

Setting Up Success

In 1964 Pat Haggerty, President and CEO of Texas Instruments made, for that period of time, a revolutionary statement. He said:

“There is probably no greater waste in industry today than that of willing employees prevented by insensitive leadership from applying their energies and ambitions in the interest of the companies for which they work.”

This was visionary. It seems that this statement is even more relevant today than it may have been at that time when talent wasn't a scarce resource. But more importantly, this statement communicated an employee value proposition which was equally attractive for external and internal talent, independent of which phase in the employee life cycle they were.

It set the tone for what TI valued and the culture they desired. In the years to come, TI attracted the best talent in the industry, became one of the most innovative companies in the market, and created a culture in which performance was recognized and rewarded, resulting in a highly-committed employee base. As a result, TI became one of the best performing companies in the industry.

I use this example to demonstrate that a distinctive culture differentiates the truly great companies from the merely good ones. Culture is the expression of the firm's personality, the way “things are done around here.” Culture translates the Vision, Mission, and Values into desired behaviors and inspires employees to perform in order to achieve superior business results. Recognizing, understanding, and aligning the interdependencies between culture and talent processes are of paramount importance in creating and sustaining a high performing company.

As one of the leading consulting service companies, we pride ourselves on successfully helping our clients build a high performing culture. At the same time, the world of our clients keeps changing. This article attempts to demonstrate the significance of aligning culture initiatives with talent management processes within dynamic, global market conditions. And it looks to answer the questions: what does talent lifecycle mean? Why is the connection between culture and talent so important to consider when developing a strong and healthy corporate culture? And finally, what have organizational culture and talent management in common?

Context for Strong Talent Management

Culture is the result created by the collective—it is the aggregate of engaged and committed employees. The term “Employees” encompasses everybody from the front line to the senior executive with each playing a distinctive role. We've discovered that employees are loyal to culture, not strategy. A strong corporate culture separates the winning companies from the mediocre when competing for talent because talented employees gravitate towards companies known to have a strong and healthy culture.

In my discussions with senior leaders, I hear so many times “We need engaged employees.”

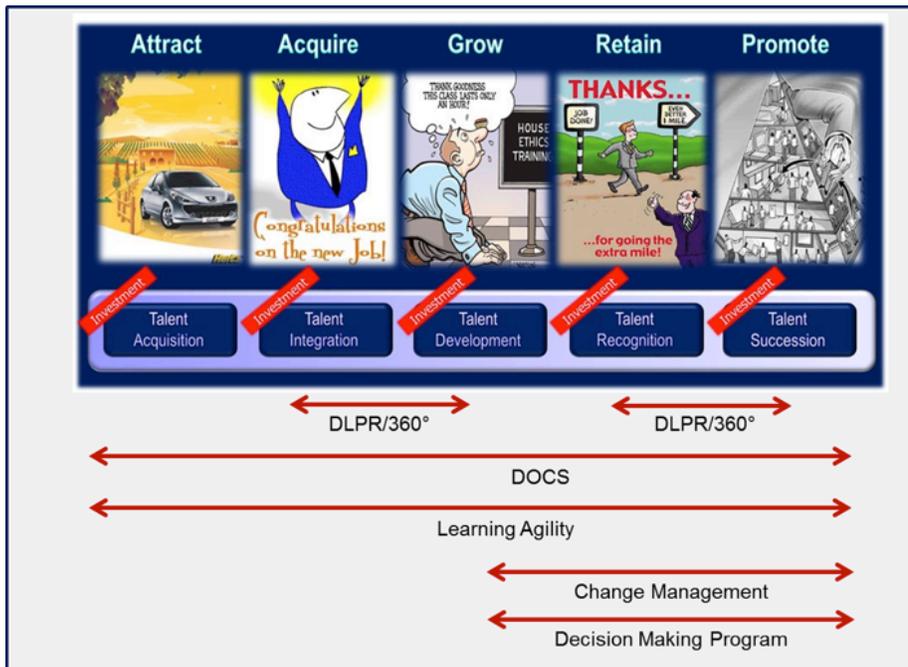
“We need engaged employees.”

True. But the reality is that engagement is an effect, not a cause. Engagement pre-supposes commitment, and commitment pre-supposes trust. And trust is a key component of corporate culture. When employees trust, they become actively involved in the culture and their discretionary performance contributes to organizational performance. There are highly complex and dynamic organizational interdependencies at work here.



Cultural Connection Throughout the Employee Life Cycle

When employees join a company to start in a new position they go through distinctive, life cycle phases during their employment. The following picture shows, in a very simple way, the employee life cycle phases. It also shows at what point of the employee life cycle Denison's solutions are most applicable.



The catalyst for the employee journey through the employee lifecycle is Performance Management. In addition, the HR roles operate interdependently with Organization Development. And finally, another discipline which emerges and grows in importance is Human Capital Management. Today, one of the biggest challenges for organizational leaders is to attract, acquire, develop, retain, and promote the *right talent* who possess the critical traits to build the desired corporate culture.

Conventional talent management looks at the different components of the employee lifecycle separately and in sequential fashion. This conventional approach results in a loosely-connected talent approach at best.

Contemporary talent management, in contrast, connects the discrete components into an integrated process aligned with the systemic nature of corporate culture. To be effective, talent management needs a systemic,

portfolio-based approach focused on the different stages of the talent lifecycle.

Because corporate culture is inherently systemic, managing the different—and at times competing—dimensions represents a challenging balancing act for leaders. Building a strong and healthy culture starts with a compelling vision and a clear strategic intent, which are then supported by meaningful milestones. When these factors combine, talented individuals identify with them. Therefore, attracting and recruiting the right talent who connect with the culture and strategic intent is maybe

the most critical step: building trust with potential employees starts here.

The key questions to ask are: What motivates employees to join the company? Do their value systems align with the company's value system? In other words: Is the motivational fit and organizational fit between the employee and the potential employer aligned with the culture of the organization? Knowing the answer to these questions determines whether or not potential employees will be aligned with the company culture and hence contribute to strengthen it during their employment.

Denison provides a powerful tool with the Denison Leadership Potential Report (DLPR), a Hogan-

based solution, which assists clients in making the right hiring decisions. It enables clients to determine whether or not potential employees fit the company culture. It also shows potential development areas for employees, information which is important to determine an employee's potential for future career progression. Hence the DLPR addresses very important areas in the employee life cycle.

These areas are, in turn, connected to a number of Indices of the Denison Organizational Culture Survey (DOCS). Do employees have the capabilities needed to perform at their best? Do they work as a team? Many dimensions of DOCS are directly connected with talent management issues. Demonstrating the systemic nature of our solutions to our clients enhances the perceived value we provide, especially in the context of driving organizational performance, i.e. financial results.

Risk and Diversity: Critical Talent Management Factors

The globalization of markets combined with ongoing economic uncertainties creates inherent risk. Early awareness and understanding of risk and its impact on organization effectiveness is a critical talent management issue. This requires a very different model of adaptability and resilience capable of managing in turbulent business conditions. DOCS and DLPR measures those factors and highlight to our clients where the gaps may be. This enables clients to be proactive in closing the gaps. Committed and thus engaged employees capable of operating in a more fluid, adaptable organization, united by a passion for execution and results, will ultimately improve organizational culture.

Another important facet is diversity. There is increasing evidence that companies which engage employees with varied backgrounds, in terms of experience, culture, age, and gender, for example, are better equipped to become risk aware, and are able to operate pro-actively. The more diverse the employee base, and the more open the corporate culture to change, the better prepared the organization is to deal effectively with uncertainty and change. These business drivers - adaptability, alignment and diversity - not only require organizational

transformation and renewal, but also accelerate a more change-oriented culture. Again, DOCS provides the necessary insight that enables companies to identify those cultural dimensions which impact organizational effectiveness.

Connecting Culture and Business Strategy to the Employee Life Cycle

We've touched on many concepts: Culture, Talent, Engagement, Trust, Commitment, Performance, and the list continues. None of them means anything in isolation, but connected create interdependencies that are critical to drive organizational performance. Unless employees at all levels stand unified behind the mission of the organization, a high performance culture will not emerge. Culture is, and always will be, a systemic challenge directly linked to how a company creates value.

Looking at organizational culture this way connects business strategy to the employee life cycle and provides a holistic view on value creation. Whatever the financial measure, and irrespective of process sophistication, talent and talent engagement is central to building a high performance culture. The question – What is the most effective talent management strategy to improve organizational culture? – must remain on everybody's mind at all times. Mobilizing talent is the role of organizational leaders. Providing clear direction for how talent is best managed and leveraged to improve organizational performance is where Denison can be of support. If employees are committed and trust their leaders, the organization will be able to make the organizational changes needed because it has the right people in place who understand the values that are driving organizational performance and ultimately, financial results.

