



Hot topics

# **FIGHTING BACK THROUGH TALENT INNOVATION**

**Talent management under threat  
in uncertain times**

**PART 2**

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# VIEWPOINT

Earlier this year, we released survey research findings exploring how talent management strategies are being affected by the current uncertain economic backdrop. This study highlighted how important talent management is to organisations when things get tough. As we said at the time, our reason for surveying on this topic was not to further contribute to the negativity awash in the media, but rather to focus on some of the positive measures that organisations can take in response to the current challenges.

This is the second report of the 'War on Talent?' Hot Topics series, which takes a closer look at some of the creative and innovative talent management practices that are being adopted in the light of the recession. Part 1 pulls together the experiences of ten diverse organisations looking at issues such as:

- What impact is the recession having on wider business?
- How are business and people processes changing to meet current and longer-term demands?
- What wider change efforts are organisations focusing their efforts on?
- And finally and most importantly, what innovative talent practices are being developed?

Part 2 contains ten organisational snapshots, uniquely written in the words of each organisation's head of talent. These are grouped around:

- attracting the best talent
- adapting and re-aligning talent strategies
- developing a sustained approach to talent management
- focusing on talent delivery and return on investment.

The title of this research, 'Fighting back through talent innovation', sums up very well the approaches of the organisations featured. Rather than being defeated by the current climate, they are adapting practices and developing new and creative ways of working that meet their critical talent objectives. Often it is precisely when

organisations and people have their backs up against the wall that they respond in the most creative and productive ways. Indeed, a number of the organisations featured here talk about talent engagement levels actually heightening in this period because they have more challenging work that can make a tangible difference to business performance and is more visible with senior executives. National Express sum up this galvanising spirit nicely when they talk about trying to create a sort of war effort with their employee engagement – your organisation needs you!

So are organisations developing more creative talent responses in the light of the recession? In a word – yes. The organisational snapshots in this research show a range of innovative ideas when it comes to meeting the challenges of engaging, developing and retaining talent in financially challenging circumstances. Again organisations appear to be upping the ante around creativity and innovation to survive and thrive. These practices include, amongst others, building employer brand and profile and keeping talent warm for the future. They are also providing more supported internal stretch assignments, using all available funding opportunities for skill development, asking for innovative business suggestions from talent pools and setting up leadership exchange groups across businesses.

This second phase of research validates the messages from the 'War on Talent?', namely that talent management becomes more, not less, important in a recession. All of the organisations included in this research recognise the importance of talent management at this time more than ever in enabling them to meet both their immediate and longer-term business-critical needs. Organisations need to ensure that they develop joined-up approaches to talent management that are flexible for our ever-changing business requirements and economic landscape.

**Claire McCartney**  
**Adviser, Resourcing and Talent Planning**

# THE IMPACT OF THE RECESSION ON WIDER BUSINESS

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Although the recession is affecting organisations in different ways, there are some common themes and implications that are being faced by many:

- Most organisations, regardless of current business performance, are affected because their customers and clients are also affected.
- Businesses are also being affected by wider economic forces. Gala Coral Group, for example, has been affected by a number of events, including the smoking ban and changes in gaming legislation, which has led to increased competition.
- A number of the private sector case studies included in this research have made redundancies over the past few months to align resources and priorities in the current environment.
- Other common responses to the recession are to introduce both recruitment and pay freezes and many are keeping tight control of cost bases. And it must be emphasised that the public sector is not immune to the current financial crisis, as funding and budgets are increasingly being cut.

# ADAPTING WIDER BUSINESS PROCESSES TO MEET CURRENT AND FUTURE DEMANDS

Although all of the organisations featured in this research are placing more, not less, importance on talent management, many are adapting wider business processes in line with the current economic climate. Such changes to wider structures are clearly likely to impact on organisation approaches to talent management.

## **Business-critical needs**

In times of recession, business-critical needs become central and talent management strategies must clearly link in to such critical priorities. It is important for all organisations to constantly align everything back to their strategic goals, so that whenever a programme or intervention is run it is always linked back to specific business goals. See the CIPD's *Promoting the Value of Learning in Adversity* (referenced on p36).

## **Restructuring**

The current recession has led to organisational restructuring and refocusing for many. This is particularly illustrated in the National Leadership and Innovation Agency for Healthcare, where they redesigned their talent management offering following a major reorganisation and the emphasis moved from development for top posts to the retention of talent during this turbulent time.

## **Balancing the short- and long-term perspectives**

There is also a recognition of the need to balance the immediate business-critical needs with longer-term sustainable business needs. One example of anticipating the future needs of the business is demonstrated at National Express, which is continuing to train managers in 'recruitment behaviour' so that they are ready to recruit the best when recruitment picks up and by 2010 will have the majority of their managers ready to recruit.

## **Sharing learning and pooling resources**

Organisations are also generally more focused on sharing learning and pooling resources across different departments. In October 2005 Gala Group merged with Coral Eurobet. The 2005 merger has meant that different processes exist in different parts of the business. The challenges associated with the current climate have led all the heads of learning and development (L&D) across the business to meet regularly to share learning and reduce spending on duplicated efforts, leading to greater efficiency and effectiveness.

# WIDER CHANGE EFFORTS

In response to the current climate, organisations appear to be focusing their change efforts around three broad areas: managing absence and performance effectively; employee engagement; and line manager support.

## Absence and performance management

In challenging times, absence and performance management have increasingly come under the organisational microscope. When profits or business performance are decreasing, organisations more than ever need employees to be present and productive to help turn the situation around.

Gala Coral Group are focusing their efforts on developing a culture of high performance which is consistent across the group, developed through internal workshops. The aim is to help line managers see effective performance management as a key part of their role and an ongoing conversation that becomes part of the culture. National Express are delivering bite-size refresher absence and performance management programmes for managers across the business and shifting away from taking managers out of their day jobs to providing much more field-based, on-the-job coaching.

## Engagement

As a result of the current climate, employee engagement, motivation and morale have never been more important. The CIPD's recently published *Employee Outlook* survey report shows that the recession is affecting employees' workloads, stress levels and general confidence. The prevalence of recent redundancies has resulted in nervous 'survivors' and a number of organisations in this study are doing all they can to re-engage unsettled employees.

The talent team at BT have found that over the last few months, talent engagement has gone up substantially. They believe this is due to the opportunities provided by the current climate for employees to do groundbreaking work and make a tangible difference to organisational

performance. BT is learning from this experience and seeking to provide these opportunities regardless of market conditions.

Supporting and engaging employees through the downturn remains a priority for National Express. This includes keeping an ear to the ground to gauge the general mood of employees and supporting the 'survivors' of the business. Additionally, they have advertising campaigns planned to reinforce the purpose, promise, values and the direction of the company. Tesco has increased their focus on career progression opportunities so that people can see that they have a future with the business.

## Line manager support and development

One area explored in the first part of this research, 'War on Talent?', was the extent to which managers are equipped to tackle the challenges of managing talent in a downturn. A worryingly high proportion (43%) suggested they were only equipped to a small extent or even not at all. Perhaps it is unsurprising then that organisations are focusing their attention on providing support to line managers to not only engage and motivate talent but all employees in this challenging period.

Standard Chartered, for example, have run structured sessions for their leaders across each of their critical markets, equipping them with the skills needed to lead, engage and motivate their teams in turbulent times. International Personal Finance, on the other hand, are taking this opportunity to consolidate the people management skills of line managers to identify, assess and develop talent effectively (including performance management, giving feedback and having effective conversations, coaching and engagement). Tesco have also introduced a number of initiatives to support managers in their team's development and especially those identified as high potential. These include products to develop their coaching and feedback skills. Already there is evidence through qualitative employee feedback that this is having a positive impact.

# INNOVATIVE TALENT PRACTICES

So, we've talked about the impact of the recession on wider business, adapting broader business processes to meet current demands and wider change efforts. However, an area of particular interest is looking at some of the innovative and creative talent practices that organisations are currently developing in response to the wider economic backdrop.

Based on the organisation snapshots in this report, the following practices should help you to develop creative talent responses to the current challenges being experienced.

## Overall strategies and practices

### Sieze the opportunity to increase your profile and brand

While for many organisations the recession has led to recruitment freezes or reductions, it doesn't mean that you should stop building your employer brand and reputation. Several organisations in this study are actively spending time now increasing their profile as a preferred employer and strengthening their relationships with local talent so that they are in a stronger position to acquire difficult-to-find talent when the upturn comes.

Stanza, a small structural engineering consultancy, is a perfect example of this. They are currently using a marketing skills approach to train their senior engineers to go out and sell to various networks, such as local graduates, the aspects which differentiate the business – such as personal development and the working environment.

### Where beneficial, acquire talent from other organisations

The first phase of the 'War on Talent?' findings showed that 11% of 705 organisations were benefiting from recruiting talent discarded by competitors. Some organisations in this study emphasise the benefits of a strategic approach to recruiting such talent, particularly in areas of the business where they can make a big impact.

Tesco is currently experiencing more talent available in the marketplace, including some people in certain areas that are choosing to move not through job loss. Standard Chartered have also acquired talent from other organisations, particularly in the wholesale banking business. This has helped to give the organisation a 'real' competitive advantage in some of their more important markets.

### Keep talent warm for the future

It is also important to keep talent warm for the future, particularly if they have difficult-to-find skills and experience.

The London Borough of Tower Hamlets is currently setting up 'Talent Boutique' as a way of introducing their senior managers and politicians to a senior network of black and Asian managers. A key aim of Talent Boutique is to keep potential candidates warm and interested. Stanza also keeps talent warm by following up meetings with potential recruits with the offer of a visit to the company to meet the team and gain an insight into the way they work.

### **Increase your focus on talent performance, engagement and retention**

Although there are many distractions related to the recession, it is more important than ever that talented employees continue to perform as effectively as possible and are fully engaged and motivated.

Standard Chartered have ensured that their talented employees remain performing above their peer group, are highly engaged, and that they continue to retain them. At the same time, International Personal Finance is concentrating its efforts on developing the existing leadership talent pool and fast track intake to ensure that they are ready to take up challenging career opportunities in the future. They are also building engagement by accelerating the planning and implementation of key improvements identified in their annual engagement survey.

### **Use this period to streamline or improve the design of your talent schemes**

For those organisations that have had to postpone or scale back talent management initiatives for an interim time, the current period represents a perfect opportunity to review and develop the effectiveness of their current programme of talent management activities.

International Personal Finance for instance are focusing on developing additional talent management tools and processes and designing further leadership development initiatives in preparation for resuming planned activity next year.

### **Maximise any available funding opportunities for skill development**

Now is definitely the time to explore any opportunities available to gain funding for developing the skills of your employees.

The Borough of Tower Hamlets is looking to maximise the use that they get out of the grants they receive, for instance increasing their focus on apprenticeships and accessing apprenticeship-specific funding. National Express are also considering alternative solutions to specialist skill development such as apprenticeships, internal management schemes, summer placements, internships. As Steph Oerton, UK Head of Talent Development, suggests: 'This is something that we would have probably been doing anyway but it has moved up the ladder in terms of importance.'

### **Encourage line managers to be less risk-averse and provide support for stretch appointments**

On the whole, recruitment freezes or reductions are encouraging line managers to be less risk-averse in their promotion decisions. Line managers currently have to think much more creatively and carefully before they go to the external marketplace. This helps organisations to fully use the skills of their existing workforce and provide existing employees with more opportunities. However, if internal candidates are more likely to be given stretch appointments, then they must be provided with effective support.

To support the success of stretch internal appointments, work has been completed in BT to manage associated potential risks and work out how best to provide individuals with the support they need to maximise their chances of success, such as transition coaching.

**Talent development and assessment**

**Ask for innovative business suggestions by talent pools**

There could not be a better time to really challenge your talented employees and use their ideas to improve business performance.

Innovation is a key part of talent development at Coral Gala Group and as such innovation groups of talented employees have been established with internal sponsors to propose new business ideas and solutions, something particularly valuable in the current economic climate.

**Focus on critical experiential-based learning**

Not all development opportunities need to cost the earth; indeed, some of the most effective methods are relatively low or no cost for organisations.

Standard Chartered's focus on talent development has remained, as this is a critical lever from a sustainability perspective, and they continue to have robust development propositions in place for their junior, mid-level and senior talent pools. However, they have reviewed the return on investment (ROI) against their development offerings and are encouraging more critical experiential-based learning centred more around on-the-job learning and learning from others. This ensures that they provide their talent with a balanced approach to development, giving them the right mix of development, visibility and support.

**Conduct your own talent assessment in-house**

Why not develop the capability and skills necessary to assess talent in-house? This will help keep costs down in the longer term and upskill your talent or HR team.

International Personal Finance has moved to a model of in-house talent assessment, providing lower unit costs in the longer term and increased skills and knowledge in assessment/feedback.

The National Leadership and Innovation Agency for Healthcare developed a new-style development centre for talent under camera, which was modelled in part on the TV show *The Apprentice*. Coaches observed participants remotely via a video link and provided ongoing coaching support using the recorded DVD as a feedback mechanism. The visualisation of the experience was a 'powerful learning experience', in the words of one participant.

**Set up a leadership exchange group**

Think about providing employees with business experience in different industries or sectors to broaden their thinking.

An innovative and low-cost talent development initiative at Coral Gala Group is the creation of a leadership exchange group that allows members from the talent group to gain one to two weeks' short business experience in different companies within the retail leisure industry. This represents a great way of gaining experience and at little or no cost to the business.

**Partner with other organisations**

Consider developing some strategic relationships with like-minded organisations.

The Borough of Tower Hamlets is working more creatively with different organisations such as the London Organising Committee for the Olympic Games (LOCOG) knowing that there will be lots of jobs at the time of the Games. A member of the recruitment team has already been seconded to the organisation, with further possible secondments for the organisation’s youth trainees and graduates. This represents a great opportunity to share learning and practice and is an example of working in new and creative ways that transcend the boundaries of the borough.

**Build a sense of community**

Build a sense of community across talent pools and encourage them to learn, share ideas and network independently with one another.

BT are also working on fostering a sense of community with talent groups. One example is running talent events, such as a master class held by BT’s chief executive and encouraging those employees who have to access them remotely to do this in a local group. This provides smaller group and team networking opportunities at the local level. Although this is a small thing, it can provide big returns because BT know that building a sense of community is really important to their talent and it is also how you leverage energy and enthusiasm and the drive for change and transformation – something not to be underestimated.

**Target employees for more specific careers and professional paths**

Help employees to develop a long-term career plan and highlight all the possible progression and development opportunities that could be achieved within your organisation.

A result of the current uncertainty is an increased focus on getting those on Tower Hamlet’s local graduate scheme into specific careers. In the past, they have perhaps been more focused on qualifications than career development activity. However, they have learned that in practice behaviours, attitudes and experience count much more than qualifications. So they are now ensuring that their local graduates are studying for a postgraduate qualification, which will lead into a profession.

# CONCLUSION: CREATING A SUSTAINABLE AND CREATIVE APPROACH TO TALENT MANAGEMENT

The main purpose of this research has been to talk to organisations and explore what positive and innovative talent management practices they are adopting in response to the current economic downturn.

Although the current recession has heightened the focus on short-term business-critical needs, there is a strong recognition by all of the organisations featured that short- and longer-term perspectives need to be carefully balanced. What's more, organisations need to develop a sustainable approach to talent management, which by its very nature, among other things, should be focused on developing the current but also the future talent of the organisation.

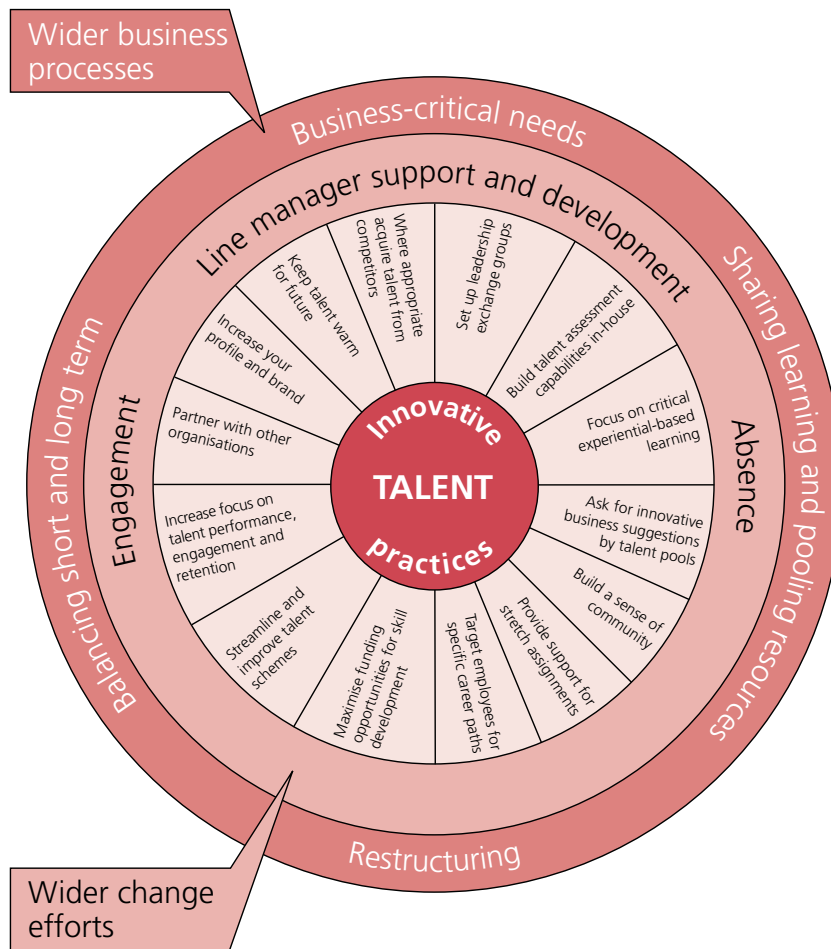
As we have seen, organisations are currently innovating around their talent strategies and, in particular, around their talent development opportunities. Such creative practices seem to come to the fore in challenging circumstances and when organisations and individuals have their backs to the wall. The real challenge for organisations is to retain this energy and momentum around new ideas and creativity on a day-to-day basis and make this part of 'business as usual'.

The ten forward-thinking organisations included (for further details see Part 2) have developed a variety of responses and approaches to talent management in a recession, but a key theme emerging from all is the need to build strategies that are flexible enough to meet both changing organisational objectives and the changing economic backdrop.

Importantly, the organisations featured here have developed a number of practices aimed at creating sustainable talent management strategies. Some are integrating organisational design, talent management and performance management in a bid to think holistically and build long-term skills supported by integrated processes. Others are establishing clear links between talent processes and other global people processes around performance management and engagement. Some are also developing greater transparency, education and understanding around the importance of robust talent identification and development.

Most are investing in the development of their line managers in areas such as coaching and feedback skills to develop their teams and especially those identified as high potential to create sustained business success.

The model below provides an overview of how organisations are responding to talent management challenges to meet both current and future needs, with innovative practices at the core.



Our recommendations for developing a sustainable and creative approach to talent management are detailed below.

### Recommendations

- Develop the abilities of your leaders and talent to lead in difficult times – this will also stand them in good stead when business improves in the future.
- Consolidate the people management skills of your line managers to identify, assess and develop talent effectively (such as performance management, giving feedback and having effective conversations, coaching and engaging your people).
- Develop pivotal roles and opportunities for stretch assignments that are well supported.
- Maintain a proactive and consistent approach to performance management.

- Simplify and embed talent management processes and anchor development to the needs of the business.
- Support and engage employees through the downturn – communicate what is happening and why, keep an ear to the ground to gauge the general mood of employees and support the ‘survivors’ of the business.
- Maintain momentum around your employer brand and, if not currently recruiting, keep talent warm for the future.
- Think holistically and link organisational design, talent management and performance management and engagement.

And finally, as more organisations are offering employees sabbaticals and career breaks to help them cope with the economic climate, it is also worth considering how you continue to keep in touch with and develop the skills of your talented employees who have taken up these options.

# CASE STUDIES:

## 1 ATTRACTING THE BEST TALENT

stanza consulting 

### Keeping talent warm for the future at Stanza Consulting

Stanza is a structural engineering consultancy with eight employees. In the buoyant market before the downturn we were in a good position to grow the business but struggled to acquire the appropriate talent. This was due to a chronic skills shortage of chartered engineers and competition from larger local companies. The construction downturn has significantly reduced our workload and recruitment is now on hold. However, we see it as an opportunity to increase our profile and put us in a stronger position to acquire talent when the upturn comes.

### Anticipate the upturn – get to know the talent now

Our strategic response is to promote the image of our company as a preferred employer amongst local professionals. We are using a marketing skills approach to train our senior engineers to go out and sell the aspects which differentiate our business – for example in the areas of personal development and the working environment.

### Stanza marketing skills to build relationships

- Develop a consistent message.
- Understand the talent profile – job and person specification.
- Manage your database: keep track of organisations and targeted individuals.
- Gather market intelligence – media articles, grapevine.
- Review delegate lists and identify individual targets.
- Attend construction sector and professional events.
- Employ networking techniques to meet other professionals.
- Gather intelligence – what would attract the ‘talent’ to move to us?

### Keeping in touch

We follow this activity up by an offer of a visit to our company to meet the team and gain an insight into the way we work. Although not actively recruiting currently, this is a powerful way of promoting ourselves for the future.

*Sheran Edward is HR Business Partner at Stanza Consulting.*

### **Tapping into diverse talent at the London Borough of Tower Hamlets and NHS Tower Hamlets**

Tower Hamlets has been named as a four-star council by the Audit Commission, is now one of the ten most improving councils in the country and has achieved Level 5 (the highest level) of the Equality Standard.

NHS Tower Hamlets' key aim is to improve the health of local people living in Tower Hamlets in East London. We want to reduce inequalities in health and modernise services for local people.

#### **Impact of the recession**

The public sector is not immune to the current financial crisis. The view that this sector has not been affected and that all public sector jobs are safe is incorrect; I speak from direct experience, working as I do in local government and across the health economy.

The Borough of Tower Hamlets is first for economic growth in the UK and that has been driven by the financial services sector, which is the very sector that is shrinking and has been hardest hit by the recession. However, we are one of the five Olympic boroughs and there's an awful lot of work going on around tackling worklessness and improving local skills to try to get the community into jobs – and that becomes even more important in the current circumstances. We are also trying to get a workforce that reflects the community that we serve. About half of our workforce is black and minority ethnic (BME), which is a great achievement for a local authority, but we know that we haven't got enough BME senior managers and so that's where our talent management strategy is focused.

#### **Approach to talent management**

##### **Targeting employees for more specific careers and professional paths**

A result of the current uncertainty is an increased focus on getting those on our local graduate scheme into specific careers. In the past, we have perhaps been more focused on qualifications than career development activity. However, we have

learned that in practice behaviours, attitudes and experience count much more than qualifications. So we are now ensuring that our local graduates are studying for a postgraduate qualification, which will lead into a profession.

#### **Working with other agencies**

We are working more creatively with different organisations, such as the London Organising Committee for the Olympic Games (LOCOG), knowing that there will be lots of jobs at the time of the Games. This represents a good opportunity to share learning and practice and I am just about to second one of my recruitment team over. We are also considering secondments for our youth trainees and graduates.

#### **Tapping into diverse networks to improve diversity at senior levels**

We are also setting up the 'Talent Boutique' working with Anne-Marie Dixon-Barrow, a very well-networked black leader. We are keen to introduce our senior managers and politicians to this senior network of black and Asian managers and provide them with a positive experience of Tower Hamlets. This will include taking them on a tour of the borough, explaining the opportunities available and making sure we keep in touch. We will be asking for feedback about how we attract people externally.

#### **Keeping potential applicants warm**

A key idea behind the Talent Boutique is keeping potential candidates warm and interested. We might not have a job available now but we will keep in contact and inform them of any opportunities. Additionally, where we identify candidates who didn't quite make the mark on a particular role but in whom we are still interested, we will keep adding them to our network and keep them warm.

*Deb Clarke is the first ever Director of Human Resources for both the London Borough of Tower Hamlets and NHS Tower Hamlets.*

## 2 ADAPTING AND RE-ALIGNING TALENT STRATEGIES



### **Re-aligning and streamlining talent processes at Standard Chartered**

In looking at the CIPD report *War on Talent? Talent management under threat in uncertain times* and the current market conditions, we would support the recommendations made. Here at Standard Chartered, our approach has been very much to continue our focused efforts on talent management and development within the bank despite the economic downturn.

However, we have looked closely at our existing approach on four key levels:

- restructuring and simplifying our talent processes
- reviewing our talent development propositions
- providing clear support to our managers and leaders in difficult times
- increasing our focus on talent performance, engagement and retention.

### **Restructuring and simplifying our talent processes**

In our review of our talent processes, we have looked to simplify our processes, to ensure that they continue to work successfully within the confines of our global matrix. We have ensured that there is greater transparency, education and understanding around the importance of robust talent identification and development. This embedding of our talent processes has also required us to establish clearer links between our talent processes and other global people processes around performance management and engagement.

### **Reviewing our talent development propositions**

Our focus on talent development has remained, as this is a critical lever from a sustainability perspective, and we continue to have robust development propositions in place for our junior,

mid-level and senior talent pools. However, we have reviewed the ROI against our development offerings and are encouraging more critical experiential-based learning centred more around on-the-job learning and learning from others. This ensures that we provide our talent with a balanced approach to development, giving them the right mix of development, visibility and support.

### **Providing clear support to our managers and leaders in difficult times**

In these turbulent times, one of our other key focus areas has been on providing support to help our managers and leaders engage and motivate their teams. This has been achieved through structured sessions for our leaders across each of our critical markets, equipping them with the skills needed to 'ride out the current storm'. Our flexible approach to development means that we can respond well to changing market conditions and support our leaders effectively.

### **Increasing our focus on talent performance, engagement and retention**

Finally and most importantly we have ensured that our talents continue to perform above their peer group, are highly engaged and that we continue to retain them. We have also taken advantage of the current economic climate and have acquired talent from other organisations, particularly in our Wholesale Banking business. This has helped to give us a 'real' competitive advantage in some of the more important markets.

*Jolene Chen is Group Head, Resourcing, Learning and Talent Development at Standard Chartered*

## Aligning talent management processes with a restructure at the National Leadership and Innovation Agency for Healthcare

The National Leadership and Innovation Agency for Healthcare (NLIAH) was established in 2005. It is part of NHS Wales and supports the NHS to deliver world-class healthcare.

In 2006 the NLIAH was tasked with a key requirement to put in place a succession and talent management strategy. By the end of 2007 NHS Wales had delivered a remarkable achievement of having one Welsh candidate on every chief executive and executive director shortlist. The achievement would not have happened without a highly motivated NLIAH leadership team, engagement with employers and individuals from all professions – doctors, nurses, finance, HR, GPs, allied health and scientific professionals. The talent bank process was modelled on successful global organisations – British Airways, Cisco and Vodafone talent pipeline process.

A key success criteria for NLIAH in developing talent is tailored personal development, knowledge management and impact projects that deliver real business results. Although the talent process was delivered in-house, the academic component was accredited by Birkbeck College, University of London. An independent evaluation indicated that as a result of development experience, 95% believed that their leadership effectiveness had increased and 80% indicated that there had been improvement to patient services.

Two other factors also contributed:

- Innovation – in the form of a new-style development centre under camera, which was modelled in part on the TV Show *The Apprentice* – coaches observed remotely via a video link and provided ongoing coaching support using the DVD as a feedback mechanism. The visualisation of the experience was ‘a powerful learning experience’, in the words of one participant.
- Branding – the talent development process was branded ‘Care to Lead’; the brand approach lifted the offering and was motivational for those taking part.

## Re-aligning to a major reorganisation

However, in 2008 NHS Wales needed to reconsider the talent management offering as a result of a major reorganisation reducing 38 organisations to 8. With a shrinking number of top executive posts, the emphasis has moved from development for top posts to the retention of talent during this turbulent time. Keeping the very best of the talent in NHS Wales has become the key requirement. The shift has required a redesign of the offering for the leadership cadre to:

- a comprehensive career management support programme
- alumni development for talent bank individuals
- promotion of the web-based learning channel to keep connectivity with individuals
- capability and capacity-building development centres for new organisations
- local succession and talent pipeline processes
- engagement with organisational development (OD) and culture-building processes.

And for the next 12 months at least, I believe that there will be a move from a national succession pool to a locally owned and driven talent bank process. We see our role in NLIAH as supporting the newly appointed chairs and chief executives in the large new organisations establish their boards, embed a new culture with an integrated OD, improvement, leadership and talent bank process. So talent management, despite a shrinking number of top jobs, still remains a priority – it is just that the climate has shifted. There is a real need to anchor development to the needs of the business – to do more with less – while at the same time delivering quality services. None of this is possible without inspirational leaders and engagement with staff and the patients we serve.

*Christine Bamford is Director of Leadership, National Leadership and Innovation Agency for Healthcare.*

# 3 DEVELOPING A SUSTAINABLE APPROACH TO TALENT MANAGEMENT



## Creating a sustainable approach to talent management at International Personal Finance

International Personal Finance (IPF) operates in a specialist financial sector – the introduction of home collected credit in emerging markets. We have operations across Central Europe and in Mexico, employing 5,600 people and serving over 2 million customers. The company has an ambitious growth strategy and effective talent management to develop internal talent and recruit external talent is a key priority. The credit crisis has inevitably impacted on our trading performance. The extent and duration of the economic downturn in each of the markets in which we operate is becoming clearer. After a difficult start to the year conditions and performance of our business are improving in all markets except Hungary. There conditions are very difficult. Our local teams are performing well and we are working hard to help customers through difficult times and maintain good and profitable customer relationships. We have a resilient business model and are well funded and remain confident that IPF is well placed to weather the downturn and respond rapidly and grow when conditions improve.

What does this mean for our talent management strategy?

### Revised plans

We remain committed to building our talent pipeline for the future but have revised our plans for 2009 to include:

- a review of resourcing plans in line with adjustments to our business plan for new market entry
- temporarily holding recruitment to fast-track entry schemes and reviewing the position mid-year
- slowing the roll-out of activity to identify and assess internal talent
- delivering a greater proportion of activity internally rather than using external providers.

### Building sustainability

Taking a positive perspective on the situation, the revised plans enable us to focus on creating a sustainable approach to talent in terms of:

- in-house talent assessment (lower unit costs in the longer term and increased skills and knowledge in assessment/feedback)
- opportunity to consolidate the people management skills of line managers to identify, assess and develop talent effectively (including performance management, giving feedback and having effective conversations, coaching, engagement)
- focus on developing additional talent management tools to assist line managers in managing talent and management development initiatives in preparation for resuming planned activity next year
- further developing internal coaching capability through skills programmes delivered internally for managers and using graduates from our accelerated leadership programme to support current participants with coaching
- concentrating our efforts on developing the existing leadership talent pool and fast-track intake to ensure that they remain motivated and are ready to take up challenging career opportunities in the future
- building engagement by accelerating the planning and implementation of key improvements identified in our annual engagement survey to create a positive culture in which talented people want to develop their careers.

Our communication of the revised approach has emphasised the ongoing development of talent as a key strategic priority for the organisation and this is demonstrated through continuing emphasis on development of the existing leadership pool and talent assessment activity within operations. Times may be uncertain but our commitment to developing our future talent remains undiminished. We are thinking holistically to build long-term skills supported by robust and integrated processes that deliver clear return on investment and enable the organisation to realise the growth strategy.

*Sue Newhall is Talent Manager at International Personal Finance.*

### **Building team leadership capability at National Express**

National Express Group is one of the world's leading international public transport groups, with an annual turnover of £2.6 billion. Over 1 billion passengers a year make use of the services in the UK, North America and Spain, and the group employs 43,000 employees, 16,000 in the UK.

#### **Impact of the recession on the approach to talent management**

The current economic climate has encouraged National Express to streamline its talent management programme, both operationally and at head office. This has allowed the organisation to focus on the right strategy and having the right resources in place to deliver its objectives.

The talent team is focused on delivering in line with business-critical needs. We are viewing this period as an opportunity to review our practices and clarify what makes the biggest difference to our employees. We are ensuring that everything we do can be measured; whether that's through customer survey results, reducing recruitment costs, employee retention or improving sickness absence and absenteeism.

These measures were in place prior to the recession but the current backdrop has brought a sharper focus to all our activities, in these four areas in particular: managing absence; developing the role of the team leader and first-level leader; skill development; and boosting employee engagement and support.

#### **Absence management**

Absenteeism is a critical issue and we have to ensure that we bring people back to work effectively because there are fewer people available to back-fill roles. We are therefore delivering bite-size managing absence refresher programmes for managers, encouraging more field-based, on-the-job coaching.

### **Development of team leaders and first-level leaders**

We are currently investing in developing our team leaders across the business as this group is the closest to the front line, who in turn are closest to the customer. They can therefore potentially make the biggest impact. We are also developing our first-level leaders who hold equally influential positions. Team leaders are working towards a CMI Diploma level 2, while first-level leaders are working towards the CMI Diploma level 3, both of which are heavily tailored to meet National Express's needs. As a result, we have seen a big increase in engagement through our front-line managers.

#### **Skill development**

After a brief period of consolidation, graduate recruitment will continue in September 2009, particularly in areas such as engineering. We are also considering alternative solutions to specialist skill development, such as apprenticeships, internal management schemes, placements and internships.

#### **Boosting employee engagement and support**

Finally, supporting and engaging employees remains a priority. We are delivering a new set of brand and business values to help steer the culture of the business. The first-level and team leader programmes have been re-adjusted this year to include a focus on helping employees through change. We are also working on a health and well-being programme that will include financial information and support.

Additionally, we are planning internal advertising campaigns to reinforce our purpose, promise, values and direction. We need to create a sense of urgency and pull together to continue to be successful.

*Stephanie Oerton is UK Head of Talent and Development at National Express.*

## **Opening up talent opportunities at the National Policing Improvement Agency**

The National Policing Improvement Agency (NPIA) provides a large and diverse portfolio of products and services designed to support the police service and wider policing family. Our market operates both in the UK and internationally and we act as a central resource to the Association of Chief Police Officers (ACPO) and police forces, working with authorities and the Home Office to help improve the way policing works.

### **Impact of the recession**

The NPIA has not been as immediately affected as some private sector organisations, particularly in terms of redundancies. We are however subject to increasing government department cuts, which impact strongly on our budgets. Such cuts focus the mind on the difference between what is really crucial and what is nice to have from a talent management perspective and reinforce the importance of evaluating the results.

In some ways the NPIA actually benefits from a recession. In these uncertain times, the police are viewed as a solid, dependent employer against the backdrop of what is happening in the finance sector. People increasingly recognise the importance of safety in the current climate and many see the public sector as more ethically sound.

### **Talent strategies**

The skills required for policing are incredibly diverse, so we have created a range of entry points for our various talent schemes. We have refocused our high-potential scheme to target both sergeants and constables from any educational background. Working in partnership with Warwick Business School, we have created a master's qualification that will provide officers with a passport to other careers in the future.

The downturn has meant that we need to look at a whole range of options. We are launching our first national graduate scheme and are keen to develop messaging that appeals to graduates from all universities. We are also taking part in the government internship initiative, 'The Graduate Talent Pool', and several police forces have signed up and are offering a range of police staff roles. Our Workforce Modernisation Programme, which translates warranted officer posts to civilian posts, ensures that we are using talent wisely, making huge cost savings and adding a great deal of value.

### **Collaborating with other agencies**

We are getting greater value from our existing staff by implementing a skills enhancement programme agreed with the Home Office. This will offer secondment opportunities for our employees across different sectors and will also second people into policing from other areas.

We have developed a leadership alliance with seniors from various public sector agencies to explore how to use top talent to support one another. We are also networking at senior levels across sectors and breaking down boundaries, resulting in less competition and more collaboration.

*Angela O'Connor is Chief People Officer at the National Policing Improvement Agency.*

# 4 FOCUSING ON TALENT DELIVERY AND RETURN ON INVESTMENT

GALA CORAL  
GROUP

## Strengthening leadership and innovation at Gala Coral Group

Gala Coral Group is the only UK gambling company with significant businesses in bookmaking, bingo and casino markets, on the high street and online. In October 2005 Gala Group merged with Coral Eurobet.

### The impact of the recession

In recent years, the group's business has been impacted by a number of events, including the smoking ban and changes in gaming legislation, which have led to increased competition. The current recession has further exasperated the impact of these changes. But while the group's casinos and bingo clubs are facing greater pressure as a result of the recession, the Coral business maintains its performance, benefiting from trends also witnessed with the lottery, that when people haven't got a lot of money, they would often rather gamble a little to see if they can make more.

### Protecting the talent management budget

So how does this increased pressure on the business impact upon our approach to talent management? Well, firstly the talent budget has not been cut. We started to invest in talent management in 2007, when a cross-divisional approach was developed to ensure consistency of talent development and the sharing of ideas across brands. The budget has been protected because talent management and performance management are two of the biggest priorities for the business going forward.

### An increased focus on performance management and developing current and future leaders

Redundancies were made at the end of 2008 and there are now fewer people to do more work, particularly because there is increased competition for customers. The response from the business has been to work on developing a culture of high performance that is consistent across the group, developed through internal workshops and the launch of consistent processes. The aim is to help

line managers see performance management and development as a key part of their role and an ongoing conversation that becomes part of the culture. We want all managers to recognise the individual talents of their employees and maximise these strengths through delegation of the right tasks for each person. This would move the group from the initial trial of talent development with 27 employees to an organisation-wide approach maximising every individual's talent.

Another key area, which organisations often miss, is the development of existing leaders. Gala Coral Group plan to put the top ten senior managers through a strategic leadership development programme to strengthen leadership skills and develop a pipeline of future directors. Should this programme prove successful, there is the hope that such leadership skills could be developed across the senior management population, further driving the high-performance culture.

### Innovation groups

Innovation is a key part of our talent development. Innovation groups were used last year as part of a talent development programme to propose new business ideas – something particularly valuable in the current economic climate. This is an approach that can add even more value when the ideas are targeted at existing business-critical issues. The intention for future development programmes is to have directors presenting challenges to high-potential employees – a great value-add to the business and invaluable, practical learning for the participants.

### Leadership exchange groups

Another low-cost talent development initiative is the creation of a leadership exchange group that allows members from the talent group to gain business experience in different companies within the retail or leisure industry. This represents a great way of gaining experience at little cost to the business.

*Helen Frewin is Head of People Performance at Gala Coral Group.*



## **Delivering the best return for the business at BT**

BT is one of the world's leading providers of communications solutions and services, operating in 170 countries.

### **Focus on talent management remains**

BT's approach to investing in its talent is primarily focused on responding to individual needs in line with a BT-wide 'Talent Deal', which was established in 2005 and has been in place ever since. No elements within this have changed as a result of the economic downturn. The Talent Deal is a set of commitments made to individuals in BT's talent pool on the support they can expect in areas such as career planning and movement, opportunities for networking and meeting top executives and mentoring, for example. Equally, the Talent Deal also specifies the commitments expected of BT's talent pool members, such as the contribution they make to supporting the development of other colleagues.

### **Delivering the best returns for the business**

Some aspects of career development do have a cost attached. BT is continuing to invest in such development through careful attention to targeting individuals and their needs, alongside consideration of what will deliver the best returns for the business. Our talent pool members have told us what they most value: of opportunity; extent of exposure to key people across the business; quality of networks; and opportunities for advice and guidance from mentors.

BT has completed a review of key development and talent programmes to identify the returns they are delivering, what is of most value to individuals and how outcomes may be delivered at lower cost. BT's Talent Academy, for example, is a modular programme aimed specifically at talent. Its costs have been halved through using BT's internal capability to deliver the bulk of the programme rather than outsourcing this work.

## **Identifying pivotal roles and stretch assignments**

A network of people lead on talent in each of the lines of business. They work alongside the Group Talent function to deliver BT's talent agenda. Part of their accountability is to identify pivotal roles (roles that are strategically important below leadership team and that represent particularly strong opportunities for talent). This community of talent leads also play a critical part in identifying suitable candidates to fill these roles quickly when they become vacant.

In addition, BT is in the process of launching Talent Advance – a platform that allows talent pool members seeking a move to post details of their experience and aspirations. All HR business partners have access to this platform and use this to quickly source information on potential candidates. All talent pool members receive regular information on opportunities that are available so that they can see what the paths might be.

### **Talent engagement has increased in recent months**

The talent team have found that over the last few months talent engagement has gone up substantially. This is driving good results, not least around reduced attrition. The reasons for this increase in engagement are two-fold: firstly, talent pool members are increasingly more savvy about grasping the opportunities that are available to them by virtue of being part of BT's talent pool. Secondly, talent pool members see that, against the backdrop of the economic downturn, they have real opportunities to make a significant and tangible difference to organisation performance. In recent months, there have been many good examples of talent being deployed very quickly to business-critical projects, with talent pool members being picked to do groundbreaking work, visible at the most senior levels of the company.

*Katherine Thomas is BT Group Talent Director.*

## **Integrating OD, talent management and performance management at Tesco**

Tesco is the UK's largest grocer, serving customers for the best part of a century. It is also the world's third largest grocery retailer, with operations in 14 international markets.

The recession is affecting everyone regardless of business performance. We are responding by being flexible to customer needs and building a greater focus on value, introducing a new discount range and more promotions.

### **Impact on approach to talent management**

In the current economic climate it is worth noting that Tesco has announced it will create over 11,000 new jobs in the next year. The recession and impact on the jobs market has made people everywhere generally more unsettled and this could clearly impact morale. We are monitoring this through our general development and talent management activities.

We are placing more, not less, importance on talent management in the current climate. One example of this is the inclusion of board members as assessors in a senior management talent development programme in the Retailing Services part of the business. This sent out a strong message to delegates and to employees generally about the importance of talent management to the business. We are also aware of the importance of keeping a long-term perspective and continuing to invest in learning and development and our internal talent pools so the business is stronger when the climate improves.

### **Helping employees see a future with the business**

Tesco has increased its focus on career progression opportunities so that people can see a future with the business. As well as there being opportunities to work in different departments, there are also opportunities to work in the different countries of the international business. In fact, part of the development portfolio for senior managers moving to director posts is to gain international experience.

While we are mindful of efficiencies, we have an ethical responsibility to ensure that investment in L&D is done smartly and is value-adding. As such there is a rigorous decision-making process applied to new learning and development products and ongoing evaluation of existing initiatives.

### **Impact on recruitment**

We aim for the vast majority of promotional opportunities to be filled through our internal talent pipeline, and this hasn't changed as a result of the recession. Our external recruitment strategy therefore complements our internal talent pipeline and the changing needs of the business. However, we are experiencing more talent in the marketplace, including people choosing to move not through job loss.

Tesco has not reduced its overall intake of graduates, with some parts of the business slightly increasing their intake this year. We are experiencing a high calibre of graduates in the marketplace and are not having any problem filling places on the schemes. This is attributed to slightly less competition for graduates as other employers reduce/freeze activity and due to greater awareness of the different opportunities that Tesco can provide. Such opportunities are communicated by existing employees who have been through the graduate scheme and can talk from direct experience.

### **Supporting managers**

We have introduced several initiatives to support managers in their team's development and especially those identified as high potential. These include products to develop their coaching and feedback skills. There is evidence through qualitative employee feedback that this is having a positive impact.

### **Integrating organisational design, talent management and performance management**

We are also looking to integrate organisational design, talent and performance management to ensure that the right people are put into the right stretch positions at the right time.

*Sarah McPherson is Head of Leadership & Development – Dot Com at Tesco Stores Ltd.*

## FURTHER SOURCES OF INFORMATION

### Talent management

Read our first phase of research looking at talent in a recession, *War on Talent? Talent management under threat in uncertain times* (2009)

[www.cipd.co.uk/surveys](http://www.cipd.co.uk/surveys)

*Talent: Strategy, Management, Measurement* (2007) draws on more than 100 detailed interviews of senior executives, HR directors, HR professionals, talent management specialists, line managers and individual employees in nine case study organisations. [www.cipd.co.uk/bookstore](http://www.cipd.co.uk/bookstore)

See details of our toolkit, *Talent Management and Succession Planning* (2007), at:

[www.cipd.co.uk/bookstore](http://www.cipd.co.uk/bookstore)

Read our talent management factsheet at:

[www.cipd.co.uk/factsheets](http://www.cipd.co.uk/factsheets)

### Learning and development

See our new guide, *Promoting the Value of Learning in Adversity* (2009).

[www.cipd.co.uk/guides](http://www.cipd.co.uk/guides)

See our annual *Learning and Development* survey report (2009) to see how learning and development budgets are being affected by the recession. [www.cipd.co.uk/surveys](http://www.cipd.co.uk/surveys)

### Employer branding

See our new guide, *Employer Branding: Top tips for maintaining momentum in a recession* (2009)

[www.cipd.co.uk/guides](http://www.cipd.co.uk/guides)

### Employee engagement

You can also download our new *An HR Director's Guide to Employee Engagement* (2009) at:

[www.cipd.co.uk/guides](http://www.cipd.co.uk/guides)

See results from over 3,000 respondents in our new employee survey series, *Employee Outlook*.

[www.cipd.co.uk/surveys](http://www.cipd.co.uk/surveys)

Read our employee engagement factsheet at:

[www.cipd.co.uk/factsheets](http://www.cipd.co.uk/factsheets)

### Labour market

Stay in touch with the latest trends and prospects in the labour market with our quarterly *Labour Market Outlook* survey report.

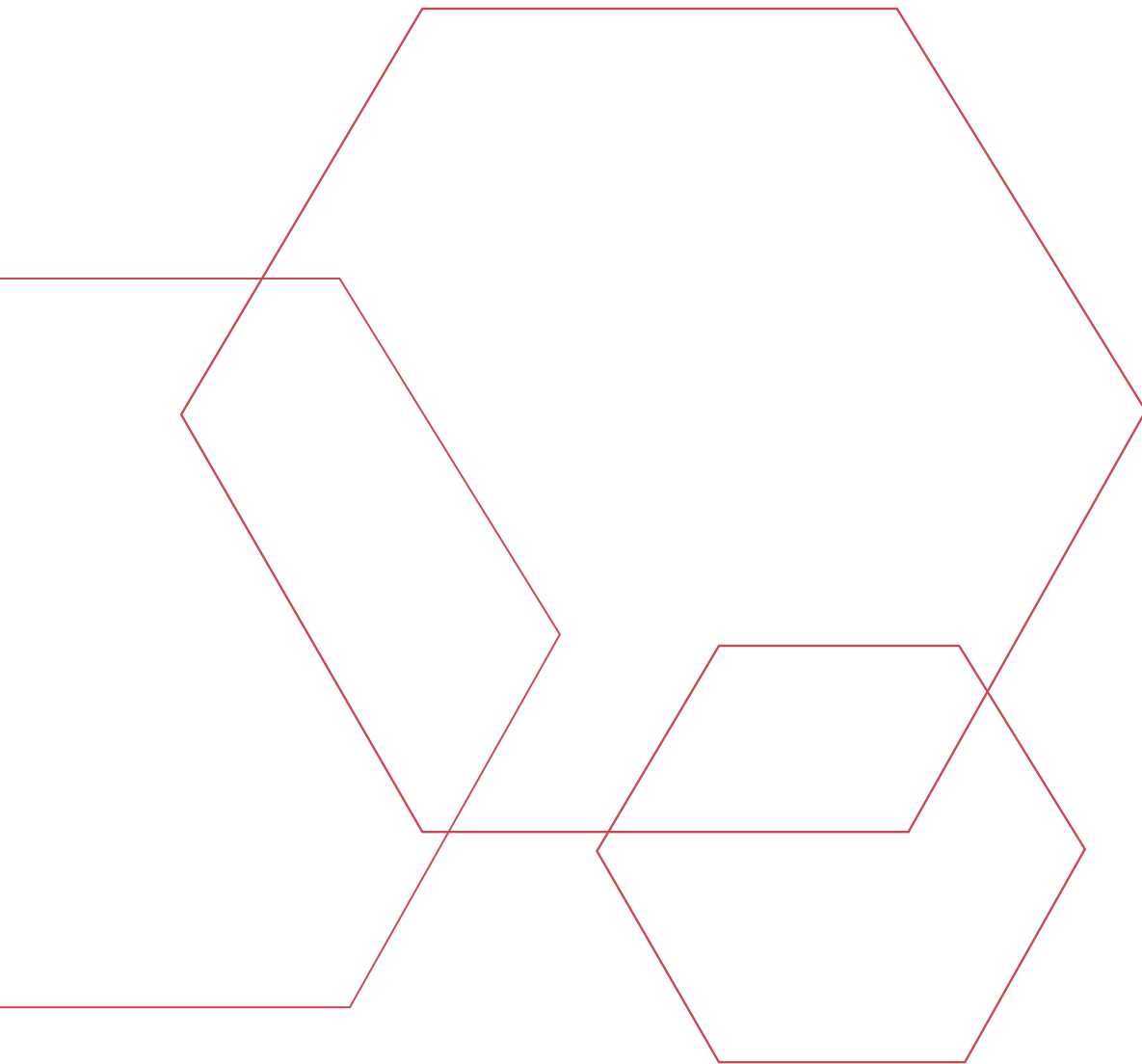
[www.cipd.co.uk/surveys](http://www.cipd.co.uk/surveys)

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