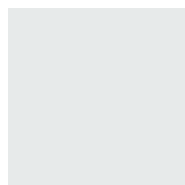


# TALENT INSTITUTE



## DESIGN OF A PEOPLE STRATEGY

Mitigating Risk and Building Organisational Capability



## GOOD PRACTICE

Business success largely depends on people who outperform their peers at competitor organisations.

Most Admired Companies (MACs) know this and deliberately build strategies that work at all points of the business cycle and that do not have to change radically with turns in the economic cycle.

Such a strong, stable strategy, clearly communicated and understood throughout the organisation, serves these exceptional companies in good times and in bad.

By developing effective strategies and sticking to them, they avoid the distractions that trap their less successful peers when business cycles turn.

MACs employ a systemic approach to growing human capital. This approach:

- Clearly describes what successful human capital management is and how it connects to business results
- Measures and manages human capital with the same discipline as financial capital
- Enables managers and leaders to learn from experience to make progressively better human capital decisions.



In addition, MACs have distinctive approaches for:

- Attraction and retention of talent
- Organisational culture
- Leadership development
- Performance management
- Strategy implementation
- Responding to economic uncertainty
- Success in execution, and
- Fostering innovation.

Their stories are consistent. The differentiating variable for sustained business performance is effective management of human capital.

Instead of asking the question 'How are we doing?' they ask:

- Where are we going?
- What are our risks?
- What capabilities will we need?



## ORGANISATIONAL HIGH PERFORMANCE

The design of a people strategy happens against the backdrop of a desire to achieve organisational high performance. The following attributes are typical of high performance organisations:

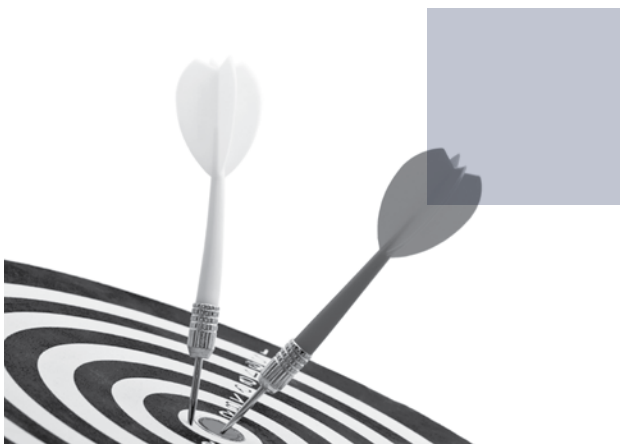
- Their strategies are consistent, clear and well thought through
- They strive to be world-class in providing customer value
- They adhere to high ethical standards
- Their leaders are clear, fair and talent-oriented
- They are superior in terms of clarifying performance measures, training people to do their jobs, and enabling employees to work well together
- Their employees think that the organisation is a good place to work
- Their employees use their skills, knowledge and experience to create unique solutions for customers
- They foster a culture of learning, innovation and accountability
- They are proactive and demonstrate a particular competency.



## THE BUSINESS CASE

There is a need for a (new or revised) people strategy when one of the following conditions applies:

- Shift in business strategy
- Merger or acquisition
- Significant people problems
- An opportunity to dominate the market.



## FEATURES

A people strategy:

- Is future-oriented and directly aligned with the business strategy
- Builds on the core corporate values, organisational culture and drivers of change
- Outlines what the organisation offers and seeks from employees (through a clearly articulated employee value proposition)
- Defines the capabilities required to deliver the organisation's strategic goals
- Addresses burning people issues
- Identifies the principles by which it will be guided, how progress will be monitored and who will be held responsible and accountable for execution.

A people strategy clearly defines the objectives and actions required to achieve a position of competitive advantage through the effective management of the people portfolio.

As such, it extends well beyond HR's traditional agenda and provides a basis for creating value through people.



## CORNERSTONES

A people strategy rests upon a foundation that is made up of four cornerstones.



## DEVELOPING A PEOPLE STRATEGY

Developing and implementing a people strategy is demanding work, especially when business success depends on the availability of hard-to-find and hard-to-keep talent.

As with any major change intervention, success with a people strategy depends on getting a good start and driving execution.

Successful people strategy efforts rely on semi-dedicated cross-functional teams with a steering committee of senior executives, which oversees the development of the strategy and measures and guides execution. As such, the process brings together a diverse group of stakeholders who are concerned with the way people provide value to the organisation.

While HR is involved, the effort is driven by business leaders, who are also heavily involved in development and execution.

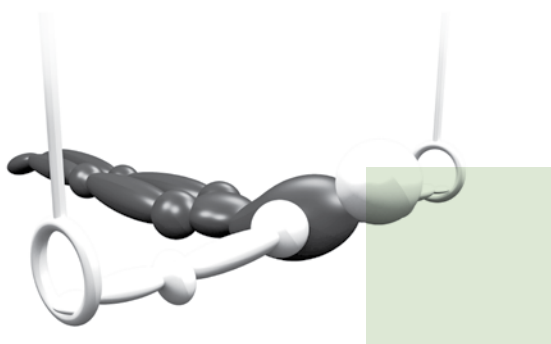


The following people should ideally be involved in the development of a people strategy:

- The CEO and senior leadership team (SLT)
- Chief talent officer (CTO)
- Select Board-members
- Senior members of the HR-function
- A cross-section of functional managers, identified future leaders and high-potential employees (HiPos).

The ability to think outside-of-the-box and on a strategic level are important criteria to consider when deciding whom to include.

A content expert facilitates the design process.



## THE PROCESS

A people strategy is not the result of a two-day strategy retreat.

Rather it is the output of a process that starts with a strategy retreat, but which is followed by several work streams completing specific assignments against agreed timelines during the weeks and months immediately following the strategy retreat. It is possible to obtain sign-off on an agreed people strategy within a six-month period.

In the run-up to the two-day offsite retreat:

- Participants receive an invitation detailing the purpose and context of the workshop
- The facilitator makes available pre-workshop reading material (to set the scene and whet the appetite) and questionnaires (to get the delegates thinking).



The CEO plays an important role in mapping the strategic context and setting direction by responding to the following questions:

- Where are we going and why?
- What are the opportunities and challenges we face?
- What are the steps for getting from here to there?
- How are we doing and what else needs to be done?

The process facilitator leads workshop delegates to identify:

- The strategic human capital priorities (distilled from the corporate strategy)
- The capabilities required to execute the business strategy
- Burning people issues, and
- The risks associated with the people portfolio.



## WORKSHOP DELIVERABLES

Armed with a comprehensive understanding of direction, challenges and risks, workshop delegates proceed to formulate actions necessary to close gaps, mitigate risks and move the organisation forward.

The strategy workshop has the following deliverables:

- A shared understanding of strategic direction and a desired end-state
- An assessment of vulnerabilities and risk (from a people perspective)
- A definition of requisite capabilities
- Identified strategic people priorities (linked to the corporate business plan)
- Preliminary recommended actions in respect of each strategic priority
- A draft (or revised) EVP (employee value proposition)
- The appointment of cross-functional work streams and a steering committee
- A road-map (for finalizing and implementing the people strategy).

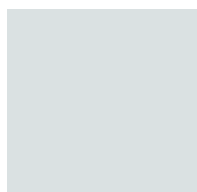


## FROM GOOD TO GREAT

Great people strategies create dissatisfaction with the current state (pain or opportunity) and build an acute sense of urgency and readiness to change. It brings breakthrough ideas and innovations that energise the organisation to take bold actions and make changes to achieve competitive advantage through people.

It needs to be embedded in the organisation, at the centre as well as within business units and the HR-function.

Please contact us if you would like the **Talent Institute** to assist you in the design of a people strategy.



## ABOUT THE TALENT INSTITUTE

The **Talent Institute** is a professional services firm that specialises in helping clients develop and implement talent strategies to more effectively manage the acquisition, deployment, development and retention of talent to support current business strategies and to prepare for future challenges.

Our focus is on *reducing people risk* in organisations - which ones to hire or promote and when - how to train and develop them to their fullest potential - and how to organise them and systems around them to maximise their collective potential. Our combination of psychological insights and real-world business experience removes the guesswork from making decisions about people.



Our team of psychologists and experienced management consultants offer proven solutions for hiring and promoting the best, identifying and developing extraordinary leaders, enhancing organisational capability and unleashing talent.

Our work is grounded in organisational psychology and the science of measuring and developing people and organisations.

A virtual management consultancy, we deliver services at any location preferred by the client.



■ SOUTH AFRICA

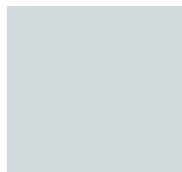
■ AFRICA

■ MIDDLE EAST

## MORE INFORMATION

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