

Talent and Talent Management Insights

Insight 3. From Steady State to Ready State-
Talent Management during Organisational Transformation
and Change

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Talent management during organisational transformation and change - Executive Summary

- If an organisation is to achieve its objectives, it will need to ensure that its talent management systems can adapt to any new requirements and move from 'steady state' to 'ready state.'
- The complexity of the environment means that the linkages between talent management and organisational success will not be as clear as the organisation goes through the flux of transition; the frameworks and assumptions around talent decision making (growth, succession management and so on) are brought into question by changes in either the external environment or internal organisational change; and the availability of data on which to make talent decisions will be made more difficult as both objectives and organisational structures change.
- The challenge facing talent professionals is to answer the questions raised by organisational transformation and change and put in place a compelling business case for continuing with the focus on talent and a strategy that fits talent to the requirements of the changed environment
- The case for continuance of the talent strategy is a strong one. It can highlight talented people to fill critical posts to deliver the transformation; moreover if talent management is used to its full potential then retention policies and practices can ensure that key talent is identified and support provided; and talent management (training and development, maximising potential conversations, coaching and mentoring) can be used as part of the change management process
- A number of key areas of focus during transformation have been identified that have implications for talent management. These include effective leadership which is a key enabler by providing the vision and reasons for the change. A key contribution of talent professionals will be to use their insights about leadership to identify the different leadership styles are relevant to the new environment (since leadership is contextual), which members of the talent pools have such skills and which styles are right for the scale of the change anticipated.
- Secondly there will be a requirement for training to deliver the change effectively including such aspects as project and programme management skills to ensure change is completed both on time and to budget; change management skills, including communication and facilitation and leadership coaching. Such skills can be identified and included as part of the organisation's talent development portfolio.
- The knowledge and insight of talent management professionals about the necessity of organisational development and how to implement it successfully could be important during the change period; and so the third area is that of organisational development which applies to strategic or structural change (eg organisational transformation) throughout either the whole of the organisation or individual units. The contribution of talent professionals at this time will be to provide expertise in managing change in such a way as to be flexible, based on learning as the change proceeds and to ensure that the change becomes sustainable and 'institutionalised.'
- The key objectives facing talent professionals during organisational change and transformation are the identification and deployment of talent to meet the business strategy and changes in the business model; making sure that talent practices are in line with the requirements of the change or transformation; ensuring that there is a plan to deliver the talent requirements of the transformed organization; making sure that the transition of talent from the previous to the new position is managed effectively To address these will require crafting a talent strategy based on both strategic and execution skills

Talent management during organisational transformation and change

Introduction

In the previous NHS Leadership Academy Talent and Talent Management Insights the subjects of defining talent and talent management and how talent management aligns with employee engagement were discussed. This is the third in the series and deals with talent management during times of organisational transformation and change. This is particularly relevant to the challenges faced by many organisations today and addresses the question of how talent management can be used in support of the change process.

If an organisation is to achieve its objectives, it will need to ensure that its talent management systems can adapt to any new requirements. There is evidence that this has taken place because the subject of talent management as has evolved over the past twenty years with a growing acceptance

There is a requirement that talent management moves from 'steady state' to 'ready state' during periods of organisational transformation and change

of its processes at each stage of development. For many, the models of talent management such as the ubiquitous 'nine box talent grid,' tools such as 'maximising potential conversations' and the language of talent most notably articulated in McKinsey's 'War for Talent' report have become embedded in the human resource management discipline.

The level of acceptance is such that in some organisations there is a 'steady state' condition in which there is brand strength in talent management services and 'cognitive lock in' because users have confidence in them. (CIPD 2012) There is evidence of this in the NHS where a significant investment in talent management has taken place and whilst there are varying levels of implementation, there is general acceptance of the importance of the subject.

However, organisations have found that the uncertain and ambiguous nature of today's business environment and the complexity of internal organisational dynamics have a tendency to throw the 'steady state' of talent management into question. As organisations go through periods of transformation and change the focus on talent and talent management can be subject to debate around such areas as:

- Should the organisation continue to invest in talent management initiatives when there are reductions or cutbacks elsewhere
- Are the talent management principles that were put in place in one phase of strategy relevant to the new now- for example performance management, core competencies and leadership attributes?
- Should talent management be put on hold until short term issues are dealt with

Consequently the alignment of talent strategy with organisational strategy, one of the key goals of talent management discussed in the Leadership Academy's first Insight (Defining Talent and Talent Management) is made more complex. There are specific factors involved in this complexity:

- In the first instance, the linkages between talent management and organisational success will not be as clear as the organisation goes through the flux of transition.

- Secondly the frameworks and assumptions around talent decision making (growth, succession management and so on) are brought into question by changes in either the external environment or internal organisational change
- And thirdly the availability of data on which to make talent decisions will be made more difficult as both objectives and organisational structures change.

The challenge facing talent professionals is to answer the questions raised by organisational transformation and change and put in place a compelling business case for continuing with the focus on talent and a strategy that fits talent to the requirements of the changed environment.

This insight will review these important questions and propose ways of dealing with them. The review will be in four areas:

- The context for talent management during transformation and change
- What happens to talent management during this period
- What talent strategies can be put in place to ensure continuity of talent 'delivery'
- The role of talent management professionals during organisational transformation and change

The insight's objectives are to provide knowledge that will help in the challenge facing talent management professionals -to craft a talent strategy through the period of transformation and change whatever conditions prevail.

This requires that talent management during organisational change move from 'steady state' to 'ready state.'

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The context for talent management during times of change

The context within which talent management takes place both within the NHS and other large organisations around the world, is one of dynamic change and has been described as consisting of four elements known as 'VUCA'- Volatility, Uncertainty, Complexity and Ambiguity. These were discussed in the first of the NHS Leadership Academy's Insights but there are additional elements that may be considered in the specific context of transformation and change.

Each of these dynamic elements has an impact on how organisations define and manage talent:

- Volatility- because of the speed of change but not in a way that is predictable or repeatable. The talent management implications of this are significant. Whereas once talent management professionals may have been faced with a choice of scenarios- for example set up growth, recruitment or succession plans against agreed headcount targets envisaged by the strategic workforce plan **OR** plan for retention in key posts because of likely reductions in a particular area or business unit- volatility means being having to prepare for both. The change from one scenario to another may take place rapidly and without notice.

If the organisation is to achieve its core people objectives of having the right people in the right place at the right time with the right skills then it will need effective talent management regardless of the conditions within which this takes place. Organisations need to be smart if they are to ride volatile economic and demographic trends.

- Uncertainty which comes about because of the lack of predictability about external environmental conditions. In developed economies 'the proportion of employers reporting an increase in competition for well-qualified talent has risen threefold from 20 per cent in 2009 to 62 per cent in 2013' (CIPD/Hays 2013) with managerial and professional vacancies being the hardest ones to fill, followed by technical specialists. In addition labour turnover has declined since the start of the financial crisis with the upshot that organisations have reported recruitment difficulties due to the absence of suitable candidates. The uncertainty about economic or political conditions is translated into uncertainty in labour markets. Even though an organisation may be going through periods of downsizing or cutback it is still likely that they will want to keep key technical or specialist employees or to attract them to join the organisation. Internal uncertainty may impede the former; external uncertainty the latter.
- Complexity- this arises because of the changes that have taken place in the way in which organisations achieve their objectives- using global supply chains for example; or the many different types of employment relationship that exist in organisations. In particular there has been a change in the way in which organisations are designed that adds to the complexity. The shift from hierarchies to networks has an impact on the way in which talent is identified and managed. The talent strategy for a hierarchical organisation may be very different of that of a networked one.
- Ambiguity- arises because there are fewer 'cut and dried' decisions and often competing actions can take place –redundancy and recruitment simultaneously for example. The recession accentuated this point because, whilst there was a surplus of people looking for work, organisations still faced shortages in some critical areas where they most needed to attract and retain skilled talent. Skills such as combined technical and business expertise; the ability to develop and lead others; those having creativity and innovativeness and the ability to adjust to change quickly- as well as analytical skills- are in short supply. As the world economy moves into growth shortages in certain geographies or key skills remain and a surplus of labour doesn't necessarily mean the availability of people with the right skills. This is a paradoxical situation and one that leads to ambiguity in developing a talent strategy.

For many organisations these kind of environmental conditions are the norm which means that talent management rarely takes place in a static or stable environment. And yet, if the organisation is to achieve its core people objectives of having the right people in the right place at the right time with the right skills then it will need effective talent management regardless of the conditions within which this takes place. Organisations need to be smart if they are to ride these economic and demographic trends.

***'It's no use having great plans for the business based on having a mix of knowledge and skills if the people with those skills aren't available, don't want to join or don't want to stay at the organisation.'* (Turner and Kalman 2014)**

There is a worldwide shortage of talent caused by a convergence of external factors- economic and political, internal organisational dynamics and changes in attitude towards the development of the individual that has created a challenging context for talent. To be successful will require insight on the part of talent professionals together with a commitment on the part of the organisation to deliver talent at all levels in pursuit of the organisation's objectives. This is made more difficult if an organisation is going through a period of change. There is likely to be an impact on talent and talent management.

The implications of external and internal forces for organisational transformation, change and talent management

External forces can create pressure on talent strategy

The impact of organisational change or transformation on talent and talent management can be dramatic.

The CIPD (2009) found that some of the consequences of change (particularly as a result of economic change) were that learning and development budgets were cut; talent management was being increasingly scrutinised; efforts were shifting to focus on employee retention and talent processes were being reviewed for their cost-effectiveness. As a result there was greater demand on talent management systems and processes to show a return on investment as well as greater emphasis on more robust and transparent criteria for the selection and development of high-performing individuals.

This research was undertaken at a time of recession and for many, the effects of the economic cycle were ones of cutback or holding of expenditure. However, the past two years has seen an emergence from recession which has brought about a fresh set of talent challenges. One of the characteristics of today's labour markets is a worldwide shortage of talent which has created problems for those organisations looking to grow their businesses and finding those people with the skills to do so (ability to work across cultures for example, or specific technical skills); at the same time there are the challenges of retaining people as organisations seek to take advantage of economic growth.

The public sector has not been immune from the effect of these forces which has led to a strong focus on change management with the conclusion that both cost reduction and service delivery transformation were component parts of the new environment:

'Public sector leaders face significant challenges as they respond to the twin pressures of reducing spending and providing more customer-focused services. This involves looking at new ways of delivering services, for example increased commissioning of services and greater involvement of the private sector and non-profit organisations such as mutuals and co-operatives, as the role of the state is reduced and communities play a more active role. The chief executives and HR directors interviewed for this report recognise that to succeed they need to change the prevailing public service model to deliver greater value for money and more bespoke and localised service delivery.' (CIPD 2012)

The evidence points to an environment of significant change. In some organisations apparently conflicting challenges of change can take place simultaneously. There may be a requirement to cut back or reduce talent management activity in one area, whilst calls for increases in talent activity in others. As outlined in the introduction, VUCA means that multiple talent scenarios can coexist in the same organisation.

Talent management can help to support an organisation as it deals with the effects of these external forces through leadership and management development; in highlighting new competency areas, in reskilling and organisation development.

Internal transformation and change create pressure to review talent strategy

But the effect on talent management need not only come from external economic pressures. Internal organisational changes for example can have significant implications for the types of skill needed to manage in the new structure that may not have been envisaged in previous ones:

- The change in organisation design caused by restructuring will have an impact on talent management. Whereas the core competencies may once have consisted of, for example, the ability to lead a team of direct reports; the ability to achieve fixed and clear goals and the ability to manage upwards through Boards of Directors or senior management teams; new structures may shift the emphasis on to different skills. In a networked as opposed to a hierarchical organisation, these may emphasize the ability to manage across independent business units or the ability to work with more external suppliers because of changes to the 'philosophy' of the organisation (through outsourcing or innovation partnerships). A talent development strategy designed for hierarchy may require change because of reorganisation. Some of the new leadership capabilities associated with this were outlined in the NHS Leadership Academy's Insight 1.

During times of change, organisations will need to have more not less emphasis on talent management if they are to adapt to new business processes and the changes in the environment.

process can be managed and whether the talent plans as originally devised (qualitative in terms of competencies, quantitative in terms of succession through talent pools) are still relevant. In this case, organisational change doesn't negate talent management, but it does shift the emphasis and a key to success will be whether there are people with sufficient knowledge, skills attitudes and behaviours to adapt to these changes- a fundamental platform on which talent strategy rests.

- In addition, there may be the creation of new specialised roles that were not a feature of earlier talent plans. This can come about because of reorganisation or transformation. In the HR function for example, the creation of business partners, or HR professionals responsible for employee engagement through social media outlets, or project managers for change in business unit structures (identifying candidates, setting up interview and appointments processes) may not have existed before the change. Talent plans would have to be revised to ensure that there were people who were sufficiently skilled –and available-to fill these posts.

- But the change may also lead to closure of business units and the creation of new ones. The question arises as to how this

The convergence of the external and internal forces is often more complex today than in recent times. The requirement on talent professionals in this new environment is the ability to manage in both steady state and ready state. There is support for the assumption that 'talent management in the 21st Century is different to talent management in the 20th'.

A convergence of external and internal forces

McCartney (2009) has argued that during times of change, organisations will need to have more not less emphasis on talent management if they are to adapt to new business processes and the changes in the environment. There is considerable evidence in support of this sentiment because during periods of transformation, there is a risk of disengagement and the potential loss of key staff. More investment in talent management at these times is the ideal situation but there is also the possibility that the subject of talent may be relegated in favour of other issues regarded as more business critical.

The case for maintaining a high profile for talent management is a strong one. The requirements of the organisation during periods of transformation and change can be answered by robust talent management systems and processes. Three operational implications demonstrate the point:

- The first is the availability of talent to fill critical posts to deliver the transformation. In this respect it is argued that only by integrating processes such as capability planning and learning and development with business strategy will companies be able to ensure that they have the right people in the right place, at the right time during periods of organisational change. Effective talent management can identify people with the right skills for such roles and development activities to reinforce them.

During times of change many organisations were focusing considerable time on engaging, motivating, retaining and fully using the skills of their existing workforce through honest and frequent communications between managers and employees leading to a greater understanding of business or organisational issues.

- The second shows that the change (in organisational culture or structure as result of changes in the business environment) can also lead to the departure of talent. Transformation not only has implications for the attraction of talent into new posts but for the retention of existing talent either for development

into new areas or units or during the period of the transformation to provide stability. If talent management is used to its full potential then retention policies and practices can ensure that key talent is identified and support provided.

- The third is the potential for the disengagement of talented people during transformation. Reorganisations can alter reporting relationships which means that the amount of investment between a manager and employee could be perceived as wasted; changes in strategy take time to communicate which can cause some confusion and potential for dissatisfaction; and 'new technology may redefine job requirements and the organisation's definition of maximum contribution.' (Rice et al 2012) In an inclusive talent management environment the recognition of the need to ensure that all employees are engaged in the change will be understood. Talent management (training and development, maximising potential conversations, coaching and mentoring) can be used as part of the retention process.

The absence of effective talent management in any of the above scenarios can have a deleterious effect on the organisation's performance. They can also lead to the erection of barriers to effective talent management that may be exacerbated during organisational transformation: Corsello (2012):

- 'Siloed talent-management initiatives;' whereby processes for talent initiatives are not integrated.
- 'Limited application of talent-management processes;' which is 'rooted in traditional management thinking. It has focused on developing the talent of senior executives ...rather than maximizing the talent of all employees.'
- Lack of quality HR information.
- Lack of support to implement flexible and robust technology platforms.

The challenge of talent management professionals during times of organisational transformation and change is to ensure that these barriers do not stop the objective of delivering an inclusive talent management strategy that will ultimately lead to the long term success of the organisation.

It's important to ensure that a case is made for investment in talent and talent management at these times. Where this has happened and talent management has continued to be prominent during the

change, organisations have seen benefits. The CIPD's research outlined in '*The War on Talent? Talent management under threat in uncertain times*,' (CIPD 2009) found that many organisations were focusing considerable time on engaging, motivating, retaining and fully using the skills of their existing workforce through honest and frequent communications between managers and employees leading to a greater understanding of business or organisational issues.

The identification of the objectives of the transformation and change, together with insight into the issues that might get in the way of change are essential precursors to developing a talent response.

What talent strategies can be put in place to ensure continuity of talent ‘delivery’ during periods of transformation and change?

Linking talent strategy to the goals of transformation and change

Organisational transformation and change brings both uncertainty and opportunity to individuals. There are processes that can be put in place to mitigate some of this uncertainty through classical change management including presenting the individual change as part of a wider coherent change plan, for example through considering linkages between strategy, structure and systems issues; effective project and programme management to ensure the achievement of the required outcomes in terms of delivery as planned; training and development in a variety of skills such as project management, change management and leadership and identifying and managing any resistance to change. (CIPD 2014). These are critical process solutions and whilst being important to the overall success of transformation can be further supported by effective talent management

For example a study of change management in the public sector concluded that ‘organisational development and leadership development lie at the heart of the change process. The main levers to achieve culture change are organisational development in combination with leadership and management development. The two activities are regarded as mutually dependent and reinforcing.’(CIPD 2012) This is a statement goes beyond process driven change management (which of course remains an important factor) and argues in favour of the role of talent and talent management during the change process. But what are the practical implications of this statement?

A number of key areas of focus have been identified (CIPD 2014) that have implications for talent management and organisational transformation.

- In the first place there is the need to ensure that there is effective leadership which is a key enabler by providing the vision and reasons for the change. A key contribution of talent professionals will be to use their insights about leadership to identify the different leadership styles are relevant to the new environment (since leadership is contextual), which members of the talent pools have such skills and which styles are right for the scale of the change anticipated.
- Secondly there will be a requirement for training to deliver the change effectively including such aspects as project and programme management skills to ensure change is completed both on time and to budget; change management skills, including communication and facilitation and leadership coaching. Such skills can be identified and included as part of the organisation’s talent development portfolio.
- The knowledge and insight of talent management professionals about the necessity of organisational development and how to implement it successfully could be important during the change period; and so the third area is that of organisational development which applies to strategic or structural change (e.g. organisational transformation) throughout either the whole of the organisation or individual units. The contribution of talent professionals at this time will be to provide expertise in managing change in such a way as to be flexible, based on learning as the change proceeds and to ensure that the change becomes sustainable and ‘institutionalised.’

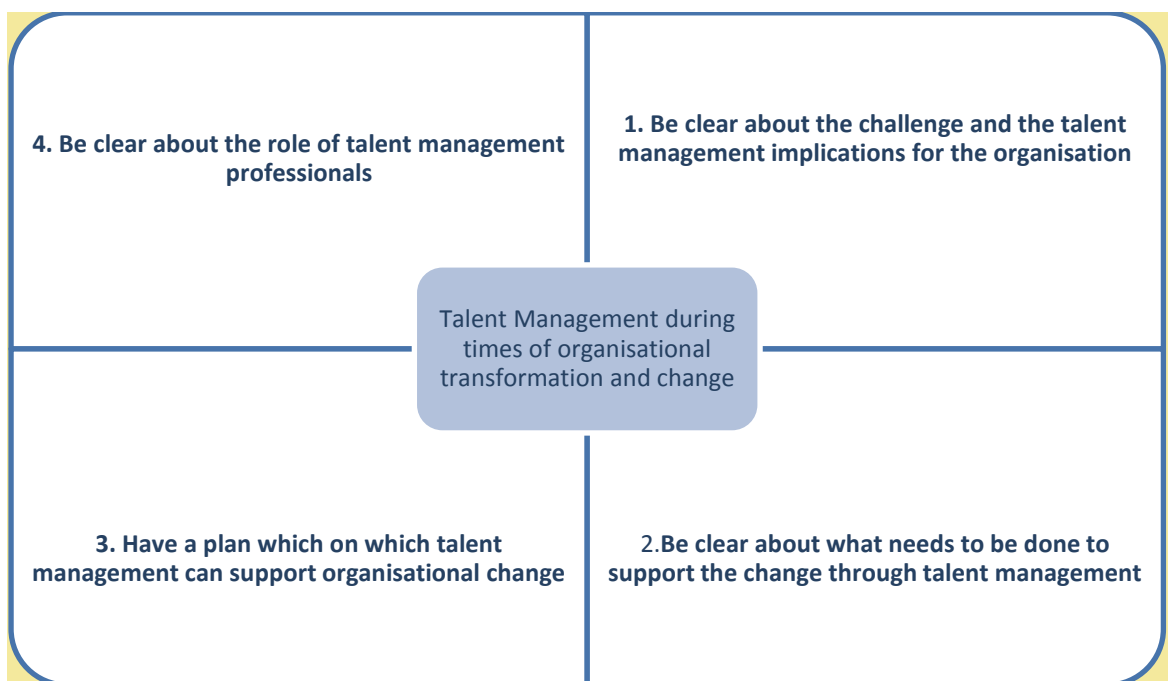
Finally the need for effective communication with employees and ‘their active involvement in implementation,’ has also been identified as a key enabler of change. Active participation a means of overcoming resistance to change.’ An inclusive approach to talent management will facilitate this process since active participation is an essential platform of inclusivity.

Ensuring that people with the right skills to lead, manage and implement change are available and fully engaged will determine whether the change is successful or not. It follows that there is a critical role for talent management and it is the responsibility of talent professionals to ensure that this role is understood.

In order for this to be successful the principles put forward as the basic propositions for talent management apply. These were identified as ‘establishing the right mindset, crafting a powerful employee value proposition, sourcing, developing, and retaining talent.’ (Chambers et al 1998) To do so at times of change will require for there to be a linkage between talent management and management decision making. Figure 1 shows the key aspects of these linkages:

Figure 1

Creating linkages between talent management and management decision making during times of organisational transformation and change



The following sections outline some of the actions associated with each of these areas to ensure that the linkages between talent management and organisational transformation and change are forged

Be clear about the challenge and the talent implications for the organisation

The first activity in ensuring the linkages in the talent response to organisational transformation and change will be clarity about what is actually taking place in respect of the change. What are the reasons for the change, what do the changes mean in practical terms (to the individual, the department or business unit, or to the organisation as a whole) and what are the desired outcomes of the changes? This will provide the information against which talent management can be positioned in support of the change.

Then the challenge facing those responsible for talent management is to identify which of these- and others- are the priorities for the organisation in the short or longer term. Cheese (2010) suggested key questions that may be applicable to gathering this information during the transformational phase:

- 'What are the critical capabilities and skills for the business, and where are the biggest gaps and challenges?
- What is the real feeling amongst the workforce at all levels re trust, engagement, commitment to stay, and how do we best address the concerns?
- How are we evolving our organization and business model to simplify how we work, to enable more efficient and more effective working with a leaner workforce?
- What are we doing with learning and training – where are the opportunities and needs to improve, align, and reinvent the way we deliver training to drive greater value to the business?
- Are our core values as a business really understood and aligned – what are the strengths and weaknesses of our corporate culture, and how do we create a culture that really encourages innovation, learning, and change?
- What do we need to do with the development of our managers and leaders – improving their people management skills, behavioral alignment, contribution to innovation and learning etc.?
- How do we put in place better measures so we deepen our understanding of our workforces and their capabilities, and the value of our talent management practices and interventions
- What do we need to improve or align on our employee value propositions to ensure we are an employer of choice in a competitive talent marketplace?'

A starting point in the development of talent strategy during transformation therefore is to build a full understanding of the status and availability of talent in anticipation of the change. (HRMID 2012) By answering the above questions it will be possible to:

- Understand the effects of change on talent within the organisation in terms of both the demand and supply of talented people
- Identify where talent surpluses or gaps exist as a result of the change
- Use the information to prepare a talent supply chain to meet changing business conditions and objectives.
- Focus talent investments by managing 'critical workforce segments.'
- Identify and manage critical talent that will be needed throughout the transformation (e.g. specialists or 'pivotal' workforces).
- Build a comprehensive talent database to track skills and performance.

Having established the nature and scope of the change, talent management resources can then be focused on the priorities that arise. These resources will be targeted at two levels. In the first there will be a strategic response- for example in the case of reorganisation there will need to be the development of new leadership and managerial roles, revised competencies and the appointment of new leadership teams. The second will be operational such as the establishment of new learning resources to support people through times of change. The key to understanding what needs to be done therefore is to identify the nature of the change, the outcomes desired and the impact on the organisation's talent.

The next stage in the process therefore is to articulate the actions- strategic or operational- that come out of the information gathering. This is the conversion of transformation information into insight.

Be clear about what needs to be done to support the change through talent management- a move from steady state to ready state

There is an opportunity to use talent management to provide support throughout the transformation and change. This can be to overcome the potential risk of losing specialist talent during change or not having full engagement of the whole workforce. Talent management professionals will put in place a business case which shows how talent management will enhance the possibility of success. This is with the objective of creating 'winning conditions' so that 'every other aspect of the business can use to move forward.'

There are key ways which could be considered in both the utilisation of talent during the transformation and the impact on talent management of the transformation.

In a steady state approach to talent, the predominant strategic perspective of recent years has been that of alignment. In the NHS Leadership Academy's Insight 1, aligning talent strategy to the business strategy was recommended; in Insight 2, aligning talent strategy to employee engagement activity

It is important for organisations to align their talent activities back to their strategic goals. During times of transformation and change, this means reviewing the talent strategy and identifying the must haves from the nice to haves (because of transformation and change, priorities change).

was also discussed. This principle should also be adopted during times of transformation and change. The challenge is to identify critical areas and to ensure that talent strategy is adapted and aligned to deliver to the new requirements.

A move from steady state to ready state involves:

- In the first place, 'business-critical needs become central and talent management strategies must clearly link in to such critical priorities.' (McCartney 2009) It is important for organisations to align their talent activities back to their strategic goals. During times of transformation and change, this means reviewing the talent strategy and identifying the must haves from the nice to haves (because of transformation and change, priorities change). This requires a talent gap analysis which compares the current state to the required state. Once this has been done it will be possible to reallocate resources dedicated to talent to the new priorities.
- Secondly, there will be the need to balance short- and long-term objectives. The challenge will be for the need to satisfy immediate needs by ensuring that there is a supply of talent to deal with leadership and management of the change in the short term and talented people who are able to deliver the objectives anticipated by the change. But longer term objectives won't be neglected by this refocussing. Instead, the revised talent strategy will look to attract and develop talent with the skills required for the new environment. An example of this in practice is when an organisation moves from one of a centralised structure with shared 'strategic resources' and centralised policy making to one of 'strategic business units' with quasi- independent status. In the first place does the organisation have talent that can head up the newly created units- if not what talent activities will take place to ensure that the posts are filled; in the second how can talented people who have been displaced by the new structure be retained for development into the new roles.
- To back this up there should be a critical review of the talent policy that was in place before the transformation and change to identify which elements are still relevant to the new environment and which need to be modified. A revised, clear talent policy which will allow the organisation to target talent development for the period of the transformation- whether this is

an operational change or one that is more strategic say over (2-5) years- will be put in place to ensure maximum benefit

- In the chaotic environment that can result from organisation transformation and change there is a possibility of a lack of coordination about talent management efforts and the creation of siloes of activity as outlined in an earlier part of this insight. And so it is important that there is a coherent talent management approach throughout the organisation. This means that scarce resource devoted to talent management- either full time talent professionals or HR professionals who have the talent role as part of their business partner responsibilities act in a coordinated way if the benefits of talent management are not to be lost during the period of transformation.
- Finally there is an opportunity to share learning and pool resources across different department or units. (McCartney 2009) This can lead to greater efficiency and effectiveness

The clarity provided by this exercise will then lead to a number of priority actions. The next part of the challenge will be to ensure that there is a well thought through plan to deliver against these.

Have a plan which on which talent management can support organisational change

Having established the objectives against which the talent strategy will be set in the new environment (the challenge of organisational transformation and change- the why); and the things that need to be done (the what) there are two further sets of actions. These are the planning of resources against strategy and clarity about the roles of talent professionals during the period of the change.

The first of these will involve clarity over implementation responsibilities and the preparation of a talent plan. The following are some of the key steps that will be required in the preparation of a plan:

- **Setting out the new talent management objectives in terms of clear deliverables and language.** The essence here is to outline what the talent plan is trying to achieve, how this will enable the achievement of the organisation's goals and how it will support the transformation and change programme.
- **Show how the talent strategy itself has changed as a result of this and to where resources will be allocated going forward.** This will consist of a diagnosis of current and future positions and how this translates into new talent management. For example, the previous strategy may have had as a priority the development of leaders to fill posts outlined in the workforce plan 2-3 years hence; whereas the new priority may be concerned with developing project managers who are able to deliver (for example) enterprise wide technology systems. Whereas the previous talent strategy may have been concerned with future skills requirements, the new talent strategy may more focused on current skills shortages. This is not the replacement of long term objectives with short term ones but a rebalancing of the scope and emphasis of the talent strategy. The challenge will be to deliver the short term requirements of talent management whilst at the same time preserving its more strategic objectives of long term development.
- **Check back to the assumptions on the previous talent strategy in terms of the tools of talent management.** In the NHS Leadership Academy's Insight 1 the component parts of talent management were laid out. As part of the revision of talent management during times of organisational transformation and change, it is important to evaluate these against the new requirements. Succession planning for example, a key tool in talent management- may have been set in the previous steady state. The questions to ask now are, given the changes that are taking place, are the right successors with the right skills identified; could some of the

successors earmarked for the longer term be put into new roles that have resulted from the change; and are there identified new successors, with the new competences required by the transformed organisation.

- In addition **the assumptions behind the other component parts of talent management will be reviewed and if necessary revised in a structured way**. Are the attraction and retention objectives still valid given the changes that are taking place; does the performance management process have the appropriate objectives that are required from the transformation and change and has talent been deployed in a way that maximises their contribution.
- A key objective of talent management is to **support employee engagement** and this was dealt with in the NHS Leadership Academy's Insight 2. During times of transformation there is the possibility that talented people may become disengaged and so a part of the talent plan will be how to sustain engagement during the period of change and beyond. Indeed a report on change in the public sector noted the importance of this point with the conclusion that employee involvement 'underpins buy-in ... the majority of chief executives interviewed recognising that simply 'cascading five-year plans' is no longer appropriate given the uncertain economic backdrop, constant state of change and the need for greater front-line autonomy and empowerment.' (CIPD 2012)
- **Develop a clearly outlined talent management project plan** consisting of an overview of what is intended as a result of the changes in the talent strategy. This will allow a track of progress and will include the key objectives and deliverables and the key factors that will contribute to its success; in line with classical project management the key assumptions and risks associated with them will also be outlined and the measureable benefits that will result from the plan.
- Finally it will be important to have **effective stakeholder management**. Amongst the actions are to engage the CEO and the senior leadership team or teams into what is being proposed; there will have to be buy in and engagement from the managers in each of the areas and an understanding as to why the changes are being proposed. A critical element of this activity will be to engage those who are directly affected- which, in an inclusive approach, will be a

Having established the objectives against which the talent strategy will be set in the new environment (the challenge of organisational transformation and change- the why); and the things that

broad swathe of the workforce; and clear communications will need to be put in place to ensure that there is no disengagement of talent during the period of the change.

In times of change a number of factors have been identified that can determine the outcome of any transformation initiative. These included the skills and traits relative to the project's requirements; the commitment to change that both senior management and all employees affected by the change display and the effort over and above the usual work that the change initiative demands of employees. (Sirkin et al 2009). The preparation of a plan to support the organisational transformation and change with well thought through talent initiatives will help to determine a successful outcome.

'Companies must pay as much attention to the hard side of change management as they do to the soft aspects. By rigorously focusing on four critical elements, they can stack the odds in favour of success.'

Finally, to reinforce the case for the use of talent management during organisational change there is the need for talent professionals to move beyond the provision of data in support of their case to that of providing intelligence and more importantly insight. This means providing usable metrics and analysis that can support decision making (Vaiman et al 2012).

The role of talent management professionals during organisational transformation

People management and development professionals have a significant role to play in any change management process and so the final area of the linkages outlined in figure 1 concerns the role of talent professionals during the change period.

There are four key objectives facing talent professionals during organisational change and transformation. These are the identification and deployment of talent to meet the business strategy and changes in the business model; making sure that talent practices are in line with the requirements of the change or transformation; ensuring that there is a plan to deliver the talent requirements of the transformed organization; making sure that the transition of talent from the previous to the new position is managed effectively. To address these will require crafting a talent strategy based on both strategic and execution skills.

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CIPD (2014) research has also identified that the involvement in change and transformation can be the difference between success and failure and possible contributions included:

- organisation – identifying any skills gaps, training needs, new posts and new working practices
- balancing out the narrow/short-term goals with broader strategic needs
- assessing the impact of change in one area to another part of the organisation
- negotiating and engaging across various stakeholders
- understanding stakeholder concerns to anticipate problems
- Helping people cope with change, performance management and motivation.

During this period the talent professional will seek to use talent management as a way of helping to position the company's strategy by providing insights into people factors that are influential. This means intelligence about labour market dynamics and demographic trends as well as insights about workforce supportive talent strategy during the period of the transformation and beyond. The underlying objective for talent management professionals at this time will be to help to build a stronger organization through their interventions.

There are practical ways in which talent professionals can support the transformation by leveraging good talent practice to ensure continued engagement. There is also the opportunity to look forward 'with new and creative ways to design and deliver HR practices. Integrate these practices around talent, leadership, and culture within your organization so that offer sustainable solutions to business problems.' (Ulrich et al 2013)

In the NHS Leadership Academy's Insight 1 the roles of strategic positioner and change champion in particular were highlighted as part of the new make up of the talent professional. These were drawn from the latest work by David Ulrich and his team on the 'new HR competencies.' (Ulrich et al 2013)

From this it is possible to highlight four of the new competencies that are relevant to the role of talent professionals during times of transformation and change. These are strategic positioner, change champion, talent integrator and credible activist.

- **Strategic positioner**

A critical part of the role of talent professional as a strategic positioner will be to design responses to the new business conditions that have resulted from the transformation and change. As part of this, the talent professional will seek to ensure that future leaders are identified and developed for different types of environment, which can be a challenge because even though all good companies carry out succession and talent planning: (Johnson et al 2012)

'Too often they focus too much on maintaining the current mould. In a company that's serious about transformation, succession planning requires building different capabilities. New generations of leaders need to be groomed and encouraged to develop alternative coalitions and business models.'

Organisational transformation and change create an opportunity to do things differently. But before this can take place it will be important to have information and intelligence about why the changes are happening.

Two of the key parts of the strategic positioner role for the talent professional therefore are those of understanding and 'decoding' the organisation's expectations and crafting an agenda that contributes to talent management delivering to these expectations. During times of organisational transformation and change these two areas are critical. In the first place it is important to work with those initiating the change to have clarity about what is trying to be achieved. It will not be possible to develop new talent approaches during the change unless there is progress in this area because the objectives will be non-existent or vague.

Having reached this position, the development of a 'strategic narrative' can follow and the preparation of plans that are relevant and support the achievement of objectives (as outlined in the previous section) can follow.

- **Change champion**

The change champion element of the talent professional's role will be one of both initiating change and, having done so, to sustain the change throughout the duration of the transformation or project. If talent management is to succeed in its contribution to organisational transformation and change then it will have to become part of the 'guiding coalition' advocated as one of the success criteria for change. The integration of talent management into the process will come about when talent professionals are seen as champions and supporters of the change but also have a valuable contribution to make to seeing through its success.

By identifying obstacles to change and proposing talent based solutions; by anchoring the change onto talent management systems and processes (performance management, succession planning)

and by proposing the tools of talent (coaching and mentoring) as ways of ensuring that the change is sustained, the talent professional will be able to fulfil his or her role as change champion in a way that ensures organisational success and demonstrating the positive role of talent management therein.

- **Talent integrator**

There are a range of important activities that the talent professional should undertake as part of his or her role as innovator and integrator during times of organisational transformation and change. In this respect talent management can borrow from the language of general management and ensure that there is an integrative thread throughout the transformation and that this thread includes analysis, collaboration, proactiveness and personal energy. (Mintzberg 2011)

In the first place it will be to make sure that there is an optimisation of the talent available to support the changes that are taking place. Several key questions will be raised as part of this. Is there an understanding of the available talent throughout the organisation; are there people who through the performance management process have shown the potential to manage large projects as part of their development plan; are there people who will be affected by the transformation who could be deployed elsewhere and is the management of talent on the agenda of the transformation.

Secondly the role of talent integrator will lead the talent professional to identify opportunities for development that have arisen because of the changes that are taking place. As organisational change and transformation is being implemented, opportunities will be created to fill roles as part of the process. These roles can either be on a temporary or short term basis- such as project management or redeployment activity, or over the long term- new leadership and managerial roles or the establishment of new departments. The role of talent integrator will be to ensure that individuals have been identified to fill such roles (from talent pools for example) and that talent management from one area is integrated into the new.

This leads to third element which will be to shape the organisations practices in regard to its change management to include a talent element and then to shape the approaches to talent in a way that is relevant to the transformed organisation. The principles by which talent practices that have been adopted over time such as inclusivity, diversity and fairness in appointments can be translated into the principles by which the change is taking place.

And finally there will need to be a focus on adapting the employee value proposition and employer brand (see Insight 2) to reflect the purpose of the organisation after the changes have taken place.

- **Credible Activist**

The role of the credible activist is one that was outlined by Ulrich (2012) as being an important part of the new HR competences and it is particularly important for talent professionals during times of organisational transformation and change. Over time, talent professionals will have built up trust with their business partners through their knowledge of how the organisation works and how talent management can help to support the achievement of strategic and operational objectives. Credibility comes when 'HR professionals do what they promise, build personal relationships of trust, and can be relied on.' This means clear, consistent communications with integrity. As a credible activist, a talent professional will 'have a point of view, not only about HR activities, but about business demands.' This is particularly important if there is to be a consistent focus on talent in the organisation as change takes place. To ensure continuity and the high profile of talent the credible activist will need to influence, show business acumen and have a solutions as to how talent can support the organisation's transformation objectives.

These areas constitute important competences on the part of talent professionals and will be critical during times of transformation.

Key Conclusions

Organisational transformation and change raises questions about where priority actions should be taken in the achievement of the change and how much time leaders, managers and the workforce as a whole should spend on matters perceived as not being related to the change. Often projects are questioned or shelved because they are not identified as having immediate short term relevance. Talent management sometimes comes into this category. The question asked is rarely one of a strategic or long term value, but of its short term role whilst the organisation is going through the turmoil of change with the objective of short term deliverables and quick wins on the road to longer term objectives. The pressures on talent management include those of priority- should talent management be treated in the same way during transformation or should it be 'relegated in favour of more perceived pressing business issues; and cost, should the organisation continue to invest in talent management initiatives when there are cutbacks elsewhere.

And yet, the evidence shows that talent management can play an extremely valuable role in the achievement of successful change. But the dynamic nature of the business environment as characterised by VUCA- Volatility, Uncertainty, Complexity and Ambiguity- means that talent management professionals have to prepare their organisations for both a 'steady state' whereby change is minimal; and a ready state whereby change is both unpredictable and fast paced. The organisation has to be able to respond to such forces and talent professionals have a key role to play.

A critical objective therefore is for talent professionals to demonstrate how their activity can contribute to the success of the organisation as it goes through change. To support this process, four priority areas are put forward. The first is to ensure clarity about the challenge of change i.e. what is being done and why, and the talent management implications for the organisation. The second is to be clear about what needs to be done to support the change through talent management and the third is to have a plan which on which talent management can support organisational change.

The fourth is to have clarity about the role that talent professionals can fulfil to deliver value. They can do so by being strategic positioners and supporting the strategic narrative of the transformation. They will also take on the role of change champions by not only being advocates of change and identifying talent to support the change, but also as experts in the processes of change and how these affect talent in the organisation. In addition the role of being integrators and innovators is important.

It is a further area at which talent professionals can gain most leverage. By being credible activists they will use the trust built up by demonstrating business as well as people acumen to ensure that talent remains on the agenda through the period of transformation and that investment in talent management will help to support the achievement of the change objectives successfully.

'Talent' is a critical strategic resource and talent management enables an organisation to achieve its long term objective of having the right people in the right place at the right time with the right skills. But at times of transformation and change, talent management can also deliver short term benefits to help in the success of the change by identifying people with the right knowledge skills and behaviours for roles in the change process; by identifying gaps in the resourcing of change and proposing and delivering development solutions to fill the gaps and by providing credible insights about the importance and role that talented people play in the success of change management programmes.

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