

OPTIMIZING TODAY'S TALENT MANAGEMENT STRATEGIES

FOCUS ON: EXECUTIVE ASSESSMENT



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Not early everything about business seemed easier during the boom years of the late 1990s, including talent management. Strong results made every hire seem like a great hire, and in the glow of the bull market, every mid-level executive looked like CEO material.

Welcome back to reality.

Today's challenging business environment is a stark reminder to corporate leaders that talent management, wherein employees' skills and personalities are appropriately deployed to optimize performance, is a critical and difficult task. Furthermore, identifying and developing executives who have leadership potential, like every other vital strategic function, is a demanding process that is equal parts art and science. But now more than ever, businesses rise or fall on the strength of their people. And the onus to build and nurture this strength is on Boards of Directors and senior-level management.

To carry out this mission well is to fully appreciate the wide range of competencies necessary to have effective leadership teams that can withstand the test of time and market ups and downs. Operating excellence, technical competence, marketing savvy, passion, energy and drive are always important, but today's knowledge- and talent-intensive organizations also require the "soft" people skills that facilitate execution across functions, departments, regions, and operating units.

UNDERSTANDING AND IMPLEMENTING TALENT STRATEGIES

Understanding the importance of all these skills is one thing; being able to put this understanding into practice is another. How many corporate leaders today can say with con-

Whether it is the assessment and development of existing management or the acquisition of new talent, Heidrick & Struggles can be your partner in creating and optimizing the proper talent management strategy for your organization.

fidence that their management cadre has the complete package of skills to take the company forward? How many are certain that their executives are deployed where and when they can put their specific talents to the best and highest strategic use? And when a leadership need arises, how many can accurately discern whether it's time to promote an individual or if that executive needs further development? Until they gain strong insight into the talent in place within their organizations, senior managers are essentially

flying blind when it comes to talent strategy, whether the task is to determine current needs or to prepare for tomorrow's management challenges through succession planning.

Compounding the difficulty is the sheer size and complexity of many contemporary business organizations, which make it no simple undertaking to gather the information that will enable senior leadership to craft a winning talent strategy. And without robust information and analysis, leaders have little basis for deciding when and who to develop internally.

EXECUTIVE ASSESSMENTS: A STRATEGIC TOOL

One information-gathering tool that many corporate leaders are finding useful is the executive assessment, which evaluates and measures an organization's management talent in three key dimensions: against the organization's current and future strategic needs; against the competition; and against the overall talent marketplace. Properly performed, such assessments can help form the foundation of a winning talent strategy. They can produce the information that corporate leaders need to put the right people in the right positions at the right time, and they invariably clarify the processes that

monitor performance and develop capabilities. Corporations can use executive assessments to build a database to model the skills and competencies that their business strategies demand, and to help them determine whether they have talent in-house to match their needs and the level of professional development that may be needed. Assessments also allow companies to maximize the value of executive education programs, creating custom-fit learning strategies for their next generation of corporate leaders.

Most importantly, by partnering with a third-party expert to conduct executive assessments, senior managers can counteract the “in-house” bias that all too often leads to sub-optimal decision making. By approaching talent management in this manner, companies can better target retention, career development, and succession planning efforts on their stars of the future.

Heidrick & Struggles is one of the world’s foremost proponents of executive assessments and has developed an industry-leading methodology. Our objective appraisal of a company’s management team begins with a consultative review with the client to determine current and future leadership needs based on the strategic goals for the organization. Executives to be assessed are identified, informed and scheduled for their in-depth and structured competency-based interview conducted by consultants who have been rigorously trained and have assessed many executives in the client company’s industry or functional area. Using a highly specialized framework, we can accurately assess an executive’s ability to learn, think creatively, envision, engage and execute - the competencies most closely linked to optimum performance. Interview results are combined with feedback from professional and objective 360-degree referencing – including customers and other key constituents – again conducted by experienced consultants. The outcome is a meaningful evaluation of competencies, strengths, and areas for professional development.

Executive assessments yield a rich trove of information that companies can put to work in a variety of ways. They can

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be especially useful in developing the capabilities of less experienced executives who may have earned their positions on the virtues of long hours, specialized expertise, and individual accomplishment. For all their talent and promise, many high achievers lack the softer skills required in leaders of contemporary corporations. Their communications, change management, people and persuasion skills may need development. They know how to drive themselves hard in pursuit of a goal, but may have insufficient experience motivating and guiding teams. They may not have been able to take the time to cultivate the relationships needed to manage large, complex organizations, nor develop skills that keep a bewildering array of stakeholders confident in the future of the company. And their very ability to focus on discrete elements of the business may have inhibited their ability to think across the enterprise.

Therefore, assessments enable boards and/or senior management to intervene in promising careers and craft development plans that address both the

needs of the executive and of the company. Heidrick & Struggles, through our affiliation with Lore International Institute, a premier provider of leadership development programs, can assist in crafting such plans with specific recommendations on retention, professional development, executive coaching and executive education.

USING TALENT STRATEGIES AS A CHANGE AGENT

In the 21st century, organizations will not survive, much less grow, unless they evolve from a collection of insular, isolated business units into cooperative, collaborative, synchronized enterprises. Such massive change efforts require new skills and competencies of their leaders, yes, but also something more. Change demands a new vision of the organization, one that recognizes talent as a vital component of strategy, on an equal footing with technology, finance, and marketing.

Talent management takes on a new dimension in today’s competitive marketplace. It requires an understanding of corporate strategic goals and of the role that talent plays in reaching them. And it requires a nimble organization with the expertise and resources to identify talent needs and quickly decide whether to meet them from within or draw them from outside. Indeed, it is not an exaggeration to say that the future belongs to businesses that can weave talent and strategy into a seamless whole, and in the process build an organization with not only optimized performance but also with a significant competitive advantage as well.



Heidrick & Struggles International, Inc. is the world’s premier provider of executive search and leadership consulting services. Currently, approximately 1,300 Heidrick & Struggles search professionals and employees operate from locations primarily in North America, Latin America, Europe, and Asia Pacific. For 50 years, Heidrick & Struggles has specialized in chief executive, board member and senior-level management search assignments for a broad spectrum of clients: multi-national corporations, mid-cap and start-up companies, nonprofit entities, educational institutions, foundations, associations and governmental units. The company is expanding its range of complementary services to offer solutions to senior management teams for their leadership needs, including recruitment of emerging talent, executive assessment, interim executive placement, and professional development.

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