

# How Smaller Organizations Can Use Talent Management to Accelerate Growth

*Small to mid-sized organizations, whether for profit or not, need a means to manage their talent more effectively in order to prevent talent gaps from growing out of control.*



## Does this sound familiar?

*“Sorry, I have to cancel our meeting tomorrow – I have to go to another office to deal with some staffing issues.”*

*“I haven’t made as much progress as I’d like on the competency research – I’ve had 50 fires to put out this week in warehouse operations – they’re really having trouble adjusting to the new management team.”*

*“I’m afraid we’ll have to delay our launch again – we’ve lost 3 employees this month and I just don’t know how I’m going to handle the workload.”*

We’ve been hearing comments like these from our clients in small to mid-sized businesses and nonprofits recently, so you’re not alone. We began wondering about several things. First, why all the “fires?” And second, what would it take for these organizations to prevent these “fires” rather than continually fight them?

The answer to the first question was pretty obvious. The majority of “fires” our clients fight involve some kind of issue with “talent” - the people who do the work in the organization. These talent issues result in time consuming “fires” that prevent the organization from running effectively. Sometimes, it’s a recently hired employee who’s a bad fit. In smaller organizations, it only takes one employee who doesn’t pull his or her own weight to slow down a whole department – adversely impacting the entire operation. Other times, senior employees and managers who’ve been successful in the past can begin to cause problems as the organization grows, matures, and changes. The entrepreneurial spirit that is required to get a business started often doesn’t work well



when an organization has become more complex and requires some established systems and processes to maintain quality products, services and data. Still other fires occur when an experienced, highly valuable employee moves on, leaving an enormous knowledge gap.

The answer to the second question is deceptively simple too: small to mid-sized organizations need a means to manage their talent more effectively in order to prevent talent gaps from growing out of control.

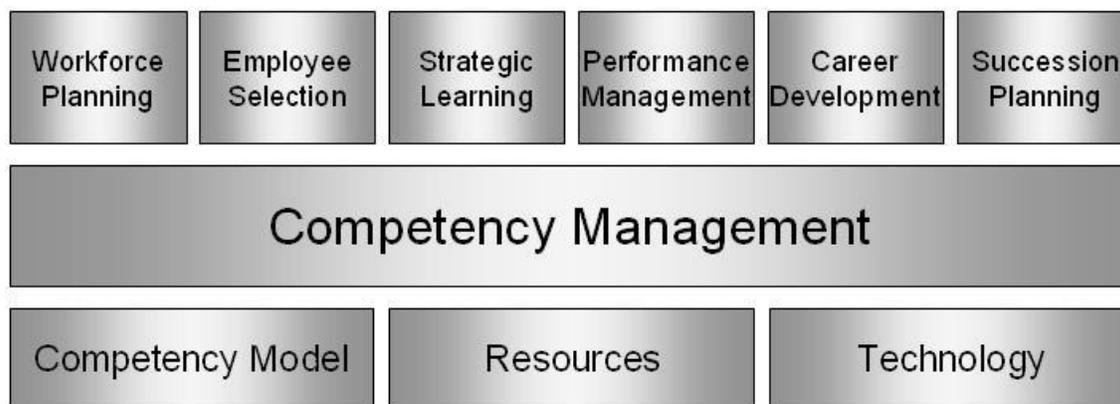
Most large organizations have the resources to address talent issues proactively. They are able to invest in talent management software - and the people to manage them - in order to maximize their talent with workforce planning, talent acquisition (hiring), learning and development as well as career and succession planning. But smaller companies and nonprofits, with smaller budgets and fewer people with experience in highly regulated talent management processes, often dismiss talent management as beyond their reach.

At Avilar, we believe that companies of any size who want to better understand, manage, and maximize the talent in their organizations, should be able to do just that.

What exactly is talent management? According to Bersin and Associates 2007 *High Impact Talent Management* report, talent management is “a set of organizational processes designed to attract, manage, develop, motivate and retain key people to create a highly responsive, high-performance

sustainable organization that meets its business targets.” This means that organizations that use talent management take an organized, thoughtful approach to *all* organizational activities involving hiring, training, managing and engaging their employees so that the organization does a better job of reaching its goals.

The image below shows Avilar’s view of a successful competency-based talent management process.



## Foundations of Talent Management

Competency management is at the heart of talent management, connecting and integrating all talent management functions. A three-part foundation comprising a competency model, knowledge resources, and technology is needed to support the process.

**1) Competency Model** - A competency model that meets the needs of your organization is the single most important element of competency management. We define a competency model as the particular combination of knowledge, skills, abilities and other characteristics needed to effectively perform in an organization, used as a tool for a wide range of integrated talent management initiatives. A competency is a cluster of related

knowledge, skills, abilities and other work related characteristics which:

- affects a major part of one’s job (a role or responsibility)
- correlates with performance on the job
- can be measured against well-accepted standards
- can be improved via training and development

Competency models can take years of effort to develop – or you can start with a “starter set” of competencies designed with the smaller business or nonprofit in mind. The model can grow with your organization as you use it and find ways to customize it for your organization.

**2) Resources** - Using a talent management approach to become more proactive does require the investment of time and effort to develop, implement and maintain. While you ultimately can expect a reduction in disruption and costs, in our experience one of the most critical success factors is identification of one or more project managers who can devote some significant time to the effort.

**3) Technology** - All but the simplest competency management initiatives will require specially designed software to collect, analyze, report and use competency information. Here are some things to look for when shopping for technology to support your competency management needs:

- Focus on the skills and processes most often used in smaller organizations
- Flexibility to meet your needs as they grow – without large additional investment
- Ability to assess employee proficiency through self-assessments, manager assessments and objective measures
- Ability to support all immediate and planned applications of your competency management program
- Interactive analytics and customizable reports
- Seamless integration with other HR applications
- Vendor track record of customer support and service



## Typical Talent Management Initiatives

Following are six ways small and mid-sized organizations have successfully moved into talent management without the traditionally large expenditures of time and money.

**1) Workforce Planning** - To take a strategic approach to workforce planning, it's critical to examine the current and desired state of the talent within the organization. This is especially important for growing organizations, whose current talent supply may not match future needs. By understanding its current skill level through a talent inventory and then forecasting the skills it will take to move an organization to a higher level of maturity and sustainability, an organization can identify potential gaps and overages, and make informed decisions

on whether to hire, outsource or train to fill talent needs.

**2) Employee Selection** - Poor hires cost organizations vast amounts of money in training time, low productivity and frustration experienced by coworkers who have to carry the weight for a marginal worker. In too many organizations, managers conduct employee interviews by asking standard questions or trying to get a "gut feel" about how a candidate will fit in. These methods usually result in lackluster and costly results. Competency-based employee selection methods can increase employee retention rates and decrease initial training time. Job profiles, containing the skills required for each job, become the starting point for designing applicant screening processes such as behavioral interviews, job samples and pre-selection testing.

Using a talent management approach, competency-based interview questions (“Tell me about a time you realized a project was not going to be completed in time.”) can be developed and then compiled into interview guides for each position. Managers are then trained to use the guides during interviews to determine how key skills have actually been used by each applicant.

**3) Strategic Learning** - Some organizations don’t know where to begin with employee training, so they don’t bother. Others waste significant resources on training that doesn’t meet their needs, using a “sheep dip” method where all employees attend the same training whether they need it or not.

Employees’ skill gaps can be identified through self or manager assessment. Individual skill gaps can be used to guide the development planning process, while the aggregated skill gaps can help the organization develop a cost-effective training strategy that avoids the “sheep dip” training. Individual development plans (IDPs) act as a road-map for each employee, leading them to a higher level of competence.



**4) Performance Management** - Small organizations can make the leap to a more effective workforce through integrating a performance management system into their talent management program. Some of the most important capabilities of performance management include:



- Cascading goals so that departments and individual employees can align their goals with the organization’s strategic objectives
- Performance planning that helps each employee see clearly what the expectations are
- Performance monitoring and tracking that provides a central location to collect performance data
- Feedback and coaching tools to make sure employees know where they stand throughout the year
- Performance scoring mechanisms that integrate with employment and compensation decisions

**5) Career Development** - What’s one of the most frequently mentioned responses to the “Why did you leave?” question in exit interviews? “There’s nowhere to advance here.” Without a competency-based talent management approach, too often talented employees leave for what they perceive as greener pastures while the organization expends significant resources trying to find a candidate for a role the departing employee could have filled easily.

Talent-focused organizations provide the opportunity for employees to identify their career interests and assess the gap between current skill levels and the requirements of several career options in order to create career development plans. Such organizations also create career pathways that illustrate the most common progression within an organization, allowing employees to browse skill requirements for potential promotional job opportunities and find jobs that match their current skills and interests.

**6) Succession Planning** - With a smaller pool of talent to begin with, smaller organizations are at even greater risk of knowledge and skill gaps as senior

employees retire, taking their knowledge and skills with them. Using a well-constructed competency model, organizations can pinpoint potential skill gaps before they occur, and then identify high-potential candidates who can be developed as replacements for departing key employees.

Numerous studies have demonstrated that organizations that undertake talent and competency management initiatives exceed those who don't in revenue per employee, customer satisfaction, and efficiency. A proactive approach can build organizational capacity and trust. It isn't as difficult or time consuming as you might think.



## About Avilar

Founded in 1997, Avilar is a leader in competency management and workforce optimization. We believe that a competency management method is one of the most effective ways to develop a workforce and deliver results in an organization. Our flagship WebMentor™ product line, introduced in 1998, includes a complete suite of affordable, easy-to-use, and full-featured competency development and management tools. Avilar is a recipient of the Excellence in E-Learning for Customer Satisfaction Award from Brandon Hall Group and eLearning Magazine, and has been cited by Training Magazine as a top “price-to-value” provider.

To learn more about the WebMentor™ product line or Avilar services, visit [www.avilar.com](http://www.avilar.com), or contact the Sales Department at 410-290-0008 or [sales@avilar.com](mailto:sales@avilar.com).