

A close-up photograph of a woman with voluminous, curly dark hair. She is smiling broadly, showing her teeth, and looking upwards and to the right. She is holding a silver smartphone to her ear with her right hand. She is wearing a white blazer over a dark green top. The background is a blurred, bright outdoor setting.

REIMAGINING TALENT MANAGEMENT:

*How the world's top companies
are refreshing and disrupting
their approach*

Executive summary

Want a quick peek into the future of work? Then why not pay a visit to the BBC website, where a simple tool will provide you with an answer to the question “will a robot take my job”?

Artificial intelligence is just one of the many factors due to impact global workforces over the coming decade. Others include the rise of the freelancer (self-employed people now make up a quarter of the workforce in the UK) and the potentially massive shortages of skilled labour that will cause global economies to miss out \$8.5 trillion of un-generated revenue by 2030, according to recent economic research.

Then there are the dramatic changes taking place within workforces themselves. By 2025, it is estimated that millennials will make up 75% of all employees. These are people who have only ever known life in a digital world. How will they respond to the decades-old processes and solutions that many of them will be expected to deploy when they reach executive and C-suite level?

The rate and extent of transformation clearly has implications for our approach to talent management. At a minimum, there needs to be a refresh. For organisations in markets that are unrecognisable from the past, nothing short of a disrupted talent management solution might be in order.

To learn more about how talent management strategies could potentially be reshaped, we conducted in-depth interviews with 29 of the world’s leading organisations. Our aim? To understand and analyse their responses to the seismic changes taking place in the world of work.

Fast forward

What will the world look like in a decade?

- 35 zettabytes (35 trillion gigabytes) of data will be generated annually by 2020.
- 1 billion people will be regularly using an AR/VR platform by 2021.
- By 2029 robots will have reached the same intelligence as humans.
- By 2030 nearly 9% of the world's population will live in just 41 megacities.



Refresh or disrupt?

There is one thing our research uncovered that is unlikely to surprise anyone: almost all the organisations we spoke to are currently asking themselves how they can make their talent management more fit-for-purpose and more likely to deliver solutions for the challenges of the new world of work.

But when it comes to answering that question, opinion differs.

Some talent experts are clearly taking what we have dubbed a “refresh” path. These people believe that their organisation’s talent management approach and philosophy is still fundamentally right. So they are choosing to maintain core elements, such as detailed potential definitions, succession planning and annual talent

reviews, but to deliver them in more flexible ways. People in this camp made up 47% of our research participants.

In the other camp are those who favour a “disrupt” approach. This group have concluded that in order to remain relevant and ensure they deliver what the business needs, they need to change their whole philosophy and approach, becoming more agile, stripping out processes and tools and simplifying wherever they go. These disruptors made up 33% of research participants.

The remaining 20% of participants were looking to evolve their approach even more slowly than the “refresh” group or, in a small minority of cases, not change their approach at all.

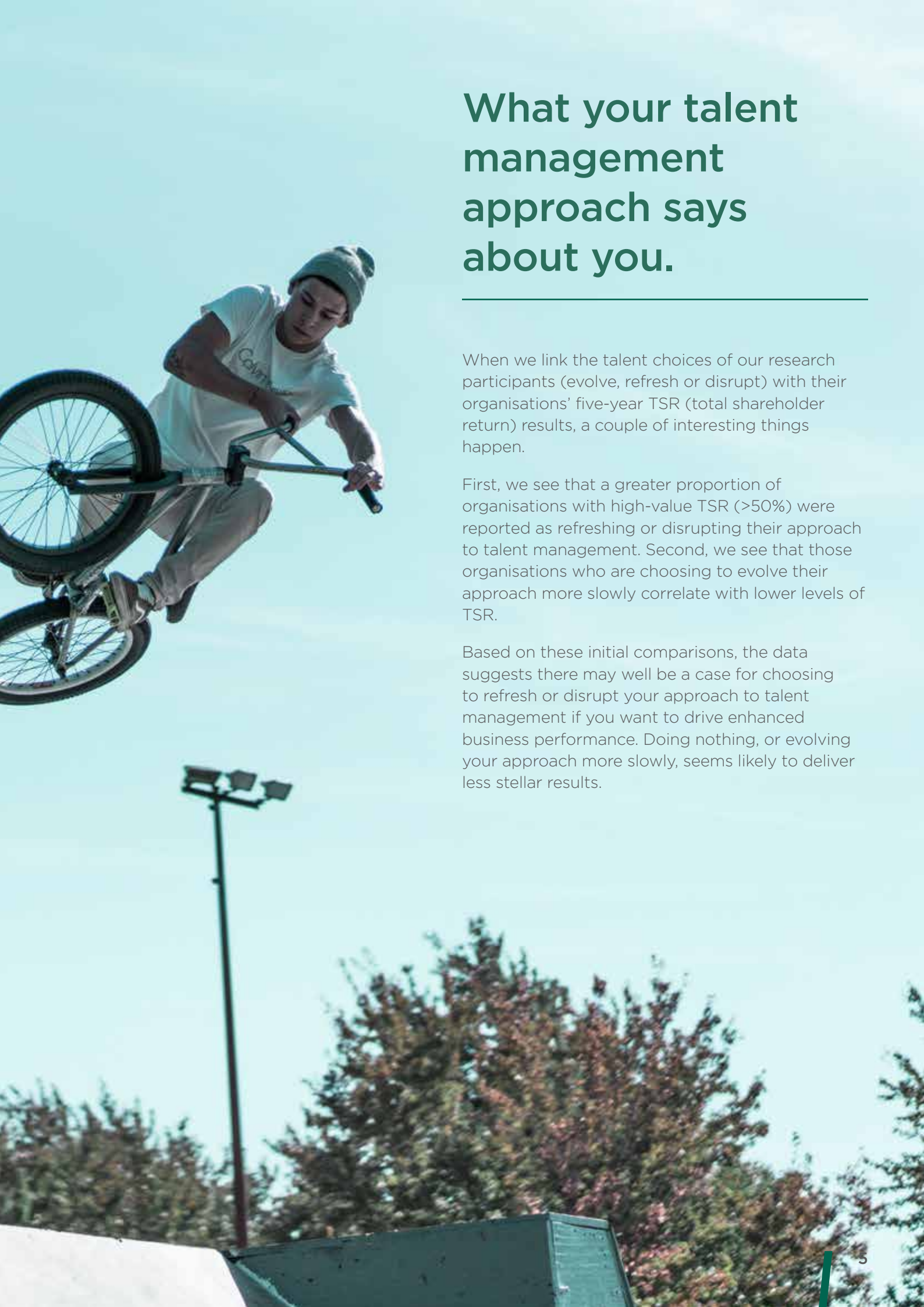
What talent management path are organisations pursuing?

Maintain: 7%

Evolving: 13%

Refresh: 47%

Disrupt: 33%



What your talent management approach says about you.

When we link the talent choices of our research participants (evolve, refresh or disrupt) with their organisations' five-year TSR (total shareholder return) results, a couple of interesting things happen.

First, we see that a greater proportion of organisations with high-value TSR (>50%) were reported as refreshing or disrupting their approach to talent management. Second, we see that those organisations who are choosing to evolve their approach more slowly correlate with lower levels of TSR.

Based on these initial comparisons, the data suggests there may well be a case for choosing to refresh or disrupt your approach to talent management if you want to drive enhanced business performance. Doing nothing, or evolving your approach more slowly, seems likely to deliver less stellar results.





The eight imperatives for reimagining talent management

Whether you choose to take the “refresh” or the “disrupt” path, it is clear that your organisation’s talent strategy needs to harness the gifts of talented individuals and unleash them in a way that will deliver real market advantage. Through our research, we have identified eight talent imperatives that will enable you to do just that.

These eight imperatives offer a blueprint for reimagining talent management – and a framework for shaping a talent strategy that will deliver the right balance of direction and freedom for all your talent.

On the following pages, we take each of the eight imperatives in turn, providing examples of the kind of actions and processes you might adopt if you were to go down the “refresh” path, on the one hand, or the “disrupt” path on the other.

A woman with dark hair, wearing a white tank top and dark pants, is seen from behind, hiking on a grassy mountain ridge. The background features a vast, hazy valley with rolling hills under a clear sky. The lighting suggests late afternoon or early morning.

61%

**of the world's
most admired
companies
actively plan the
careers of their
high potentials
compared to
35% of their
peers.**

1. Make choices and focus.

The organisations we spoke to see talent as a corporate asset, and are prepared to make bold and interventionist choices to ensure they have a workforce that is properly equipped to drive future strategy.

At National Grid, for example, the COE and strategy team work together to examine potential business scenarios for the next five to 10 years, and to identify any constraints on capacity and capability that may exist.

Talent segments can also be critical to success. Novartis divide their top performers into two distinct groups. The top 350 are managed at enterprise level. The rest are managed locally with oversight from the central team.

Refresh organisations

- Define “Talent” as those critical segments that will drive competitive advantages.
- Have an enterprise-wide approach to building depth of talent.
- Make interventionist moves to stretch emotional intelligence and learning agility, not just technical ability.

Disrupt organisations

- Define “Talent” as the disruptors, innovators and game changers.
- Have a sector-wide approach to building depth of talent against critical skills in short supply.
- Make interventionist moves for tasks as well as jobs and externally as well as internally.

2. Aim for the best people with no compromise.

World-class organisations are totally committed to securing the best people for their business. That means getting to know the best talent in the external market before you need it, and then acting quickly and decisively to acquire it when you do. It also means building role and person specifications with uncompromising rigour.


A textbook example is provided by Emma Hardaker-Jones, Group HRD at Legal & General. She explains: "One of the pieces of work I will drive with my own team is an in-depth evaluation of the top 100 of the firm against key capabilities. We will then challenge ourselves every time we have a vacancy to decide whether we build, buy or borrow to fill those roles. We will make a really conscious choice about every job we have as to how we will drive transformation through key hires."

Refresh organisations

- Successfully encourage employees to act as talent scouts for great people externally.
- Build internal candidate slate and parallel process external candidates.
- Have a hybrid process of self and leader nomination against future capabilities for internal talent identification.

Disrupt organisations

- Are constantly engaged in market mapping and tracking of competitor and non-obvious talent.
- Bend the organisation to suit great talent, rather than bending the person to the job.
- Have an open, self-nomination process for talent identification internally.



Leaders who are
a close fit with
their job role as
measured by
their traits and
drivers are up to

13^x

more likely to be
highly engaged
and willing
to expend
considerable
discretionary
effort.

3. Think person, not process.

The general trend is for organisations to take an ever more person-centric approach to talent management. Among other things, this involves getting to know talent at a deep level, and looking at the whole person when considering people for roles.

One of the leading global organisations has even gone so far as doing away with talent labels altogether. Rather than thinking of employees as “high performing” or “high potential”, they instead build up a picture of each individual according to their drivers and what is important to them. They have also put “purpose” right at the heart of their talent management system.

Refresh organisations

- Use all available data to create a picture of the person in the round, which then feeds into the talent process.
- Combine talent and D&I processes into an integrated whole, which is driven from the point of view of “person first”.
- See talent intimacy as the key to building talent depth.

Disrupt organisations

- Put individual purpose at the heart of the talent process.
- Link engagement to the realisation of individual purpose, connecting seamlessly with the D&I agenda.
- Are reviving the concept of pastoral care and bringing renewed focus to the subject of employee well-being.

Of 57 female CEOs interviewed by Korn Ferry, only

12%

always knew they wanted to be a CEO. More than half gave no thought to being CEO until someone explicitly told them they had it in them.





Less than

1/3

of companies
say they are
effective
at building
the next
generation
of leadership
capabilities.

4. Think capability, not role.

Rather than focusing on preparing specific people for specific leadership roles, forward-thinking organisations are increasingly looking to build leadership capabilities within clusters of their workforce. These capabilities are based on the future needs of the organisation's strategy and their market.


One of the leading global telecommunications organisations is typical of this trend. Anticipating significant changes to their roles in the future, the organisation has shifted the focus of succession management to capabilities and to building talent pools that are strong in key areas such as customer experience and video technologies.

Refresh organisations

- Manage the succession of multiple people to multiple jobs, with replacement plans for C-suite only.
- Give individuals access to opportunities that will build their capability rather than thinking in terms of job moves.
- Have boards that demand to know whether the top team understands the capabilities needed for the future.

Disrupt organisations

- Focus less on succession plans and more on capability planning and business critical skills aligned to strategy.
- Create an internal market to enable the free flow of talent to meet capability needs.
- Have boards focused on whether the organisation has enough people with the right capabilities for the future, rather than on replacement-based succession.



**If able to start over
with leadership
development,
business and HR
leaders would only
keep**

12%

**of their current
approach.**

5. Talk career, not development.

Progression through organisations is now conceived less in terms of role-to-role development and more in terms of the critical experiences that employees need to build along the way. For technical careers, the model is not comparable to an escalator or ladder anymore. Instead, think of a Harry Potter-style stairway, regularly shifting from platform to platform to create multiple routes of ascent.

In some cases, employees may even be encouraged to move outside the organisation in order to acquire the skills needed for the future. As Major General Rob Nitsch of the British Army explains: “If we can’t develop people sufficiently internally or need a specific skill developed, we place them with other employers so that they develop what is needed.”

Refresh organisations

- Enable employees to gather specific skills by making planned moves outside the organisation with return guaranteed.
- Anchor career plans to individual ambition.
- Provide career advice through line leaders, HR, mentors and external advisors.

Disrupt organisations

- Abandon career paths altogether in favour of building employability through re-skilling and re-invention several times over.
- Allow individuals to move fluidly through, outside and back into the organisation with a range of employment relationships.
- Provide career advice through career transition experts who sit within the organisation and are a core offering within the EVP.



6. Put simplification at heart.

Simplification is now seen as a guiding principle for driving agility within talent management and the wider business. Among other things, this could mean integrating adjacent processes or developing a dual cadence for talent reviews. At BP, for example, they have streamlined their talent review, calibration and succession planning process and now only conduct a full review every second year.

Refresh organisations

- Help line leaders identify talent more effectively by encouraging better conversations and using fewer templates and measures.
- Conduct talent reviews not only on an annual or biennial cadence but also when prompted by business events.
- Focus on system implementation to reduce line leader load.

Disrupt organisations

- Simplify their definition of talent, for example by using learning agility only.
- Conduct talent reviews when triggered by the needs of business disruption, rather than following an annual cadence.
- Use technology such as chatbots to drive speed and simplicity.



Companies that are
less complex than their
peers grew

30% – 50%

faster than companies
with average levels of
complexity and

80% – 100%

faster than the most
complex.



7. Focus on mindset, not process.

Organisations are increasingly focusing on the talent mindset of leaders. They are also demanding absolute accountability from leaders in this area – and enforcing it by developing individual leader metrics with links to reward.

Mars' approach is typical of this trend. As their Chief Talent Officer explains: "We take talent management and line management seriously.. Line management capability is graded all the time and we will only appoint people if we think they will be great people leaders."

Refresh organisations

- Have CEOs and top teams that provide visible and active sponsorship of the talent pool.
- Are increasing the proportion of annual incentive linked to people and talent objectives.
- Hold leaders accountable for building succession depth and measure them accordingly.

Disrupt organisations

- Assign 30% of an average leader's time to hiring and developing talent.
- Ensure reward and talent metrics are intrinsically linked, and measure them through upwards feedback.
- Hold leaders completely accountable for their succession, with their own progression being impacted if no successor is agreed.



66%

of the most admired companies incentivised their senior executives to build human capital, compared with only 30% amongst peer companies.



48%

of participating organisations have adopted a refreshed, “double-hatted” centre of expertise, while 10% have transformed their structure to be more agile.

8. Structure for transformation, not tradition.

Is the Centre of Excellence-based structure still fit for purpose? Many organisations have their doubts and are instead looking to create small, agile teams that are better positioned to dream, design, develop and disrupt.

Take BT. They are deploying a lean team at the centre that focuses on strategic decisions and on identifying the “big bets” that should be pursued at a group level. Meanwhile, each line of business has its own talent lead who is responsible for deploying the group offer, and for developing other business-led solutions at a local level.

Refresh organisations

- Have centres of expertise structured along talent segment lines.
- Share areas of specialism between the centre and business units.
- Encourage everyone to wear two hats, one specialism-related and one related to the business or line.

Disrupt organisations

- Have centres of expertise structured along consulting lines with design teams, delivery teams and project management office.
- Place specialisms within the business alongside HR Business Partner activity.
- Deploy agile teams to enable scaling up or down to suit the needs of the business.

Next steps

There is a clear case for businesses “refreshing” or “disrupting” their talent management approach. But it can be difficult to know what steps to take in order to achieve it, especially when the future of work feels like one great landscape of uncharted territory.

If you’re starting to think about how you can refresh or disrupt your approach to suit your organisation, we offer three things to consider:

- **Step one: create your own strategy and roadmap.**
The unknown seems a lot less daunting when your talent strategy has a clear sense of ambition and direction. This means looking at your business direction, future possible strategic scenarios and key talent imperatives, and understanding what your most talented individuals want.
- **Step two: involve your stakeholders in the detailed design of your approach.**
Once the high-level talent strategy and roadmap are clear, detailed design can follow. Building your detailed solution will involve a more flexible and engaging process. It helps if you use agile teams who stay close to the customer.
- **Step three: think about how you structure to drive transformation.**
A clear set of organisation design principles can help talent teams decide which of the typical design will best meet their needs. These design principles should be based on the work agreed at the strategy and roadmap level of your plan.

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The Korn Ferry research team:

Core team:

Lesley Uren

Raoul Mooyaart

Claire Bruck

Madisen Clark

Additional research:

Helen Cofler

Lara Menke

Jon Barney

Production support:

Riva Singer

For a copy of the full report, please contact lesley.uren@kornferry.com.



About Korn Ferry

Korn Ferry is a global organisational consulting firm. We help companies design their organisation – the structure, the roles and responsibilities, as well as how they compensate, develop and motivate their people. As importantly, we help organisations select and hire the talent they need to execute their strategy. Our approximately 7,000 colleagues serve clients in more than 50 countries.