

# Talent Management Challenges in an Era of Uncertainty

Leadership Talent Key to Success

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# Executive Summary

In a time of unprecedented, rapid technological and economic change, there is one certainty facing leaders—and that is uncertainty. To compete in this era of predictable turmoil, the most critical arrow in an organization's quiver is its talent. Indeed, having top talent in the Human Age is the deciding factor in an organization's ability to build and implement a successful talent management strategy.

To learn about the challenges and opportunities human resource professionals expect to address in the year ahead, Right Management surveyed more than 2,000 global talent management leaders. Certainly, substantial regional differences emerged among the regions—Americas, Europe, Middle East and Africa (EMEA), and Asia Pacific—and countries within those areas, especially related to those expecting stepped-up growth versus a slowdown. Fewer organizations in Asia Pacific, for example, anticipate having only limited hiring compared to those in EMEA.

But what became apparent in all cases is the importance of leadership development. Few organizations feel they have an adequate management pipeline to fill all their needs—and many are struggling with the question of how to groom and grow talent at all levels able to assume leadership positions with the skills and abilities needed to turn strategy into action.

Doing so in today's world of certain uncertainty requires a comprehensive, systematic approach. The first step is pinpointing the skills needed to achieve current, and probably significantly changed, business objectives and assessing existing talent to determine the gap between individuals' skills and those needed in the new environment. The second step is identifying high potentials and providing coaching and other guidance to help them improve, ensuring an effective succession management approach. And, finally, the success of those efforts must be measured.

It's a tall order. But with the right talent management strategy in place, organizations can be confident they will have the right people in the right jobs able to meet the challenges of today's uncertain climate.

# About This Study

To learn about the critical talent management challenges facing organizations globally this year, Right Management surveyed top HR executives around the world in December 2012, receiving over 2,600 responses from 14 countries.

A wide variety of businesses were included, from mid-size firms to Fortune 100 organizations. Some 22 industries were represented. The research was conducted by a third-party research firm—LHK Partners Inc.—headquartered in Newtown Square, Pennsylvania.

Countries	Response Distribution
Australia	151
Belgium	52
Brazil	150
Canada	175
China	152
France	150
Germany	151
India	150
Japan	151
Netherlands	76
Norway	51
Singapore	151
United Kingdom	150
United States	650
<b>Total Responses</b>	<b>2,360</b>

Participants' positions included such titles as Chief Human Resources Officer, Executive Vice President of Human Resources (and/or Global Staffing, Talent Assessment and Learning Management) and Senior Vice President of Human Resources (and/or Global Staffing, Talent Assignment and Learning Management). More than half of respondents represented organizations employing in excess of 2,000 people.

# Key Findings

## Many Leaders Are Optimistic about Growth

Our survey found more optimism about the prospect for stepped-up investments in new talent initiatives in the Americas and Asia Pacific than in EMEA. Fifty-four percent of respondents in the Americas and 58% in Asia Pacific agreed with the statement “It will be a year of growth and recovery marked by stepped-up investments in new talent development initiatives” versus 25% in EMEA. In addition, in EMEA, responses to the other choices were divided fairly evenly: “It will be similar to 2012 with sluggish or postponed HR initiatives” (37%) and “It will be a year of stagnation with more cutbacks and restructurings” (38%).

### From your perspective as an HR executive, what do you expect for 2013?

	Americas	EMEA	Asia Pacific	Global
It will be a year of growth and recovery marked by stepped-up investments in new talent development initiatives	54%	25%	58%	47%
It will be similar to 2012 with sluggish or postponed HR initiatives	35%	37%	27%	33%
It will be a year of stagnation with more cutbacks and restructurings	11%	38%	15%	19%

In the Americas, recent positive economic indicators have contributed to this more upbeat attitude and to a perceived willingness by business leaders to invest in talent development initiatives after a number of years during which companies held back on making such commitments. As Ron Sims, Talent Management Practice Leader, Americas East Region, said: “If you’re going to invest in growth, you’re going to invest in talent management initiatives. And now many companies have to play catch-up.” For HR professionals, this is a time to seize the initiative. Dale Watson, Vice President and Principal Consultant, Americas East Region, explained: “There is the opportunity for organizations to reinvest in their people and use their people as a competitive advantage, to link talent initiatives back to business drivers.”

Still, the data also suggests a high degree of uncertainty about the economy in 2013 and the challenges that lie ahead.

Facing the specter of slow growth, most organizations in EMEA, on the other hand, are less sanguine about the prospects for additional investments in talent management initiatives. At the same time, of course, in EMEA, one size does not fit all. There are significant country differences. For example, in France, which is not expected to come out of a recession until the second half of 2013, 44% responded, “It will be a year of stagnation with more cutbacks and restructurings” compared to 20% in Germany, which has experienced modest growth. For business leaders, it means facing particularly complex strategies—perhaps restructuring in France, for instance, while hiring in Germany.

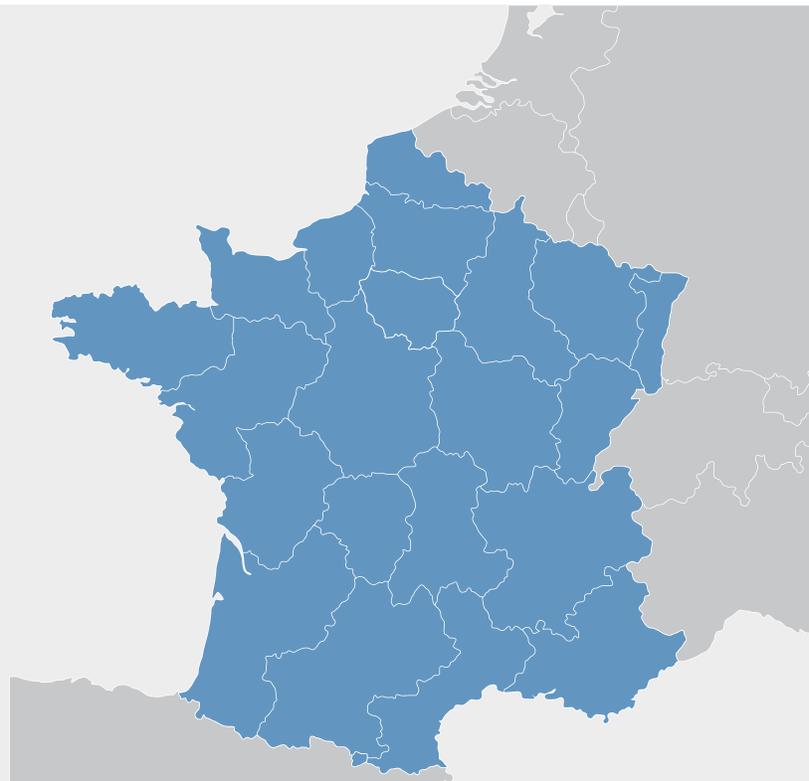
Organizations in EMEA which have had cutbacks face another challenge: providing an attractive career progression for their best people. Mark Hodgson, Talent Management Practice Leader, United Kingdom, said: “Companies have much flatter organizations, so there is less of an opportunity to climb the hierarchy.”

## Spotlight On **France**



**“Companies may be over-resourced within France, and those resources may not fit the profile needed for the future.”**

Many organizations in France see their growth lying, not in domestic operations, but in emerging markets, such as China. That means a need to reassess where talent is deployed. Ruth Jouanne, Talent Management Practice Leader, France, said: “Companies may be over-resourced within France, and those resources may not fit the profile needed for the future.” But because few organizations have the budgets to hire externally and because strict labor laws make it difficult to impose layoffs, companies will need to focus on discovering and developing their existing talent to meet the future needs of business.



## Hiring Expectations More Upbeat in Some Regions

The expectations for hiring are more upbeat in Asia Pacific than in other regions. Thirty-nine percent of respondents in Asia Pacific expect to have “More hiring than in 2012 in order to fill existing gaps in the organization” compared to EMEA (21%) and the Americas (31%). And fewer in Asia Pacific (43%) anticipate “Limited hiring to fill specific vacancies that occur” versus 55% in the Americas and 70% in EMEA.

### How would you describe the kind of hiring your organization is likely to do in 2013? (Please select one response)

	Americas	EMEA	Asia Pacific	Global
Limited hiring to fill specific vacancies that occur	55%	70%	43%	55%
More hiring than in 2012 in order to fill existing gaps in the organization	31%	21%	39%	31%
Significantly more hiring driven by strategic business needs	15%	10%	18%	14%

With many economies in Asia Pacific in growth mode, it may not be a surprise that organizations expect to step up hiring to fill existing gaps. But, according to Sean Dineen, Principal Consultant, China, many companies take a tactical approach rather than aligning their talent management to business strategies. Dineen explained: “There is a very reactive approach to hiring, saying we have a need so let’s just go out and find somebody versus what are the types of talent we are going to need not just today but also tomorrow... and where are we going to get those skills from?”

The implication: HR professionals need to act as strategic partners with organizational leaders to ensure they have the right talent for executing business strategies. And HR executives must learn to build their arguments for new initiatives in business terms, to create a convincing case for why their initiatives are important to the successful implementation of strategy.

While responses show that EMEA, more than the other regions, anticipates limited hiring, that is particularly true in countries such as France (82%)—perhaps not surprising given that country’s inflexible labor regulations and low expectations for growth. But organizations throughout EMEA have to address the same problem. As Hodgson said: “The biggest challenge is how you can do more with fewer people and fewer resources.”

## Few Employers Foresee Significant Staff Cutbacks

The expectation for significant staff cutbacks and restructurings is particularly low in the Americas: 5% versus 16% in EMEA and 14% in Asia Pacific. In EMEA, organizations are almost evenly split in anticipating a “Modest number of staff cutbacks” (44%) and “Practically no staff cutbacks” (40%).

**With respect to restructurings and cutbacks, what do you anticipate for your organization in 2013? (Please select one response)**

	Americas	EMEA	Asia Pacific	Global
Significant staff cutbacks	5%	16%	14%	11%
Modest number of staff cutbacks	39%	44%	38%	40%
Practically no staff cutbacks	56%	40%	48%	49%

“Companies need to start to develop a careful talent development strategy because if we don’t, we may find ourselves in a significantly less competitive position in two to five years.”

In the Americas, these expectations, of course, are related to a cautiously optimistic outlook. In addition, quite simply, many organizations have made all the cutbacks they can. Going forward, HR executives are likely to make strategic, carefully managed investments in employees. In cases where business leaders are reluctant to take that step, it’s up to HR professionals to make the case. As Sims said, “Companies need to start to develop a careful talent development strategy because if we don’t, we may find ourselves in a significantly less competitive position in two to five years.”

Similarly, many organizations in EMEA already have had significant cutbacks over the past two years. Pierre Jauffret, Vice President Talent Management Solutions, EMEA, explained, “The implication is that leaders are trying to determine how to do better with what they have in an environment of limited growth.” In addition, such industries as automotive and pharmaceutical may still have significant cutbacks.

### Employers Worry about Scarcity of Talent

All the regions agreed: The most pressing HR challenge they face is a shortage of talent at all levels, although organizations in Asia Pacific responded more emphatically than those in other areas: Americas, 34%; EMEA, 30% and Asia Pacific, 38%. Asia Pacific seemed less concerned about “Lack of high-potential leaders in the organization” (22%) than organizations located elsewhere, particularly the Americas (30%).

As for “Low engagement and lagging productivity,” that’s seen as most pressing in EMEA (28%) compared to the Americas (18%) and Asia Pacific (20%).

**What do you expect to be the most pressing HR challenge faced by your organization? (Please select one response)**

	Americas	EMEA	Asia Pacific	Global
Low engagement and lagging productivity	18%	28%	20%	21%
Shortage of talent at all levels	34%	30%	38%	34%
Loss of top talent to other organizations	18%	19%	20%	19%
Lack of high-potential leaders in the organization	30%	23%	22%	25%

In Asia Pacific, the talent shortage is primarily a function of the region’s fast growth. Quite simply, many employers have difficulty finding the talent they need to execute their business strategies. As a result, organizations have devoted considerable resources to bridging the leadership gap and identifying, evaluating and developing top talent. But Dineen noted, “They are starting to see some dividends from that investment.”

At the same time, there is a long way to go, with major gaps that need to be addressed and inconsistent practices from one organization to the next. That is particularly true in China. In fact, Dineen said: “Our experience is that usually only a small percentage of those individuals identified as high-potential talent actually turn out to be high-potential talent. There is a false sense of security.” Organizations, then, must continue to improve if they want to capitalize on growth in the Asia Pacific region.

## Spotlight On **Australia**



**“Despite the fact that there have been significant job losses in finance, IT, manufacturing and other sectors, Australians tend to stay in their home state.”**

Shortage of talent is primarily felt in the western part of the country, where the mining and oil and gas industries are growing substantially, according to Rosemarie Dentesano, Talent Management Practice Leader, Australia and New Zealand. That shortage is compounded by a lack of mobility in the country. Unlike New Zealand, and despite the fact that there have been significant job losses in finance, IT, manufacturing and other sectors, Australians tend to stay in their home state. As Dentesano said, “Mobility is the issue.” This presents HR professionals and business leaders with a unique set of challenges focused on skill development, as well as employee engagement and career development, in order to keep the core talent in the organization aligned to business needs and strategic objectives.

In North America, Bram Lowsky, Group Executive Vice President, Americas, said, “Organizations have not paid as much attention to developing talent over the last few years. It was easier to put your head in the sand and buckle down.” But with companies having done all the layoffs and restructuring they can at the same time that they are experiencing better results, they now face a talent gap — with potentially severe consequences for those companies lacking the right people to lead the organization. That is particularly true because leadership development requires a patient, systematic process that doesn’t happen overnight. As a result, HR executives may need to introduce or reintroduce development programs as rapidly as possible.

On the other hand, organizations in EMEA face a very different situation: difficult economies with the prospect of continued slow or stagnant growth. Jouanne said: “Where there’s no growth, it’s harder for employees to find the purpose and meaning in their work, and that has an impact on day-to-day engagement and productivity.”

**Percentage of countries responding: “Lack of high potential leaders in the organization.”**

Countries	Response Distribution
Norway	44%
United States	32%
India	31%
Japan	31%
Canada	29%
Germany	24%
China	23%
United Kingdom	23%
France	21%
Brazil	20%
Australia	18%
Netherlands	18%
Belgium	17%
Singapore	10%

Because there are significant fluctuations in the levels of maturity and economic growth among the countries in Asia Pacific, results for individual nations vary. For example, 31% of respondents in Japan and 23% in China said that lack of high-potential leaders is the most pressing challenge versus 10% in Singapore.

Other countries that expressed a lower level of concern about a lack of high-potential leaders included Australia (18%), Netherlands (18%) and Belgium (17%).

**Many Organizations Worry about Lack of Leaders**

None of the regions are particularly upbeat about the state of their leadership pipeline. But only 6% in the Americas say, “We have an ample leadership pipeline that will cover most of our needs” versus 16% in EMEA and 26% in Asia Pacific. While most respondents “rely on a combination of internal talent development and external hiring,” the Americas had the strongest response to that choice: Americas, 81%; EMEA, 68%; Asia Pacific, 58%. All regions—Americas (13%), EMEA (16%), Asia Pacific (16%)—had a low response to the choice “We routinely look externally before filling critical roles in our organization.”

Spotlight On **China**



**“Business leaders need to make sure they have clear messaging around the career benefits of staying with their organization.”**

In China, top talent typically leaves for other opportunities if a role with higher pay or more responsibility becomes available. That’s a particular problem now because more domestically based Chinese companies are luring top talent away from multinationals, which historically have attracted the best employees.

At the same time, however, higher pay and a bigger title may be less of a draw for talent than opportunities for career growth within an organization. Sean Dineen, Principal Consultant, China, said: “Most HR professionals will tell you the reason we lose talent in China is because someone else is willing to offer more money and responsibility. But a lot of the research shows that when we ask the same question of top talent, individuals say they leave for lack of career opportunities. Multinationals must address this issue if they want to hold on to their high potentials.” Business leaders need to make sure they have clear messaging around the career benefits of staying with their organization, while HR professionals need to put career management best practices in place.

**How are you able to fill critical roles in your organization? (Please select one response)**

	Americas	EMEA	Asia Pacific	Global
We have an ample leadership pipeline that will cover most of our needs.	6%	16%	26%	15%
We rely on a combination of internal talent development and external hiring.	81%	68%	58%	71%
We routinely look externally before filling critical roles in our organization.	13%	16%	16%	15%

In the Americas, organizations are facing a challenge: how to fill critical roles after years of economic turmoil, forcing companies to focus on getting through the tough times, rather than putting in mechanisms for adequately developing talent internally. Lowsky said, “These organizations may have to pay the price for not developing talent previously.” But because leadership development is not a quick process, organizations must look for outside hiring, in addition to internal activities, to install the talent they need—always an expensive process.

In Asia, thanks to recent economic growth, many organizations find they must address a fierce war for talent that’s tougher than in the rest of the world. For that reason, building a leadership pipeline has been a significant priority. Nonetheless, it’s an area HR professionals and organizations are still struggling with.

**Percentage of countries responding “We have an ample pipeline that will cover most of our needs”**

Countries	Response Distribution
Singapore	31%
Japan	30%
India	28%
Netherlands	23%
Australia	22%
Belgium	19%
Germany	18%
China	17%
United Kingdom	15%
Brazil	13%
France	10%
Norway	9%
Canada	7%
United States	4%

“Leadership development is not a quick process, organizations must look for outside hiring, in addition to internal activities, to install the talent they need.”

Singapore (31%), Japan (30%) and India (28%) were the most confident in the ability of their pipeline of talent to help fill critical roles in the organization, while Norway (9%), Canada (7%) and the U.S. (4%) were the least optimistic.

## HR Under Increased Pressure to Demonstrate ROI for Talent Investments

All regions said they “are under increased pressure to measure the business impact of talent management initiatives”: Americas, 84%; EMEA, 72%; Asia Pacific, 86%.

**At our organization, we are under increased pressure to measure the business impact of talent management initiatives.**

	Americas	EMEA	Asia Pacific	Global
Agree/Somewhat agree	84%	72%	86%	82%
Disagree/Somewhat disagree	16%	28%	14%	18%

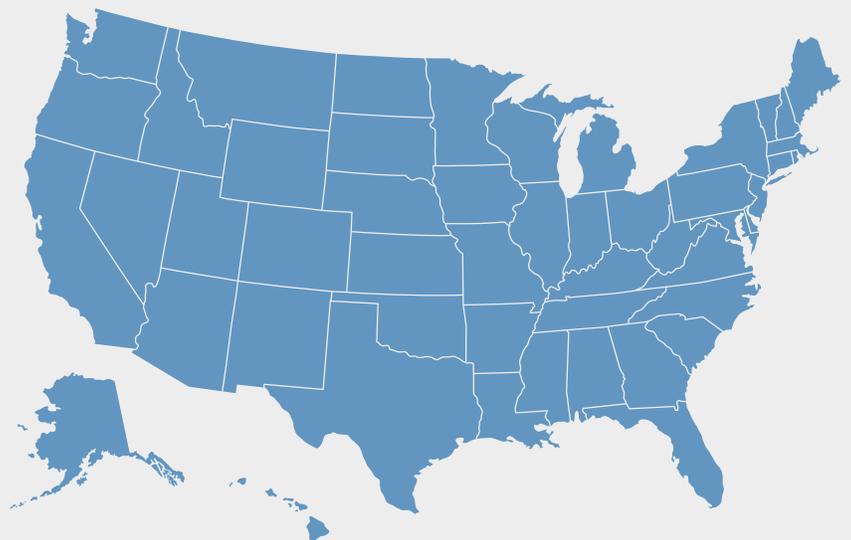
Historically, measuring the business impact of talent management initiatives has been a difficult challenge for most organizations. Now, however, it’s more important than ever for HR professionals to do so. Globally, organizations increasingly need HR executives to demonstrate that their talent development initiatives are worth the investment by using convincing metrics indicating a substantial ROI. Watson said: “In an age of cost containment, you need to prove to your business leaders that by investing in a leadership initiative, it will be money well spent. That is where the pressure comes from.”

### Spotlight On **The United States**



In the U.S., leaders need to take into account the expectations of members of Generation Y, those born from approximately 1984 to 1998, who are in or are entering the workforce in larger numbers. It’s a population that, in general, tends to expect either to move up quickly or to be given new, more challenging assignments when the old ones become old hat. Ron Sims, Talent Management Practice Leader, Americas East Region, said: “A big complaint you hear from Generation Y is that no one talks to me about my career. Leaders have to be clear about the skills and knowledge needed to move up.”

“Leaders have to be clear about the skills and knowledge needed to move up.”



What’s more, such pressure also may reflect the increasing perception of HR professionals as partners in the business, rather than as a cost center. But that requires HR executives to step up to the plate in terms of their familiarity with key financial metrics—to learn to speak the language of business fluently. Jauffret said: “HR professionals are moving from a culture where they didn’t need to measure results to one where it is going to be critical to do so.”

**Percentage of countries that agree/somewhat agree: “At our organization, we are under increased pressure to measure the business impact of talent development initiatives.”**

Countries	Response Distribution
India	93%
Singapore	93%
China	91%
Brazil	89%
Canada	85%
United Kingdom	85%
United States	83%
Norway	79%
Australia	76%
Japan	76%
France	75%
Netherlands	69%
Belgium	63%
Germany	61%

HR executives in India (93%), Singapore (93 %), China (91%), Brazil (89%), Canada (85%), U.K. (85%) and the U.S. (83%) say they are under the most pressure to measure the ROI of talent management initiatives.

Most organizations said they “Agree” or “Somewhat agree” that their organizations “are highly effective at measuring the business impact of talent management initiatives: Americas (57%), EMEA (66%), Asia Pacific (83%).

**At our organization, we are highly effective at measuring the business impact of talent management initiatives. (Please select one response)**

	Americas	EMEA	Asia Pacific	Global
Agree/Somewhat agree	57%	66%	83%	68%
Disagree/Somewhat disagree	43%	35%	17%	33%

HR professionals in all three regions seem to feel they have made great strides in how effectively they measure the business impact of initiatives. Dentesano said: “Organizations are creating their own ROI measurements and practice. There is no one way to do it.” While companies in Asia Pacific are especially upbeat, it is largely major financial organizations with highly sophisticated teams of HR professionals that have made the most progress.

At the same time, organizations in all regions appear to acknowledge that they have a way to go before they will be satisfied with the effectiveness of their efforts to measure the business impact of their initiatives.

# Moving Forward with Certainty

If there is one defining characteristic of the Human Age, it is the fast pace of change in virtually every facet of economic life—that the one certainty is uncertainty. What's more, in an increasingly interconnected world, this fact of life is a global phenomenon. Every region—from fast-growing emerging markets to older economies struggling to emerge from a recession—must determine how to deal with today's permanent state of uncertainty.

For organizations globally, the most pressing challenge is how to ensure they have the right talent with the right skills able to do the right job. As Watson said: “The world of work and jobs is changing. The jobs that are available are changing faster than they have ever changed before.” And that means to be effective, leaders must have the capabilities needed to meet the fast-moving requirements of today's economy.

The vital issue, then, is the question of leadership development aligned with the organization's business priorities and talent management strategy. How can organizations ensure that they are able to build the capabilities of employees to take over leadership positions at all levels and that they have leaders who can translate strategy into action? How can they build a systematic process where they can identify and grow talent to support organizational growth? Our research shows that many organizations throughout the Americas, EMEA and Asia Pacific are struggling with these questions of leadership development.

What skills are most important for leaders? Globally, organizations need leaders able to make smart decisions in an increasingly complex environment. In addition, technology, as well as flatter organizations, makes it more important than ever to learn how to foster collaboration and to work efficiently across the organization, not just in silos, to deal with people who aren't direct reports by mastering the art of influence. And leaders need to be able to translate and execute strategy, so everyone understands his or her role and how that contributes to the achievement of overall goals.

“The world of work and jobs is changing. The jobs that are available are changing faster than they have ever changed before.”

## Determine Essential Leadership Skills to Deliver on Growth Objectives

The critical first step for organizations in all regions is to determine the essential skills needed to move the company forward. What is the strategy and what are the qualities required to make that strategy happen? For example, a pharmaceutical company may determine that they need to take a more consultative approach to selling that means essentially transforming the sales force from product pushers to partners able to understand and discuss customers' problems and needs. What's more, such analyses need to include a long-term view, a plan for three to five years, and not the short-term plans organizations often take. Kathryn Nell, Talent Management Practice Leader, Americas Northeast Region, said, “People need to be planning more than one year out.”

Because recruiting externally is considerably more costly than retraining existing personnel, organizations need to look internally to see how they can make better use of the resources they have. While that is as true for organizations in Europe addressing slow growth or contraction as it is for those in Asia Pacific experiencing explosive growth, it is especially important for many countries in EMEA, where strict labor laws mean employers have less flexibility than elsewhere. As Jouanne said: “Look internally to optimize and ‘home grow’ the existing employee base.” The most effective method for pinpointing which people have the necessary skills is through a rigorous series of psychometric, behavioral and other assessments. Sims said: “That is the only way to get a deeper, broader picture of an individual’s capability and to create a global capability map.” It is also essential for creating development plans tailored to the individual. Rarely will one size fit all. Such plans should address both the skills needed immediately and those likely to be required in the future.

In many cases, organizations can expect to discover a mismatch between individuals’ skills and those needed in the current environment. In fact, many organizations coming out of a recession find their new strategies call for different skills. The salesperson who achieved top results when simply selling products will require a new suite of capabilities to become the consultative problem-solver needed for a new corporate strategy. Leaders must determine if each employee is a good fit; whether certain key skills can be developed through coaching, work on targeted strategic projects or other avenues; or if the individual should be moved to a different role in the organization.

In EMEA, where the economies are mature and many are experiencing slow growth, the primary strategy is to take market share from competitors. The lion’s share of growth, then, is likely to come from emerging economies. That requires a complex, dual-pronged talent development strategy emphasizing specific skills appropriate for the needs of each situation. This is where competency profiling and assessments can provide a line of sight for what is needed.

Even in high-growth countries, given the certainty of continued uncertainty, organizations need to streamline their process for building their leadership pipeline. Dineen said: “Budgets aren’t big enough to put systems in place throughout the organization. HR professionals need to see what their priorities are and where the organization is most at risk.” Where budgets are limited, it may be most productive to work only with senior leaders. By helping them learn to communicate strategy, assess workforce requirements and ensure a fit between individuals, their skills and their jobs, organizations can ensure that key lessons cascade throughout the workforce. Or companies can choose to invest in those high potentials most likely to move the organization forward.

## Invest in High-Potential, High-Value Talent

The latter approach requires a systematic way to identify high-potential talent. Nell said: “HR professionals need to be more rigorous in thinking about what the profile is of the person who is going to be successful in the new normal.” But truth be told, far fewer organizations have such programs in place than think they do, relying more on anecdotal information than systematic analysis. Watson points to one organization as an example. He said: “It had three pages with the names of possible high potentials, but no systematic way of identifying which had the most promise or the capabilities they exhibited.”

Career management and development are as important as the identification process. Individuals need to take responsibility for it. But as important, organizations must make clear that it is a key leadership responsibility. Nell said: “Leaders need to be held accountable for facilitating the management of the careers of high-potential staff and driving individual development.” That requires the use of communications skills that, if necessary, must be developed—specifically, techniques in how to hold meaningful career discussions and provide guidance to direct reports.

While the reasons differ from region to region, in EMEA the prospects for stagnant growth—and perhaps more restructuring—call for particularly clear and sensitive communication skills. As Jauffret explained, “In tough times you need to be more connected to your people.” Even if career development possibilities are limited, however, leaders should be willing and able to facilitate discussions on the subject. In addition, in countries such as France, where growth will be coming from operations in emerging economies, Jouanne said, “It is a challenge to engage and motivate employees back in the home country when a lot of senior management attention is focused elsewhere.” That calls for especially skillful communication on the part of leaders, who must help employees understand where they fit into the strategy and the significance of the contributions they are making.

Ideally, however, organizations shouldn’t wait to introduce employees to leadership development after they achieve leadership positions. Watson said: “You are starting behind the eight ball. You need to start leadership development the minute they walk in the door. From the junior level on, there need to be programs aligned to the competencies and capabilities needed to deliver on goals.”

Even in regions with high unemployment, organizations may face even more complex challenges. In fact, for certain roles, such as those in areas of IT, there may be a talent shortage.

## Build Management Pipelines by Investing in Succession Management

As important, organizations need to address the matter of succession—developing leaders with an eye toward grooming those able to assume positions at the top. That process, which begins with assessment, should be followed by intensive coaching to address strengths and skill gaps.

Even for those who don’t make it to the most senior leadership positions, such a process benefits both the individual and the entire organization. Lowsky points to a company where the CEO announced his retirement with a year and a half to go before his departure. The five internal candidates went through an intensive assessment, coaching and selection process aimed at determining the best candidate while identifying skill gaps for further future development. One senior leader, for example, who was in charge of a particular business unit, needed to learn how to translate strategy into action for the entire organization and not just his area. In the end, he didn’t get the CEO role. But, as Lowsky said, “The development he received made him a stronger, better leader and his overall performance has improved greatly.”

“You need to start leadership development the minute they walk in the door.”

## Measure Alignment of Talent Investments to Deliver on Business Impact

Perhaps the greatest challenge facing HR professionals in their efforts to create a systematic management pipeline is the matter of measurement. Increasingly, organizations looking for a clear return on investment demand clear metrics demonstrating the effectiveness of leadership programs. Providing such evidence also is part and parcel of HR professionals' increasing role as trusted partners with other business leaders in the organization.

Demonstrating a direct link between talent management initiatives and such bottom-line results as increased profitability is a challenge. But there are other metrics, such as reduced hiring costs or how quickly it takes high potentials to be promoted, that can be used to measure how well talent programs contribute to key business drivers. HR professionals need to determine what their objectives are and then pinpoint metrics to assess how well those goals have been reached. Doing so requires a longitudinal commitment to planning, setting appropriate metrics before commencing any program and monitoring the impact over time.

HR professionals also need to be aware that certain initiatives, by their nature, will take longer to reap results than others. Hodgson said: "If you're introducing a global leadership development program aimed at changing behavior, it could take many years. But identifying high potentials and tracking their contribution, say, to certain new products that have improved business results would take a much shorter period of time." What is essential is a commitment by senior leadership to pinpointing the right measurements—and moving forward with an effective talent management strategy.

# Conclusion

In the Human Age, talent is probably an organization's most critical resource. Of course, having the right talent always has been vital to a company's ability to compete and thrive. But in today's world, where technological and economic changes are creating a constant upheaval in organizations' strategy and needs, the certainty of uncertainty has become part of the fabric of life. For that reason, employing and developing the best talent at all levels of the organization is of the utmost importance.

What is essential is for companies to have a comprehensive talent management plan, one that is tightly aligned with business priorities. Quite simply, an organization cannot achieve its goals unless its business and talent management strategies are inextricably tied. That requires pinpointing the skills and qualities needed to further overall strategic objectives, assessing the talent within the organization and future needs, and developing leaders and creating a pipeline with the necessary strengths to ensure growth. As human resource professionals increasingly claim a seat at the table with an organization's senior leadership, it also necessitates having a convincing, rigorous and measurable system for evaluating a talent management plan's ultimate business contribution.

A climate of profound uncertainty is likely to be with us for a long time to come. For senior leaders, the only sure way to address today's challenges is to have a sustainable and smart talent management strategy. It is, in fact, the difference between succeeding or failing in the global market.

# How Can Right Management Help with Your Talent Management Challenges?

As the global leader in talent and career management workforce solutions within ManpowerGroup, we design and deliver solutions to align workforce strategy with business strategy. Our expertise spans Talent Assessment, Leader Development, Organizational Effectiveness, Employee Engagement, and Workforce Transition and Outplacement. With offices in over 50 countries, Right Management partners with companies of all sizes—including more than 80% of the Fortune 500—to help grow and engage their talent, increase productivity and optimize business performance.

## Specifically, Right Management can help you with:

- **Strategic Workforce Consulting:** In partnership with senior leadership and facilitated by HR, Right Management can help you develop a workforce strategy aligned with the business strategy. The goal is to clarify outcomes needed from the organization (e.g., culture, structure, talent, people systems and processes) to achieve the business strategy and work through the strategic process to ensure the organization has identified the options, choices and trade-offs that must be made in order to achieve the business strategy. The process forces leaders to align and make choices. It's a two-way process, outside-in/inside-out, that responds to and informs business strategy. It provides an ongoing process to assess external and internal risk factors.
- **Leadership Development:** Right Management consultants are experts in designing and deploying customized leadership development programs that efficiently develop targeted leadership capabilities aligned to your firm's unique business challenges and growth plan. We apply innovative development approaches including:
  - Action learning methods for individuals and teams
  - Global location and multi-language program delivery with offices in over 42 countries
  - Measurement and reporting on the individual and organizational impact of leadership programs
  - Advanced individual assessment methods including global mindset, business simulation, assessment center and psychometric tools
  - Individual development plans with targeted development tactics for education, exposure and experiential (job-based) learning
  - Global leader coaching services to accelerate development for leaders in key positions and geographies

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Rosemarie is an experienced international Talent Management executive who works at the C-suite in both the private and public sectors to realize organizational performance and profitability through the development and deployment of effective workforce strategies. With a consulting portfolio including some of Australia and New Zealand's largest and top-performing organizations, Rosemarie works across the varied sectors of banking and finance, communications, government, oil and gas, and chemicals. She holds a bachelor's degree in business and is a member of the Australian Institute of Company Directors.



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Ruth is responsible for the regional development of Talent Management Solutions and for managing the consulting team. She primarily works with C-level business leaders and teams, bringing together global thought leadership, benchmarks, best practices and experience to advise and coach on assessing, developing and managing talent to achieve strategic business objectives. She holds a First Class BA Honours degree in Modern Languages from University College London and the INSEAD Inter-Alpha Certificate for Senior Managers, is an ICF Professional Certified Coach and, prior to joining Right Management, held operational executive positions with large global corporations.



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Sean is a Leadership and Organizational Assessment Subject Matter Expert and serves as the Global Center of Excellence lead on high-potential development solutions. He focuses on the design of assessment and development initiatives to help organizations improve selection and retention practices, enhance succession management, and identify/accelerate the development of high potentials. He holds a BS in biology from Loyola University in Maryland and an MS in industrial organizational psychology from the University of Baltimore.



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Pierre has 20 years' experience in leadership effectiveness, supporting individuals, teams and organizations facing major changes. He has designed, sold, project-managed and implemented extensive talent management solutions for global organizations in multiple industry sectors. He contributes to Right Management Center of Excellence, building consultants' skill capability as well as launching new solutions on the market. He holds an MBA.



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Mark is an international organizational and leadership assessment and development professional with extensive experience in the design, management and implementation of organizational development and leadership executive assessment and development solutions within global FTSE & Fortune 100 companies both in the EMEA and North American regions. He has a PhD from Cranfield University in Applied Occupational Psychology and is a registered test user. He is an Associate Fellow of the British Psychological Society, Chartered Member of the British Psychological Society and a full member of the Chartered Institute of Marketing.



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Bram brings a solid background of senior management and business development experience to his role with over 20 years in the human services field. He received his master's degree in educational psychology and counseling and has served as president of the Employee Assistance Program Association of Toronto.

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Kathryn is an experienced, pragmatic and effective talent management consultant with a 20 year strong track record of success in the U.S.A. and Australia. Based out of New York, Kathryn has significant experience working with organizations in the areas of leader assessment and development, team effectiveness and transformation. She holds a Bachelor of Business– Marketing from Charles Sturt University in Australia.



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Gerald is a senior business and marketing executive with a proven track record in driving competitive advantage, revenue and market share growth with increased shareholder value through visionary strategic planning, brand differentiation, innovative new products and services, enhanced customer loyalty, effective channel partnerships and quality lead generation. He has broad-based client experience that spans multiple industries and companies, ranging from startups to the Fortune 500. He holds a bachelor's degree in economics and math from York University and earned his MBA in marketing from the New York Institute of Technology.



**Ric Roi**  
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Ric brings over 21 years of international consulting experience to his role, specializing in strategic talent management. Additionally, he serves as head of consulting services for Asia Pacific. He is based in Singapore and works with clients on a global basis. Ric earned a BS in engineering, followed by a master's and a doctorate in organization development, from the University of San Francisco.



**Ronald Sims**  
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Ron has extensive experience consulting with clients on issues of human resources, strategic planning and alignment, leadership and management development, cross-functional team development, mergers and acquisitions, enterprise resource planning implementations, empowerment, enabling and accelerating change, global collaboration, technology assimilation, diversity, enterprise transformation and business process redesign. His educational background includes an undergraduate degree in economics, a master's degree in education and a doctorate in education with a cognate in organizational behavior from the Catholic University of America in Washington, DC.



**Dale Watson**  
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Dale's expertise lies in the field of strategic talent consulting, helping clients to achieve their business goals through maximizing their talent. He has extensive experience in delivering organization design, culture change, journey management and leadership development programs to some of the largest organizations in the world, and operates as the Americas East Organizational Effectiveness regional champion. He graduated with distinction from the Desautels Faculty of Management at McGill University (Montreal, Canada) with a degree in strategic management and a minor in cultural studies.



# About Right Management

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