

Unit- 2

Talent Planning Objectives (Steps in Talent Planning)

- Talent planning is an essential process that organizations use to ensure they have the **right talent in the right roles to achieve their strategic objectives**. The process involves **several steps**, including defining business objectives, assessing current talent, developing a talent strategy, creating a talent pipeline, implementing talent management processes, and monitoring and evaluating progress.
- **Effective talent planning** requires a strategic approach that aligns with the organization's overall business strategy. By identifying **talent gaps** and developing a talent **strategy** that addresses these gaps, organizations can create a talent pipeline that supports their long-term success. This involves **identifying high-potential employees** and providing them with development opportunities that prepare them **for future leadership roles** within the organization.
- **Talent planning** also involves **implementing talent management processes**, such as performance management, succession planning, and career development programs, to ensure that talent is managed effectively. By providing clear career paths and development opportunities, organizations can improve employee engagement and retention.
- Moreover, **talent planning** helps organizations build a **strong employer brand** and promote diversity and inclusion by showcasing their commitment to employee development and career growth. This, in turn, can attract top talent to the organization and promote a culture of inclusivity and diversity.
- Talent planning is the **process of identifying, developing, and managing an organization's talent** to meet its current and future business needs. The goal of talent planning is to ensure that the organization has the right talent in the right roles at the right time to achieve its strategic objectives. Here are some key steps in the talent planning process:
 1. **Identify business objectives:** The first step in talent planning is to identify the organization's business objectives. This helps determine the talent requirements needed to achieve these objectives.
 2. **Assess current talent:** Organizations should assess their current talent to identify strengths, weaknesses, and gaps. This can involve evaluating employee performance, skills, and potential.
 3. **Develop a talent strategy:** Based on the business objectives and talent assessment, organizations should develop a talent strategy that outlines how they will attract, develop, and retain top talent.

4. **Create a talent pipeline:** Organizations should create a talent pipeline that identifies high-potential employees and prepares them for future leadership roles within the organization. This can involve providing development opportunities, such as mentoring, training, and job shadowing.
5. **Implement talent management processes:** Organizations should implement talent management processes, such as performance management, succession planning, and career development programs, to ensure that talent is managed effectively.
6. **Monitor and evaluate:** Organizations should monitor and evaluate their talent planning efforts to ensure they are effective and aligned with the organization's strategic objectives. This can involve collecting data on employee performance, engagement, and retention, and making adjustments to the talent strategy as needed.

Talent Planning Objectives

The objectives of talent planning are to ensure that an organization has the right talent in the right roles at the right time to achieve its strategic objectives. Here are some specific objectives of talent planning:

1. **Identify and address talent gaps:** By assessing the organization's current talent and identifying potential gaps, talent planning can help ensure that the organization has the necessary talent to achieve its strategic objectives.
2. **Develop a strong talent pipeline:** Talent planning can help organizations develop a strong talent pipeline by identifying and developing high-potential employees and preparing them for future leadership roles.
3. **Improve employee retention:** By providing development opportunities and clear career paths, talent planning can help improve employee retention by keeping top performers engaged and motivated.
4. **Enhance employee engagement:** Talent planning can help enhance employee engagement by providing employees with development opportunities and a clear path for career advancement.
5. **Improve organizational agility:** By ensuring that the organization has the right talent in the right roles, talent planning can help improve organizational agility by enabling the organization to quickly adapt to changing business needs.
6. **Strengthen the employer brand:** Effective talent planning can help strengthen the employer brand by showcasing the organization's commitment to employee development and career growth.
7. **Promote diversity and inclusion:** Talent planning can help promote diversity and inclusion by identifying and developing diverse talent and ensuring that the organization's talent management processes are inclusive and equitable.

Steps in Talent Planning

The talent planning process involves several steps to ensure that an organization has the right talent in the right roles at the right time to achieve its strategic objectives. Here are some common steps in talent planning:

- **Define business objectives:** The first step in talent planning is to define the organization's business objectives. This helps determine the talent requirements needed to achieve these objectives.
- **Conduct a talent assessment:** Organizations should assess their current talent to identify strengths, weaknesses, and gaps. This can involve evaluating employee performance, skills, and potential.
- **Develop a talent strategy:** Based on the business objectives and talent assessment, organizations should develop a talent strategy that outlines how they will attract, develop, and retain top talent. This strategy should be aligned with the organization's overall business strategy.
- **Create a talent pipeline:** Organizations should create a talent pipeline that identifies high-potential employees and prepares them for future leadership roles within the organization. This can involve providing development opportunities, such as mentoring, training, and job shadowing.
- **Implement talent management processes:** Organizations should implement talent management processes, such as performance management, succession planning, and career development programs, to ensure that talent is managed effectively.
- **Monitor and evaluate:** Organizations should monitor and evaluate their talent planning efforts to ensure they are effective and aligned with the organization's strategic objectives. This can involve collecting data on employee performance, engagement, and retention, and making adjustments to the talent strategy as needed.

By following these steps, organizations can create a strong talent pipeline that supports their business goals and objectives. Talent planning is an ongoing process, and organizations should regularly review and update their talent strategy to ensure it remains effective and aligned with changing business needs.

Succession planning

Succession planning is essential to ensure critical roles in a company are not left vacant for extended periods or filled by people who don't have the skills or knowledge to perform in the role. Knowing who is next in line to fill senior positions and being able to mentor these people to become your company's next generation of successful leaders is crucial to maintain a competitive edge and team morale.

However, according to an SHRM survey, only 21% of HR professionals said their organization had a formal succession plan in place, and a further 24% had an informal plan. That means that over half of the organizations the surveyed HR professionals work at didn't have a plan.

This guide will explore succession planning in-depth, explain why it's important, provide you with best practices, and a succession planning framework that any organization can apply.

What is succession planning?

Succession planning is the process of selecting and developing key talent to ensure the continuity of critical roles. It's about identifying top performers and potential leaders and mentoring and developing them so they can advance in the organization and move into top-level roles.

Employees get promoted, move companies, and retire every day. That's why you need to have a solid plan in place to ensure positions are filled by people equipped to do the job.

succession planning definition.

- First of all, succession planning is about **critical roles**. Not all roles are relevant for succession planning. It should focus on roles that are vital to the organization's competitiveness and continuity. A junior sales rep is fairly easy to replace. However, your VP of sales is a role you don't want to be unfilled for long, if at all.
- Second, the focus is on **selecting and developing key talent**. This means that for those critical roles, the best and the brightest are selected and nurtured. Most of the time, succession planning happens with internal candidates. For example, the director of sales is molded to fill the role of VP of sales, while the VP of sales develops to become the new CEO. Occasionally external candidates are hired and brought up to speed before taking over a new role, although this is often on a more ad-hoc basis. As an organization grows, it's more cost-effective to develop and promote from within.
- The last part of the definition is **to ensure continuity**. This is the ultimate purpose of going through all this work: to ensure that when someone leaves, there is someone else ready and qualified to take over that role and be up and running in no time.

Why is succession planning important?

Succession planning is important for the success of an organization for many reasons.

- A succession plan reduces risk and disruption and ensures business continuity in the case of an unexpected departure. Trainer & Team Performance Consultant Lindsay Dunlap elaborates on the risk a lack of a succession plan can cause. "Many companies are not taking time to get new leaders "up to speed", so they are tossed in to figure it out as they go. New leaders are left stressed out, fearful of asking for help, and then they are held accountable to standards and expectations that they may not fully understand. This leads to higher turnover in very vital positions for companies," notes Dunlap.
- Key knowledge and expertise can be transferred rather than lost when someone in a critical role departs.
- Succession planning gives high-potential and high-performing employees a clear career path in your organization.
- It helps you plan and prepare for the future based on different scenarios. That reassures shareholders that the business is well taken care of long-term. "Organizations who fail to successfully plan or create a succession pipeline run the risk of losing the confidence of their stakeholders and investors from uncertainty and unfamiliarity," explains Jenna Fisher, Managing Director at the executive search and leadership advisory firm Russell Reynolds

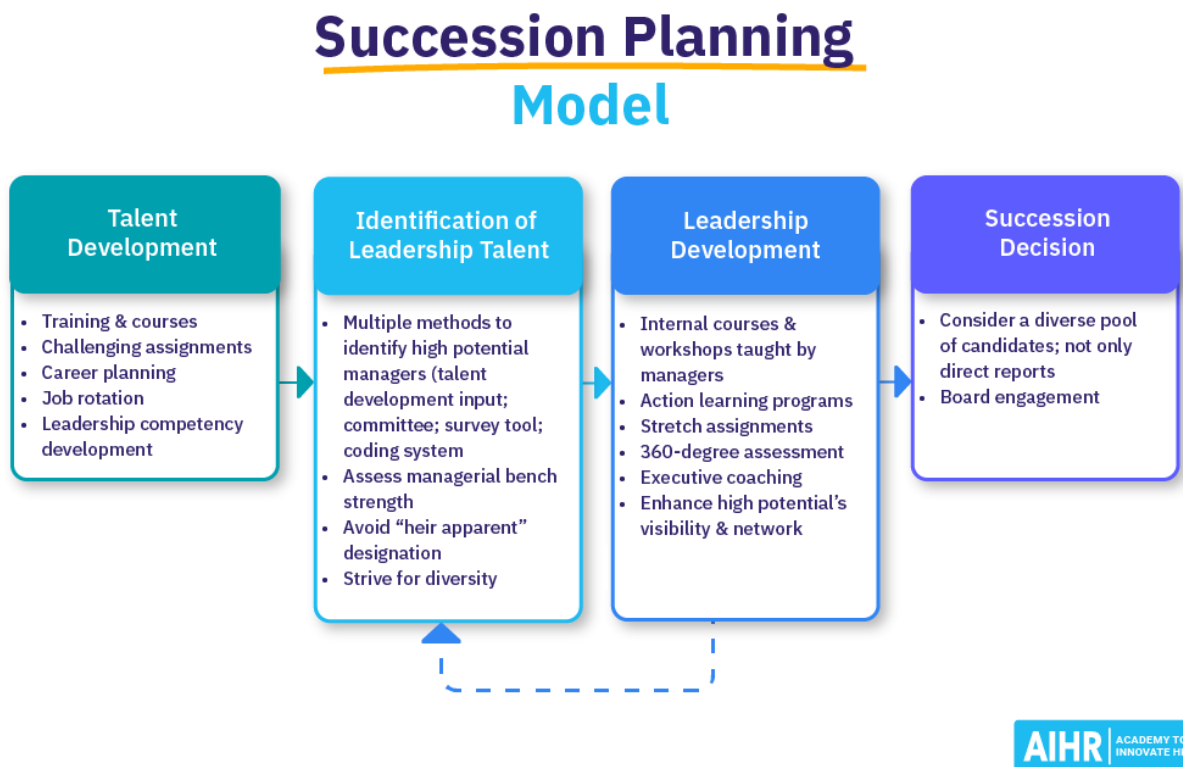
Associates and author of *To the Top: How Women in Corporate Leadership Are Rewriting the Rules for Success*.

- It will help you grow your existing talent, boost engagement, and save money on hiring external senior employees and executives.
- A succession plan presents a structured approach to preparing a new generation of leaders to steer your organization forward.
- Without a clear succession plan, power struggles may arise within the company. Different people and groups might start competing for dominance. This dysfunctional conflict makes it more difficult to achieve organizational goals.

To sum it up, succession planning enables you to grow your company *and* your people.

Succession planning model

The succession planning model depicted below is an adaptation of Groves (2005), who proposed an integrated leadership development and succession planning model. Talent is developed, and leadership talent is spotted, identified, actively developed in leadership programs, and prepared for succession. We tweaked this model to make it more applicable to succession planning.



We will explain each step of this succession planning model in detail in the next section. We'll also dive into the preconditions required for effective succession planning.

Succession planning framework

How can we design and implement a practical process that streamlines our succession planning efforts? Using a succession planning framework helps you make sure that your process is consistent and effective.

Preconditions for succession planning

Our succession planning framework has two preconditions:

- Creation of a culture of leadership development
- Selection of critical roles

Precondition 1: A culture of leadership

For succession planning and long-term leadership development to succeed, there must be a clear commitment from senior management, including the CEO.

Senior managers and C-level executives must actively participate in developing young talent. For example, senior leaders can be involved in mentoring activities and help successors develop leadership competencies.

In addition, managerial performance appraisal and reward processes should incorporate leadership development activities, including the identification and development of high-potential employees.

Precondition 2: Selection of critical roles

As we've already mentioned, critical roles are those that, if vacant for a few months or filled by a bad hire, would lead to significant damage to the company. A CEO would certainly be such a role. Yet, a global survey showed that 53% of companies did not have a CEO succession contingency plan in place.

The easiest way to identify these roles is to look at the most senior people in the organization's hierarchy or the highest earners. If the organization has a well-defined job architecture with function descriptions and rewards based on responsibilities, this selection will be fairly accurate.

If there's no clearly defined job architecture, an alternative could be the forced ranking of functions based on their importance. For example, a CEO is more important than a CFO. The CFO is often considered more important than the CTO. This way, you can identify the top functions within your business.

Regarding leadership functions, it's best practice not to include too many roles and aim for the top 0.5% of the organization. Selecting too many critical positions will make it harder to maintain your managerial succession bench strength. The reason for this is that you need multiple people on the bench to replace one senior executive.

A four-step succession planning process

Once the two preconditions are met, you can put your succession planning process in motion. The four-step process is based on the succession planning model we discussed above. The key process steps are:

1. Talent development
2. Identification of leadership talent
3. Leadership development
4. Succession decision

You can use this process as your succession planning template. Let's explore each step in more detail.

1. Talent development

Taking a long-term approach to succession planning and combining it with talent and leadership development are two of the best practices when creating a succession planning strategy. Why? Because succession planning generally focuses on senior leadership roles that would be replaced by employees currently in mid-level leadership roles. So it makes sense to integrate talent and leadership development with succession planning.

The succession planning process starts with regular talent development. Many organizations have talent development programs where high-potential employees receive training, different tasks, and challenging assignments. Relevant talent management activities focus on career planning and job rotation to gain more experience and develop leadership competencies.

Mentoring is also a popular way of developing top talent. It's widely reported that employees with mentors perform better, are promoted quicker and compensated better, have more organizational commitment, personal learning, and job satisfaction, and are less likely to leave. There are also psychosocial benefits, including acceptance, encouragement, coaching, increased internal exposure, and more challenging assignments (Groves, 2005).

2. Identification of leadership talent

During talent development programs, not everyone will succeed, which is why you need to continuously monitor and evaluate the participants. Those who aren't suitable to fill critical leadership positions may be great candidates for low or middle-management positions.

This input from talent development programs helps identify leadership talent. Mentors, committees, surveys, and coding systems are all tools that help assess managerial bench strength and form the basis for developmental activities. There are also succession planning tools and software that businesses can use to select and develop potential leaders.

In this phase, diversity is key. If diversity in the boardroom is already an issue for the organization, the diversity of succession candidates should be a top consideration in talent and leadership development programs. The more qualified participants from diverse backgrounds you involve in your programs, the greater your chances of building a more diverse future boardroom.

3. Leadership development

In this stage, those identified as having strong leadership potential are developed further. This differs from your average talent development. Future leaders are invited to internal courses and workshops. They are encouraged to develop closer connections with organization leaders, as this will make them more effective in their future roles.

This group should also be exposed to active learning through challenging projects, stretch assignments (challenging tasks aimed at developing experience outside of an employee's regular routine), 360-degree feedback to provide developmental feedback to managers, and executive coaching on skills they need to build.

“Having your succession candidate(s) be deeply involved in business operations that are critical to the role early on, such as mergers & acquisitions and relationship management, can be the key to their success,” says Jenna Fisher from Russell Reynolds Associates. Fisher says that was the case in the carefully orchestrated succession of Corie Barry, who succeeded Hubert Joly as CEO of Best Buy in 2019.

“Hubert's process, which involved sponsoring and supporting a great woman leader, turned into what he described as “one of the things I'm proudest of in my career.” This method prepared Corie to accelerate the company's growth strategy and be able to adapt to the pandemic when it began,” Fisher adds.

The succession planning model above shows a feedback loop between step 3 and step 2. Leadership development provides new input for measuring managerial bench strength. New information in this step will impact the identification of leadership talent.

4. Succession decision

Based on the previous steps, you can create a succession matrix. In this matrix, you map potential successors for each function.

A key consideration in this step is the likelihood of people quitting the organization.

- Accurate assessment of the turnover rate for the critical roles identified earlier is key, as turnover in one of these roles will engage your succession plan. For example, lining up five people to replace the role of a CEO who is intent on staying for the next ten years will only lead to frustration. Likewise, having just one potential successor for the COO, even though there's a high likelihood they will quit, is very risky and demonstrates a lack of planning.
- Turnover in the leadership talent group is less disruptive but still very costly. This group is extensively trained and integrated into your succession plan. Not only will this result in extra costs for the business, but this turnover can disrupt the entire succession planning strategy for the organization. Therefore, managing expectations and monitoring turnover are key steps to be mindful of at all times.

Whenever someone occupying a critical role quits or retires, you should make a succession decision. If not already in place, you need to create an onboarding program together with the leaver. Such a program with clear targets will enable the successor can get up to speed as quickly as possible.

What is a career development plan?

- Talent management aims to create a qualified and motivated workforce. The system ensures employees are recognized for their value to the organization. The talent management strategy helps organizations achieve their goals by providing employees with an integrated approach to personal growth, career development, and career advancement.
- Talent management systems are designed to help you identify, develop and retain employees. The talent management system makes the recruitment, selection, and onboarding process easier for managers and employees.
- These systems provide a lot of information about each employee so you can build an accurate picture of their skills and interests.
- The key advantage of these systems is that they allow you to capture all this data in one place and make it available to all employees. You can quickly understand who is performing, the training required, and the feedback needed.
- Integrated and Personalized Career Plans
- A talent management system helps an organization to better manage its human resources by providing integrated career plans for all employees. The plan is tailored according to each employee's skills and performance levels, making it easier to know what next steps they need to take to advance in their careers.
- By integrating data from multiple sources, talent management systems help employees create personalized career plans that include their skills, strengths, interests, and personality traits.
- Team members can identify opportunities that match their strengths and interests. In addition, the system provides feedback about their performance, thus providing room for growth and learning.
- Enhanced Internal Mobility
- Talent management systems have transformed how employees move within organizations by providing a single platform for all their professional needs. This allows them to take advantage of new opportunities as soon as they become available.
- Employees can access the same career development opportunities as their colleagues, and take advantage of the company's internal mobility program.
- With talent management technology, employees will know how to get promoted within the organization based on their skills and performance. If a person is interested in moving up the ladder or gaining new skills not available at his current level, he can do this through his talent management system.

- Talent management systems can help employees identify areas of strength and weakness and provide the information needed to determine the best path forward. Talent management technology is also effective in helping employees achieve their goals faster.

High Employee Retention and Engagement

Talent management systems provide a way for companies to manage their talent effectively and, in the process, improve employee engagement and retention. When used effectively, talent management jobs can help boost employee engagement by providing clear career growth paths.

Employees will feel more valued when they know that their work is recognized for its value and that there are opportunities for growth within the company.

Talent management improves employee morale by providing opportunities for career advancement within the organization. When employees feel valued, they tend to be more engaged in their work, leading to higher productivity.

Talent Mentoring and Motivation

The two most essential components of a well-functioning organization are hiring the right people and motivating them to do their jobs well. With talent management technology, managers can easily connect with employees across all levels of the organization, regardless of location or departmental boundaries.

They can also provide mentorship opportunities that will help them develop their skills and confidence. Managers may assign mentors to help employees in specific areas, such as communications or interpersonal skills, or they may provide coaching in more general areas, such as leadership skills or team building.

These mentorships can be anonymous, allowing managers to target those individuals who need additional support without worrying about bias.

Job Mapping and Skill Management

Managing the full spectrum of talent management activities is becoming increasingly important to achieve a competitive advantage. In this respect, job mapping is one of the essential activities, as it helps to define and map the current skill set of each employee. In addition, it allows teams to identify gaps between skills and abilities and improve through training or development programs.

Efficient Succession Planning

In today's competitive world, having a clear succession plan is vital to identifying who will take over when someone leaves or retires. Talent management technology can help firms plan for the future, identify talent gaps, and prepare for the inevitable retirements of key leaders.

Unbiased Performance Monitoring

One of the main benefits of using talent management technology is that it enables managers to perform unbiased performance monitoring. The best-performing employees will be identified and rewarded accordingly, while those underperforming will be identified earlier and given more support from the organization. This can have a significant impact on employee morale and satisfaction in general.

The technology provides insights into how people perform and what they need to succeed. This is crucial because it enables managers to set realistic expectations for their staff, which can help them improve their performance and increase productivity.

Customized Employee Training and Development

- Employee training and development are essential to any company's success. A well-designed talent management system can help customize the training programs to deliver impactful content, skills, and upward mobility.
- With the help of a talent management consultant, a firm can create a culture of high productivity and engagement. This involves aligning employee goals and skills with organizational goals, providing them with opportunities for career growth, and developing their skills through training programs and development initiatives.
- The consultant can offer consulting services, training, mentoring, and staffing solutions. With their system, the business can align skills with talent, evaluate performance, motivate and reward employees, and build a culture of high productivity.
- Firms can also use AI to build a 360-degree view of each employee's strengths and weaknesses, allowing them to customize training programs based on individual needs. This can help improve retention rates by aligning training programs with an employee's natural interests or career goals.

A career development plan is a personal action plan that you can use to create a roadmap for your career. The typical career development plan example outlines:

- The starting point: Where you are now in your career
- The destination: Where you want to go in your career
- The gap: The obstacles you must overcome to reach the destination
- The route: How to close the gap to reach your intended destination

Your personalized development plan will help you to identify specific, achievable career goals and then design and implement strategies to reach your goals.

What are Career Stages? definition and meaning

Definition: The **Career Stages** refers to the stages of career development that an individual passes through. Basically, there are 5 career stages, which an individual has to undergo during his lifetime.

CAREER STAGES



1. **Exploration:** The exploration stage is the pre-employment stage, wherein the individuals are in their mid-twenties and enter from their college life to the work environment. The individuals narrow down their work preferences on the basis of the directions shown by their parents, friends, family, teachers.

At this stage, several expectations about the work are created that may be the fantasies, or unrealistic beliefs about the work, very much before entering into the firm.

2. **Establishment:** At this stage, an individual actually experiences the work culture in his first job. Here, all the expectations and fantasies come to an end, and one has to face the reality of life. This stage covers about 10 years from the 25 years of age.

It is also called as a learning stage; wherein the fresher learns under the guidance of a mentor. At this stage, the fresher commits many mistakes and try to learn from these, thereby gaining a position in the society and working for his career advancement.

3. **Mid-Career:** This stage covers the age period of 35 to 45 years. At this stage, the individual is no longer considered to be a fresher and his mistakes are taken seriously by the senior management.

Here, the employee must evaluate his current career position, i.e. whether he is advancing, or has stabilized or has started to decline and look for the future career prospects. At this stage, an individual has to maintain a balance between his career and his personal life i.e. spouse and children.

4. **Late-Career:** At this stage, an individual reaches to a particular position in the organization hierarchy, on the basis of his career graph which is characterized by growth or stagnation.

If an individual grows even after the mid-career (i.e. 20 years after mid-forties), then he is considered to be having the pleasant experience with the work. Here, an individual becomes the mentor and guide others through his experiences.

5. **Decline:** This is the last stage of career development. At this stage, an individual has to step out of his work or get a retirement from his official commitments. It is considered as one of the difficult stages, as it is very hard for the employees to leave the firm who are doing excellent even after their late career.

Innovative talent planning

Innovative talent planning is a critical component of an organization's overall talent management strategy. It involves identifying and developing talented employees who have the potential to take on leadership roles and drive innovation within the organization. Innovative talent planning helps organizations build a strong pipeline of future leaders, promote employee engagement and retention, and ensure continuity of leadership.

To implement innovative talent planning, organizations should focus on the following key areas:

1. **Identification of high-potential employees:** Identifying high-potential employees is critical to the success of innovative talent planning. Organizations should use a combination of objective assessments and subjective evaluations to identify employees who have the potential to take on leadership roles and drive innovation within the organization.
2. **Targeted development opportunities:** Once high-potential employees have been identified, organizations should provide them with targeted development opportunities to help them develop the skills and competencies they need to succeed in future leadership roles. These opportunities may include coaching and mentoring, leadership training programs, job rotations, and stretch assignments.
3. **Encouraging innovation:** Organizations should create a culture that encourages innovation and supports employees in taking risks and trying new ideas. This may involve creating cross-functional teams, providing funding for innovation projects, and recognizing and rewarding employees who contribute to the organization's innovation efforts.
4. **Succession planning:** Innovative talent planning should be integrated into the organization's succession planning efforts. This involves identifying potential successors for key leadership positions and developing them through targeted development opportunities and mentoring.
5. **Continuous monitoring and evaluation:** Finally, organizations should continuously monitor and evaluate their innovative talent planning efforts to ensure that they are achieving their objectives. This may involve tracking the progress of high-potential

employees, measuring the impact of development programs, and making adjustments as needed.

Innovative talent planning can offer numerous benefits to organizations, including:

- **Increased engagement and retention:** When organizations invest in the development of their employees, those employees are more likely to feel valued and engaged in their work. This, in turn, can lead to increased retention rates, as employees are less likely to leave the organization for opportunities elsewhere.
- **Improved leadership pipeline:** By identifying and developing high-potential employees, organizations can build a strong pipeline of future leaders. This can help ensure continuity of leadership, and reduce the risk of leadership gaps and instability.
- **Enhanced innovation and creativity:** Innovative talent planning can help organizations create a culture of innovation and creativity by encouraging employees to take risks and try new ideas. This can lead to the development of new products and services, increased efficiency, and improved customer experiences.
- **Increased agility and adaptability:** Organizations that invest in innovative talent planning are better equipped to respond to changes in the business environment. By developing employees who have the skills and competencies needed to succeed in a rapidly changing world, organizations can become more agile and adaptable.
- **Improved reputation and brand image:** Organizations that are known for their commitment to talent development and innovation are more likely to attract top talent and maintain a positive brand image. This can help them stay competitive in the marketplace and attract new customers.

There are several theoretical frameworks that organizations can use to guide their innovative talent planning efforts. Some of these include:

- **Talent Management Maturity Model:** This model, developed by Bersin by Deloitte, outlines the five stages of talent management maturity, ranging from basic compliance with legal requirements to fully integrated talent management systems that are aligned with business strategy. This model can help organizations assess their current talent management practices and identify opportunities for improvement.
- **Human Capital Theory:** This theory suggests that human capital, or the knowledge, skills, and abilities that employees possess, is a key driver of organizational success. By investing in the development of human capital, organizations can create a competitive advantage that is difficult for competitors to replicate.
- **Social Learning Theory:** This theory suggests that people learn best through social interactions and collaboration with others. Innovative talent planning programs that incorporate social learning opportunities, such as mentoring, coaching, and collaborative projects, can help employees develop the skills and competencies they need to succeed in future leadership roles.
- **Self-Determination Theory:** This theory suggests that individuals are motivated by three basic psychological needs: autonomy, competence, and relatedness. Innovative talent planning programs that give employees autonomy in their work, provide opportunities for

skill development, and foster positive relationships with colleagues and supervisors can help employees feel more engaged and motivated in their work.

- **Growth Mindset Theory:** This theory suggests that individuals who believe that their abilities can be developed through hard work and perseverance are more likely to achieve success than those who believe that their abilities are fixed. Innovative talent planning programs that promote a growth mindset, such as encouraging employees to take on stretch assignments and providing feedback and support for their efforts, can help employees develop a growth mindset and achieve their full potential.

7 Best practices for an effective talent planning strategy

Any organization can run like a well-oiled machine with the right skills on board and top future talent on the radar. When devising your talent planning strategy, follow these 7 key best practices:

1. Align your talent strategy with your business goals

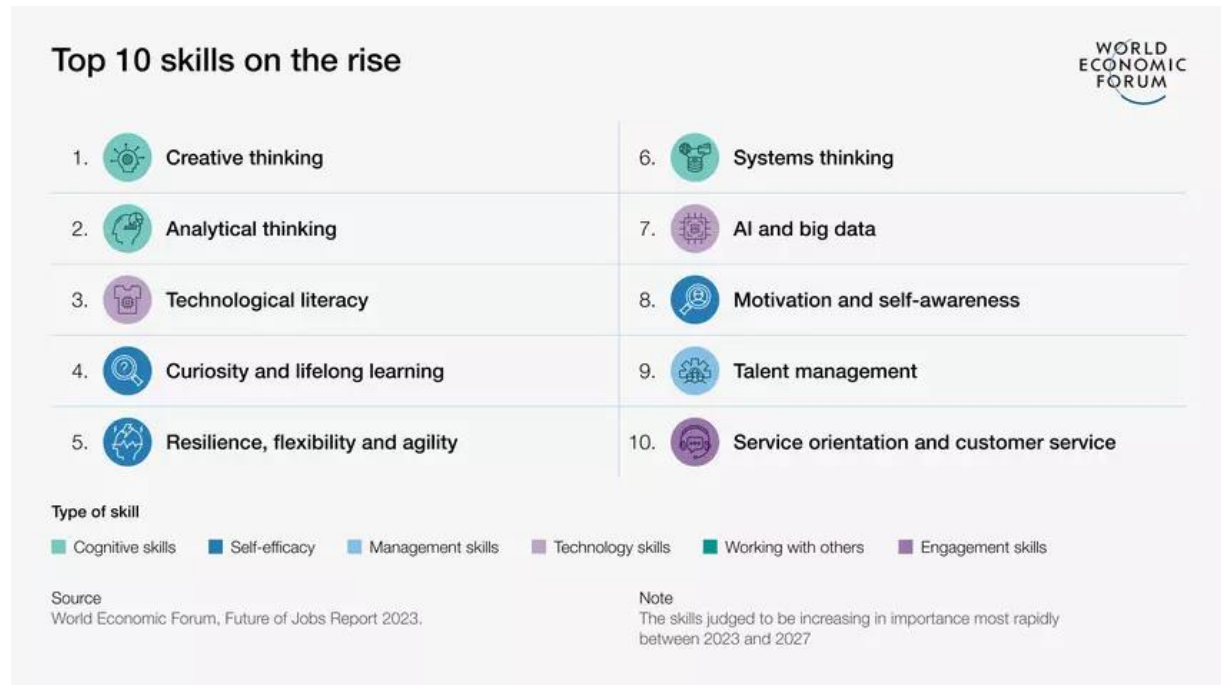
The real power lies in that sweet spot where **talent planning** and the **business's strategic goals** align. Companies can organize their human resources most effectively, continually focusing on core business objectives and reaching them faster.

A good place to start is to get clarity on your business goals and **KPIs**.

A team is only as good as the members that make it up. For a company to have a team that works like a finely oiled machine, they need to align their business goals with their available talent. This alignment goes deeper than just putting people into the positions they're best suited for. Alignment strategy looks at the business's mission and vision and puts people in places that best direct the company to maintain both of them.

2. Identify skills gaps

With a good understanding of business goals and the resources needed to fulfil them, you can **identify current skills gaps** and talent gaps for the future. With strategic skills and talent planning, companies can streamline how they work, be more **productive** and **cost-effective**.



/> Research the future skills your workforce will need, such as technological literacy and lifelong learning. | Source

The WEF Future of jobs report suggests that the top skills workers need for 2023 include:

- Analytical thinking
- Creative thinking
- Resilience, flexibility and agility

3. Devise your hiring plan

To onboard the most talented individuals and plan for succession, your team will need a **comprehensive hiring plan**. With that in place, you'll be more likely to source **diverse talent**, **drive higher retention**, build a **strong talent pipeline**, and reduce the costs of a bad hire.

Hiring new employees takes up a significant amount of time, resources, and funds. And hiring the wrong employee costs organizations almost 2x the employee's annual salary—for a startup, these issues can make or break its growth trajectory.

Source

For instance, if you're building a recruitment or hiring plan for a startup, consider including elements such as:

- Working out your hiring budget, so you have figures to prove your ROI.
- Creating detailed job descriptions that sell your culture and explain the role's potential impact.
- Posting on specialist job boards like ZipRecruiter and Dice.

4. Implement talent analytics

Today, no department is exempt from using a **data-driven approach** to their operations. In recruiting, data plays a big role in continually **improving your recruitment funnel**. Talent acquisition teams create and **track metrics**, such as quality of hire, to ensure that recruiting efforts are efficient, in addition to other goals like reducing personal bias.

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A few basics to begin using talent analytics include:

- Define your goal
- Decide what to measure and how
- Gather and analyze the data
- Measure the metrics and use what works well to continually improve
- Review your process regularly to ensure you're on track

5. Invest in talent development

To support **business continuity** and growth, it's also important to **nurture and develop** the talent you already have. A key aspect of that is **identifying high-performing employees**, rewarding them for going above and beyond, and incentivizing them to stick around, by offering them shares in the business for instance, and opportunities for continuous learning.

A bonus with that focus is it can encourage and develop a **high performance culture** because employees see that their contributions are noticed, valued, and rewarded. As a result, these actions also tie into your **retention strategy**.

6. Invest in the right technology

Along with using data to work smarter, HR teams also need the **right technology** to get the most from digital processes. This could include software, such as automated skills testing, workforce planning, and a learning management system.

Is your team using the best recruitment software tools? Read our blog to check whether you're missing any:

7. Attract the best talent with your employer branding

Employer branding plays a big role in attracting top talent to fill critical roles. When they feel like your detailed job ad is speaking directly to them and includes the benefits, impact and culture they're looking for, they'll click on that Apply button *fast*.

Companies that have a strong employer brand coupled with an equally strong employee value proposition are more likely to attract and retain the kind of employees that help a company kick ass!

What Is Mentoring?

According to Collins Dictionary, in business,

Mentoring is the practice of assigning junior members of staff to the care of more experienced people who assist them in their careers.

In this scope, mentoring refers to a senior or a more experienced person – a mentor who teaches a less experienced person on their job, helping them acquire more knowledge in a particular subject.

Mentors share their skills, knowledge, and experience to help individuals develop and grow. They act as the advisor, counselor, and **guide to the junior member of a team** and make sure to offer constant support, advice, and feedback to the trainee or mentee.

What Is Coaching?

Borrowing Collins Dictionary definition again, this time about coaching,

Coaching is the act of training staff in a business or office when referring to business.

The International Coaching Federation (ICF) describes coaching as a partnership. It offers a more extensive definition of coaching:

Coaching is partnering with clients in a thought-provoking and creative process that inspires them to maximize their personal and professional potential. The coaching process often unlocked previously untapped sources of imagination, productivity, and leadership.

Depending on the context, the meaning behind coaching changes, but it is often used to describe the process where a coach guides individuals towards improving in specific personal development or professional development areas, e.g., productivity or overall performance.

A coach offers guidance to individuals by **helping them achieve their goals** and reach their full potential. To do this, the coach gives the power over to the coachee, allowing them to come up with their own conclusions using active listening, questioning, and challenging their perspectives.

What Are The Key Differences Between Mentoring and Coaching?

Mentoring and coaching are professional development tools with many similarities and core values.

Both approaches cover the following:

- Are based on an ongoing and supporting 1:1 relationship
- Support personal development (sharing knowledge in group live sessions, increasing self-awareness through assessments, etc.)
- Enable learning and growth (challenging current perspectives, expanding potential, etc.)

- Take place through a series of one-to-one or group live sessions (mentoring and coaching sessions)
- Use observing, listening, and questioning techniques to assess an individual's development needs.

However, if you look closely, it becomes easy to spot some essential differences, which leads to the conclusion that **mentoring and coaching are, in fact, two very different concepts**.

👤 Whereas mentoring is more about **sharing experience** and knowledge with someone, coaching is more about helping them **unlock their potential**.

These are the **key characteristics of mentoring**:

- Mentoring is about sharing experience and knowledge.
- Mentoring is typically a longer-term relationship that can take 1 year and more.
- Mentors usually have more experience but have no formal training in mentorship.
- Mentoring relationships are usually informal, and mentees receive guidance and advice on navigating their career or business.
- Mentoring follows a more holistic approach focusing on the development of the mentee.
- Mentoring is more directive – it is about instructing and telling.
- Mentoring focuses on personal and career development.
- Mentoring is about learning attitudes.

These are the **key characteristics of coaching**:

- Coaching is about helping people discover and fulfill their potential.
- Coaching is usually shorter and lasts for a certain period of time that ranges between 6 months and a year.
- Coaches usually hold a relevant coaching qualification.
- Coaching relationships are typically more formal.
- Coaching is more task-oriented – helps to improve specific skills or reach specific goals – more about training and up-skilling.
- Coaching is non-directive and focuses on the different phases of learning – it's more about reflection and self-awareness.
- Coaching focuses on business development areas.
- Coaching is about learning abilities.

Following is a table that illustrates the major differences between coaching and mentoring:

So, at this point, you might ask, which one is right for your business? Well, it depends. And do you really have to choose one over the other? Let's see!

Mentoring is an excellent option to help your employees with their long-term development. But, if you want to help them achieve specific goals, coaching might be a better fit.

Remember that your decision does not need to be restrictive when contemplating coaching vs. mentoring. For example, using both approaches as part of an employee training program can help bring greater rewards to your business.

How Can Coaching And Mentoring Help Your Business?

So we have already explained what coaching and mentoring do. Let's see now how these two practical approaches can help your business. What are their benefits for business owners?

Here's what we have discovered about coaching and mentoring from our extensive research:

1. Help employees develop new skills

Whether it is learning how to manage time more effectively, developing their selling skills, fine-tuning existing interpersonal skills, or building on knowledge in their current role, it is much easier to do so with mentoring or coaching.

2. Allow employees to overcome challenges

We all face hardships in business, and coaching can help to overcome them. Is this figuring out how to deal with a demanding customer? What about finding new ways to market your products or services? A coach or mentor can help you find the necessary solutions and answers.

3. Improve employee engagement and retention

For a business, it is vital to keep employees motivated and engaged in their work at all times. While employee turnover can be detrimental to a business, employee retention promotes the health of any business, creating a productive workplace that builds better business-to-customer relationships.

4. Can be easily integrated into any business structure

Regardless of how your business works, it is really easy to start from scratch and develop a dedicated coaching and mentoring plan for your staff. Both can be integrated into your L&D programs and contribute to the broader growth plan of your organization.

5. Boost confidence, productivity, and employee morale

Coaching and mentoring can help employees develop self-confidence, increase their productivity, and build up their motivation. Having a clear personal or professional goal in place as part of a larger development plan is an essential fuel to anyone's career trajectory.

6. Offer an objective perspective

Any business leader or employee may be too involved with their daily tasks and often miss the bigger picture. However, a good coach or mentor can spot weaknesses by providing an objective

perspective on your business and introducing new action plans; an invaluable skill for making strategic decisions!

7. Enable organizations to achieve their business objectives

Using a mentor's experience and a coach's knowledge, you can identify the steps you need to reach your goals as an organization. This way, you get to lead your business effectively, knowing that you also give your employees the chance to advance as individuals and grow with you along the way.

8. Build on accountability and speed up learning

It is easy to get sidetracked when you are running your own business, or you are busy completing daily work duties. Having an expert in your corner can help you and your team stay focused and motivated, even when things get tough. A mentor or coach will help employees stay on track by holding them accountable and providing regular check-ins.

9. Improve individual performance

It becomes easier to identify goals and learning needs and therefore create immediate access to learning resources. The steps that foster growth and personal development are already there. Through the right training plan and a coach or mentor, you can help your people walk their own path to success and improved performance.

10. Foster change and strategic planning

Use both approaches to resolve issues and bring a new direction in management through succession planning. Doing so should create a roadmap that encourages innovation and helps to identify critical positions in your organization. This way, you take advantage of current business strategies that align with industry trends, enabling you to stay relevant in the market.