

# *Reaching the potential of your business by realising the potential of your talent*

An overview of Effective Talent Management

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***Before we start.....***

***What is talent?***

***What does it  
mean for our  
businesses?***

***Why is it  
particularly  
relevant now?***

## ***Some of the reasons for employee disengagement***

- ***Employee turnover is likely to rise***
- **Employee free agency is likely to accelerate**
- ***No one really expects to work long-term for one company anymore***

**Talent Management is at the top of the CEO Agenda**

*PwC's 14<sup>th</sup> Annual Global CEO Survey*  
**Nearly half of the hundreds of**

**Only 45% of employees polled said they were satisfied with their jobs — the lowest level in two**

*The* **Employee engagement levels among top performers fell more sharply last year than they did for workers overall**  
*WorldatWork*

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# ***Agenda***

Global CEO survey results

Effective talent management

Putting the pieces together

# ***Global CEO views on Talent***

## **14<sup>th</sup> Annual Global CEO Survey**



## ***Finding, Keeping & Motivating Talent***

### **CEOs are telling us...**

#### **Managing talent is back on top of the CEO Agenda**

- **83% of global CEOs anticipating change to how they manage people, in response to changes in the global business environment**

#### ***Finding.....***

- **Plans to expand the talent pool this year (>50%) , but**
- **A limited supply of candidates with the right skills (2/3rds)**

#### ***Keeping and motivating.....***

- **Challenge to integrate young employees**
- **New talent management models eg expose top talent to new and diverse experiences**
- **The use of more non-financial rewards to motivate staff**

## ***Talent- the top priority***

*“As we move out of the downturn, CEOs are putting the focus firmly on their people. **Competition for talent** is intensifying as recruitment activity picks up in some sectors and there are increasing difficulties **finding staff with the right skills**. CEOs often speak of the importance of talent, but there’s not enough evidence of **action being taken**. The survey findings are encouraging, suggesting talent will be reflected more in company strategy. HR professionals need to help CEOs see what can and should be done”*

(Michael Rendell, Global Human Resource Services practice leader at PwC)

# *Effective talent management*



## ***Optimising your workforce means...***

- ***Aligning*** your talent priorities to your ***business objectives***
- Getting an accurate perspective of the ***competencies*** of your current workforce
- ***Tailoring your talent solutions*** to the values and expectations of those in pivotal roles
- Understanding the ***return*** you get from your investment

# ***Effective Talent Management***

## ***3 Step Process***

1. Alignment



2. Engagement



3. Measurement

## *Letting go of some dangerous talent myths*

1. Alignment myths	2. Engagement myths	3. Measurement myths
<b>We can always rely on the flow of well educated talent from our third level institutions</b>	<b>If we treat employees well, they'll be loyal to our organisation.</b>	<b>Talent ROI metrics are famously hard to produce.</b>
<b>What is best for the business is best for employees as it creates jobs</b>	<b>My pivotal talent will stay during economic uncertainty.</b>	

# ***1. Alignment – matching your talent strategy to the strategy of your business***



## ***2. Engagement – the transformative role of pivotal talent***

*Refocusing your HR efforts on pivotal talent can provide a major competitive advantage.*

Pivotal talent is made up of those game-changing employees whose performance can make or break your bottom line. They are the employees best positioned to add the greatest value and determine the future success of your company.

**By asking a single question you can recast the talent issue from administrative to strategic...**

**How should scarce resources be used to enable our **pivotal talent** to achieve the strategic outcomes we seek?**

## ***2. Engagement – what drives it?***

Employees want...



### **3. Measurement – focusing on the facts by measuring your talent effectively**

#### **Quantifying impact on objectives vs. labour costs**

*According to PwC Saratoga, employee costs in the US, on average, have fallen to 28% of revenues, while revenue per employee has increased by 8%.*

***Where do you stand?***

#### **Tracking key talent indicators**

*The average cost of turnover for an employee is 1.5 times their annual salary, when you factor in recruiting, onboarding and lost productivity costs. **How do you compare?***

### ***3. Measurement – focusing on the facts by measuring your talent effectively***

#### **Improving employee engagement surveys**

*The best companies leverage qualitative data to improve ineffective practices.*

***Do you?***

#### **Measuring HR effectiveness**

*Today's companies spend about €1,200 on average per employee on HR expenses.*

***How are you measuring HR ROI?***

### **3. Measurement – the link between survey data and HR metrics**

- Drivers of employee turnover at Company X are:

- **The Supervisor**
- **Opportunities for promotion**
- **Career development**

**Employee  
Engagement  
Survey**

**Saratoga Metrics**

- Voluntary turnover at this organisation is: **22%**
- and it costs **€1.3m**

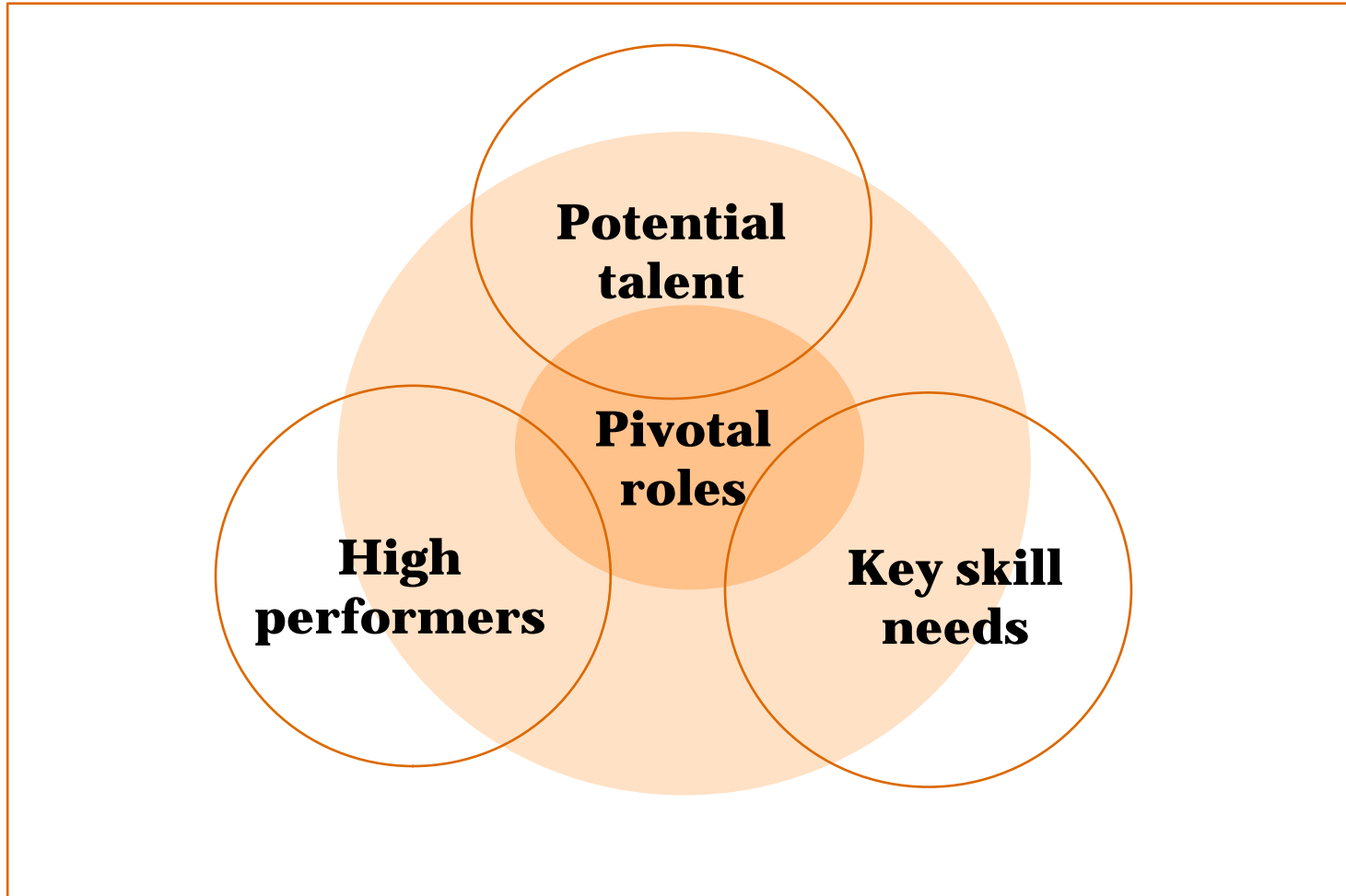
# *Putting the pieces together*



# *Managing talent to deliver the business strategy*

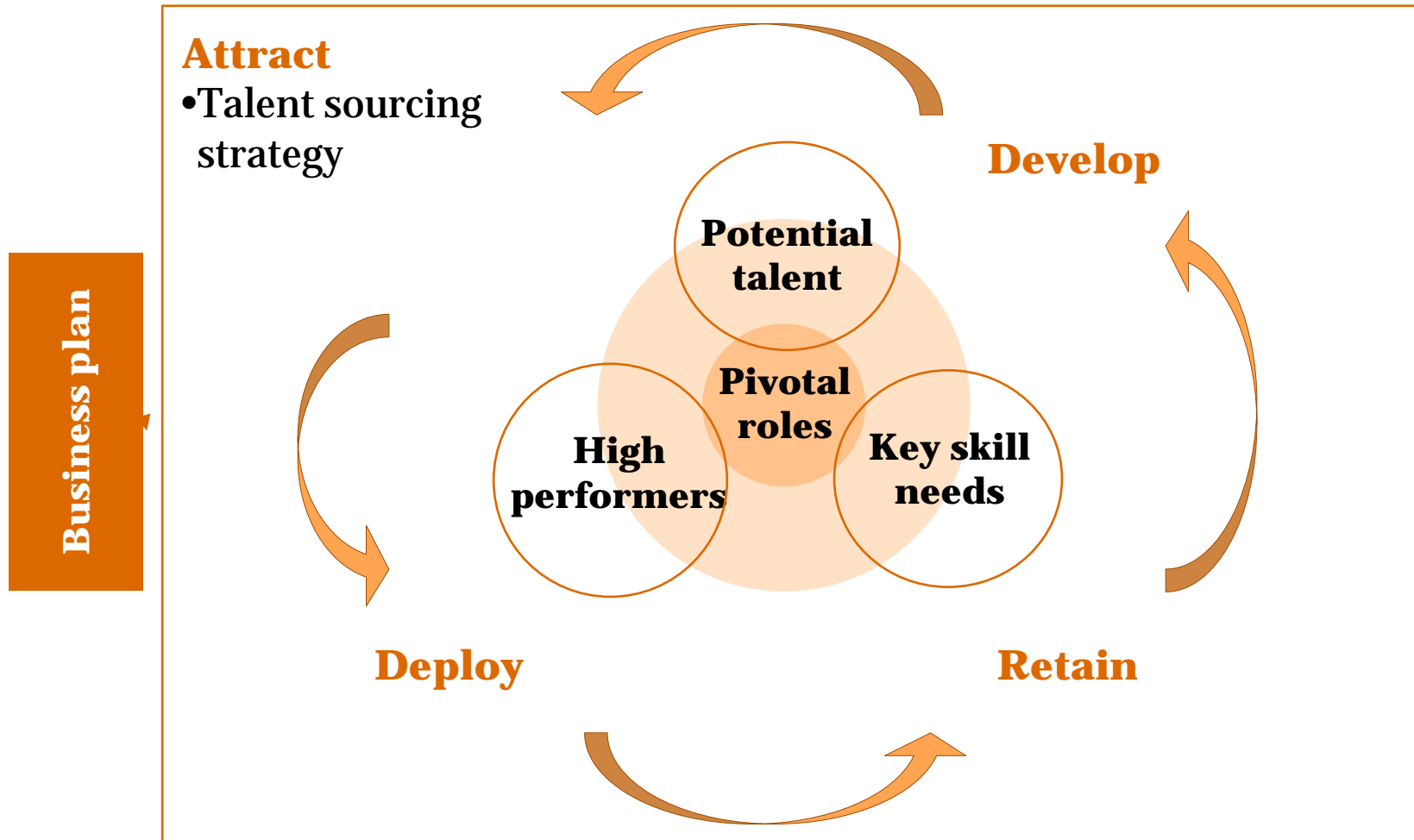
## *Talent strategy*

**Business plan**



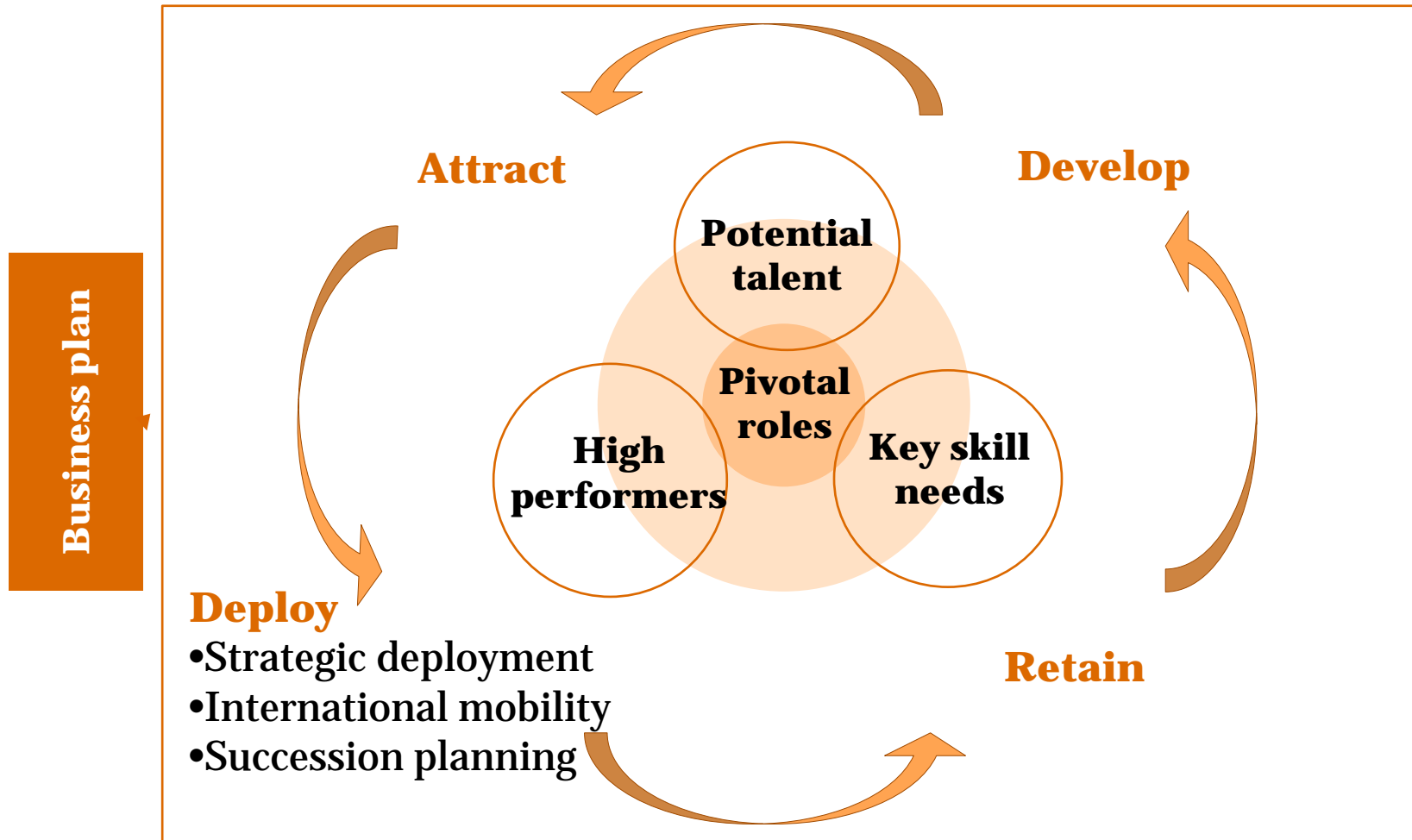
# Managing talent to deliver the business strategy

## Talent strategy



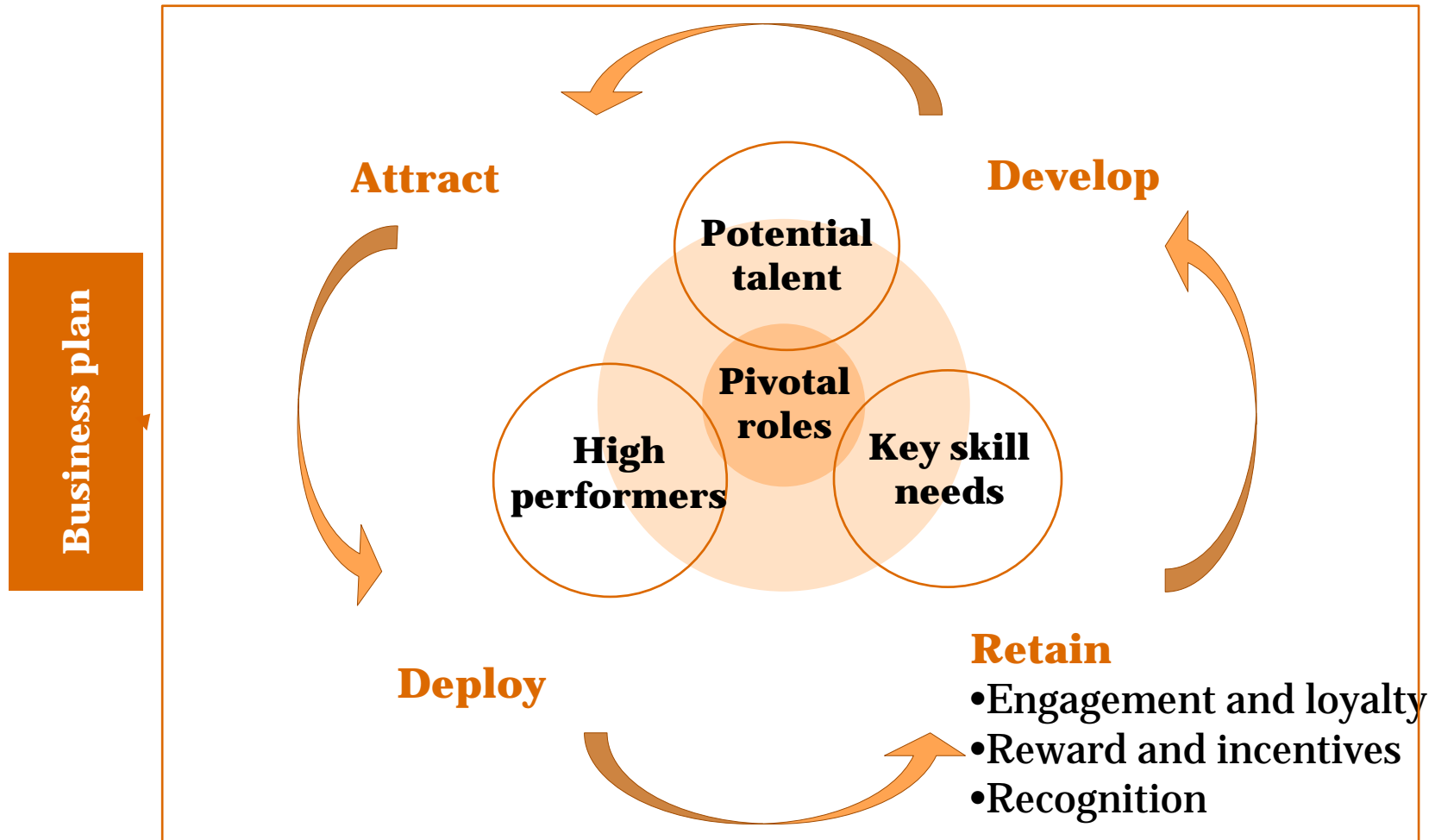
# Managing talent to deliver the business strategy

## Talent strategy



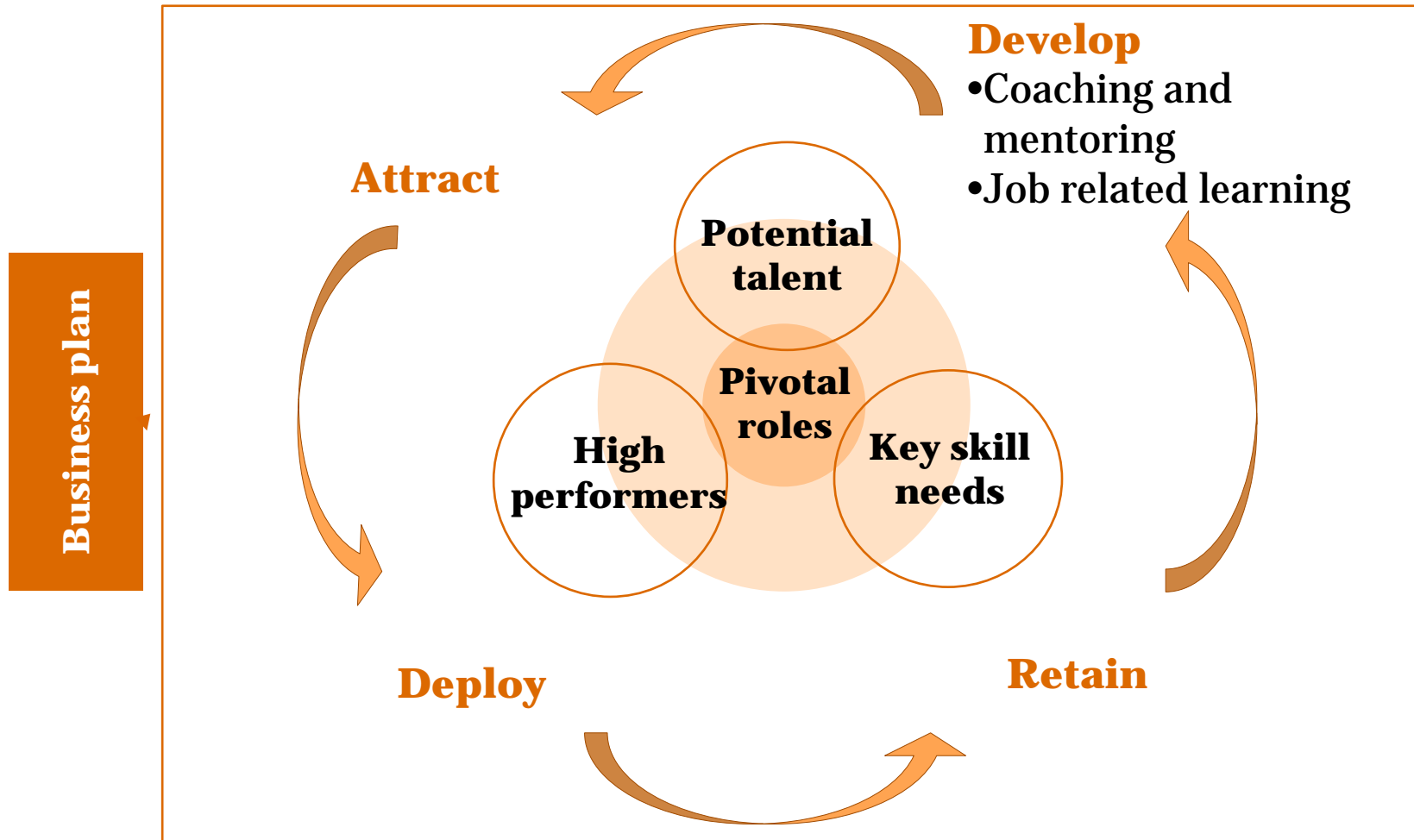
# Managing talent to deliver the business strategy

## Talent strategy

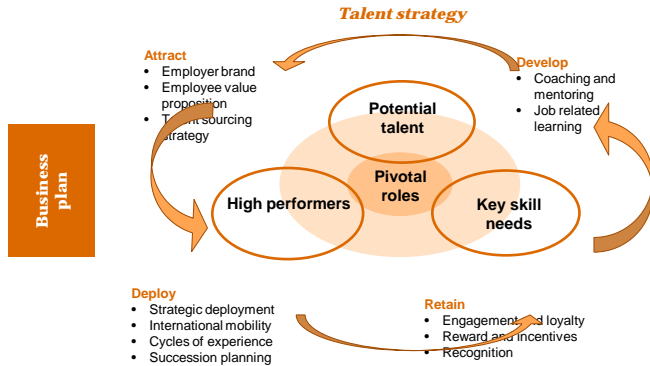


# Managing talent to deliver the business strategy

## Talent strategy



# Managing talent to deliver the business strategy



## Five steps

1. Are the Talent strategy and business plan aligned?
2. Target the pivotal roles in your organisation
3. Identify and classify the talent you have and the talent you need.
4. Manage your talent - the employee lifecycle
5. Robust measurement, benchmarking and analytics

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# *Talent Management is top of the agenda for Global CEOs*

*We need to secure 'talent' that is aligned to our strategy, engaged and will deliver tangible business outcomes.*

*Identify your 'talent' today  
.....and make sure you  
don't loose them.*

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# *Questions or Observations*

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