CAHRS Working Group:
Talent
Development
and Capability
Building
May 4, 2023

13 attendees from 7 companies:

American Express
Bloomberg
Boeing
Estée Lauder
General Electric
IBM
Visa

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Throughout the COVID-19 pandemic, workers were called upon to broaden their roles and assume new responsibilities, aiding their organizations in navigating unprecedented disruption. Since then, the complications related to talent attraction and retention have highlighted the importance for organizations to fully leverage and adapting their current talent pools. These developments, among others, have underscored the increasing necessity of talent development and capability building for organizations striving to transform work and maintain a competitive advantage. A recent CAHRS survey discovered that these topics are at the top of HR leaders' agenda for 2023. To help partner companies think through these challenges and to learn from one another, CAHRS Academic Director and William J. Conaty Professor of Strategic Human Resources Brad Bell hosted a virtual working group to explore how CAHRS companies are addressing the challenges of talent development and capability building. Below is a summary of the key themes and best practices from the working group.

Key Takeaways:

1. Organizations are shifting their focus to developing their leaders' coaching skills. As many organizations are experiencing higher levels of attrition and lower levels of employee engagement than before, the required skills for leaders are also evolving. Consequently, organizations are striving to enhance their leaders' coaching skills, emphasizing good listening skills over directive approaches. In this process, fostering psychological safety is a key element, enabling employees to freely discuss their issues and find solutions, rather than perceiving coaching as a negative or punitive measure.

2. The development of middle managers' leadership capabilities has become more crucial than ever. As organizations expand, the span of control for middle managers increases correspondingly, leading to a greater number of direct reports under their supervision. Securing their buy-in on organizational interventions and developing their leadership capabilities can have a significant influence throughout the organization.

3. Organizations are struggling to identify effective methods to evaluate their leadership programs and leadership qualities. Incorporating leadership development initiatives and goals into leaders' performance evaluation processes is a strategy widely adopted by many organizations. Employee engagement surveys can serve as another valuable resource for assessment as well as a means of driving leaders' accountability in developing their teams' talent capabilities.

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4. Despite advancements in technology allowing organizations to deliver cutting-edge online training programs with state-of-the-art features and functions, the effectiveness of such programs inevitably decreases when participants fail to appreciate their value and only participate as required. Therefore, it is important for organizations to motivate employees to engage. Instead of framing participation as a formal requirement, using informal prompts could be more effective. However, ultimately, encouraging employees to truly recognize the value of participation by understanding its benefits for them is key, which is something organizations should continue to work on.

Current State of Talent Development & Capability Building

Coaching Culture and Coaching Capabilities

Participants shared insights related to their organizations' strategies for developing a coaching culture and enhancing coaching capabilities. Many organizations are emphasizing the development of their leaders' abilities to give valuable feedback and provide the appropriate level of guidance and support to their employees. Participants agreed that one of the key elements of being a good coach is fostering employees' psychological safety. Rather than focusing solely on performance-oriented coaching, many organizations are placing emphasis on the constructive feedback aspect of coaching. This way, leaders can assist their employees in navigating the challenging situations they encounter.

Participants discussed the necessity of adopting a mix of internal and external interventions to develop leaders' coaching skills. On one hand, organizations rely on internal intervention to build their leaders' skills, focusing on quality conversations with their employees, which are specific to their organizations. On the other hand, organizations are bringing in external coaching experts to teach general coaching skills to their leaders or when there is a need for targeted intervention.

Alignment Between Talent Development and Company Strategy

Participants also discussed the need to align their leadership development with their growth strategies. For instance, organizations that have recently undergone rapid growth often have middle managers burdened with supervising more direct reports than they did in the past. In such cases, prioritizing middle managers may be essential, as their significant influence and span of control greatly affect the broader organization. When faced with high levels of attrition and low employee engagement, focusing on collaboration and communication, rather than command and control, would likely be a beneficial approach.

In-Person and Remote Programs

Regarding in-person and remote talent development programs, many organizations are employing a mix of these two methods. For instance, participants shared that certain programs are more effective in person, especially those requiring social interactions and

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collaborations among participants. Conversely, other programs primarily focused on information delivery can be conducted online as they are typically less costly and time-consuming than in-person programs. However, many participants expressed reservations about hybrid talent development programs, in which some participants engage in person while others participate remotely, citing them as less effective. Consequently, they are leaning away from such programs.

Unresolved Issues

Leadership Quality Index

Problem: Many organizations are struggling with measuring the effectiveness of their talent development programs and the quality of their leadership. While the act of leadership (e.g., coaching) can be relatively easily quantified, the quality of leadership presents a substantial challenge to measure.

Actions taken: Some organizations have integrated leadership development into their performance management processes by designating development goals as part of their leaders' performance indicators. These goals are then evaluated based on feedback from peers, collaborators, and direct reports. Another method organizations employ involves using the results of employee engagement surveys to drive leaders' accountability, thereby encouraging them to enhance their team capabilities. These survey results can be presented to leaders in various ways, including aggregate results, results by each leadership aspect, trends over the years, and in comparison to specific benchmarks. Furthermore, the correlation between initiatives implemented and desired outcomes can be analyzed through these employee engagement survey results.

Talent Development in Remote Work Environments

Problem: In remote work environments, there are fewer communication channels compared to in-person work environments. Employees in remote settings often perceive that their managers are not providing adequate feedback and direction, as evidenced by the results of organizations' employee engagement surveys.

Actions taken: Acknowledging the difficulty of maintaining strong connections in remote work environments, some organizations have emphasized promoting a coaching culture throughout their teams. In an effort to do so, some organizations have mandated that their middle managers and individual contributors attain coaching credentials. This initiative was deliberately implemented to foster consensus among employees about the importance of communication and coaching, thereby integrating it into their organizational culture.

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This Summary Report was prepared by Brad Bell and Joonyoung Kim for participants of the "Talent Development and Capability Building" Working Group.

The Center for Advanced Human Resource Studies (CAHRS) is an international center serving corporate human resources leaders and their companies by providing critical tools for building and leading high performing HR organizations.

Engaging Employees in Talent Development

Problem: Despite the many excellent features and functions of digital learning, such as offering online training programs and tracking progress against development goals, many employees are not actively engaged, but instead participate passively when required. Busy with their operational tasks, employees often do not prioritize developmental activities, pushing them lower on their list of priorities.

Actions taken: Some organizations have leveraged technology to stimulate employees' active engagement in talent development activities. For instance, sending notifications on online platforms (e.g., Slack) offers an informal and less pressurizing way to nudge employees compared to sending an official memo requesting participation. Other organizations have also adopted informal programs, such as a buddy system, to reinforce talent development activities. In this buddy system, two program participants are paired to openly discuss their learnings from the training programs and how they are applying them in practice. Simple prompts, such as disseminating company newsletters, can be a relatively straightforward yet effective approach.