A CRASH COURSE IN

TALENT OPTIMIZATION

What is talent optimization?

As a business leader, you're looking to drive results. You start each year with a strategy—what you're going to accomplish and how you're going to accomplish it. Yet 52 percent of the CEOs we surveyed for our annual benchmarking report said they didn't achieve their business results last year. Why is that? Regardless of what kind of organization you're in, your results are driven by people. And if your people aren't aligned with your strategy … well, let's just say this is where that 52 percent comes in.

It's your job as a business leader to make sure your company optimizes its talent so you can achieve your objectives and crush the competition. The best way to do this is talent optimization—exactly what you're about to get a crash course in.

Talent optimization uses data and analytics to help you define job requirements, identify ideal candidates for open positions, align teams to accomplish business goals, and effectively inspire employees for optimal results.

This discipline is founded on four essential truths:

- **Talent optimization exists within business context.**

- **Talent optimization is driven by people data.**

- **Talent optimization must be embraced by leaders at every level.**

- **Talent optimization protects against the four forces of disengagement.**
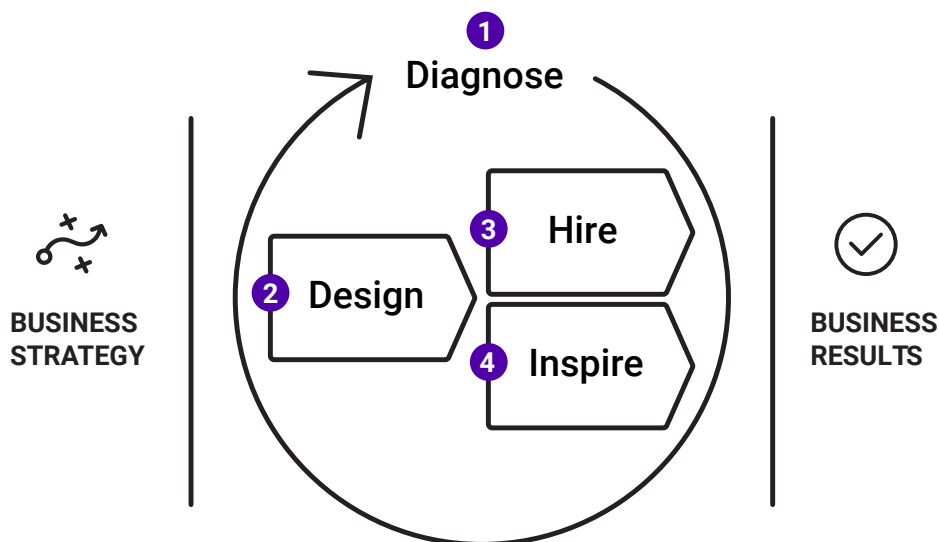
Let's explore each...

Talent optimization exists within business context.

Talent optimization doesn't happen in a vacuum. It's informed by business strategy and exists within a business context.

Your business strategy is at the heart of your talent optimization efforts. It informs your people strategy and is the meter you'll measure your actions and decisions against.

Talent optimization isn't about changing your business strategy. It's a way of taking your organization's thoughtful, well-designed strategy and using it to guide the way you hire people, build teams, and design your culture, among other actions.

BUSINESS STRATEGY

1 Diagnose

2 Design

3 Hire

4 Inspire

BUSINESS RESULTS

For talent optimization to work, the business strategy must meet the following five criteria. The strategy must be:

Deliberate: It should be written following deliberate consideration of how your company competes, prospers, delivers on its mission, leverages external opportunities and internal assets, and structures its operations.

Simple: It should have a narrow focus. A strategy that aims to do too many things will fail.

Actionable: It should be worded in a way that allows the leadership team to prepare a plan for execution. Ex) "Competing on the basis of innovation"

Agreed upon: It should be agreed upon by all key stakeholders. Every stakeholder must be aligned on what the strategy is and how it should be executed.

Communicated: It should be communicated so all employees understand the goals the company is trying to achieve.

Talent optimization is driven by people data.

People data empowers business leaders to make objective decisions, rather than relying on gut feeling when it comes to executing a talent strategy. There are a number of tools and techniques leaders can leverage to collect and measure people data.

While no one tool can accurately tell you everything about an individual, that doesn't mean you can't leverage data to predict performance. In fact, it's possible to predict how people will behave and interact in organizations when using the right tools, like our PI Behavioral Assessment™. These insights help talent optimizers understand the people in their organization and make improvements to the way they work.
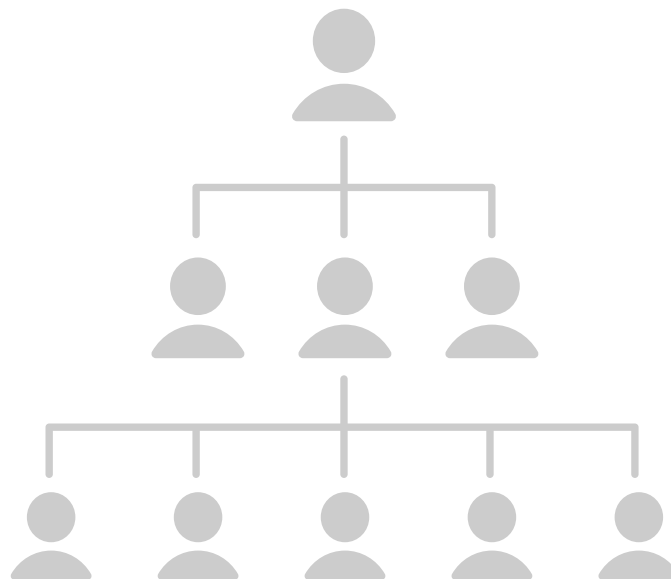
Behavioral Assessment

Talent optimization must be embraced by leaders at every level.

If talent optimization isn't adopted by leaders at every level of your organization, it won't work.

Organizations that implement talent optimization must adopt the mantra "leaders at every level." This mindset considers everyone—from senior leadership to frontline managers to individual contributors—as a leader.

Talent optimization protects against the four forces of disengagement.

Recently we surveyed 3,000 people and found that only 20 percent of employees identify as strongly engaged. This means one of every five employees would say they're proud to work for their organization, would recommend their company as a great place to work, are happy working at their organization, and it would take a lot to get them to leave. That also means that 80 percent of your workforce wouldn't strongly agree with one of those four statements.

We define engagement as putting in "discretionary effort" and going above and beyond minimum requirements to keep one's job and receive a paycheck. When this discretionary effort is missing, business results suffer—whether that's from poor productivity, absenteeism, safety issues, poor client service, or a toxic workplace culture.
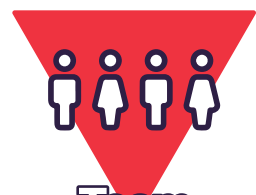

Job fit   **Manager**   **Organization**   **Team**

There are four key causes of disengagement:

Misalignment with the job: When positions are poorly defined, hiring isn't thoughtful, or organizational growth changes the job description, it can create misalignment between the employee and their role.

Misalignment with the manager: Managers play a crucial role in employee engagement, yet many managers lack the knowledge or training to successfully motivate and manage their employees.

Misalignment with the team: More and more, teamwork is required to execute strategy. However, poor communication and discord between varying personalities take a toll on productivity and innovation.

Misalignment with culture: Employees need to feel like they belong to something bigger than themselves. When they feel misaligned with the organization's values or distrustful of its leadership, engagement takes a nosedive.

Now that we've got the four essential truths down, let's look at the four aptitudes of the talent optimization discipline.

APTITUDE #1:
Diagnose

In this aptitude, you'll take the pulse of your organization. In the same way a doctor runs tests to formally diagnose a patient, you'll collect and measure critical people data, analyze that data in the context of your business, and prescribe solutions.

The Diagnose aptitude is made up of three activities:

Measure what matters. Most businesses track and measure key performance indicators for sales, customer satisfaction, and the like. Here you'll take a similar approach in measuring important people data such as behavioral styles, culture, employee engagement, and job performance.

Analyze the evidence. With your people data in hand, it's time to analyze the evidence within your business context. This will provide insights into issues that may not be obvious on the surface so you can quickly and effectively take action.

Prescribe improvement actions. This is where you'll create a plan of action to correct the issues you discovered when analyzing your people data. The goal is to make important changes that will help the organization achieve its desired business results.

APTITUDE #2:
Design

In this aptitude, you'll create a people strategy that's in alignment with your business strategy. Keep in mind that your people strategy will continually evolve as the needs of your organization change.

The Design aptitude is made up of four activities:

Select your organization's structure. Your organizational structure should be intentional, strategic, and aligned with the business results you're looking to achieve.

Evaluate your leadership team fit. Here you'll assess the leadership abilities required to execute on your business strategy and identify any gaps within your existing senior leadership team.

Understand senior team dynamics. A cohesive senior leadership team is a critical component of talent optimization. Developing awareness of personal and collective strengths—as well as similarities and differences—will encourage productivity.

Establish your culture. Culture needs to be deliberately and intentionally constructed in alignment with the business strategy. It plays a crucial role in employee engagement and performance.

APTITUDE #3:
Hire

In this aptitude, you'll leverage the insights gained from collecting people data to hire top talent and build cohesive teams.

The Hire aptitude is made up of four activities:

Define and communicate job requirements. Job requirements go beyond the practical to include behavioral drives and cognitive ability needed to succeed in the role. Putting in the extra time and effort up front will allow you to hire candidates who are likely to be a great fit.

Equip your leaders to land top talent. Hiring can't be left to chance or gut feel. Training and equipping your hiring managers to use people data in the hiring process will allow them to make smart and objective hiring decisions.

Predict new team dynamics. Healthy team dynamics are critical to accomplishing strategic goals. Using people data to evaluate team fit prior to making the hire increases chances of success.

Determine candidate cultural fit. Creating and maintaining company culture is a key component of talent optimization. When evaluating job candidates, consider their impact on and alignment with your organizational culture.

APTITUDE #4:
Inspire

In this aptitude, you'll take the data gained from the Diagnose aptitude to drive important employee engagement initiatives. This includes career pathing, building and maintaining a healthy company culture, and managing people and teams.

The Inspire aptitude is made up of four activities:

Create new jobs and career paths. Over time, you'll need to create new jobs, new career paths, and modify job roles to stay aligned with your business strategy. Anticipating these needs allows you to hire the right talent and keep current talent growing and engaged.

Develop your leaders. Leadership competencies are one of the top drivers of employee engagement. By identifying and evaluating leadership abilities, and giving performance feedback within business context, you set the stage for engagement and performance.

Create high-performing teams. All teams should aim to become high-performing so the organization can achieve its goals. Senior leadership must set the tone for the rest of the organization when it comes to decision-making, collaboration, and taking action.

Reinforce your culture. Culture can't be left to chance. An unmonitored and unmanaged culture will quickly become toxic, zapping engagement and productivity.

Are you ready to master talent optimization and bring it to your organization?

Learn how The Predictive Index can help you design your people strategy to achieve outstanding business results.

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