

## Talent Reviews: A New Standard Practice

*Presents the talent review and how to use it to identify the capacity and skills of the employees, to offer them development opportunities and rewards for their good performance in the organization.*

**David Creelman**

In my recent conversations with American HR managers I have been surprised by how many mentioned that they do talent reviews. Talent reviews are meetings where a group of managers discuss the capability of the employees and identify the high and low performers. Employees identified as high performers may be given special developmental opportunities and efforts will be made to be sure they are happy. Low performers may need to be let go.

While firms typically think in terms of high and low performers there are a number of distinctions that can be helpful. High performers (people who do their current job very well) should be distinguished from high potential employees (people who have the potential to take on senior leadership roles). Harvard professor Dorothy Leonard writes about yet another important category of talent: people with "deep smarts". People with deep smarts have know-how developed over many years and cannot easily be replaced. A manufacturing supervisor may not be a high performer or have high potential, but may be the only person who really understands the quirks of the manufacturing process. You can't

hire someone with that knowledge by putting an ad on Monster.com, nor develop it by sending someone on a training course. This kind of talent needs to be retained and used to mentor others. There is also the talent that USC professor John Boudreau calls "pivotal talent." That is talent that is critical to the execution of strategy. In this case it is not about looking at individuals, but looking at jobs. A company implementing an enterprise software program will likely have programmers who are pivotal for the duration of the project.

Most of the focus is on the high potential employees and how to develop and retain them, but in GE's famous talent reviews identifying the low performers was just as important. Helen Handfield-Jones, one of the authors of *The War for Talent*, argues that managers rarely take on the unpleasant task of dealing with poor performers unless they are required to do so by a formal process.

There are other categories of employees one could potentially look at in a talent review. Talent management systems like Deploy Solutions allow companies to identify

categories like "All employees with a good performance rating who have not been moved in three years."

I've listed six categories of talent that might be of interest and one can imagine a talent review process that carefully considered each category. However, the companies I spoke to, mostly small to mid-sized manufacturing firms, did not have a particularly sophisticated talent review process. They simply got the right people in the room once a year to

process. They can simply get the senior people in their own department together to discuss the talent in their area. One also doesn't need company programs to reward critical talent. According to Beverley Kaye, author of *Love 'em or Lose 'em*, one of the best tools is the "stay interview". This simply involves asking key people "What is it that makes you want to stay?" Often minor things, even just the very show of appreciation that the stay interview gives, is enough to retain and motivate key employees.

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discuss talent. Getting that far is half the battle and in smaller firms where the managers know all the employees there is no need to impose too much structure.

In the US there is now widespread recognition that talent matters. Talent reviews are one of the main systems used to ensure talent is being managed well. It is probable that these reviews will become a standard practice, just as performance appraisal is now. In fact, they may come to overshadow the much unloved performance appraisal. There is something to be said for focusing efforts on the top and bottom talent in the company, rather than spending so much effort deciding that 70 percent of employees are somewhere in the middle.

Managers do not need to wait for the organization to adopt an enterprise-wide talent review

The importance and ease of doing talent reviews has led to their rapid adoption in the US. I expect companies around the world will adopt this process as standard practice—if they haven't done so already.

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