



# Build a Winning Talent Strategy for the New Talent Landscape

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Many HR leaders struggle to develop and articulate a clear and compelling talent strategy. This research will help them build their talent strategy by guiding them to prioritize HR and talent initiatives and translate their organizational strategy into talent imperatives.

Chief HR officers (CHROs) and talent management leaders are increasingly being asked to develop and clearly articulate their organization's talent strategy. These leaders are moving from “order takers” to “strategic value providers” — from simply managing a reactive, lean service center to developing a robust plan for competing for and retaining talent in this ever-changing talent landscape. Indeed, the mandate to develop a clear, compelling talent strategy has never been greater, given that talent shortages and gaps may be enduring challenges in a world of permanently higher employee expectations and increased hybrid and remote work. This in turn increases turnover by lowering the frictional cost of switching employers.

However, many HR leaders cannot develop and articulate a clear and compelling talent strategy because they struggle to narrow the scope of the exercise or translate their organizational strategy into talent imperatives. Moreover, as leaders build on their talent strategy, many struggle to prioritize HR and talent management initiatives to address these new talent imperatives. This research addresses these challenges by answering the following questions:

- What is a talent strategy?
- What key questions should a talent strategy address?
- How should HR leaders identify talent imperatives?
- How should HR leaders prioritize talent initiatives?

## What Is a Talent Strategy?

A talent strategy defines your plan to optimize the value of your talent assets. Talent strategies should be informed by (and inform) your organizational strategy. Ideally, they will address why and in what ways the organization must attract, engage, retain and develop talent, and drive continuous performance improvement. A more progressive talent strategy might also address the importance of mobilizing and empowering talent, optimizing the employee experience and improving equity.

Clients often ask how talent strategies can be differentiated from HR and talent management strategies. The truth is, the differences between these plans may be nominal. All should articulate critical talent outcomes aligned to the organization's strategy, mission and vision.

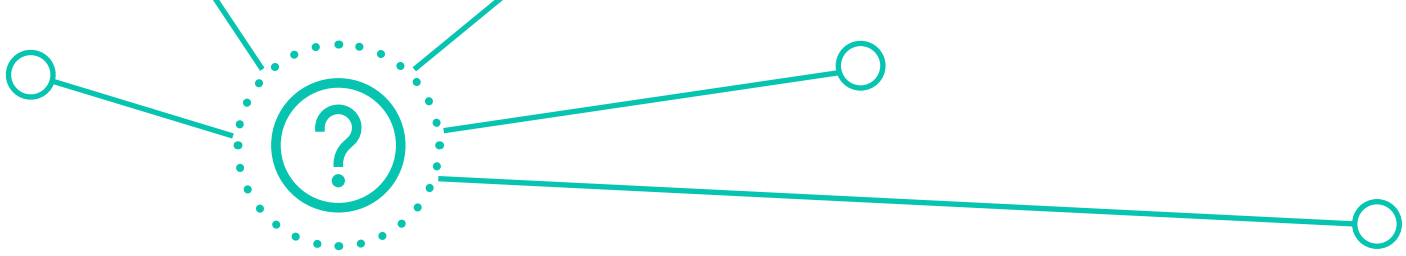
However, an HR strategy will also typically include information about functional updates planned or needed to produce talent outcomes. For example, an HR strategic plan might outline changes to the HR operating model critical to accelerating recruiting and reducing time to fill.

Similarly, a talent management strategy may include information about talent management process updates critical to achieving talent outcomes (e.g., how performance management must be adjusted to support a culture change). However, organizations must create a talent strategy to focus most on critical talent outcomes (e.g., employee performance) and initiatives, not on describing talent management process updates or HR functional updates needed. Talent strategies share characteristics of other strategies and may inform your talent management or HR strategy (see Figure 1).

**Figure 1. Differentiating Talent Strategies**

Key Characteristics	Talent Strategies	Talent Management Strategies	HR Strategies
Align to the organization's strategy, mission and vision.	✓	✓	✓
Identify and articulate critical talent outcomes.	✓	✓	✓
Articulate a limited number of priorities critical to meeting organizational objectives.	✓	✓	✓
Include a description of current state, future state and measures of success.	✓	✓	✓
Identify and articulate key talent management process updates.	✗	✓	✗
Identify and articulate key functional updates (e.g., changes to the HR operating model).	✗	✗	✓

Source: Gartner



## What Key Questions Should a Talent Strategy Address?

Talent is an essential organizational asset. Most organizations' strategic plans include a "talent pillar" that specifies the talent requirements for achieving organizational objectives. A best-in-class talent strategy builds upon that core assumption and establishes what talent outcomes or "talent enablers" will be needed to achieve the organization's strategy (see Figure 2). These include:

- Skills and capabilities
- Talent segments and roles
- Organizational design elements
- Leadership mindsets and behaviors
- Culture and ways of working
- Employee experience and employee value proposition (EVP)

To achieve the desired talent outcomes, HR leaders must understand the organization's maturity, the current talent landscape and the organization's competitive environment:

How mature is your organization from a life cycle perspective? Is it a growing startup, successfully

capitalizing on rapid innovation but struggling to build operational norms? Or is it a large, mature enterprise, with a slow growth rate and complex organizational structure, struggling to balance operational efficiency with more risk taking? This question should especially inform your evaluation of organizational capability, design, leadership and culture needs.

In what talent landscape is your organization operating? Most organizations are now operating in tight labor markets, but specific talent risks and needs will differ by geography and across workforce and talent segments. This question should inform your evaluation of critical talent segments and roles, as well as key employee experience and EVP needs.

What is your competitive environment? Can you share talent pools with competitors, or do you need to compete fiercely to secure an exclusive commitment from talent? Are you in a crowded marketplace of similar employers or in an undefined space? This question may inform your evaluation of culture, employee experience and EVP needs.

Once you consider these elements, you can identify talent enablers specific to your organization's context.

**Figure 2. Key Questions a Talent Strategy Should Address**





## How Should HR Leaders Identify Talent Imperatives?

Often, CHROs and talent management leaders take a bottom-up approach to building their talent strategies and identifying talent imperatives. They reflect on the state of the function and identify opportunities for improvement, then consider ways to address those opportunities. In this approach, the connection to organizational objectives is typically an afterthought.

For example, an HR leader might identify a need to improve their organization’s performance management processes and enhance manager training, so they tie that initiative to an organizational objective of increasing division productivity or product quality. While this can be a valid approach, it can also result in voluminous strategic plans that miss the mark and fail to articulate clear talent imperatives.

The problem with the bottom-up approach is that it often doesn’t diagnose the root causes of the

issues the talent strategy is meant to address. Consider the hypothetical example above: What does the organization really need to increase division productivity or product quality? Is it truly an organizationwide update of performance management processes, or is that a solution in search of a problem? Some HR leaders also fall prey to the “shiny object” trap and base their talent priorities on emerging trends. These trendspotters often have great talent acumen and perspective on the external landscape, but they struggle to achieve buy-in for their talent strategy because it is fundamentally misaligned with the organization’s needs and level of maturity.

Instead, we recommend working backward from the organization’s strategy. HR leaders should thoroughly understand the organization’s priorities, identify associated long-term “talent enablers” and medium- or short-term talent challenges that impact those priorities, and then identify their top talent imperatives (see Figure 3).

**Figure 3. Translating Organizational Priorities to Talent Imperatives**



Source: Gartner



Any given organizational priority can have a myriad of potential associated talent imperatives. HR leaders can use a simple set of diagnostic questions to narrow focus to the most relevant talent imperatives. For example:

- From a talent perspective, what must be true for the organization to achieve its objectives? What, if put in place, would significantly accelerate achievement of goals or enhance the organization's ability to execute its strategy?
- What are the greatest talent challenges preventing achievement of the organization's objectives? Which challenges are significantly slowing achievement of goals or degrading the organization's ability to execute its strategy?
- Considering different talent risks, what is the degree of impact and likelihood of risk for each talent risk? Which risks have both the highest impact and the highest likelihood of occurring?
- What talent issues would both leaders and employees agree must be addressed for the organization to succeed?

HR leaders should work with a broad array of stakeholders to inform their identification of potential talent imperatives. To learn more about how to engage with this variety of stakeholders, see Focus on Agility and Coordination to Integrate Your Talent Management Strategy With the Business.

## How Should HR Leaders Prioritize Talent Initiatives?

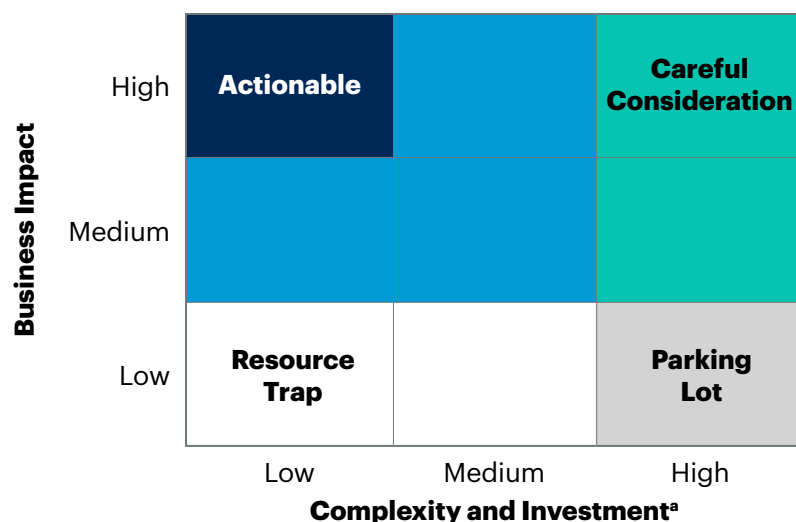
Once leaders have identified key talent challenges and imperatives, they can prioritize potential imperatives by considering their:

- **Organizational impact** — The extent to which the initiative will positively impact the organization and create value
- **Complexity** — The extent to which the initiative requires coordination and buy-in
- **Investment** — The extent to which the initiative requires resources or adjustments to team responsibilities

Using these dimensions, you can separate initiatives into four categories (see Figure 4):

- 1. Actionable initiatives** — Initiatives that should be prioritized for execution and given preference for resource allocation
- 2. Priority initiatives** — Initiatives that should be prioritized based on availability of resources (people, money, time)
- 3. Initiatives for careful consideration** — Initiatives that require careful consideration for timing and sequencing based on capacity to complete the work
- 4. Parking lot initiatives** — Initiatives that should be deprioritized or shelved for future consideration

**Figure 4. Initiative Prioritization Exercise**



- **Actionable:** These initiatives should be prioritized for execution and given preference for resource allocation.
- **Priority:** These initiatives should be prioritized based on availability of resources (people, money, time).
- **Careful Consideration:** These initiatives require careful consideration about the timing and sequencing for action based on the capacity needs to get the work done.
- **Parking Lot:** These initiative should be deprioritized or put in the parking lot for future consideration.

Source: Gartner

<sup>a</sup> Complexity and Investment reflect a function of independent evaluations.

## Conclusion

HR leaders now have an unprecedented opportunity to redefine their role and build their reputation as proactive, strategic leaders. To do so, they must avoid common planning pitfalls and establish a clear and compelling talent strategy — one that clarifies how best to optimize the value of the organization's talent assets by focusing on a limited set of strategy-aligned talent imperatives.

