

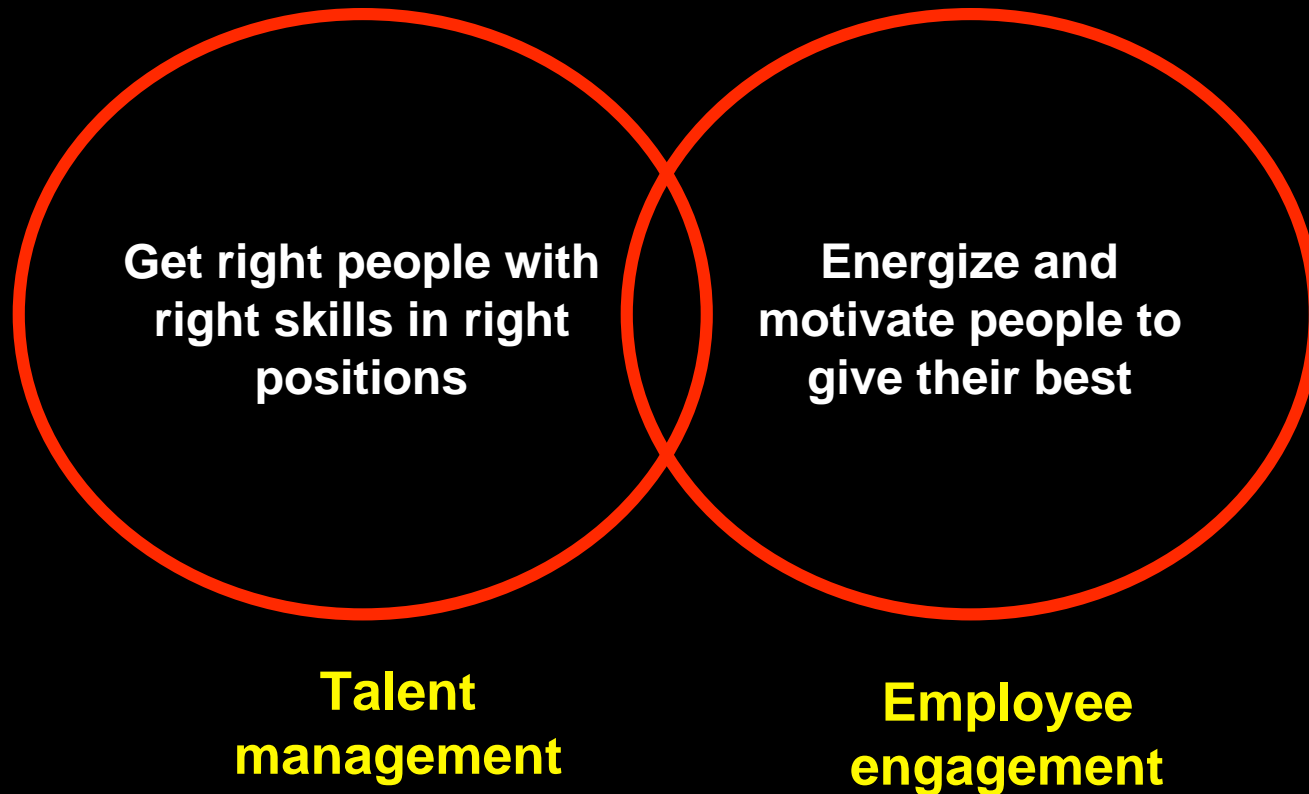
HANDFIELD JONES

**Hot Spots and Cool Spots in the
War for Talent**

**Helen Handfield-Jones
Human Capital Institute**

April 7, 2006

THE TALENT SIDE OF THE PEOPLE STRATEGY



BROAD FORCES SHAPING THE WAR FOR TALENT

**Value of
intangibles**

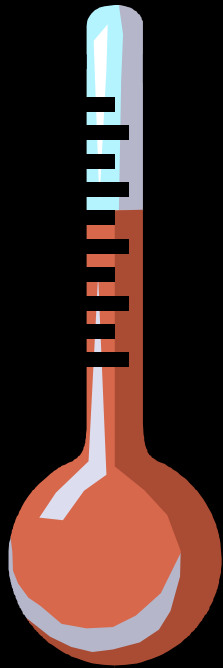
**Talent is more
mobile**

**Workforce
demographics**

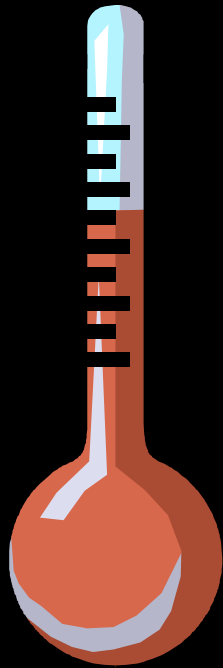
**Diverse people
diverse needs**

**Globalization of
talent pools**

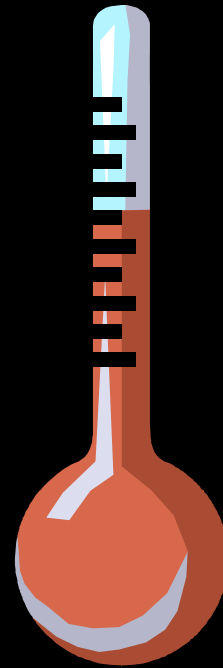
HEAT FACTORS FOR A PARTICULAR TYPE OF TALENT



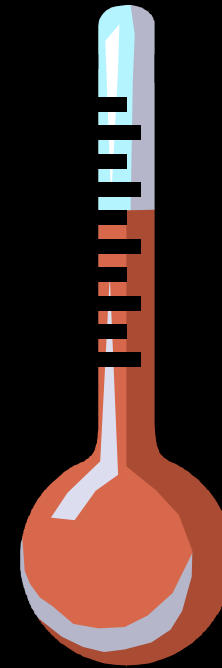
**Value creation
impact of role**



**Performance
difference**

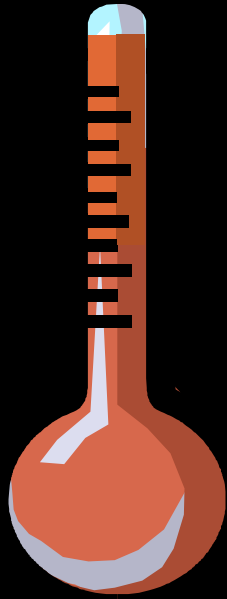


**Demand
trends**

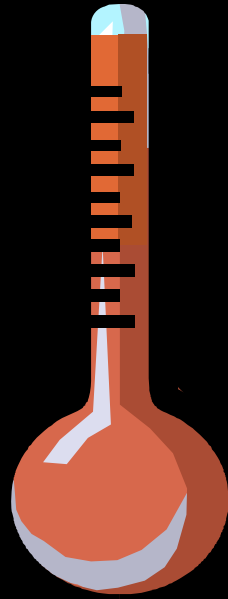


**Supply
constraints**

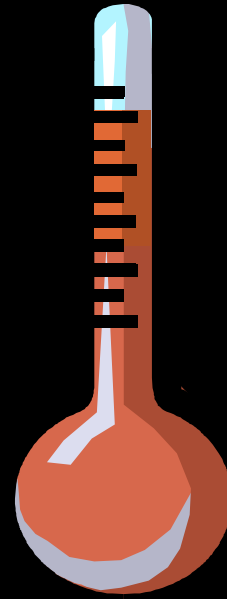
TALENT-INTENSIVE ROLES: VERY HOT



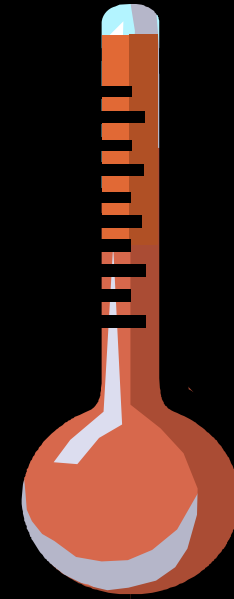
Value impact



Performance difference



Demand

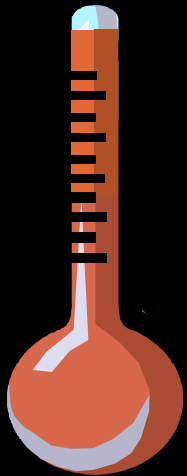


Supply constraints

Examples

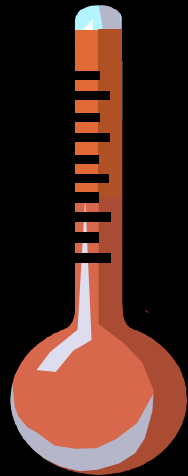
- **Business leaders**
- **Biotech research scientists**
- **Software product developers**

TALENT-INTENSIVE ROLES: VERY HOT



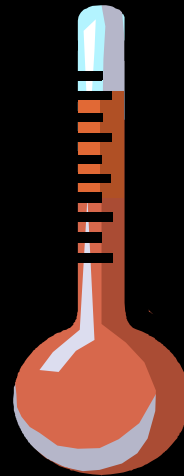
Value impact

- Huge leverage leading others
- Make big decisions
- Create the product



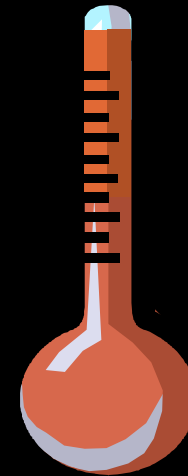
Performance difference

- Highly complex roles
- Requires judgment and creativity
- Tacit knowledge
- 2x – 10x the performance



Demand

- Demand for the very best is always high



Supply constraints

- High level of innate talent required – rare
- Over 20 years of education and experience

ERAS OF EXECUTIVE DEVELOPMENT

1890's - 1910's

- Robber Barons
- Owner managers
- Outsourced to other owner managers
- Acquired owners became founder executives

-
- No concept of executive development

'20s

- “Generals” emerge
- Corporations have life beyond owners
- Founder executives retiring
- Beginning of professional executives

-
- Executive development begins:
- Career planning
 - Selection tests
 - Job rotation systems
 - Fill division heads from a roster

'30s - '40s

- Depression and War
- Survive, hunker down
- Hiring ceased

-
- Killed the fledgling programs

ERAS OF EXECUTIVE DEVELOPMENT

'50s - '60s

- Booming prosperity
- Old executives dying in office
- Realized value of college educated managers
- No pipeline of talent
- Can't hire enough to grow
- 15 year planning horizon

Sophisticated executive development:

- High potential programs
- Succession planning
- Job rotation, career paths
- Training programs
- Chess masters
- Birth of search firms

'80s, early '90s

- Recession
- Japanese manufacturers
- Lower costs, increase productivity
- Downsized, delayed
- Baby boomers and women entering managerial ranks

- Fewer development positions and ladder rungs
- Reduced intake of talent
- Stopped executive development programs
- Downsized HR
- Broke the loyalty for lifetime contract

STRATEGY FOR TALENT-INTENSIVE ROLES

Quality game

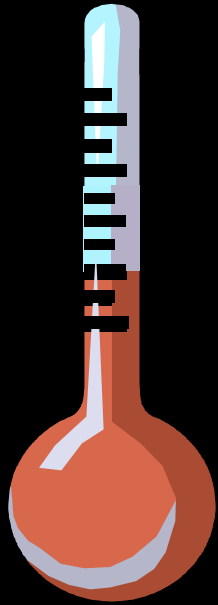
Highest impact talent management levers

- Assessment accuracy when recruiting
- Talent review process
- Intense individualized development
- Recognize and reward top performers
- Remove mediocre performers

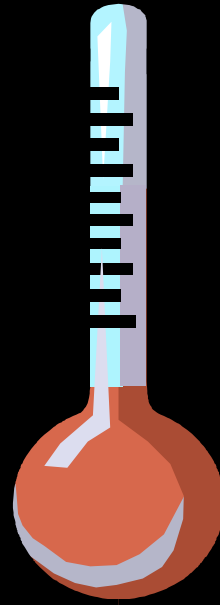
Most important elements of value proposition

- Exciting challenges
- High-performing growing company
- Career advancement opportunities
- Highly talented colleagues

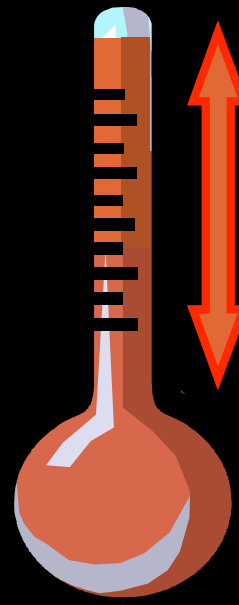
SPECIALIZED SKILL ROLES: SOME HOT, SOME COOL



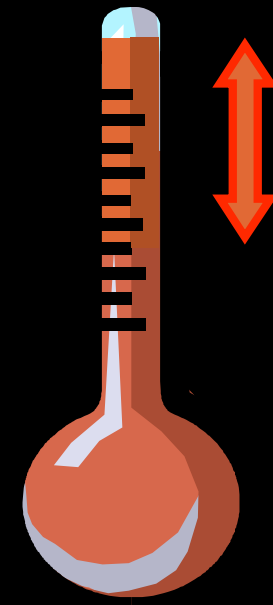
Value impact



Performance difference



Demand

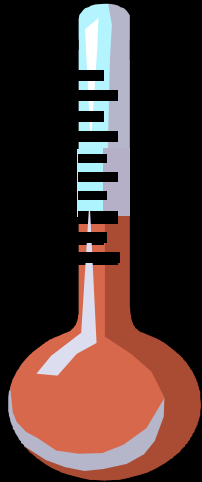


Supply constraints

Examples

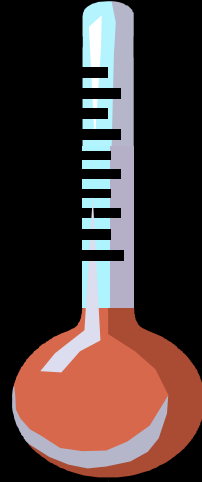
- Nurses
- Masters of Library Science
- Programmers
- Skilled trades

SPECIALIZED SKILL ROLES: SOME HOT, SOME COOL



Value impact

- Essential roles
- Often not at the heart of the business
- Not leading large groups



Performance Difference

- Tightly prescribed ways of doing things
- Apply technical knowledge
- Certification sets the bar



Demand

- Can fluctuate dramatically
- Some have relentless increases



Supply constraints

- Moderate level of innate talent required – many could do it
- Takes a few years of training
- Some barriers to new people entering

STRATEGY FOR SPECIALIZED SKILL ROLES

Quantity
game

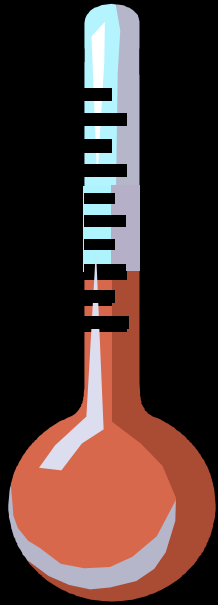
Highest impact talent management levers

- Creative recruiting strategies
- Tap foreign talent pools
- Restructure roles to reduce number needed
- Increase training capacity
- Sweeten the value proposition

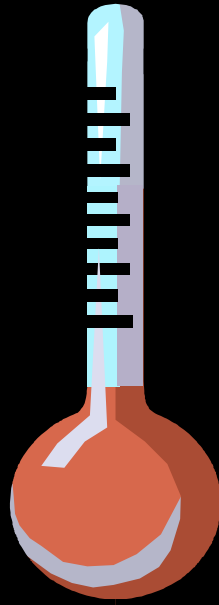
Most important elements of value proposition

- Interesting, leading edge work
- Working hours and demands
- Team environment
- Pay and benefits

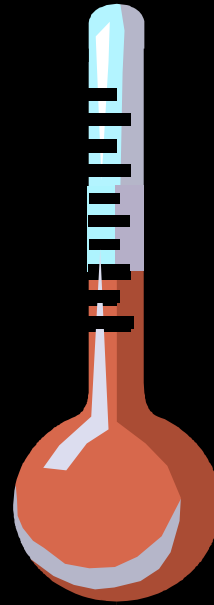
LOW SKILL ROLES: COOL



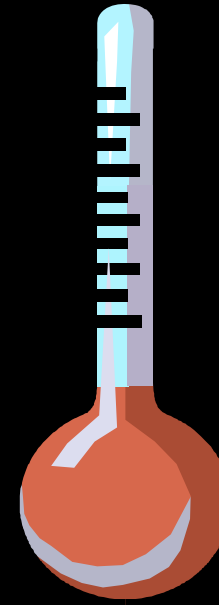
Value impact



Performance difference



Demand

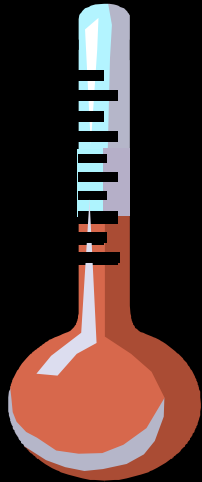


Supply constraints

Examples

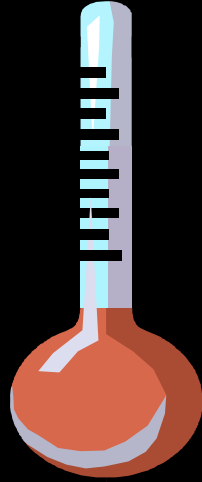
- Flight attendants
- Truck drivers
- Call center staff
- Retail sales associates

LOW SKILL ROLES: COOL



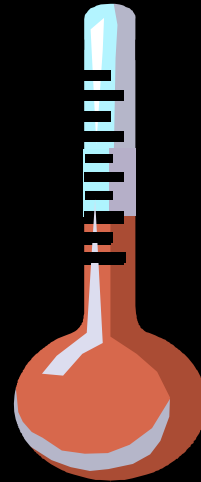
Value impact

- Usually don't make or break a business



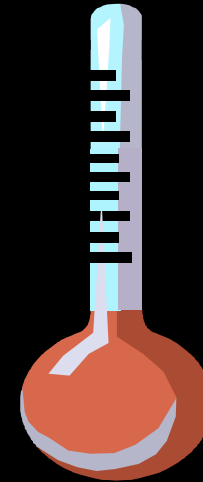
Performance Difference

- Little differences between individuals
- Substantial differences across companies



Demand

- Depends on the industry



Supply constraints

- Large pool of workers could do these roles
- Few days to months of training
- Icky jobs hard to fill
- Can be solved with higher comp and benefits

STRATEGY FOR LOW SKILL ROLES

Engagement
game

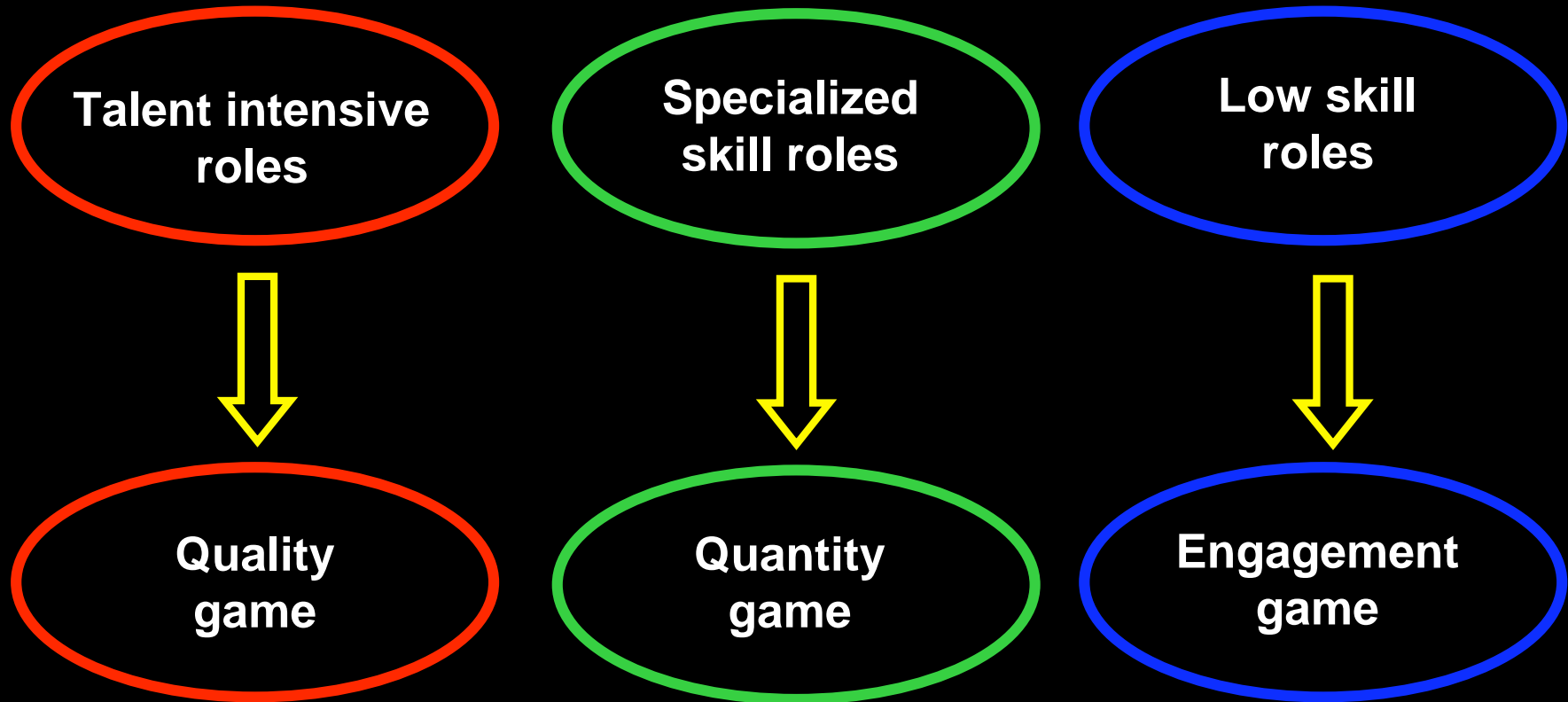
Highest impact talent management levers

- High volume recruiting
- Screen for attitude
- Great frontline supervisors
- Engagement and empowerment
- Minimize turnover

Most important elements of value proposition

- Hours
- Wages and benefits
- Work environment
- Job security
- Treated fairly and with respect
- Opportunities to grow into management roles

TALENT STRATEGIES ARE VERY DIFFERENT



CRAFTING TALENT STRATEGIES FOR YOUR COMPANY

Identify 3-4 critical roles

Analyze the war for talent dynamics

Estimate quality and quantity gaps

Diagnose current approach

Select highest impact strategies