Talent Management: Creating a Sustainable Competitive Advantage by Selecting, Developing, and Promoting the Best People

ISE/CHRMS Breakfast Program

Fairleigh Dickinson University
Objective

A framework for achieving sustainable business advantage through talent management
Agenda

I. What are the forces that drive sustainable competitive advantage?

II. What are the types of cultures that underlie value creation?

III. How does talent management shape a culture of excellence by selecting, developing and promoting the “best” people?
Research Sources

- LBA custom research study
- Forbes
- Fortune
- Aggregate consulting studies
- Special government research
- Selected studies
Talent Management
Top 10 Companies 1960 by Market Cap

- AT&T (11)
- General Motors
- E.I. du Pont Nemours
- Standard Oil of NJ (1)
- General Electric (12)
- IBM (4)
- Texas Company
- Union Carbide
- Eastman Kodak
- Sears Roebuck & Company
Top 10 Companies 2011 by Market Cap

- Exxon Mobil
- Apple
- Microsoft
- IBM
- Chevron
- Wal-Mart
- Google
- Berkshire Hathaway
- Johnson & Johnson
- Procter & Gamble
I. Forces That Drive Sustainable Competitive Advantage
I. Competitive Advantage - People Management

CNN Money, Fortune, Money

2006

- **Most Admired**
  - GE
  - P&G
  - Google

- **Least Admired**
  - United Airlines
  - Delta Airlines
  - US Air

2011

- **Most Admired**
  - Goldman Sachs
  - Apple
  - Walt Disney

- **Least Admired**
  - Kirin Holdings
  - Carlsberg
  - Ashai Breweries
I. Competitive Advantage-Long Term Investment

CNN Money, Fortune, Money

2006

- Most Admired
  - Exxon Mobil
  - United Health Group
  - Altria Group

- Least Admired
  - Delphi
  - Tenet Healthcare
  - Delta Airlines

2011

- Most Admired
  - Google
  - McDonalds
  - Occidental Petroleum

- Least Admired
  - Kirin Holdings
  - Carlsberg
  - Ashai Breweries
I. Competitive Advantage-Social Responsibility

CNN Money, Fortune, Money

2006

- Most Admired
  - United Parcel
  - International Paper
  - Exelon

- Least Admired
  - Tenet Healthcare
  - AK Steelholdings
  - MCI

2011

- Most Admired
  - Statoil
  - Ferrovial
  - Walt Disney

- Least Admired
  - Kirin Holdings
  - Carlsberg
  - Ashai Breweries
Continual Stakeholder Satisfaction
Perpetual Business Advantage

Product/Service

Market/Competitor

Perpetual Business Advantage

Research/Technology

Value Chain
Ongoing People Advantage

- Proactive Talent Management
- Top Leadership
- Ongoing People Advantage
- Performance Measurement & Rewards
- First Level Supervisor
Ongoing People Advantage = Culture of Excellence
II. Cultures that Underlie Value Creation

Culture is the organization’s personality!
- Unspoken conventions
- Stated rules
- Observable reality
Strategy & Culture Drive Sustainable Competitive Advantage

- Business orientation
- Growth/Risk orientation
- Sustainability competencies
## Business Orientation

### "Sustainable" Strategies

<table>
<thead>
<tr>
<th>Current Markets</th>
<th>New Markets</th>
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<tbody>
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<td><strong>Better</strong></td>
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### "Sustainable" Cultures

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<td><strong>Architect</strong></td>
<td><strong>Innovator</strong></td>
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</table>
Growth & Risk Orientation

- Risk seeking
- Change driving
- Creative
- Opportunistic
- Venturesome
- Highly adaptive
- Highly participative and collaborative

- Risk oriented
- Change seeking
- Innovative
- Progressive
- Adaptive
- Participative and collaborative

- Risk accepting
- Change responsive
- Pragmatic
- Highly efficient
- Highly flexible
- Directive, participative, and collaborative
Sustainability Competencies

Continual Stakeholder Satisfaction

- Customer focus
- Asset utilization
- Commitment to health, safety, environment and community
- Relationship building

Perpetual Business Advantage

- Business (market/product), professional and technical skills
- Value chain
- Change management

Ongoing People Advantage

- Leadership
- Creativity & Innovation
- Collaboration & Teamwork
- Engagement
SCA Uses All Three Characteristics

- Business Orientation
- Sustainability
- Growth/Risk
III. Talent Management Shapes The Sustainable Culture

Creed
Strategy
Processes
Talent Management Creed

- Create an environment of trust and respect
- Embrace diversity
- Apply high standards of excellence
- Develop enthusiastically satisfied customers
- Contribute to our communities and environment
- Recognize that profitability is important to future success
Talent Management Strategy

Talent Investment Level

- Superkeepers
- Very High
- Moderate
- High
- Solid Citizens
- Key Position Keepers

Culture Characteristics

- Business orientation
- Growth/Risk orientation
- Sustainability competencies
Talent Management Processes

- Assessment
- Diagnostics
- Implementation

- Business orientation
- Growth/Risk orientation
- Sustainability competencies
Assessment

- Performance
- Recruitment and Selection
- Culture Characteristics
- Training and Development
- Succession
- Career
Diagnostics

- Surpluses
- Blockages
- Employee/Group Diagnostics
- Voids
- TREADS
- Gaps
Implement

Culture Characteristics

- Education
- Development
- Rewards
- Assignments
- Selection
- Termination
- Training
Sustainable Competitive Advantage

Talent Management System Uses Culture Criteria to Select, Develop, and Promote “Right” People

Talent Decisions Shape Sustainable Culture

Results: Sustainable Competitive Advantage

Sustainability Model

Sustainable Culture Criteria
People are the sustainable competitive advantage