
In June 2010 Hudson launched the Talent Management Roadmap©. It is the first non-normative HR model integrating several approaches on the employee’s role in an organization.

Non-normative, because Hudson is convinced that every organization should pursue the HR policy that fully meets its specific needs. This also means an approach that is independent of HR trends and fads, which moves in line with the (economic) situation in which an organization is situated.

The Talent Management Roadmap© was created during the last three years through the cooperation of several hundreds of people from different disciplines and with various responsibilities within an organization. During the creation process, Hudson collaborated closely with the research teams of the Vlerick Management School.

Before the launch, Hudson conducted a research within 100 organizations to discuss what the TM Roadmap© should look like and what the model means to each of them today and tomorrow.

The results of this research will be presented in this report. In the coming months we will deepen our conclusions and findings and publish more research volumes related to specific sectors and company sizes.

Below you can see the first version of the Talent Management Roadmap©, one of the key elements in this research. This framework is based on a two axis model, one regarding the HR Mindset of an organization, and a second one regarding specific Talent and Organization Processes. The roadmap is available for download on our website http://talentroadmap.hudson.com.
OBJECTIVES OF THE STUDY

When we started this study, one of the initial objectives was to build up evidence-based results related to the positioning of companies on the Talent Management Roadmap©. We would look at their positioning on the roadmap today, and where their Talent Management priorities lie for the future on a three year horizon.

Prior to the study, a couple of questions were raised by the developers of the roadmap and the organizations that have participated in the development of the Talent Management Roadmap©. We have translated these questions into four assumptions. The objective of this study is to check whether these can be confirmed or not.

**ASSUMPTION 1**
Organizations reaching their objectives in general have a highly strategically integrated approach towards talent management.

**ASSUMPTION 2**
Performance, Career and Reward are strongly related, and therefore approached on a same Mindset level within the TM Roadmap©.

**ASSUMPTION 3**
After a period of crisis, HR responsible in the near future focus on optimizing existing TM services, rather than taking TM to a more strategic level.

**ASSUMPTION 4**
In a time of Talent Management, the most “individually” oriented TM processes will gain more & more importance.

Assumption 1
We assumed that organizations that are performing well and reaching their predefined objectives, would be organizations that have a highly strategically integrated approach towards HR and Talent. We assumed that these organizations would have a very clear and distinctive HR strategy, integrated with the business side of the organization.

Assumption 2
We were convinced that the relationship between Performance, Reward, and Career would be reflected in the positioning of organizations on the Talent Management Roadmap©. We assumed that these three Talent Management clusters would be approached on a same HR mindset level of the Talent Management Roadmap©.

Assumption 3
During the numerous interactions Hudson has had with organizations as a global HR service supplier, we saw that a lot of organizations had to cut back their HR initiatives and very often turn back to basics in a period of crisis. We therefore assumed that organizations in a near future would mainly focus on optimizing existing HR and Talent Management processes and policies, rather than taking HR and talent to a more strategic level.

Assumption 4
In a time of Talent Management, where there is a considerable focus on the individual and his/her development of talent in line with the organizations’ needs and sometimes strategy, we assumed that organizations would give high priority to initiatives that were mostly oriented towards individuals.

We have based our research on these four assumptions and developed a methodology that would either confirm or challenge these assumptions.
The research has been conducted within hundred organizations from different sizes and different sectors.

Each organization was visited by a Talent Management expert of Hudson, with a standardized and predefined interview grid, based on the Talent Management Roadmap©.

The interview included both a quantitative and a qualitative aspect. The questions and results are limited to the Belgian population of these organizations.

The people interviewed were mainly the highest Talent Management professionals in these organizations. This could range from HR Director, to HR manager, talent manager, and in some cases the CEO. In a few cases the interviews were performed with a panel of representatives from the different HR disciplines of the organization.

In order to answer the four assumptions of the study, the interview was built up around four main questions:

**Question 1:** What is the perception of the HR mindset within the organization?

**Question 2:** Where do we position ourselves today on the TM Roadmap©?

**Question 3:** Where do we position ourselves in three years on the TM Roadmap©?

**Question 4:** What are the enablers and the barriers to overcome in the organization to succeed in the successful implementation of the priorities?

Each answer was challenged extensively throughout the discussion. For each discussion topic, we developed a large set of sub questions that enabled interviewers to ensure the quality, consistency and accuracy of the answers.

A quality and consistency check on each interview report was performed by the lead researcher of the study: Cédric Van Garsse, Senior Manager Talent Management at Hudson.

Cédric has done a large part of the organization interviews himself in order to guarantee the uniformity and quality of the data. He has been greatly supported by a large team of Senior Executives of Hudson and some experienced consultants: Yves Van Durme, Lieven Verbrugge, Bert De Greve, Brecht Decroos, Reginald De Lannoy, Annelies Verbruggen, Benoît De Visscher, Benoît Duuvier, Nancy Vankeirsbilck, Anouck de Chaffoy, Sofie Van Eemeren, Delfine Van Boxlaer, Eric Meyers, Fien Van Biervliet, Katja Van Bel, Meindert Giessen, Alexander Naessens, Jan Gillaerts, An Bels, Roos Van de Velde and many others.
In the sampling of the participants we put great effort in achieving a wide diversity in participants. Overall a total of 13 sectors were integrated in the study. The sectors most represented are: Industry and Manufacturing (25%), Pharmaceutical & Healthcare (16%), Public Sector (12%), FMCG (8%) and IT (8%). The graph below shows the spread of the participating organizations to this research per sector:

In order to confirm or challenge our assumptions of the study, we acknowledged the fact that we would need participants from different organization sizes. The largest group of participating organizations employ between 201-500 people in Belgium (31%), followed by 24% employing between 50 and 200 employees. 19% of the participating organizations employ 500-1,000 people in Belgium. Another 18% of the organizations employ between 1,001 and 5,000 employees. The graph below shows the spread of the participants according to their number of employees in Belgium:
RESULTS QUESTION 1
PERCEPTION OF THE HR MINDSET IN THE ORGANIZATION

The first question discussed with the participants was an atypical question in the study since it measures the perception of the interviewee. The three other questions were more focused on facts, figures, processes, systems, etc.

The first question aimed at understanding the overall “temperature” of HR in the organization: “How do you think HR is perceived by the organization and in particular by the management committee, given the four mindsets in the Talent Management Roadmap©?”

There are different ways to look at HR within an organization. Sometimes HR is seen as a department developing another template for the line managers. Other times HR is a structural problem solver serving the organization in the best way possible. HR can also be the strategically aligned partner that drives organizations through crises, etc.

With this first question we wanted to assess how HR professionals think they are perceived.

**IMAGE 1**
Overview of the way HR professionals feel to be perceived by their organization in relation to the four HR mindsets of the Talent Management Roadmap©.
57% of the participants have the impression to be perceived by management as a business partner; i.e. within the mindset of “Consequence of the business planning process”. Combined with the 4% of HR professionals that feel to be perceived as a strategically integrated partner to the business (“Integrated business driver”), this entails that in more than 60% of the participating organizations, the HR professionals feel that HR is perceived as a service with a strategic focus rather than with an operational focus.

On the other hand, about 40% (10% ad hoc and 29% consistency) of the HR professionals think they are perceived as a service doing great things, resolving most of the problems and issues. But also more as a service with a more operational than strategic focus.

The outcome of this question is either right, nor wrong. The Talent Management Roadmap® is non-normative. Each HR department works according to its organization, the sector it operates in, the culture it has and the environmental context.

However, it is interesting to observe that the answering pattern to this question is confirmed in three clusters of the Talent Management Roadmap®, even after being challenged thoroughly by a Talent Management expert of Hudson.
The second question of the research aimed at positioning the participating companies on the Talent Management Roadmap® today: “Where do we position ourselves today, in each cluster, taking into account the principles of the Talent Management Roadmap®?”

After the analysis of the different results, we observed that there were similar answering patterns among certain clusters. Initially we assumed that all organizations would spread their answers equally over the different clusters. The opposite is true. We have noticed that three different groups of answering patterns come up for this second question.

ANSWERING PATTERN 1
Organizational Requirements – Workforce – Learning & Development

In the figure below, the circles indicate a first group of three clusters that show a similar answering pattern and repartition across the four HR mindsets of the Talent Management Roadmap®:

A first observation to be made when looking at the detailed answers within these three clusters, is that the dominant colour in these graphs is blue. This means that the mainly adopted approach within these three clusters of the Talent Management Roadmap® today, is adopted within the mindset of “Consequence of the business planning process”:
Within the cluster Organizational Requirements, 57% of the organizations are working on the level of “Consequence of the business planning process”. This means that these organizations work with job descriptions, linking the What (key result areas) with the How (e.g. attitudes, competencies). They have organizational charts where roles and responsibilities are clear and are derived from the organizations’ strategy and main processes. These are often organizations that have started to work with corporate values, but where the values are not yet fully lived by the employees.

In the cluster Workforce, 47% of the organizations are working on the level of “Consequence of the business planning process”. This means that these organizations have mapped in detail most of their key functions and key people, it also means that they are in control of the age pyramid and and that they have taken corrective action. They systematically monitor the risk related to most of the positions and draw action plans to limit these risks. These organizations also work towards the future and take action to fulfill midterm succession needs.

Within Learning and Development almost 45% of the organizations are working on the level of “Consequence of the business planning process”. This means that these organizations develop learning programs and development actions, based on the actual needs of the individuals, as assessed by the evaluation discussion and development plans. It is also interesting to observe that within this cluster, almost 15% of the organizations are strategically integrated with the business. They organize high potential and leadership programs, integrate training with elements of strategy and use Learning & Development to execute the organizational strategy.

There is a great similarity between the answers of these three clusters. The level of “Consequence of the business planning process” is by far the largest, followed by the more operational mindset of “Consistency of the HR process”. The most strategically integrated and most operational mindsets are only valid for a small part of the participants.

We could have expected this outcome, as this is an answering pattern we often observe in this kind of research: most of the participants position themselves in the middle so extremes tend to fade out.

However, we were able to challenge all the answers in 100 face to face interviews, analyzing existing processes, systems, tools, approaches, etc. This allowed us to go one step further, and the following outcome shows that the answering pattern described above cannot be generalized for all clusters.
ANSWERING PATTERN 2
Reward - Performance

Two clusters show a very different answering pattern compared to the three clusters analyzed above. The second answering pattern we observe regards the clusters Reward and Performance, and is presented in the figure below:

Looking at the detailed results for this second cluster, we see that the percentage of organizations approaching a strategically integrated way almost doubles compared to the three clusters discussed before:

20% of the organizations work on the level of “Integrated business partner” within the Reward cluster. This means that one organization in five has a total reward strategy and brings tangibles and intangibles into account when developing remuneration packages, linking the needs of the individual employee with the overall strategy of the organization.

Almost 25% of the organizations work on the same level in the cluster Performance. These organizations use the performance management system to shape the business strategy throughout the organization and cascade the strategic objectives of the business down to the team and the individuals that have to realize these objectives. In these organizations, the development and performance cycle of the individual is integrated with the business strategy of the organization.

It goes without saying that these two clusters really stand out when it comes to their strategic approach. This becomes even clearer when we add up the strategically integrated organizations with the ones working on the mindset of “Consequence of the business planning process”. In this case we would cover 69% for Performance and 67% for Reward. This means that the vast majority of the participants approaches these two clusters in a more strategic than operational way.
This is an important observation since these are broad themes, making the direct link between business and HR. This is all about the essence of what somebody performs, how he or she performs, how he or she is being steered, or steers themselves, and how a company stimulates or remunerates employees.

This brings us back to the crucial crossroads of cost, efficiency and investment. Therefore it is remarkable to observe that in these clusters in particular organizations are more strategic in their approach.

We assessed that the combination of these clusters not only demonstrates the importance that organizations give to stimulating behaviour, performance and attitude, but also directly link this to cost and salary. The combination of both is indeed the business and financial side of HR.

ANSWERING PATTERN 3
Career

The third answering pattern we observed concerns the cluster Career:

The pattern of this cluster differs from all the other clusters. 25% of the organizations have an ad hoc approach when it comes to Career, 37% are on the level of “HR consistency”:

This cluster is the least strategically approached cluster of all in the Talent Management Roadmap©. This graph shows that 62% of the participants have an operational and 25% a reactive ad hoc approach to Career management. The organizations have no or very few processes concerning Career, and none or very few align these processes with business and strategy. Career management is mainly reactive and unstructured.
In order to understand why organizations approach this cluster so operationally, the research team deepened its analysis. We found out that the main reasons not to develop career management were:

- **Culture**: organizations claim it is not in their culture to proactively manage careers and coach people in career paths;
- **Organizational structure**: organizations tend to limit career opportunities when the organizational structure is flat and few opportunities for vertical moves arise;
- **Concern to initiate unrealistic expectations**: HR professionals are concerned to increase cost when actively offering career management opportunities and guidance. A lot of the participants also claimed not to develop career management because it might create expectations with the employees. Organizations are not always up to fulfill these expectations.

In these reasons, there is a lot of truth and common sense. However, a lot of us experienced that during the crisis, career development was possible, by necessity, and mainly, horizontally. Many of the HR professionals were asked to implement a shift in roles and responsibilities due to lacking resources, to change priorities, and sometimes to set a larger focus on sales. Many organizations kept managing the same processes with a smaller percentage of staff than before, but divided processes among people that did not perform these processes before.

We agree that this is not a solid and proactive career management strategy, but it shows that career management is possible, even in organizations that think it is not open to them. The opportunities are very often found in horizontal moves, in the inner, and sometimes in the outer context of the organization, such as speaking on conferences, neighbourhood representation of the company, research and publication, exchange teams/projects between suppliers, etc.

However, it is striking that the cluster which is the most individually oriented, is also approached in the least structured way. It seems somewhat contradictory to what we often say about HR, i.e. that HR is also there for the individual, to safeguard the human and developmental aspect of employees and the organization. Looking at the results, and analyzing our interviews, we find that the cluster that serves these purposes probably the most, is the least strategically integrated of all.

When combining different cluster results, we find another interesting relation. We can agree that there is in some way a possible impact of one’s performance on one’s career. The same could be said for the impact of one’s career on one’s remuneration. However, looking at the figure below, we find that the approach of these three elements is on a very different HR mindset level. Reward and Performance are the two most strategically approached clusters, Career the most operational one:

![Image 8](image8.png)

**IMAGE 8**

Overview of the answering patterns of the clusters Performance, Reward Management and Career. The objective of this figure is to show the large discrepancy that exits in the approach to Performance and Reward on the one hand, and Career on the other hand. A remarkable difference for three clusters that could be seen as intensively related.
Nevertheless, the offering of career paths within an organization and systematically managing careers where the context allows this, are very actual themes. It was striking to notice that during most of the interviews Career was not a real topic for the organizations, mainly because of the three reasons mentioned above.

However, a topic that was very often launched by the interviewees was the crisis, the lacking motivation of the workforce after a year of crisis, the extra efforts requested from employees and not being able to pay them for it. There is a justified concern with the HR reponsibles that this might feed a retention issue, now that we see the first very fragile signs of a recovery in the economy. Numerous interviewees mentioned a possible strong revival of the war for talent.

Career management could be one of the answers: managing and offering interesting careers and career opportunities is one of the great instruments to work on this risk. Career management is also a way of differentiating the organization on an ever shrinking and more competitive labour market. Attracting the better talents will increase the competitiveness of the organization as a whole.

In this debate of motivation, retention, war for talent, mobility and opportunities, it might be a rewarding opportunity to look for creative and innovative career management actions according to the talent of your employees, their preferences and the needs of the organization.
In the previous section we observed that there are several answering patterns across the Talent Management Roadmap, and that there are a couple of clusters really standing out: Reward, Performance, and Career. In this section we investigate how the participants see these patterns evolving in the future. Will the answering patterns and repartition across the Management Roadmap be confirmed? Will the priorities in three years be the same as they are today?

The question discussed with the participants was: What are our realistic priorities to be realized within three years, in each cluster, taking into account the principles of the Talent Management Roadmap?

As in the first two questions of the study, the answer to this question was intensively challenged by the consultants participating in the interviews and in the field research. It was crucial for the quality of this study to ascertain that the ambitions and priorities for the future were well considered and realistic, given the context of each of the participants.

OVERALL RESULT

The charts below show an overview of the future state of the participants within the Talent Management Roadmap:

A quick glimpse at these charts shows the overwhelming presence of the colours red and blue. This means that the vast majority of the participants has the intention to become at least a strategic partner within the three next years.
Within the cluster Organizational requirements, this means that the participants want to work at least with attitudes, values and/or competencies, but they also have the intention (57%) to make sure that the values are lived and applied throughout the organization. This cluster grows the strongest when looking at the strategic integration level. A large part of the participants discussed the importance of (corporate) values and the benefits generated by creating a common culture in ever growing organizations (often internationally) with the research team.

For the cluster Workforce, the participants want at least to look at the future, manage the risks of the key positions of the organization and start applying succession management processes. 41% of the participants intend to install a strategic workforce planning process with a three to five year horizon.

Reward already had a higher strategic approach in the As Is situation. The charts above show that this strategic approach is even gaining more importance. 48% of the participants will strive for individual reward differentiation, where 40% aims to implement a total reward strategy within three years.

Performance had a similar scoring pattern as Reward in the As Is situation. Here again, we observe that the importance is confirmed for the future. 38% of the participants want at least to have an integrated and continuous performance and evaluation cycle. On top of this, 49% of the participants want to reach a level of strategically integrated performance management within the organization, cascading strategic intentions into the performance management system, and making sure that the performance management system is used as a means of translating and shaping the strategy throughout the organization.

Looking at Learning & Development we observe an ambition of 51% of the participants to reach the level of “Consequence of the business planning process”. This means that these organizations will develop learning programs and take development actions that are based on the actual needs of the individuals, as assessed in the evaluation discussion and development plans. Even more impressive is the 43% of organizations that aim to be on the level of strategic integration on a three to five year horizon, meaning that these organizations have high potential and leadership programs, that they integrate training with elements of strategy and that they use Learning & Development to execute the organizational strategy.

Career, the cluster with the most operational approach in the As Is situation, will be the subject of growth towards a more strategic approach. But Career still remains the most operational of all clusters, even on a three to five year horizon.

In general, it is remarkable to find that there is a huge urge from the participants to attain more strategical approaches within the Talent Management Roadmap. It is interesting to observe that almost 80 to 90% of the participants want to be on the two most strategic mindsets within their cluster in three to five years.

This was a very surprising observation for us during the interviews, especially after a year of crisis and intense cost management (or even cost cutting). After some interviews, we gave more attention to this result and tried to understand where this urge comes from. The reasons to become more strategic vary a lot, but these are the main ones expressed by the participants:

- Some of the participants are organizations that are part of larger international groups. In some cases, corporate levels would push local organizations to follow a certain HR strategy which often includes more strategically integrated approaches towards Talent Management.

- A second reason that was often expressed, is the feeling that organizations need to follow competitors, or at least look at examples within the sector. In that sense, a lot of organizations aim at a more strategic approach to Talent Management, even if their own context does not necessarily requires it. They do so because a competitor or a good performer within the sector does it.

- HR professionals are also often asked by line management to present more strategically integrated solutions.

Apart from these reasons, there is a second cluster of reasons that drives HR professionals to develop and implement more strategic approaches. These are of a very different nature. A lot of participants want to be more strategic because they are convinced that this is better, that this is undoubtedly the way to go. They want to be a better internal supplier, and they believe that strategic integration of HR and talent will help them with this.

One of the intentions of this study was to check whether the assumption is correct that organizations performing on track and realizing their objectives, are organizations that are more strategic than operational when it comes to Talent Management. In the following paragraph, we are able to demonstrate the opposite.
SUCCESS VERSUS STRATEGIC INTEGRATION OF TALENT MANAGEMENT

In this section we will show three cases of organizations that have worked closely with us in the development phase of the Talent Management Roadmap. Their positioning on the roadmap is no exception. These are more examples to demonstrate that, in order to reach your objectives as an organization, you do not necessarily need a more strategic approach to Talent Management & HR.

Example 1:

The positioning above is from a company that combines services and production. The organization employs 2,500 employees of which 1,800 are blue collar workers. The organization has been very successful for over two decades, and shows high double digit growth each year. However, when it comes to Talent Management, they do not invest much. This organization has performed a very detailed cost benefit analysis, and concluded that they did not need to invest in Talent Management in order to be successful. Indeed, the company might have a personnel turnover higher than 55% in some departments, but it has also organized its processes in a very lean and simple way, in order for newcomers to very quickly be productive.

Example 2:

The positioning above is from a company that operates in the pharmaceutical industry. They have been very successful in the past and needed to attract and retain the best possible talent on the market. The company invested a lot in Talent Management and became one of the key players within its sector. Since a few years the sector is on a return, cost becomes a major driver, and the sector today is characterized by consolidation. Results are not what they were, but this company is still on a strategic integration level. However, they will now adapt to this new context and will return to the basics after different integration and M&A projects. Their intention is to work for some years on the level of “ensuring the consistency of the HR processes”.

IMAGE 10
Overview of the positioning of a highly successful company combining services and production.

IMAGE 11
Overview of the positioning of a former successful company in the pharmaceutical industry.
Example 3:

This company employs 250 high skilled consultants. They have a very clear view when it comes to talent. They perform minor investments in all clusters except Performance and Learning & Development. The employees are in general recruited on an ad hoc basis, mostly through their network. They receive very high performance objectives, fully aligned with the organization’s strategy. They are paid under the market average, with very limited possibilities for individual differentiation. However, the organization invests massively in training & development and in added value for their customers. We observe that a lot of people leave the organization due to the pressure. However, the company has a high return rate of the leavers after a couple of years. It is actually the organization’s strategy to rehire employees that have left and come back enriched with new working experiences.

These are just three examples to show that it is sometimes necessary for a company to be on a strategically integrated level of Talent Management, but that it is certainly not to be generalized. Therefore it is important, given the ambitions set forward by the participants, to keep in mind the context that you are in, and the objectives and added value you want to achieve by being on a strategic level with your Talent Management processes.

In the following section, we will analyze the link between managing talent on a strategically integrated level, and the different responsibilities this brings along for HR professionals.

STRATEGIC INTEGRATION OF TALENT MANAGEMENT VERSUS HR RESPONSIBILITIES

The urge of going “up” in the roadmap (as observed in Image 9) is also strongly linked to an element that often came to the surface during the interviews, which is the crisis.

Last year, many organizations have gone through a crisis. Today, most of them are slowly recovering as the economy shows first signs of improvement. During this last year, HR professionals have noticed their CEO was not always able to turn the tide or find the best solution. HR professionals were very often called in for the rescue when the ship started sinking. Suddenly, HR became very important to help organizations to survive, often requiring original solutions regarding work repartition, work time adjustments, career turnarounds, work flexibility, etc.

HR has learned fast last year. The current urge of being more strategically integrated, to be in the driver’s seat more often, was expressed by many participants as a lesson learnt. HR professionals want to stand next to the CEO, anticipate much more than in the past, steer, and find proactive solutions to future challenges.

However, moving to strategic integration in Talent also comes with a very different set of responsibilities. At each level of the Talent Management Roadmap\(^2\), HR has an important role to play and has numerous responsibilities to ensure. The quality will change however when focusing or working on the strategically integrated level. At this level, the way HR communicates, what is communicated and the messages sent out, are very different from those on other levels.

Managing talent in an Ad Hoc Mindset might give the impression of being cheaper, and thus requires less heavy communication and project actions. However the opposite is often true. For example, what if, due to the lack of efficient processes, an organization hires the wrong person two or three times? Recent research from Hudson demonstrated the huge cost of turnover, i.e. the cost related to replacing a person in an organization.
On the other hand, we could say that integrating Talent Management strategically could increase the cost of HR and of the company as a whole. In a strategically integrated approach to talent, the focus is on long term value creation. It is not only about problem solving or answering an ad hoc question anymore. It is about being integrated in the business of the company, making long term HR investments that might only pay off after a couple of years.

This requires a very different set of communication actions, skills and attitudes. It requires internal selling arguments and emphasizing the What Is In It For Me-question of your target audience. Another very important feature of the strategically integrated approach, with long term Return on Investment, is that HR professionals should not be tempted by HR trends or hypes, and instead perform investments well thought off, and in a long term perspective.

Therefore we conclude by saying that it can be necessary or useful to move up the integration ladder depending on your context, but we must be aware of the consequences and the responsibilities it brings upon HR professionals. It requires particular competencies, tools and actions to convince the organization of an investment and to keep the momentum alive in order to maximize your Return On Investment.

In this section we observed the overall tendency towards more strategic integration. In the following section we will present the movements and ambitions within two particular clusters.

**URGE FOR STRATEGIC INTEGRATION OF TALENT MANAGEMENT VERSUS STATUS QUO**

In this section, we look into detail at two clusters to identify within a same cluster what movements organizations are making. In other words, how many organizations intend to go from one mindset level to another within a same cluster on a three year horizon. The objective is to analyze the actual number or percentage of organizations actually moving up or down the Talent Management Roadmap®.

The figure below gives an overview of the movement organizations foresee in the clusters Performance and Career:
On the left side of the figure, we show the four levels of the Talent Management Roadmap©. Next to it, for each cluster, there is a first column that indicates the spread of the organizations today within that cluster (e.g. today, 24% of the participating organizations are on level A regarding Performance).

The figure also shows the To Be percentage, i.e. where organizations want to be in three years (e.g. 49% of the participating organizations want to be on level A within three years in the cluster Performance).

In between the As Is and To Be column we detail what the movement within that cluster for a certain level will be. There are three possibilities:

- An organization moves to a higher level (sometimes jumping more than one level);
- An organization remains within the actual Mindset level (Status Quo);
- An organization intends to move to a lower level (sometimes jumping more than one level).

Zooming in on level D we observe that Career remains a low priority in the future as 44% of the companies on that level will stay there. When looking at Career on level C, we found that the majority of companies on that level today have the intention to move up in the next three years. However, even on that level, 30% of the companies say not to move up.

Looking at Performance on level B, we find that a number of organizations have the intention of moving down to Mindset levels C en D. It is interesting to observe the very limited amount of organizations in this chart that have a clear and outspoken intention to go to a more operational approach when they are on a strategic level today. Nevertheless, going down to a more operational level for a certain period could be an excellent approach for some organizations, depending on their context. Examples could be organizations going through an M&A, or having to cut HR cost, or shift HR priorities, etc.

It is also remarkable when looking at the organizations on Mindset level A, that none of them have the intention of going to a more operational Mindset level.

In conclusion, we can say that the majority of the companies steps up in the Mindset, but it is also interesting to notice that a considerable percentage stays and optimizes at the level where they are today. These are organizations that say to be aligned with their context, that their existing HR approach is adapted to their needs, and that it is sufficient for them to stay on the same level and consolidate what they have.

With the analysis in this section we wanted to put the urge of moving up the Mindset levels into perspective, and show that not all companies intend to go up. In the following section we will explore the enablers and barriers organizations can encounter when trying to reach their projected priorities.
RESULTS QUESTION 4
WHAT ARE OUR ENABLERS AND BARRIERS?

When discussing the future ambitions and priorities of the participants, it was essential to put these in perspective and place these in the actual context of the organization.

Each organization has certain characteristics that might speed up or slow down HR priorities and implementation. Therefore, the last question of the interview rounds was double: taking into account our priorities for the coming years:

I What are existing characteristics of our organization to deploy in order to succeed in our priorities (Enablers);
I What are existing characteristics of our organization to overcome in order to succeed in our priorities (Barriers).

In the figure below, we give the top three Enablers and Barriers. Because organizations often name several reasons, we performed a database analysis of the three most frequently mentioned elements. These elements were mentioned by 20 to 50% of the participants:

Looking at the enablers, i.e. characteristics that the organization already has in order to reach their priorities, we observe in order of importance the following elements:

I A large group of the participants (+/− 50%) claims to experience strong buy in from their top management for their HR priorities. In many cases, a strategic HR plan had been approved by the top management and the necessary budget was reserved for HR investments.

I In +/− 25% of the participating organizations a new management was put into place within the last 5 years. The interviewees stated that they felt supported and could feel new oxygen in the organization. The new management in place was more Talent Management minded.
In +/- 20% of the participating organizations the interviewees claim to have a workforce that has a flexible attitude towards new projects. Most of the participants say that the workforce might be difficult to convince for new projects and new ways of working, but once the persuasion phase is over, the workforce is likely to follow in the new direction.

Looking at the barriers to overcome, the answering percentages are similar to the enablers:

- Almost half of the organizations claim their HR priorities will slow down because of the operational focus of the organization. Priority is given to core business processes ensuring resource optimization, and maximizing delivery speed and quality. A lot of the HR interviewees found it very difficult to convince the organization that HR priorities might play an important role in these objectives.

- More than 25% of the participants state that getting the buy in from middle management in the HR priorities is one of the ever returning issues. Middle management plays a crucial role in many of the Talent Management processes, and therefore their collaboration is crucial. However, due to different agendas and objectives, or sometimes ignorance, it is often difficult to integrate middle management in the HR priorities and their implementation.

- About 20% of participants mentioned that their priorities will be difficult to implement because their organization is change-averse and the company culture is not keen on HR evolution.

Looking at these enablers and barriers it is interesting to observe that it is not about having the right HR tools or the solid HR expertise. As an HR professional you can have great ideas and systems and be convinced that these have a tremendously added value for the organization. But as long as we are not able to answer the What Is In It For Me-question and as long as line managers and the field don’t see the added value, it is very difficult to succeed in these priorities. We therefore stress the importance of How to implement priorities, rather than What to implement.

For example, it might be better to have a less efficient remuneration strategy, supported by the whole of the organization and its stakeholders, than having a state of the art reward system or strategy that is only partially adapted and accepted.

The role of the HR professional as communicator, project manager and change manager is again obvious and is crucial to succeed in the HR Departments' ambitions and priorities.
CONCLUSIONS

We would like to conclude this first Talent Management Roadmap© research by examining the assumptions that were made in the beginning of our research (see Objectives of the Study).

**ASSUMPTION 1**

Organizations reaching their objectives in general have a highly strategically integrated approach towards talent management.

**Confirmed by results?**

- YES
- NO

This assumption was confirmed, but certainly not in all cases. We identified a large number of highly successful companies, that reach their objectives and have a clear HR approach on the level of “Consequence of the business”, “HR consistency”, and even on the “Ad hoc” Mindset level. Some of these companies are for example successful start ups, organizations with simple standardized processes, and to a large extent also mostly SME’s.

At this moment, we cannot exclusively conclude that a company that is successful necessarily has a strategically integrated approach towards talent. Large successful organizations in general are on the strategic integration level. However, being on that Mindset level is not a reason for successful Talent Management.

What we can conclude undoubtedly is that successful organizations adapt to their context, sometimes do not move, but consolidate, optimize their existing situation and then continue their journey on the Talent Management Roadmap©.

**ASSUMPTION 2**

Performance, Career and Reward are strongly related, and therefore approached on a same Mindset level within the TM Roadmap©.

**Confirmed by results?**

- YES
- NO

We found there is no similar approach or mindset in the clusters Performance, Career, and Reward in the answering patterns. We have identified that Performance and Reward clearly stand out. This is confirmed in the To Be situation. These three clusters have a link in theory, as one feeds the result of the other. It seems very difficult however to manage Reward and Performance on a strategically integrated level, and Career, one of the consequences of both these clusters, on a very operational level.

However, working on Career Management as an HR professional and as an organization has tremendous advantages. It is a very effective way to motivate people, to ensure mobility, to increase employer branding, hire the best talents available and grow as a company.

It is important that companies realize this potential and deploy career management practices for their workforce. As shown in this study, it is not necessarily a difficult or costly initiative. It requires creativity, openness and initiative to create these vertical or horizontal opportunities in the inside, but certainly also in the outside perimeter of the organization.
The overall To Be tendency is to move towards more strategic integration or at least towards HR as a consequence of the business. In general, organizations prefer to move up on the Talent Management Roadmap©, even after a year of crisis where budgets were cut, ad hoc policy was very often necessary, and long running HR projects were set on hold. We observe that even in this context HR professionals still have the urge to move up, towards more strategic approaches, or that they are pushed in that direction by management. However, it is important to realize that managing Talent and HR on a more strategic mindset requires very different responsibilities, long term commitment and different communication skills and actions. We also identified a considerable group of organizations that do not have the ambition or pressure to become more strategic.

Therefore, we should have a look into our HR policies and ambitions and check if optimizing our existing policies and tools might not be the best way to support or even drive the business, within the context our organization is in.

Assumption 4

This assumption is only partially confirmed. Looking at the clusters on the right of the Talent Management Roadmap©, the most individually oriented clusters are Learning & Development, and Career. Learning & Development is rather strategically integrated, or at least will be in the future, looking at the To Be priorities of the participants. The Career cluster on the other hand remains the last in class, both in the As Is situation and in the To Be situation.

We showed that neglecting Career Management can have a huge impact on the organization: this is a debate about motivation, retention, development, mobility, employer branding and deployment of talent.

We can also relate this assumption to an international study Hudson recently performed in collaboration with some global key companies (e.g. UBS, Coca Cola, Henkel, Adidas, etc.). In this study we observed two different approaches towards talent. The first approach is the instrumental one, starting from the organizational structure and moving towards job descriptions, earning and development opportunities and then to Career Management and opportunities. The second approach is a much more organic approach, focussed on the individual and it’s talent, prevailing individual development and engagement.

This is an invitation to the reader of this first Talent Management Roadmap© research to investigate whether such an organic approach (i.e. from the right to the left on the Talent Management Roadmap©), might be a new and effective way to approach Talent Management in the future.
ACKNOWLEDGEMENTS

PARTICIPATING COMPANIES

We would like to thank the following organizations* for their excellent collaboration in the development phase of the Talent Management Roadmap© and their input into this research:

ABOTT, AB INBEV, ALPRO, AMGEN, ARDATIS, ATOS WORLDLINE, BAXTER, BASE, BELDEM, BELGACOM, BETAFENCE, BOEHRINGEN, BNP PARIBAS FORTIS, BROSE, CALLATAY & WOUTERS, CARGILL, CARTAMUNDI, CEGEKA, CM MIDDEN-VLAANDEREN, DECEUNINCK, DENDERLAND · MARTIN, DERA FOOD TECHNOLOGY, DHL, D’IETEREN, DNV, ELECTRABEL, ERICSSON, EUPHONY COMMUNICATIONS, EUREKA, EUROCONTROL, EUROP ASSISTANCE, F VAN LANSCHOT BANKIERS, FBZ BOUW, FENZI, GEMEENELIJK HAVENBEDRIJF ANTWERPEN, HAROL CONSYST, HELVOET PHARMA, HEWLETT-PACKARD, IMEC, INFRABEL, INFRAX · INTERELECTRA, IRIS, IWT, JAGA, JETAIR, JOHNSON & JOHNSON MEDICAL, KBC, KEMIN, KIMBERLY-CLARK, LANTMÄNNEN UNIBAKE, LEO PHARMA, LOTUS BAKERIES, MCCAIN FOODS, MIVB/STIB, MOBISTAR, NATIONALE BANK VAN BELGIE, NATIONALE LOTERIJ VAN BELGIE, NITTO EUROPE, NYCOMED CHRISTIAENS, OFFICE DE LA NAISSANCE ET DE L’ENFANCE, ONONE, OL-VROUWZIEKENHUIS AALST, ORES, PALEIS VOOR SCHONE KUNSTEN · BOZAR, PANASONIC ENERGY EUROPE, PAPYRUS, PHILIPS, PLAN BELGIE, PURATOS, ROBERT BOSCH PRODUKTION, ROCHE, SANOMA MAGAZINES, SAS INSTITUTE, SCHREDER, SCS BOEHRINGER INGELHEIM , SILFIN, SITA RECYCLING SERVICES, STAD ROESELARE, STOW INTERNATIONAL, TALENT PLANET, TAMINCO, TAURA NATURAL INGREDIENTS, TER BEKE, TESSENDERLO CHEMIE, THE ROYAL BANK OF SCOTLAND, TOTAL, TUC RAIL, UCB, UNILIN INDUSTRIES, UNION DES VILLES ET COMMUNES DE WALLONIE, VAN DE VELDE, VITO, WAEGENER, WIT-GELE KRUIS WEST-VLAANDEREN, XEROX

* For matters of confidentiality not all organizations were included in this list.

We truly hope to continue this collaboration in order to optimize the first Open Source HR model and adapt it to the needs of organizations dealing with Talent Management in Europe and Worldwide.

ABOUT HUDSON

Hudson is a leading global professional services firm, employing 2,000 people across 25 countries and almost 100 offices. We are a talent company. We provide permanent recruitment, contract professionals and talent management solutions. Our purpose is to connect people and companies to enable both to realise their full potential.

For our clients, this means recruiting, selecting, providing and supporting the development of the best professional and managerial talent for their company. For candidates, professionals and employees, it means building insight into their potential and aspirations to help them achieve their career objectives.

We focus on understanding and meeting the needs of our clients, whose success in turn defines our success. This approach guides our decision-making and provides the foundation for long-term partnerships.