

Is Your Company a Talent Optimizer?

In research with over 400 companies, Vaya Group has focused on understanding what makes some strong “Talent Optimizers” and others “Talent Minimizers.” The Talent Optimizers are those companies that consistently develop strong leadership and managerial talent and translate talent into positive business outcomes. Our research indicates that being a strong Talent Optimizer company provides a huge competitive advantage. Some specific benefits we have observed include:

- In 2008, the stock performance of Talent Optimizer companies *more than doubled* the performance of Weak Talent Optimizers, a group we call “Talent Minimizers “
- Strong Talent Optimizers were *twice as likely* to be listed as a Best Place to Work and two and one-half times more likely to be on the Most Admired Companies list
- Strong Talent Optimizers showed up on the list of the World’s Most Sustainable Companies **36% of the time**, whereas, Talent Minimizer companies showed up on the most sustainable list 0% of the time

So what is a Talent Optimizer company and how do I help to create one? This is the question that we set out to answer in our research study. We learned that Talent Optimizers have specific components in place that support both talent and business success. We call these components The Talent Optimization Framework™ (TOF). Let’s walk through each component. As we do this, ask yourself how your company performs in these key arenas.

1. **Leadership:** Are your most senior leaders visibly and actively engaged with, and supportive of, the organization’s talent management activities?
 - a. Role model development
 - b. Active as mentors and teachers
 - c. Hold themselves and others accountable for talent management
2. **Culture:** Does the organization have a culture that supports talent development and the sharing of talent?
 - a. Inclusive and development oriented culture
 - b. Values diversity of talent as an asset
 - c. Supports the promotion and sharing of talent
3. **Strategic Alignment:** Are your talent management strategies and initiatives aligned to the broader strategic plans and objectives of the business?
 - a. Talent (People) strategy well articulated and aligned
 - b. Workforce planning and future skill needs defined
 - c. Leadership framework in place

4. **Talent Assessment:** Does the company have objective, standardized mechanisms for assessing the most important skills and behaviors of incumbent leaders and managers, and external candidates?
 - a. Competencies assessed and gaps understood at the individual, team and organizational levels
 - b. Talent quality is understood via external benchmarking and normative data comparisons
 - c. Talent acquisition (promotion and hiring) decision making supported by rigorous assessment data

5. **Learning and Development:** Do the company's learning and development tools and processes effectively support post-assessment and post-feedback development and growth of talent?
 - a. Development focused on closing most important competency gaps
 - b. Mentoring and coaching is readily available and utilized
 - c. Rotation and stretch assignments identified and aligned to talent needs

6. **Performance Management:** Do the company's performance management processes effectively measure and provide useful feedback on the right behaviors and skills of your people?
 - a. Candid and focused feedback
 - b. Clear and specific development plans
 - c. Career paths and employee aspirations well understood

7. **Human Resources Capability:** Is the HR function viewed as a valued partner relative to talent acquisition, assessment, development, coaching and deployment?
 - a. HR filled with skilled organization consultants
 - b. Expert talent assessors
 - c. Top-notch executive coaches

8. **Talent Data Analytics:** Does the company have data management tools and the capability to analyze the impact of talent management initiatives and efforts?
 - a. Accurate talent data
 - b. Sophisticated data analysis
 - c. Analysis linking talent initiatives to business outcomes

In our study of 400 companies, we found that Talent Optimizers perform at a higher level across each of the TOF components. With such a strong relationship between success on these components and positive business outcomes, the TOF provides much needed clarity and structure for ensuring talent initiatives successfully drive tangible and meaningful results.

Vaya co-founder and principal, Dr. Paul Eccher, PhD, has written a book that elaborates further on the Framework. To learn more, to purchase the book or even to participate in Vaya's Talent Optimization Survey, visit www.OptimizingTalent.com.