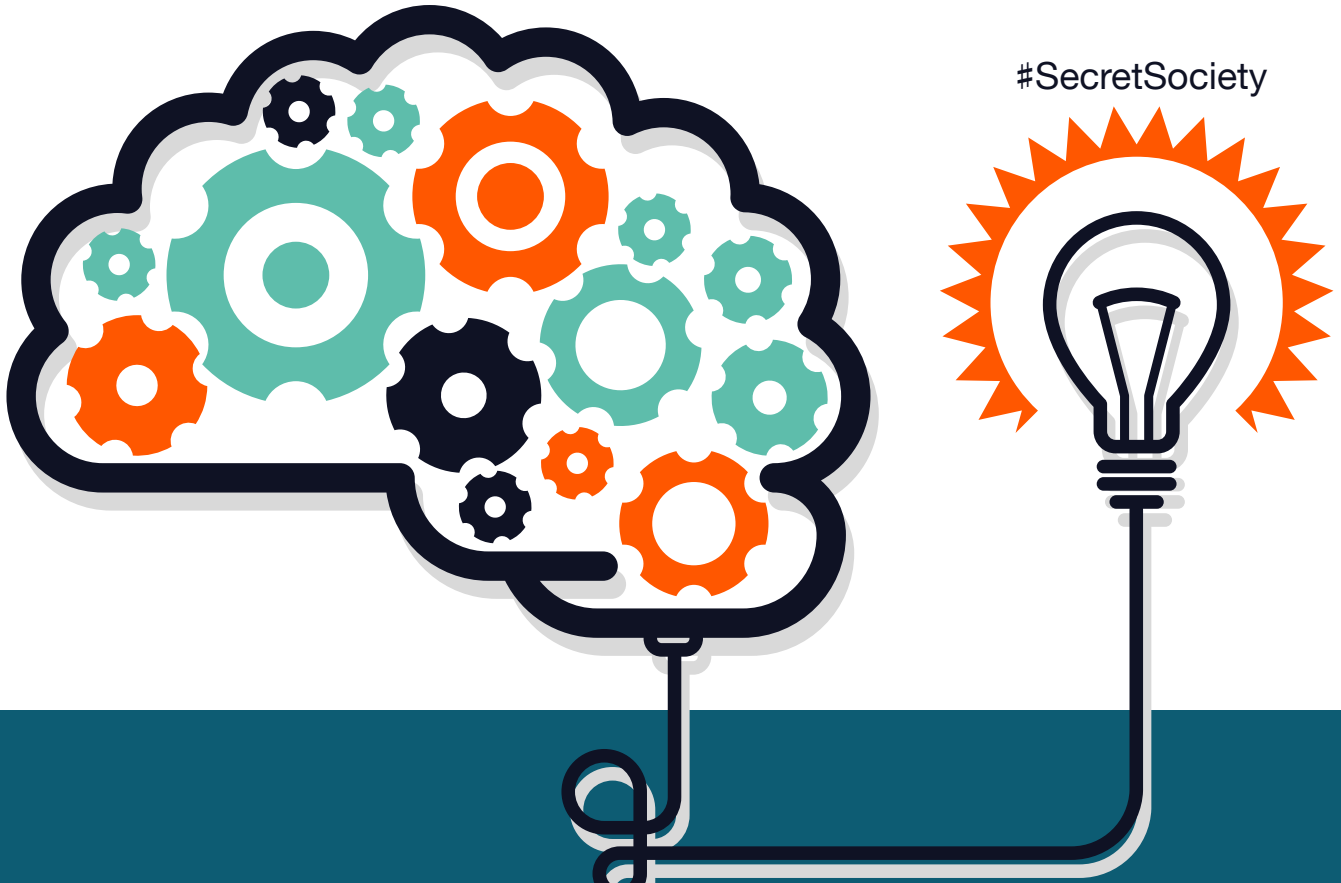


#SecretSociety



# Talent pools: banishing the secret society

A workforce study by Kallidus



**KALLIDUS**

[kallidus.com](http://kallidus.com)

## Executive Summary

In today's workplace everything is changing as technology gathers pace, Millennials take centre stage and economic growth continues to fuel competition for talent. Culture is king and employees now expect a more fulfilling, open and honest relationship with employers in a new era of corporate transparency. Yet current talent management practices are struggling to keep up with the changing dynamics of the workplace. Our research suggests that talent pools are a secret society, and that too many organisations don't recognise the full potential of their employees or adequately track and manage their career development. This could have a devastating impact on employee engagement, retention, performance and long-term business success and calls for bold changes to be made.

### In our survey of 518 directors, managers and employees:

- 71% said their organisation should be more open about which employees are in their company's talent pool
- 73% said it is apparent that some individuals get treated differently in their organisation for career development and progression opportunities
- 81% of those in a talent pool are motivated to perform their job better
- 54% said their organisation doesn't recognise their full potential
- 36% said their company doesn't track or manage their personal/career development

This report highlights the need for organisations to re-examine their talent strategies and considers the benefits of making talent pools more open and transparent. It asks: can your organisation afford to keep its talent pool a secret?

## Method

The purpose of the study was to gain a better understanding of how individuals feel about current talent management practices, and in particular, to understand what impact a more open policy for high-potential talent has on engagement and motivation levels in the workplace.

Our thanks go to over 518 directors, managers and employees who participated in our online study which was carried out this spring in the form of an anonymous survey. Respondents came from a broad range of company sizes, with the majority from mid-sized to large corporate enterprises.

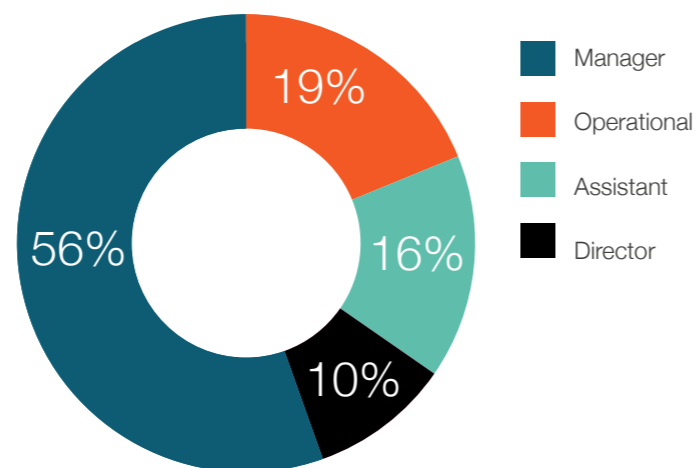


Figure 1: Respondents by job title

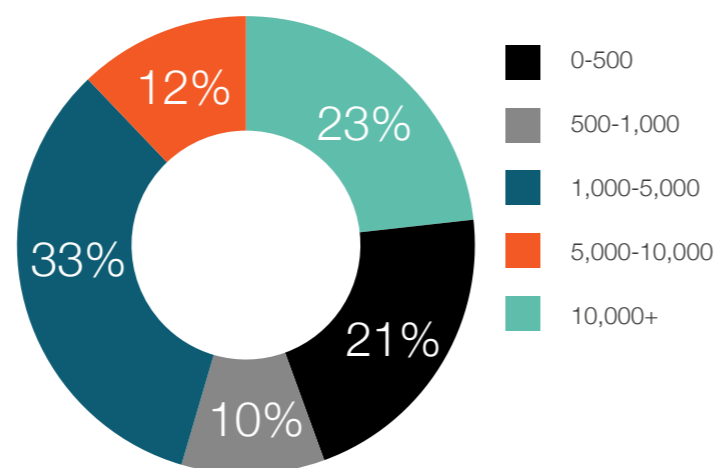


Figure 2: Respondents company size by total number of employees

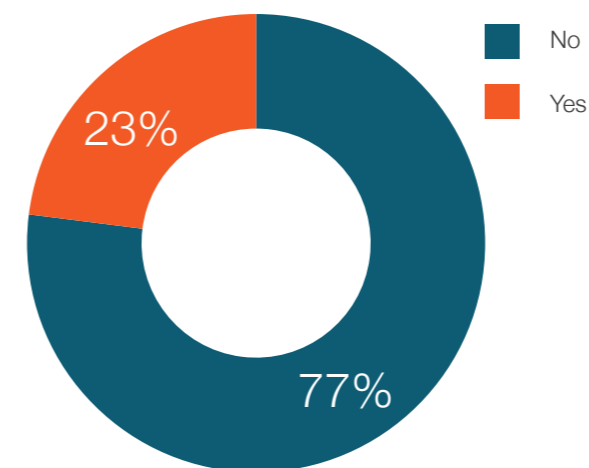


Figure 3: Talent pool membership - are you in a talent pool?

## Results

The survey provided key insights into respondents' opinion of talent pools compared with talent management practices in their own organisations:

### 1. Talent management should be more transparent

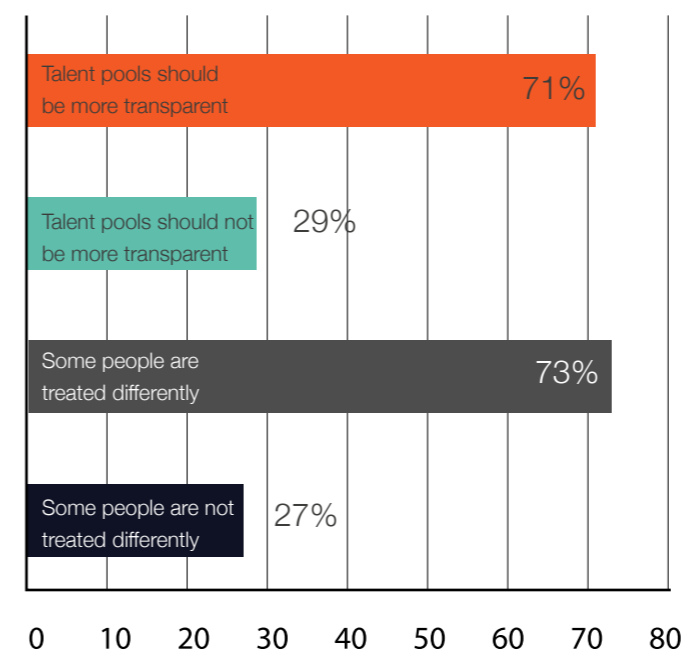


Figure 4: Perceived approach to talent

Firstly, 71% of respondents said their organisation should be more open about which employees are in their company's talent pool. Nearly the same number (73%) said that it is

apparent that some individuals within their organisation get treated differently in terms of career development and progression opportunities. These figures suggest that talent pools are a secret society that could risk a divide in the workforce between the 'haves' and 'have-nots'.

The study highlights the need for talent management and succession planning to become a more transparent process. How organisations define high-potential talent and their talent pools has long been debated, yet the need to develop a communications strategy to support such initiatives at an individual and company level, is all too often ignored.

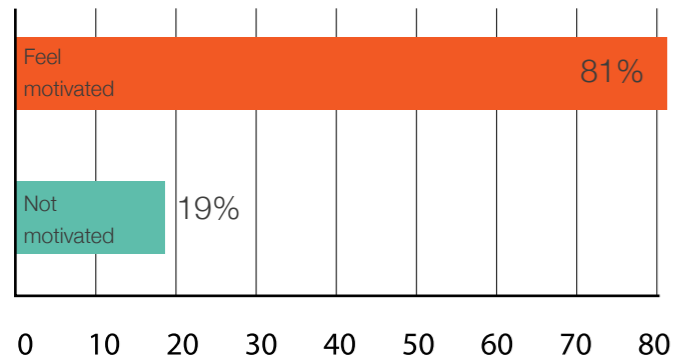
### 2. Knowing you are in a talent pool increases motivation

There are many advantages to increasing the transparency of talent pools. Perhaps the greatest benefit of employees knowing that they are in a talent pool - and that they are being developed and groomed for future opportunities - is the positive impact this has on motivation and commitment levels.

Of the 23% of respondents surveyed who said they are currently in a talent pool, the majority (81%) said that this motivates them to perform their job better, which is key to boosting retention and performance.

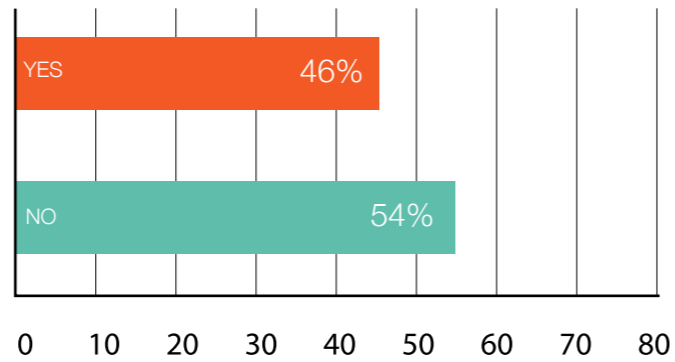
While these figures highlight the case for making talent pools more transparent, it is important to consider that around one-third (35%) of respondents who are aware that they are not in a talent pool feel demotivated as a result of this. This reinforces the need for clear enterprise-wide communications and development strategies so that everybody feels supported, valued and motivated, regardless of whether they are in a talent pool or not.

You have told us that you are in a talent pool. Does this motivate you to perform your job better?



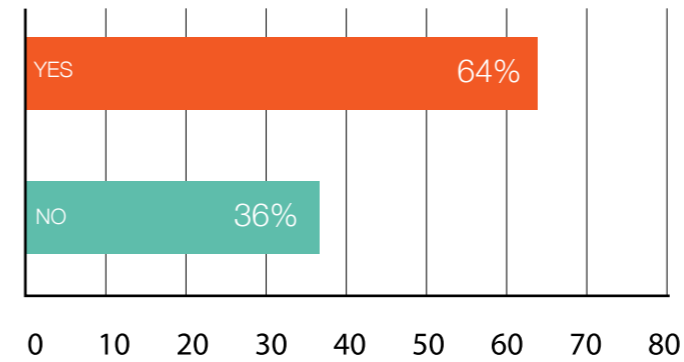
**Figure 5:** Impact on motivation levels - respondents in a talent pool

Does your organisation recognise your full potential?



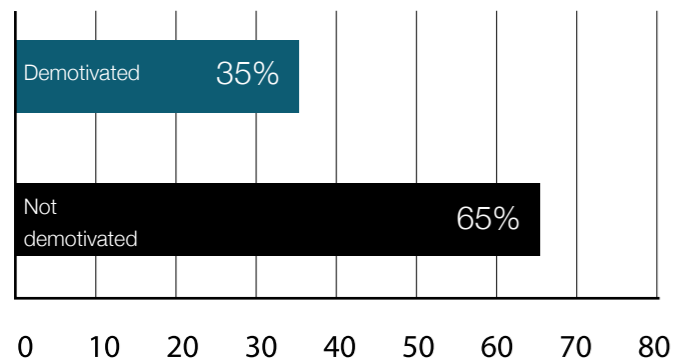
**Figure 7:** Overall sample - potential recognised?

Does your organisation track your personal/career development?



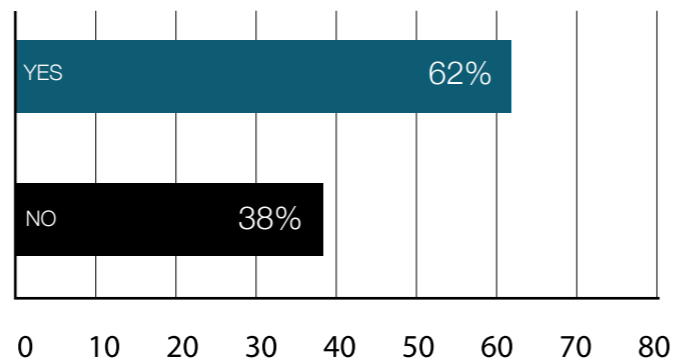
**Figure 9:** Does your company track your personal career development?

You have told us that you are not in a talent pool. Does this demotivate you?



**Figure 6:** Impact on motivation levels - respondents not in a talent pool

Respondents in a talent pool: Does your organisation recognise your full potential?



**Figure 8:** In the talent pool - potential recognised?

### 3. Organisations are failing to recognise potential

Perhaps the most worrying finding from our study is that more than half (54%) of workers feel that their organisation doesn't recognise their full potential. And this is true even of those in a talent pool - 38% of respondents who know they are in a talent pool said that their full potential is not recognised.

Furthermore, more than a third (36%) of respondents said their company does not track or manage their personal or career development, which could adversely impact motivation and engagement levels, and ultimately, performance. It also suggests that employers could be sidelining emerging and future talent that already exists within the business.



### The case for more transparent talent pools

Today's workplace is rapidly changing due to globalisation and shifting economic power, the rise of technology, and Millennials making up a very significant proportion of the workforce. Economic growth will continue to fuel competition for talent as culture, engagement, leadership and development are driven to the top of the human capital agenda.

Deloitte's 2015 Global Human Capital Trends survey<sup>1</sup> shows culture and engagement has skyrocketed to become the number one talent challenge, ahead of leadership issues which occupied last year's top spot. Learning and development has risen dramatically from number eight to the third most pressing issue. This highlights the need for business and HR leaders to gain a clear understanding of their organisation's culture and re-examine how talent programmes can be transformed to improve engagement and accelerate learning and development.

With culture now king, today's employees expect to have a more open, honest and meaningful relationship with their employer, much in the same way that consumers are connecting and engaging with brands in everyday life. In the wake

of the global financial crisis, a new era of corporate transparency continues to emerge, forcing organisations to open up and reveal more about themselves across key business areas from taxes paid to corporate social responsibility initiatives.

### So where should the limits of transparency lie? Should talent pools be more transparent?

While there is always a risk that an open policy for high-potential talent could upset the apple cart if some employees feel that they have been unfairly left out in the cold, talent pools shrouded in secrecy can be even more damaging for a business.

### Here are three key benefits of having more transparent talent pools:

- Employees who know they are in a talent pool generally feel more positive, motivated and valued by their organisation, and if they can talk freely about it, they are less likely to feel segregated from their colleagues. This can result in greater collaboration, teamwork and innovation.
- Greater transparency gives managers throughout the business a better understanding of emerging talent which is important for internal promotion and succession planning, as well as knowing who might be most at risk of leaving the business for greener pastures.
- Resources can be more openly and effectively directed to developing those individuals who have the potential to make the greatest difference to the business, particularly in challenging times.

## Five guiding principles to support greater transparency

So how can organisations adopt a more open approach to talent pools? Here are five ways to evolve your talent management practices and make your talent pools more transparent:

### 1. Start with culture

Making talent pools and succession planning a much more open and transparent process requires the right culture to be in place: one that supports, nurtures and values all individuals – not just those deemed to be high-potential. Open policies need to start at the top of the organisation and permeate enterprise-wide.

### 2. Develop a clear communications strategy

How an organisation conveys what it means for an employee to be in a talent pool, and how it engages with those individuals who might feel like they haven't 'made the grade' or have been sidetracked or passed over, are critical. A clear communications strategy is essential for making sure everybody feels valued.

### 3. Focus on building effective leaders and managers

Developing your leaders and managers so that they have the skills to engage their teams in open and honest dialogue and support their career development is essential for making talent management and succession planning a much more transparent and effective process.

### 4. Career planning and development for everybody

You can reduce a divide in your workforce between those in a talent pool and those who aren't – 'the haves' and 'have-nots' - by ensuring everybody has their personal development tracked and managed. Everybody should know what they need to do to progress

to the next level and maximise their potential, regardless of whether they are in a talent pool or not. This approach can also unearth potential 'hidden gems' within your workforce, motivating them in their career progression.

### 5. Invest in your talent systems

Integrated learning and talent systems can make it much easier to track and manage personal and career development across the enterprise, which is vital for a more open approach to talent management. They also help HR, learning and business managers direct development resources to where they are most needed in the business.

### Can your business afford to keep talent pools a secret?

The workplace is reshaping rapidly and employee engagement levels remain at an all time low with only 13% of people worldwide engaged at work.<sup>2</sup> Today's post-recession business climate has become a talent battleground. 73% of CEOs now see the lack of availability of skills as a serious threat to their business.<sup>3</sup>

HR and business leaders must focus on their people before their processes to build deep and lasting engagement and to stop the revolving door from spinning, and this means making sure every employee has the opportunity to develop and make a meaningful contribution to the business. With the right development, career progression opportunities and communications strategies in place, more transparent talent pools have an important role to play in helping to create a culture where everybody feels valued and supported to reach their full potential. They should be rich and varied, celebrated rather than shrouded in secrecy, and part of the new era of openness and corporate transparency.

## References

1. Deloitte (2015). Global Human Capital Trends report.
2. Gallup (2013). State of the Global Workplace report.
3. PwC (2015). 18th Annual Global CEO Survey.

