

Merging Strategy and Talent Management: Challenges and Practical Applications

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Editor's Note: People who research and publish on personality and social psychology tend to be, in the main, academics. While we assume that our theories and findings are relevant to the wider world of work, business, and social interaction where we expect them to play out, few career researchers have a day-to-day engagement with these domains. Not only is this a blind-spot—it can distort the relationship between science and industry, both of which are co-constructors of the social realities that interest us. As a useful way to correct our usually inward and in-group discussions, we have invited a contributor to provide a view from the “head office”, and how our science might be informed by the problems that preoccupy people on the front-lines of human resources and management. The picture we get tells us much about how and why our work often fails to be relevant to the people we expect to benefit the most from it, and the pragmatic urgency that tends to compete with the value of searching for fundamental answers.

In economically challenging times, it is typical to find a Filipino working for eight to twelve hours a day at one job, with an addition of around two to three hours for commuting in the busy and congested streets of Manila. After a while, one can take a step back and realize that almost one-third to one-half of life has been inadvertently dedicated to work, and activities related to work. There is a greater responsibility for human resource (HR) practitioners and hiring managers today to be able to match the

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right people to the right job, and the right work environment—because after all, work is no longer just about compensation and benefits, it has also been about finding meaning in a place and role that can help each person become a better version of themselves. HR, in many organizations, now plays a strategic role of striking a delicate balance between meeting organizational objectives and ensuring the development and sustainability of its talent. Sounds like a tough challenge? It is.

The Importance of People to Business

In managing business and manufacturing, the “5Ms” is a common term for practitioners that pertains to resources that need to be defined, implemented, controlled and evaluated for efficiencies to ensure continuous improvement. These include manpower, materials, machines, methods and money. Some models also include metrics, management and minutes or time. Of these “Ms”, manpower is often said to be the most influential of all because it is the driver and controller of all other organizational resources, but it is also the most difficult to measure, understand, and control. Hence, a growing interest in talent management and its effective optimization has been observed, and people-focused initiatives are now at the core of effective business strategies.

Now that we have established the role of talent management in the bigger picture, the next question would be how and where to begin. Talent management has been vaguely defined in literature, but ultimately has the goal of building an employee workforce that is committed to achieving organizational goals, competent or skilled at their jobs, and with high performance outputs that are aligned to defined metrics for success.

Defining Requirements

In defining need that is driven by job requirements—that is driven by organizational structure, that is in turn driven by both strategic focus and organizational size—it is prudent to start with observing and documenting behaviors that have fulfilled

performance requirements in the past and defining standards from there, rather than the classical top-down approach of predetermining job requirements from a theoretical point of view. If one wants to know, for instance, what competencies are needed from a good software developer, he or she will need to observe, interview, document and analyze behaviors related to key performance indicators of a software developer who has previously delivered above-average performance. Picture sports analysts doing a playback on Simone Biles while she performs a signature move during the recent Olympics. This approach has brought forth insights on the ideal body mass and proportions needed to complete a unique and complicated physical feat. Theoretically, it follows more of an inductive rather than deductive approach to defining constructs.

Competency requirements are defined based on the knowledge, skills and attitudes that have been found to be beneficial for the employee in achieving superior performance under the unique physical, social and environmental conditions of the job. In some instances, some personality traits that are predictive of certain attitudes or behaviors emerge as part of this exercise. Because each position in an organization evolves over time as requirements change, competency profiles—unlike personality profiles that are relatively stable over time—will tend to change every three to five years, some within one to two years depending on the volatility and complexity of the business environment.

New jobs, position titles and roles are continuously being created to adapt to social, economic, technological, and even political changes. New positions such as User Interface Designer, Interactive Media Buyer, Innovation Officer, Social Media Strategist, and Email Marketing Manager are just some positions in the industry today that may not have been relevant ten years ago. In creating competency profiles for such positions, managers will need a combination of deductive, inductive or empirical approaches to describe the behaviors and constructs that lead to success.

For the purpose of this paper, I'd like to zero in on the emerging need for innovation, which has been critical for business survival in volatile and complex environments. The capacity to innovate has often been measured with the quantity and quality of new ideas that have made a significant impact on market value. To address this target, a position of Chief Innovation Officer or Chief Strategy Officer may be created, with the end in mind that innovation is not a skill or competency, but is an end met by providing an environment that cultivates diversity of ideas, analyzing market trends, and can strategically execute projects in new market spaces.

When competencies are drafted, a series of validation activities are conducted to refine behaviors and their different elements through observation, interviews and pilot testing with a number of people directly affected by the role. These include the employees themselves, immediate superiors, subject-matter experts and organization leaders. This presents a challenge to the innovation officer, because his/her outcomes are a result not of his/her own doing alone but dependent on a company's mission and framework, and whether it has a culture and environment conducive for innovation. Oftentimes, this also creates a paradox with traditional performance management and quality management systems that have metrics focused on short-term goals that focus on what a company is doing right, rather than what they are or what should be done differently. Hence, good performing line managers who execute standard operating procedures may instinctively reject new ideas that may conflict with current targets—the pitfall in any innovation initiative. Thus, the new challenge for the talent manager would be not to look for personality traits or career milestones related to the employee's personal ability to innovate, but for traits and tendencies that may predict his or her ability to develop new ideas in others, design an environment that supports new initiatives that raise the bar, and possess enough business acumen to ensure strategic execution.

Another job that has evolved due to the unique and fast-changing needs of organizations is the Training Officer role that has been initially designed to assess training needs and implement programs to ensure that employees that are newly onboard adhere to standard operating procedures of organizations. Due to technology and changing skill requirements of new jobs with skills averaging a half-life of 3-5 years, and sometimes even as short as 1.5 years for software development skills with new sets of coding languages evolving once a year—the training officer now needs to design, implement and evaluate change management initiatives based on organizational strengths and strategic directions. In some organizations, the Training Officer has now evolved into an Organizational Development Officer, focusing on learning and development interventions packaged into blended methods (online, classroom, on-the-job, etc.) as a change management vehicle rather than as a means to simply understand and execute standards.

Due to limited sample sizes, the ideal methods for factor analysis or principal component analysis done during test construction are usually not applicable to competency designing. It would be quite difficult to get a large sample size for innovation officers, for instance, provided that success is highly dependent on varied environmental factors. However, those whose jobs involve a large number of employees doing similar tasks in controlled environments with observable behaviors may find this beneficial to producing more standard tools for measurement.

Thus, the challenges for the practitioner lie in the limited sample size, the fast-changing nature of the work environment, and the inherent weaknesses of inductive reasoning as a method, including the vulnerability of finding observations and conclusions that are not applicable in all instances. The issues of limited sample sizes are addressed in the scientific community through sharing of data, and collaboration—and to an end, a standardization of models. However, because jobs are created based on unique requirements of an organization and the complex business environment by which it operates, pooling data from varied sources will have limited validity and reliability. Each organization

will need to have mechanisms by which to measure: What kind of talent do I need for my organization's environment? With such volatility in this area, it is not uncommon for jobs to evolve once every three to five years, as quickly—if not faster—than a strategy itself. The challenge in this area of study is not in the willingness of companies to share data, but in the complexity and the speed by which the subject changes.

Assessing the Current Situation

Once competency requirements are defined, the next step is to measure whether knowledge, skills and attitude gaps are present among employees, so that results become a basis of development plans for employee career growth. Competency assessments are done across all stages in the talent management cycle, including screening, onboarding, training and development, performance management and succession planning, in an attempt to allow managers to make informed decisions. A combination of written exams, behavior-based interviews, and on-the-job observations and certifications are done to come up with a final conclusion in determining the presence of technical and leadership skills.

Similar, however, to the pitfalls common to assessments, these processes are not free from biases, and attempts to establish internal and external validity need to be present. Validation with the use of several methods measuring one parameter is sometimes helpful. In addition to having multiple evaluators generating different perspectives, it also helps to assign assessors to areas in which they are known to be knowledgeable or have some expertise. For instance, the measurement of coding skills for software developers will need to be conducted and assessed by an individual with comprehensive knowledge in that specific coding language; and with enough frequency of observation and proximity to the employee before it is done.

Another strategy to strengthen the validity of the assessment process and overcome innate biases is to provide training to managers on raising their awareness to common biases that affect perception on behaviors, including the central

tendency, the halo effect, the recency bias, and other issues related to comparison biases such as leniency and anchoring. Although it is known that these biases can still occur regardless of age, experience or intelligence, an awareness that they exist has been helpful to managers in reexamining the accuracy of their decisions.

Building Competencies and Organizational Capabilities

Once competency assessments are done, from a strategic perspective, organizations can generate valuable information on the gaps in its internal capabilities for knowledge, skills and attitudes needed to drive overall performance. This allows leaders to prioritize resource allocations in learning and growth strategies by either building on employee strengths further or focusing on filling weaknesses. For instance, a customer-focused organization with service delivery platforms may find the need to focus on developing marketing and communication skills among its managers if this is seen as a common gap. These decisions are influenced, as mentioned in the balanced scorecard, by the organization's overall strategy and corporate culture.

On a more practical note, employee growth and development is influenced by a variety of factors outside the formal training offered by the organization. It is a combination of structured instruction and training, environmental and social support, and opportunities to display, practice and master the behavior, as well as the systems that reinforce and reward a superior display of the skill.

The challenges that lie in growth and development of work-related skills are found both in the individual and in the limitations of the social environment. Among the factors that appear to be conducive for development on the individual level are the individual's self-awareness and his or her learning agility or the ability to apply previous knowledge and skills to new and ambiguous situations. A person low in self-awareness will find it difficult to engage in coaching and mentoring conversations that focus on weaknesses that need improvement. Without

acknowledgment, there is limited ownership of activities leading to development. Individual growth in the work setting appears to be anchored on a realistic concept of self, and a preservation of the individual's autonomy to decide and seek for situations and challenging work assignments that stimulate that growth. When such opportunities arise, the process of positive behavior toward repeated exposure tends to produce the enactive mastery required.

Because self-awareness is key to understanding personal weaknesses and moving toward developing strengths, it is important for an organization to put necessary mechanisms in its performance management system or organizational development framework to allow for reflection and autonomy. For instance, in performance appraisal, employees should be allowed to assess themselves first in terms of their outcomes and behaviors based on agreed upon and communicated standards before finalizing ratings. This voice should be recognized and given value in the process, which may come in the form of due acknowledgement or even points in the final rating. In this discussion, employees are asked to describe their current performance and the challenges they encounter based on their perspectives.

Performance target setting must also come from an interactive and consultative process by which the employee is asked how they feel about and plan to achieve goals. Each phase in planning, execution and evaluation of performance is a collaboration that starts with employee input, and ends with an agreement of employee contributions and organizational support. In this model, performance management is focused on employee experiences rather than the manager's, because the employee is recognized as the primary contributor to performance.

Metrics must measure and reward both outcome and behaviors or actions in order for the organization to ensure performance and motivate individual aspirations. In order to work, however, this framework must extend to all levels in the organization, including leaders and top management, who need to be open to, and accept, feedback coming from peers,

stakeholders, subordinates and immediate superiors. In allowing for this feedback mechanism, employees on all levels become more self-aware of behaviors that are known to others but may or may not be unknown to self. In this structure, I have often witnessed a disparity in self-evaluations versus feedback from other sources, and an honest and guided discussion typically allows for performance improvement centered on an accurate perception of self.

On the organizational level, exposure of the individual to new, dynamic, complex and ambiguous situations and challenges on the job, partnered with support from peers and leaders, provide an environment that is both stimulating and nurturing of the newly acquired behaviors. High-performing, high-potential employees with learning agility need to be provided with opportunities that allow them to be assigned to new roles in the same environment, old roles in new environments, new peers, new leaders and/or new business formats.

With the trend of fast employee turnover in many industries, especially among the younger generation, the pressure for organizations to provide faster opportunities for skill development have increased. However, competency acquisition is not that simple—or fast, depending on the breadth and depth of the behavior. Simply put, it is unfortunate that many people don't stay long enough to learn complex valuable work-related skills. This poses a new challenge for managers to execute development plans that can be delivered within six months to one year to meet both performance requirements and quick employee succession. At the end of the day, employee growth and development is a mutual responsibility. Because this process takes a significant amount of time and investment from an organization, a common predicament is the choice to grow talent from within or to hire ready talent externally—a challenge that yields no simple answers. This will depend on both the organization's capacity for growth and succession planning, and the urgency of its need for skills.

Training and organizational development managers are called on to design learning interventions and curriculums that focus on innovative blended learning approaches where skill is acquired through a combination of both theoretical and practical applications that are relevant for the individual and the organization. Learning interventions need to provide significant gains to business performance in order to produce returns on investment. Managers, on the other hand, no longer just assume administrative roles, but also have mentoring and coaching commitments that will ensure that the human capital that they have built for the organization will be better than that which they have arrived into, and will be sustainable once they leave. Perhaps a more relevant area of study for organizational psychologists is not so much what traits allow a person to succeed in one job, but what traits allow a person to succeed over time.

Last Thoughts

At this point, it is difficult to answer how science and research can merge with such complex applications to businesses that affect ever changing and relative individual constructs such as job satisfaction, happiness, meaningful work and purpose. While business managers continue to build systems that provide performance with meaningful contributions to customers, employees and society in general, it is critical that in every step of talent management, managers are able to make sound and informed decisions that are based on empirical research and data with a clear eye that is cognizant of biases and psychological weaknesses.

Research on personality, development and social psychology, on the other hand, will need greater immersion in understanding changes in the lives of working Filipinos and the business environments that they operate in to be able to truly understand the applications of theory, its strengths and limitations thereof. Only through collaborative partnerships with industry and the scientific community, coupled with frequent dialogue, can research be timely, relevant and contributing to improving the

daily lives of the working class. After all, they say, work is not just about what you get—but the kind of person it makes you become.

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