

Talent Planning

A Top Priority in the CHRO Playbook

written by

Linda Brenner

*Managing Partner and Co-Founder
Talent Growth Advisors*

Tom McGuire

*Managing Partner and Co-Founder
Talent Growth Advisors*

What is the role of the CHRO in the quest for top talent? What is the best use of their time and attention during this, the most challenging marketplace for talent in our lifetime? Of all the hiring activities, what are the right ones for CHROs to prioritize and model?

We recently brought together a group of CHROs (you can see their names and companies on [Page 4](#)) and asked them these very questions. This paper summarizes the discussion as well as our thoughts on the topic of winning top talent in 2019. ▶

What Is “Top Talent”? Do You Need Top Talent for Every Role?

We had a lively discussion on this, the very first topic for discussion. Key responses included:

- “No company can have all top talent. You can’t keep them all happy and motivated.”
- “It depends on the business strategy. We need to focus most on those roles that are critical to our success.”
- “I disagree. While we don’t need ‘A’ talent in every role, we’re always striving for it.”

In the end, “top talent” should be thought about based on two dimensions:

- 1 Role Criticality:** These are the roles that are most critical to growing business value. For public companies, this information can be culled from investor reports and 10-Ks. For example, Pepsi grows the value of its business by acquiring and expanding new brands (e.g., its acquisition of SodaStream.) Those responsible for identifying acquisition targets, as well as those responsible for managing Pepsi’s brands, hold critically important roles in the enterprise within which high performing talent must be hired and retained.
- 2 Talent Supply and Demand:** To what extent do these critical skills exist in the marketplace? If they are scarce, as many of them are, the effort to identify, engage, compel, convert, etc. requires an entirely different approach than skills which are plentiful in the marketplace.

In this context, a company couldn’t afford to hire “top talent” in every role – nor would they need make such an outrageous investment. Imagine trying to find and win the highest performing payroll clerk or purchasing director in the land...

Is “Top Talent” the Most Expensive?

In this context, yes. If you’re vying for the most scarce, critical talent, chances are you’re competing against many different companies and industries for those same candidates. The need right now for developers or systems engineers, for example, crosses all

industries, geographies and sizes of organizations. So if you’re not paying top dollar, you simply can’t compete for these players.

One of the discussion participants made another excellent point: if a company is investing in building critical talent from within, the investment made in this talent can be enormous. Like with our external hiring example – to keep these employees engaged and retained – an organization must pay them a competitive wage regardless of their own internal bands or compensation approach or typical annual raise percentages.

“We think about demand driving supply. Some roles are simply more important, more essential to our strategic goals, than others. And we are operating with limited resources. So we focus on getting the very best talent for our most critical roles above all else.”

– A CHRO discussion participant

What is the Most Important Priority for the CHRO in Our Quest for “Top Talent”?

Where is the best and highest use of the CHRO’s time in this hotly competitive talent marketplace? What will drive the most important outcomes for the business? We presented the group with four initial options from which to choose, with the caveat that they could add others:

- Talent Planning
- Attracting Talent
- Finding Talent
- Closing Talent

Defining terms came into play immediately, as “Talent Planning” in particular generated a lot of discussion. In general, the group interpreted this as workforce planning, a framework for prioritizing requisitions, and a methodology for defining role profiles. The majority of the group ultimately stated that this area was the most important priority for CHROs, with Attraction and Closing following.

Why Should “Talent Planning” Be At the Heart of the CHRO Talent Playbook?

The inability to plan workforce plans from a build, borrow or buy perspective with some degree of accuracy impedes any talent team – either recruitment or talent management – from optimizing their impact on the organization. Yet this impediment is widespread. What causes it?

To begin with, various interpretations of the meaning of “workforce planning” among stakeholders (HR as well as hiring leaders) exist and little is done to drive understanding and alignment. So expectations about what it is, what it can do and why it’s important are muddled from the start. Next, HR leads will often acknowledge their beliefs in any or all of the following: data is inaccessible or inaccurate, leaders don’t know what they want, growth plans are secret, there doesn’t seem to be an organizational urgency for such analysis, etc. Last, it isn’t obvious how to prioritize workforce planning efforts. The traditional approach to segmenting HR efforts – by level – makes workforce planning an overwhelming concept: we have to do workforce planning for all our hourly roles across the business? Inconceivable!

“People have different ideas about what workforce planning is. This contributes to the fact that in my experience, 90% of time companies are bad at it.”

– A CHRO discussion participant

All of these factors lead many an HR leader to back away from what seems like a Herculean task, rather than build a strategy and a sustainable approach to workforce planning for, if nothing else, the organization’s most critical tasks.

Instead of backing away, a CHRO can lead the way forward by defining the meaning of workforce planning as a way to ensure that the organization has the talent they need, in their most critical roles, to ensure future business success. This information enables the prioritization and evaluation of hiring and retention efforts.

Think of workforce planning as a way to ensure that the organization has the talent they need, in their most critical roles, to ensure future business success. This information in turn becomes a road-map for hiring and retention priorities, efforts and outcomes for the CHRO.

What’s the Best Way for a CHRO to Build Momentum for Workforce Planning?

By targeting critical roles, the CHRO can draw a line in the sand to mark the beginning of a manageable and ultimately sustainable effort. That circle of critical roles can (and should be) very narrow at first – e.g., software developers or brand managers – perhaps only one role. Over time, it can expand to include other roles in the vertical or deemed critical.

Analysis can include a review of the past two years of hiring, movement and attrition data for this one narrow set of critical roles. This analysis, in and of itself, is informative and often eye-opening for a senior leadership team. From here, the CHRO can facilitate a discussion with these leaders in which this work is debriefed and discussed. From there the discussion can go – role by role – into future hiring plans: where should we add and how many should we add, where should we cut, which roles will become obsolete and should be actively or passively sunset, where is the best use of development and career pathing investment and contingent labor, etc.

Documenting and revisiting these conclusions with the business leaders against actuals over time (e.g., quarterly) is a worthwhile investment and will, in turn, be the road map for hiring and retention priorities and goals.

As CHROs develop their long-term talent strategies and, as part of that, determine where to spend their valuable time, struggle to determine the best use of their time and focus. Our vote, and that shared with over a dozen CHROs, is that of workforce planning, as imperfect and novel the approach might actually be in many organizations. ■

ABOUT THE AUTHORS

Linda Brenner

Co-Founder and Managing Partner
Talent Growth Advisors
linda@talentgrowthadvisors.com
[Linkedin](#)
[Bio](#)

Tom McGuire

Co-Founder and Managing Partner
Talent Growth Advisors
tom@talentgrowthadvisors.com
[Linkedin](#)
[Bio](#)

TALENT  ADVISORS
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CONTRIBUTORS

Vicki Cansler

Chief Human Resources Officer
Piedmont Healthcare

Jill Case-Wirth

Senior Vice President & Chief Nurse Executive
WellStar Health System

Carla Chaney

EVP - Human Resources
Graphic Packaging International, Inc.

Kimberly Currier

Senior Vice President - People Strategy
North Highland

Beth Duncan

Chief Administrative Officer
Consolidated Container Company

Laura Lee Gentry

Vice President Talent & Learning
Ultimate Software

Tim Goodly, PhD

*Senior Vice President &
Chief Human Resources Officer*
AMB Group, LLC

Andrew Lobo

Chief Human Resources Officer
C2 Education

Andy Lorenzen

Executive Director, Talent Planning
Chick-fil-A

Todd McCarty

CHRO and SVP Human Resources
Cumulus Media

Katy Owen

Chief Human Resources Officer
Interface, Inc.

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