

CAHRS Working Group  
Group:  
Talent Planning  
April 26, 2023

## Talent Planning Working Group

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Although talent planning is simple in concept, many human resources (HR) professionals have found it difficult in practice, especially given the many challenges companies face today in a volatile market. In response to this growing interest, CAHRS held a working group session where company representatives participated to discuss talent planning. They shared advice and information on practical tools for maximizing talent planning effectiveness.

### Key Takeaways:

- Participants approach talent planning in multiple stages. While there are differences in specific details, talent planning often begins by holding a meeting between senior HR leaders, the board, and top executives. When an agreement is made on what company-level talent plan will be executed, each department develops specific short-term plans to fulfill it. For example, one company scans the external market environment every spring to understand what changes have taken place and what are viable areas for future investments. Using the information gathered from the external scan, it devises a year-long company-level talent plan that outlines the roles and goals for each employee group. The plan is then circulated, and to accomplish it, lower-level supervisors develop individual planning for each employee on a month-to-month basis.
- Participants shared some suggestions related to how talent planning should be executed. First, they suggested that company-level talent planning should not be too long-term oriented. They said making a talent forecast that spans multiple years incurs too much noise, prompting frequent revisions in talent planning. Second, company-level planning should offer a broad picture rather than attempt to be too specific. This tactic lessens the need to make ongoing changes with the plan that disrupts execution. Third, the subunit-level short-term planning must balance compliance with company-level planning and flexibility. To make fluent and effective company-wide talent management, subunit-level planning should be tightly linked to the guidelines offered by company-level planning. However, there may be cases where it is better to allow the subunits to be selectively flexible in adhering to company-level planning. One participant said it is a lot easier to plan than actually make it happen, in part because HR focuses on so many other functions.

### Suggestions for Aligning Talent Planning Across Corporate Divisions

Even within the same company, the language and terminology surrounding talent planning can be drastically different, making the development of well-aligned talent plan across corporate divisions challenging. Collaboration between the top management team and HR is crucial in addressing this matter. To begin with, senior leaders



8 attendees from 6 companies:

American Express  
CNH Industrial  
IBM  
Intel  
Verizon  
Visa

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should clearly communicate company plans and objectives. One participant commented that the company's strategic plans are oftentimes too vague and laden with jargon, which makes it difficult to create a concrete workplace plan. Another key element is getting support from finance team who can work with HR to outline a financially-feasible talent plan. When done well, senior leaders, finance, and HR arrive at a plan that stakeholder groups will understand (e.g., avoiding the usage of division-specific jargon and offering clear definitions/explanations on key terminologies and financial/HR metrics). Finally, with the outline reviewed and revised with the top management team, HR can help operationalize the details of company's talent plan.

### **How Employee Competencies Should be Identified**

Participants shared that organizations first need to develop a clear framework on what skills or competencies are needed in the future. Some companies break down competencies into more specific components such as knowledge, skills, abilities, and other characteristics (also known as KSAOs). Companies should identify the mix of skills required to meet future demand, including those that are only seasonally required. After developing an understanding of the skill needs, assessment tools can be used to identify who has what skills and enable effective management and deployment of talent across the organization.

### **Processes, Tools and Systems Useful for Talent Planning**

Participants relied on various tools, vendors, and consulting services for talent planning. In one case, a company leveraged locally-relevant data for talent planning. Specifically, the company connected with local high schools and universities and established a skill-matching system that helps identify valuable prospects from a large pool of students. In another case, a company used Excel functions to create a sales resource deployment model that highlights yearly objectives and actual attainment by geographical locations, markets, and brands. Furthermore, one company purchased an employee management service from a vendor to relieve lower-level supervisors' burden in individual-level talent management. Other companies reported using consulting services for talent planning, noting that consultants can be helpful but only to the extent that the internal data shared with the consultant is of high quality; otherwise, the consulting services may not offer much benefit. Lastly, some participants purchased external data (e.g., information on competitors and labor market trends) from vendors.

The participants noted that companies should be careful when choosing a vendor, as some offer poor-quality data. They also added that merging vendor-provided data might be a nuisance sometimes, as some vendors sell their data in unique data formats that are difficult to merge with existing systems. Overall, companies affirmed the importance of talent planning, even if it is challenging on many levels.




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**Takeaways and recommendations for HR include:**

- involve multiple constituent groups in the talent planning process (e.g., senior leaders, business heads, finance, HR, and more);
- adjust the scope of the talent planning process to the available resources—sometimes it is better to plan well for a smaller job family or key employee group rather than attempt to plan for the entire organization;
- recognize that there are no perfect tools or vendors for workforce planning—many companies use spreadsheets and combine a variety of tools and data sources to fit their needs;
- plan for a reasonable time period (often one year or less) and be ready to adjust the plan on a regular basis between the recurring cycles; and
- accept the unpredictable nature of talent planning—because future projections of business and labor demand are often underestimated or overestimated, so too will be the talent plans that follow. But most participants agreed that having a plan and adjusting to these market dynamics is better than having no plan at all.



This Summary Report was prepared by John Hausknecht and David Chung for participants of the "Talent Planning" Working Group.

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