

Strategic Talent Management: Assessment As a Foundation Next Generation Strategies In The Ongoing Talent War

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Introduction

Only 17% of all jobs in 1900 required knowledge workers. In today's business world that figure is well over 60% (Michaels, Handfield-Jones, & Axelrod, 2001). In this knowledge economy, the bottom line isn't what it used to be. The bottom line has shifted from being influenced by financial indicators such as earnings per share and net profit margin to include intangibles, such as corporate culture, leadership, and an organization's talent pool, drive corporate performance. The percent of market value related to tangible assets in 1982 was 62 percent, with 38 percent for intangible assets. In 2000, the growing importance of intangibles is demonstrated in the fact that only 15 percent of market value is related to tangibles, while a whopping 85 percent is related to intangibles (Ulrich & Smallwood, 2003).

The argument now is that these intangibles need to be measured and monitored, and subsequently tied to the bottom line. The bottom line must be redefined to include intangibles such as leadership practices, organizational capabilities, and the ability to attract talented people. And as organizations continue to automate business processes using technology, in order to remain competitive against others that are doing the same, they must now focus on their talent. Additionally, though talent can be cultivated and developed, it can also leave the organization, become sick, demotivated, and perhaps influence others to behave in ways unfavorable for the organization. Worst of all, talent can deliver the "double-whammy" by moving to a direct competitor. Because of this, attracting, assessing, developing, and retaining talented people is even

more important in today's volatile knowledge economy.

Strategic talent management (STM) is the key to success in the new talent economy. Research done by McKinsey and Company in 1997 and 2000 shows that high-performing companies place management of organizational talent as a top three priority, utilize strategic talent management practices, and have leaders who possess a belief in the importance of talent as a foundation, while average-performing companies lack these qualities (Michaels, et al., 2001).

The strategic management of talent is vital to the bottom line and managers must devote the majority of their time to managing this process. Other research conducted by Hewitt Associates in which over 100 large U.S. companies were surveyed in 2003 found that over 80% of high-performing companies (defined by total shareholder return) consistently identify, develop, and track the performance of their high-potential leaders, compared to only one-third of all companies surveyed (Not enough companies growing top talent, Hewitt study shows, 2003). Moreover, over \$51.5 billion was allocated to training and development budgets in organizations in 2002, with an average of \$54 billion over the past five years (Galvin, 2003). It is quite clear that investing in organizational talent is and will continue to be a priority as organizations strive to survive in the new knowledge economy.

This paper discusses why strategic talent management is critical to bottom line success, discusses several process-oriented approaches to strategic talent management, and provides a new model illustrating how to enhance a strategic talent management program with assessment methodology. This model, IPAT's Assessment-Based Strategic Talent Management Model (IPAT, Inc., 2004), addresses issues across the talent life cycle, encompassed in three dimensions: Discover, Inspire, Transform. This model is based on in-depth research into best practices in strategic talent management. The authors consulted several sources of information to develop this cutting edge assessment-based strategic talent management model. These sources included best-selling books from top talent consultants, research and analysis from leading consulting organizations, as well as personal consulting experience with clients on talent management issues. This paper concludes with a discussion on the application of personality assessment to the three dimensions of IPAT's

Assessment-Based Strategic Talent Management Model.

The necessity of strategic talent management

The strategic management of talent as such a critical driver of corporate performance has become more and more important in the last few decades. Several key events have influenced this new reality. It began with the onset of the Information Age in the 1980s (Michaels, et al., 2001). Consequently, the importance of intangibles such as intellectual capital, brands, and talent, progressed beyond the importance of tangibles such as capital, factories, and machines. As we move toward a more knowledge-based economy, the value of highly talented people continues to multiply. With it, the demand for high-caliber managerial talent also grows.

Organizations need managers who can meet today's challenges, especially those who value and develop talent. The prevalence of corporate downsizing in the 1980s, followed by a swell in job opportunities in the 1990s, resulted in employee job-hopping being more common than staying loyal to one, and only one, organization. It is the case now that having only one company on one's resume is often viewed as unfavorable and instead, multiple companies on a resume has become more and more acceptable, and oftentimes a sign of upward mobility. More often, managers are passively seeking jobs, not by searching the Internet or want ads, but by keeping their eyes and ears open for the next opportunity (Michaels, et al., 2001).

These trends mean that the power has shifted from the organization to the individual, even in down-economic cycles, so that strategic talent management is a critical source of competitive advantage for organizations (Michaels, et al., 2001). Individuals are demanding more challenging work and opportunities to develop their skills and abilities, and to be compensated for their high performance. Employee survey results identified four issues related to talent management in which gaps exist between what the organization provides and what employees' managers provide. These include knowing and providing employees with training and development opportunities, providing resources and rewards employees need to excel at their jobs, knowing and managing employees' career

expectations, and serving as a mentor to guide employee careers (Lewis, 2000a).

Because talented individuals are able to essentially write their own employment contract, decline unattractive employment offers, or leave organizations because of lack of developmental opportunities or work challenges, organizations must do whatever it takes to attract and retain top talent. One challenge is for organizations to strengthen their talent base fast enough to stay ahead of their competition.

There are four main reasons organizations must become focused on strategic talent management in today's talent economy. First, is the war for talent (Michaels, et al., 2001). All organizations need the right talent to meet customer and investor expectations, which affects the bottom line. Therefore, competition for these individuals is intense. Second, employers are no longer in charge of the employment contract. Instead, the individual is in control when deciding to accept an offer. If the right development opportunities aren't present for current employees or if the chance to work on interesting and challenging work is not there, he or she will go to the organization that can provide it (Pigott & Jones, 2004). Thus, organizations have to be flexible in offering the right kinds of opportunities and must be willing to eliminate the employment agreement altogether and work from a temporary, contractor, part-time, perspective. Third, the unemployment rate reached its highest level in 9 years at 6.4% in June 2003 (United States Department of Labor, 2003). It is obvious that there are millions of people out of work and looking for jobs. How do you choose the most talented with the right fit to the organization from thousands of applicants? Finally, past recessions followed by rapid recovery of jobs, companies have brought back employees laid off during the downturn.

The Importance of Strategic Talent Management

- The ongoing war for talent
- Negotiating power has shifted from the organization to the employee
- The fluctuating U.S. unemployment rate
- Organizations are outsourcing the work leftover from downsized jobs

This may not be the case for this recession (Many jobs are gone for good, 2003). Instead, businesses are outsourcing the jobs left vacant by increasing automation, utilizing cheaper labor abroad, and producing more with fewer employees. In fact, a recent study by the Connecticut Centre for Economic Analysis shows that by 2008, the number of workers in India performing computer jobs for U.S. companies will increase seven-fold to 1.2 million from 177,000 in 2002 (Outsourcing jobs in India to increase seven times by 2008, 2004).

The human resources (HR) function needs to reinvent itself to deal with these challenges. The HR organization now operates in the new talent economy. This talent economy is driven by the factors listed to the left. Therefore, the role of the HR organization will need to expand to drive corporate performance and increase shareholder value (Jones & Arnold, 2003). HR organizations that emphasize talent management, align their goals with the overall organization, and measure human capital will see an increase in employee and customer satisfaction, and the organization's top and bottom lines.

Strategic talent management best practices

Strategic talent management is far more than the standard HR role and function of "filling positions" and managing paper processes. Strategic talent management can be defined as ensuring that a sufficient supply of talent is available across the organization to achieve competitive advantage, enhanced corporate performance, and maximizing the productivity of an organization's talent pool. It involves process consulting which includes forecasting openings and needed resources, using assessments for selection and development, placing employees onto appropriate projects, planning for and measuring the return on investment of personnel programs, utilizing technology advancements, and more. Strategic talent management spans the entire talent life cycle from entry to exit, from placement to promotion. Best practices in strategic talent management identified based on several contemporary experts in the field are described below.

McKinsey & Company's The War for Talent

In 1997, the McKinsey & Company's famous report on the "War for Talent" was published (Michaels, et al., 2001). Based on surveys and case studies of over 70 high-performing companies, they identified the talent wars as the competitive advantage facing organizations now and for decades to come. A few years later, Ed Michaels and his colleagues updated the report in 2000 with additional data from over 200 other high- and average-performing companies which culminated in the book, *The War for Talent*.

The 2000 data reconfirmed their findings. Based on these two studies, the authors proposed a new approach to talent management consisting of five components: a) embrace a talent mindset; b) craft a winning employee value proposition; c) rebuild your recruiting strategy; d) weave development into your organization; and e) differentiate and affirm your people. The first component stresses that all managers should place talent management as a top three priority. Furthermore, defining why talented individuals should enter and stay with your organization is the key to a winning employee value proposition. Recruiting strategies should be revamped to incorporate doing whatever it takes to get talented people in the door, even it means breaking compensation guidelines. Challenging experiences, coaching and mentoring, and training programs focused on managerial skills or functional issues are woven into the organization culture for all high performers. Finally, identify A, B, and C players: cultivate your A players, support B players, and move C players out of their roles. The authors contended that by following these components, an organization would see huge impact in just one year.

Tulgan's Winning the Talent Wars

In his book, *Winning the Talent Wars*, Bruce Tulgan presents a view similar to Ed Michaels and colleagues (Tulgan, 2002). Tulgan purports that organizations now operate in a free agency economy. Since lifetime employment is dead, utilizing talent in fluid, flexible employment relationships has now become the necessity in meeting your business needs. Tulgan offers six best practices in the areas of staffing, rewards, coaching, training, and retention.

"Talent is the show", according to Tulgan, this means that organizations need to learn how to employ people whenever, wherever, and however they are willing. Instead of staffing the jobs, staff the work. Break some of the rules if you have to, in order to get it done. The third best practice is to pay for performance, and don't pay if they don't deliver. All managers must learn how to coach talent: All that matters is what we are doing here today. Train every person up to speed quickly so he or she can get to work. Customize career plans around people's roles and not their position on an organization chart. In the spirit of moving into the talent economy, these are great lessons for creating substantial change through better talent management.

Berger and Berger's Talent Management Handbook

A third approach to talent management takes a different approach to the issues. In *The Talent Management Handbook*, edited by Lance Berger and Dorothy Berger, a group of practitioners in the field of human resources contribute to the book by providing specific tools and processes for use in developing a talent management program (Berger & Berger, 2003). The handbook maintains three strategies for managing talent management in human resources functions: a) identifying, selecting, and educating superior performers; b) finding, developing, and arranging highly qualified backups for key positions; and c) allocating resources (compensation, training, coaching, etc.) to employees based on their actual or potential contribution to organization excellence.

Best Practices in Strategic Talent Management

- Adopt talent management as a top organizational priority
- Do whatever it takes to get talented individuals into your organization
- Provide coaching and developmental opportunities to high potential talent
- Find, develop, and retain talent to sustain competitive advantage

These three strategies are supported by the building blocks of organization competencies,

performance appraisal, and by forecasting human potential. These tools are used to build a talent management plan and create the basis for individual development plans. Like the previous two models, these authors also put emphasis on coaching and mentoring, as well as pay-for-performance compensation models.

These experts in talent management agree on four main issues. First and foremost, it is important for all levels within the organization to acknowledge and accept that talent management is a top priority in the organization (Michaels, et al., 2003; Tulgan, 2002). Second, the idea that doing whatever it takes to get talented individuals in your organization even if it means breaking compensation or other rules and policies is crucial to the success of any talent management program (Michaels, et al., 2003; Tulgan, 2002). Next, provide the coaching and developmental opportunities to those who exhibit actual or potential contributions to the organization (Berger & Berger, 2003; Michaels, et al., 2003; Tulgan, 2002). This means rewarding performance according to the principle of equity over equality. Finally, in general, finding, developing, and keeping talent is critical to sustaining an organization's competitive advantage (Berger & Berger, 2003; Michaels, et al., 2003; Tulgan, 2002) (see box to the left). It is important to note that these best practices exist at the most basic level of strategic talent management. Strategic talent management is much more complex than what this contends. Clearly, an alternate approach to STM needs to surface.

Assessment-based strategic talent management

Although the above models are excellent methods of strategic talent management, an assessment-based STM approach has been missing from both the literature and practice in talent management. Utilizing assessments and testing can provide unique perspectives on STM issues within an organization.

Assessment is a conceptual, problem-solving process of gathering dependable, relevant information about an individual, group, or organization to make informed decisions (Guion, 1998). Strategic talent management often involves decision making as it applies to an organization's talent resources. Assessment and testing of constructs such as abilities, personality,

leadership, and performance, provides a comprehensive evaluation allowing intelligent decision making to occur at many levels of an organization.

Interventions for STM

Applying assessment methodologies and technologies to strategic talent management involves using assessment-based strategic talent management interventions and identifying various STM assessment opportunities. There are five major categories of assessment-based interventions within strategic talent management: job analysis, recruitment/pre-screening, pre-employment testing, promotional assessment, and talent development (Goodstein & Lanyon, 1999)

Assessment-Based Interventions in Strategic Talent Management

- Multi-Method Job Analysis
- Recruitment/Pre-Screening
- Pre-Employment Testing
- Promotional Assessments
- Talent Development

● **Multi-method Job Analysis:** Subject matter experts and high performing incumbents are surveyed to identify job-relevant tasks and personality traits. Meta-analytic studies and previous relevant research can be evaluated as well. This analysis allows for the discovery of the job-relevant tasks and personality traits that are key to successful performance on the job. These types of job analyses serve as the basis for all other assessment interventions and opportunities.

● **Recruitment/Pre-screening:** Applicant pools are established based on targeted strategic advertisements. Potential candidates then complete pre-qualifying questionnaires, including knock-out questions, to determine initial person-job fit.

● **Pre-employment Testing:** Job-relevant selection tests are used to assess person-job fit,

core job-related personality dimensions, and future development needs. This assessment, at a minimum, should determine one's compatibility with the ideal traits and skills for a given position, which is based on the task and personality-based job analysis.

● **Promotional Assessments:** Assessments can also be used to prepare job incumbents for promotions. Again, fit between the person and the new position is assessed, as well as the core skills and competencies needed for success in the job.

● **Talent Development:** Job-related personality, performance, and leadership assessments can be used to strengthen an incumbent's core competencies. Employees can then develop action plans based on these assessments to address particular strengths and developmental areas for use with a coach, mentor, or their manager. These types of assessments can also be used as part of a battery to select and/or place supervisory, managerial, and leadership talent.

Opportunities for STM assessment

Within the five major categories outlined above are a variety of opportunities for assessment: develop strong organizational values, proactively manage employees' perceptions, strengthen job-relevant group norms, ensure value-based leadership, reward a value-oriented work force, and offer career development and enrichment. These assessment opportunities allow organizations to get the most value out of their assessments. In some cases, the same assessment can be used for multiple purposes, e.g., a pre-employment personality test can be used for screening and selection purposes, but can also identify areas where additional training and development are necessary.

Opportunities for STM Assessment

- Develop strong organizational values
- Proactive manage employees' perceptions
- Strengthen job-relevant group norms
- Ensure value-based leadership
- Reward a value-oriented workforce
- Offer career development and enrichment

- **Develop Strong Organizational Values:** Assessments can be used to evaluate employee knowledge of the core values along with how individuals are guided by such values in their day-to-day work. A typical employee opinion or climate survey can be used for this purpose.
- **Proactively Manage Employees' Perceptions:** Pre- and post-employee opinion and climate surveys can also be used to document that employees know they will be rewarded for exemplary behaviors, and detected and reprimanded for counterproductive behaviors.
- **Strengthen Job-Relevant Group Norms:** Job-relevant recruitment and selection systems can be utilized for upgrading and maintaining worker orientation and core competencies. The focus should be on job-related personality dimensions.
- **Ensure Value-Based Leadership:** Employees are more likely to exhibit stable and conscientious workplace behaviors if their leaders possess such traits. Value-based leaders must also communicate the organization's vision and sense of higher purpose in order to foster a world-class culture. Leadership assessment and development systems assist with this initiative.
- **Reward a Value-Oriented Work Force:** Employees must be treated fairly by management. Therefore, strategically-aligned and quantitatively-based performance assessment and management systems need to be established. Exemplary employees must be recognized and reinforced at all times for productive and valued behaviors and performance.
- **Offer Career Development and Enrichment:** Employees remain loyal when given the opportunity to continuously develop their skills and abilities (Lewis, 2000b). Personality-oriented assessments can be used to identify employees' career interests and abilities, and certification programs can be utilized to ensure that employees are successfully mastering new and contemporary skill sets.

Personality-based strategic talent management is a niche area within assessment-based STM. Leading experts on the changing role of HR in the

knowledge economy recognize that the ability to perform the work needed goes beyond skills and abilities to general competencies, including personality characteristics, which enable adaptation to changing environmental demands (Lengnick-Hall & Lengnick-Hall, 2003). Recruitment and selection activities must be focused on organization fit, value fit, and attitudes, rather than hiring individuals based on specific skills and experiences. Because job descriptions and job tasks change continuously at the professional level (and more than ever before at other levels), assessing the fit between a person and a specific job is useful, but may not be as important as assessing trainability and adaptability for specific roles in an organization or business unit. This provides the basis for the focus on assessing a candidate's normal personality and not just his or her knowledge or skills.

Personality assessment is one example of a single assessment that provides information about an individual that can be used for multiple purposes. A personality assessment can be given in a pre-employment screening situation and used as a basis for selection into the organization, along with other assessments and selection methods. The results from this initial assessment can be used after the individual has been hired in order to identify areas of strength, development needs, and fit to other positions along established career paths. This individual, along with his or her manager or coach, can create an action plan to address these specific areas and manage the employee to achieve superior performance.

The IPAT Model of Assessment-Based Strategic Talent Management

A model of assessment-based strategic talent management is presented here. The IPAT Model of Assessment-Based Strategic Talent Management is comprised of three dimensions: Discover, Inspire, and Transform. At a bare minimum, the Discover dimension means to uncover information, whether it is about an individual, group/team, or organization. The Inspire dimension encompasses providing the motivation to elicit change. The Transform dimension means producing, then tracking the changes that occurred.

The IPAT Strategic Talent Management Model

Dimension	Description
Discover	<ul style="list-style-type: none"> • Identify your talent needs. • Find the right people at the right time for the right opportunity. • Help talent determine where they fit in (in the organization and for which position). • Individualized information exchange to orient new talent and allow for rapid productivity.
Inspire	<ul style="list-style-type: none"> • Coach, mentor, and give performance feedback to high potential talent. • Develop and cultivate leadership capabilities. • Identify high potential leaders and place them on a future track to lead the organization. • Evaluate talent performance.
Transform	<ul style="list-style-type: none"> • Provide high potential talent challenging training and development opportunities. • Cultivate a culture of feedback and continuous improvement. • Assess organization direction, culture, climate, and values. • Build and develop teams and teamwork. • Drive performance improvement in individuals, teams, and organizations. • Document return-on-investment.

Discover

At its core, Discover refers to finding the right talent at the right time for the right opportunity. In order to source the right person for the job, the first thing that needs to happen is a strategic talent needs analysis. Find out what projects are coming down the pipeline, if the right talent is available internally, and what are the talent needs currently and for the future. Next, a job analysis is essential to begin to staff the work. A job analysis provides the basis for all assessment interventions. Recruitment and pre-screening and pre-employment testing will identify the person(s) who will fit into the talent gap(s). Of the assessment interventions and opportunities described earlier, several apply to the Discover dimension. Specifically, the assessment interventions of job analysis, recruitment/pre-screening, pre-employment testing, and promotional assessment, and the assessment opportunities of strengthening job-relevant group norms and offering career development and enrichment are assessment applications relevant to the Discover dimension.

Inspire

Next, Inspire means developing and cultivating high potential leaders and employees. It also means providing the opportunities to develop and the incentives for employees to succeed. By assessing leadership capabilities, individuals can identify areas for improvement and enlist coaching and mentoring assistance to create and implement action plans. These leadership assessments can also assist in developing succession plans for the entire organization. Several assessment interventions and opportunities described earlier apply to the Inspire dimension. The assessment interventions of promotional assessment and talent development and the opportunities for assessment of ensuring value-based leadership and rewarding a value-oriented workforce specifically pertain to Inspire. Using the information collected in the Discover phase, can also help to motivate and inspire desired behaviors and outcomes.

Transform

Finally, Transform refers to driving performance improvement in individuals, teams, and organizations. Transform addresses issues surrounding organizational development, organization culture, climate, values, and direction. It also involves impressing a culture of feedback and continuous improvement onto the organization, as well as team building and person-organization fit. Return-on-investment analyses occur in this phase. The opportunities for assessment described earlier, such as proactively managing employees' perceptions and developing strong organizational values specifically apply to the Transform dimension. The Transform dimension is so important because without the manifestation of the changes and results, all the work done in the first two phases will be for nothing and be left orphaned. This dimension is about impact, doing something "big," and being successful.

Taken together as a whole, this model provides a framework to approach assessment-based strategic talent management. The three dimensions are broad enough to cover all aspects of strategic talent management, yet detailed enough so that no important factors are left out. This model can serve as the basis for developing and implementing assessment-based strategic talent management programs in organizations. Appendix A provides illustrative case studies of real organizations and situations for each dimension.

Applications of assessment-based strategic talent management

To illustrate how the use of assessments enhances strategic talent management practices, several applications of personality assessment are presented as it relates to IPAT's Model of Assessment-Based Strategic Talent Management.

Discover

The 16PF Select is a shortened form of the 16PF Fifth Edition Questionnaire developed specifically for use in personnel selection situations (Kelly, 1999). IPAT works with clients to identify which job-relevant personality dimensions are important for the ideal candidate to possess and uses this to create custom scoring algorithms. The 16PF Select system generates a report containing the overall

similarity of the candidate to the user's perception of the ideal candidate for the job. The 16PF Select Report also contains narrative detail on ways the candidate is similar to the ideal profile and different from the ideal profile.

The 16PF Select Questionnaire differs from the 16PF® Fifth Edition Questionnaire. The 16PF Select contains 107 items that encompass 12 primary personality factor dimensions and three response style indices. Each dimension contains 8 or 9 items. Hence, the 16PF Select is a brief assessment that is amenable to pre-employment screening.

Inspire

The 16PF Leadership Coaching Report (LCR) is based on the 16PF Fifth Edition Questionnaire (Russell & Karol, 2002; Watterson, 2002). Participants take the 16PF Fifth Edition Questionnaire and the LCR is subsequently generated from their questionnaire responses. The LCR is based on the concept that certain personality characteristics contribute to leadership effectiveness. The information provided in the LCR can provide participants with information on the areas of leadership effectiveness that they perform well, as well as the areas in which they may need development.

The LCR groups the information from the 16PF scores into 5 Global Factors (e.g., Big Five personality characteristics). These five Global Factors are Extraversion, Influence, Emotional Resilience, Self-Control, and Practicality. The five Global Factors are made up of several different underlying factors, which are the dimensions of the 16PF questionnaire. Research on two samples of senior executives and successful entrepreneurs was used to determine the target mean and range for each Global Factor of successful leaders and managers. For example, leaders were found to be high scoring on Influence, but had a balance between structure and flexibility on Self-Control.

The LCR has two sections, one for the participant's coach and one for the participant. The Coach's Summary (for use by the leadership coach) provides information for his/her role as a coach in the leadership development process, a summary of the developmental suggestions that are also given to the participant, and a Profile Summary of the participant's attributes and how they compare to successful leaders/managers. The LCR Workbook (given to the participant) contains an

introduction to the report; a personal inventory which describes how to interpret the Big-Five Global Factors and developmental suggestions; action planning worksheets; a discussion about evaluating results (e.g., goal setting); and resources for the participant (e.g., suggested readings and practice opportunities).

Transform

The 16PF Teamwork Development Report (TDR) is based on the 16PF® Fifth Edition Questionnaire (Russell, 1998; Russell & Karol, 2002). Participants take the 16PF Fifth Edition Questionnaire and the TDR is subsequently generated from their responses to the questionnaire. The TDR can be generated for one team member or an entire team and is intended for use in a developmental setting, not for selection or promotion purposes. The TDR is based on the concept that certain personality characteristics are related to teamwork behaviors.

The narrative interpretations used in the TDR is based on an extensive literature review of personality and teamwork and on empirical research studies comparing teams' 16PF scores to self and peer ratings of eight teamwork content areas. The empirical research showed that the 16PF is related to many of the teamwork content areas. For example, Independence is disagreeable to team members; Accommodation and trust are well received by team members; and that while Independent and Conscientious people often rate themselves higher on teamwork behaviors, these same behaviors may not be associated with high peer ratings.

The contents of the report include a team member feedback section, of which the test taker receives a copy. It is a summary of the 16PF personality results in a narrative form. No scale scores are given in this section. The narrative text is organized around the 16PF Big-Five Global Factors (e.g., Extraversion, Anxiety, Tough-Mindedness, Independence, and Self-Control) as well as additional interpretive material that specifically applies the personality information to the issues of teamwork. The team development professional receives the second part of the report, of which, portions should not be shared with the team members. This section of the report contains a team summary graph which contains the team's mean sten score and the standard deviation for the team's core distribution. There is also a team summary table which identifies individual team

members who scored outside the average range for both the 16PF Big-Five Global Factors and the primary factor scales. These two portions should not be shared with the team.

The next table in the report shows how many people in the team fall into the two ends of the Global Factor scale poles and how many were in between. This report does not identify individual participants, only total numbers in each category. This can be shared with team members, if desired. The final section contains 16PF Fifth Edition results for each team member for the professional's use and should not be shared with team members. It differs from the team member feedback section, in that scale scores are reported for the response style indices, Global Factor scales, and primary factor scales.

The TDR is recommended for use with individuals and teams. If used with individuals, the report will allow the individual to become aware of which aspects of their personality help and hinder effective teamwork. The information contained in the report can be used to create an action plan for increasing those areas that are strengths and working on the areas that may need development. The following process could be applied if the report is used with an entire team: establish the context for team development, meet with the team to set expectations and get commitment, review the TDR results, hold individual feedback sections, and hold a team-as-a-whole feedback session.

Conclusion

Strategic talent management has already become the competitive advantage organizations need to succeed in the new talent economy. Reasons such as the war for talent and the shifting of negotiating power from the organization to the employee, emphasize the need for organizations to strategically manage their talent assets. Assessment-based STM has been a neglected focus of organizations and human resources professionals, but has the potential to turn strategy and theorizing into action at the individual level. Assessment of individual and group ability, personality, and skills will allow organizations to make more informed decisions that will, in turn, impact the bottom line. Assessment-based STM provides a method of discovering, inspiring, and transforming intangibles (e.g., organizational talent) into tangible results.

Appendix A

Case study: success vignettes with STM

Discover

- A new CEO of a large manufacturing company employed competency modeling to improve the quality of its manufacturing leaders. The top 400 were evaluated against this model. Within 2 years, one half were replaced and the stock rose \$45 per share in less than 3 years.
- The CEO of a large retail chain created a list of the top 100 people in the company and assessed each person. The assessment revealed that his people did not have the skills necessary to move the company forward. This forced him to reassess his talent assets. Subsequently, profits rose from \$285 million to \$445 million within 3 years.
- A newly created government division utilized IVR and web-based application/resume capture platforms to recruit and hire over 60,000 federal airport security screeners in less than 9 months.

Inspire

- An Internet advertising pioneer pledged a high degree of autonomy, flexibility, & fluidity to its employees. In return, the company expected entrepreneurial drive & results. When the dot com bust began in early 2000, the company's stock dropped 80%. None of the top 100 managers left because of the compelling VMG that was aligned with employees' personal values & goals.
- A professional services consulting company assessed & deployed a team of over 1,000 temporary project team members to plan, organize, and implement a large scale hiring initiative.
- Without the personal mentoring & encouragement of the CEO of the start-up Internet job board, she was once an account manager for, Emily would not be VP of Product Management today. The feedback & coaching she received helped her constantly challenge & push herself to

do things she didn't think she was capable of doing.

Transform

- A medium-sized financial services firm experienced intense growth over several decades, but realized it lost its focus on its people. The company changed its mission to be employee-focused. The company used HROD process improvement & change management initiatives to shape its new culture. Two years later, the company was on the top of Fortune's "100 Best Companies to Work For" list.
- A geographically dispersed, multi-disciplinary team was charged with creating a new platform that an outside vendor had estimated would cost over \$800,000 to build. Through creative use of internal team resources, openness to taking on new challenges, and strong team support the platform was built for under \$40,000.
- The highly technically-oriented officers of a manufacturing company had difficulty negotiating with their glamour industry clients. Individual assessments, including a 360-Degree Image Survey, was employed to profile each executive. An image consultant used the assessment information to create successful individual development plans for each executive.

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