

Talent Management in Small Enterprises

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For HR professionals in small enterprises reading about great talent management programs can be frustrating. Most of the stories about talent management come from very large corporations and applying them to smaller companies can feel impossible.

However, the need to get the most out of talent is every bit as important for small companies as it is big ones. As the HR leader you understand talent issues better than anyone else in your company. It's up to you to find ways to apply talent management approaches that will work in your context. Here are three ideas on what to do.

Idea 1: Promoting a Talent Mindset

Research by both McKinsey and Hewitt Associates has revealed that a 'talent mindset' is more important than any specific talent management program. If top management cares about talent, thinks about talent, and spends time developing talent then the company will prosper. One company can imitate another's 'world class' succession planning process, but it won't work unless the top management really believes in it.

Dr. Jeffery Pfeffer found the same phenomenon when he identified "selective hiring" as a practice that led to high performance. The specifics of the hiring methodology didn't matter as much as the fact that the company took hiring seriously.

For a small company the HR person has to be the cheerleader who over time convinces managers that talent matters. Get your leaders a copy of Jeff Pfeffer's "The Human Equation" and Jack Welch's "Winning" (and highlight it when Jack says he "really meant it when I said the head of human resources at every company should be at least as important as the CFO.") Use every opportunity to share stories of how a difference in how talent is managed makes a difference to the organization's success. It will take time, but people can be convinced.

Idea 2: Collaborating with Other Small Companies

If you wanted to provide training for your managers on giving feedback you might find that you can't justify the cost of bringing in a really good consultant. However, if four or five small companies join together then you can afford the best training programs.

If you wanted to research which performance management software is best you might find it was eating up too much of your time. However, if you do collaborate with several other small firms you can share the workload.

If you collaborate with a group of other small firms on HR matters, then you can bring the advantages of size to your organization. It is a great way to share resources, promote your own learning and boost your morale.

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The biggest difficulty is finding time. This kind of collaboration won't happen unless you specifically plan for it. I recommend scheduling regular meetings, perhaps once a month, to talk to your peers and find ways to collaborate.

Idea 3: Look for the Core Idea

Clearly, some programs large companies have just cannot work in a small firm or even a collection of small firms. For example, large companies often have elaborate succession planning processes where they routinely examine and groom high potentials for future leadership roles. In a small company you may not have any high potentials to groom. It might be clear, for example, that when the director of engineering leaves, she will need to be replaced by an external hire, not internal succession. In this case, what is the HR leader of the small firm to do about succession planning?

The trick is to find the underlying idea behind the process. The core idea of succession planning is to have a pool of talent available to fill senior jobs. If a sufficient internal pool is impractical then HR should look at developing an external pool.

You develop an external pool by networking and keeping a look out for talented people. This is not a job for HR alone. HR should encourage the CEO and other top leaders to keep an eye out for people who one day might be top management material. This need not be a very formal or time consuming process. It is simply a matter of keeping your eyes open, asking around about who is good, and building up connections in LinkedIn and Facebook.

Two or three times a year HR should ask the CEO, "If we needed to fill this senior position, who do we know who would be a good candidate?"

A small company that has identified some external candidates in advance has, in effect, a succession planning system as good as you find in the big firms.

Conclusion

Being in a small company presents different talent management challenges than those faced by big companies. But HR leaders in small organizations shouldn't think they can do talent management. They just need to do it differently.

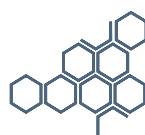
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