



UNLOCKING THE talent development PUZZLE

Insights from talent development professionals provide guidance on the core components of a talent development structure.

BY LAURIE MILLER

Peter Drucker warned us: The shift to a knowledge society, in which brains would be more important than brawn, would transform the workplace. In a 1959 book, *Landmarks of Tomorrow*, the eminent management guru first described the rise of “knowledge work.” He became convinced that knowledge was a more crucial economic resource than land, labor, or financial assets. A few years before his death in 2005, he stated that increasing the productivity of knowledge workers was “the most important contribution management needs to make in the 21st century.”

As he and others predicted, the Knowledge Era transformed the nature of work, the competencies required to be good at it and—importantly for our profession—how that skill and knowledge would be developed. It was the Knowledge Era that made talent the engine of business. And it was the Knowledge Era that transformed how that talent would be developed.

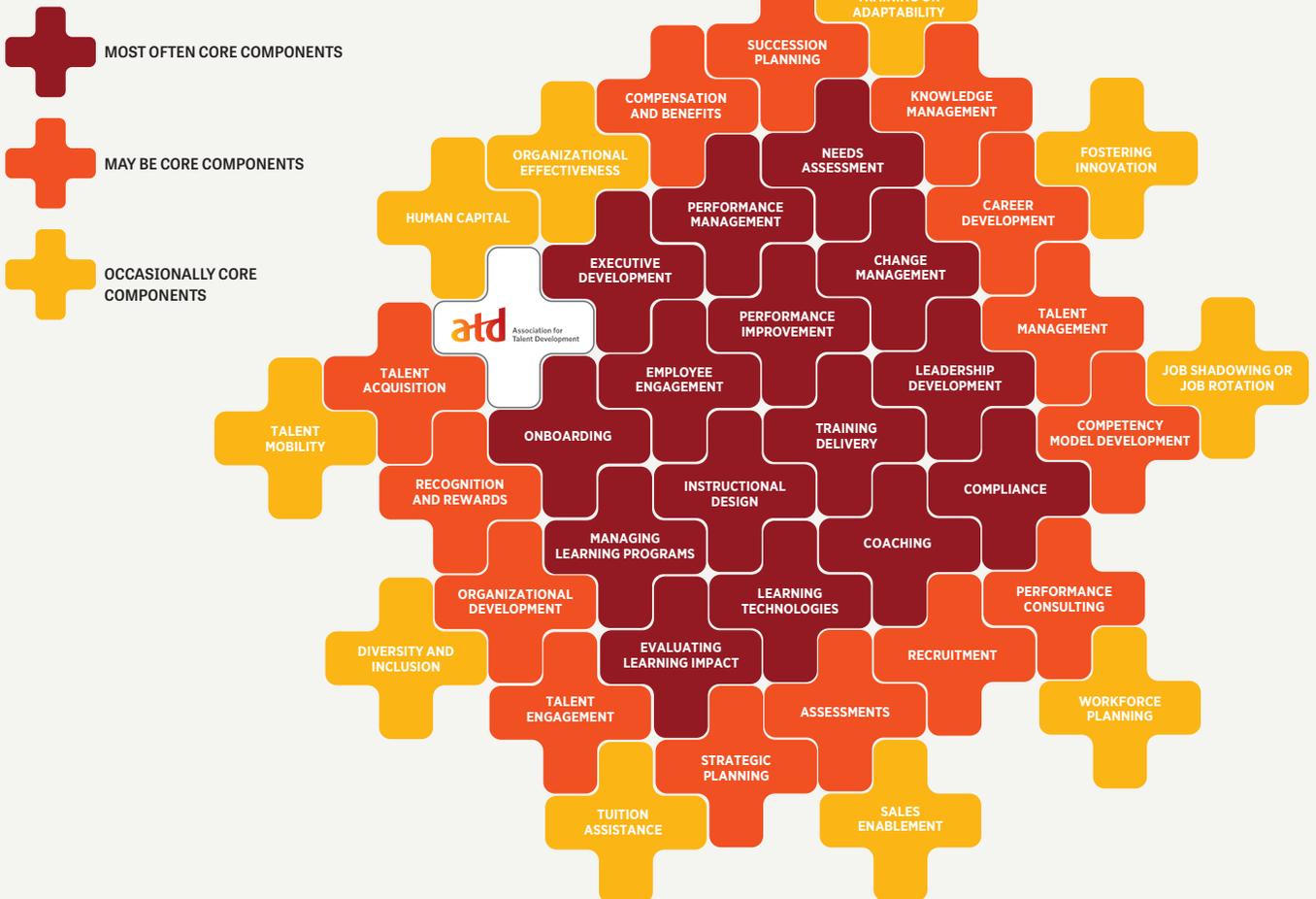
In today's knowledge economy, organizations need to build talent development functions that support the unique competency needs of their businesses. Recognizing the challenge this poses, the Association for Talent Development (ATD) and Rothwell & Associates (R&A) partnered to understand how organizations are structuring and aligning the talent development function. The purpose of this research is to describe the components of talent development that organizations can

use to build their own individualized talent development structures. All the data and insights collected (see methodology on page 37) provide the foundation for the whitepaper *Building a Talent Development Structure Without Borders*, the basis of this article.

Building a talent development structure

An executive working for Unilever Latin America in Brazil commented, "The frontiers of the world simply don't exist anymore on account

Functional Pieces of a Talent Development Structure



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of digital media, social media, and the context of today's world. I would say that everyone is global talent." Whether organizations operate locally or globally, they share a common goal of building a talent development structure that supports their unique competency needs and is consistent across all facets of the organization.

Although this may sound like a simple task, many talent development thought leaders noted that describing talent development is complex. As noted by one attendee of an ATD International Conference session on how organizations are building their talent development functions, "I need to define TD in my organization. It is not as clear as I thought it was."

To determine the core components of talent development in a broad spectrum of organizations, ATD's study asked respondents to rate 39 functions, based on the ATD Competency Model Study, on the centrality of each to their talent development structures. Using these data, ATD created a graphic that depicts the relationship of the 39 functions in a broad general model (see figure on page 36).

The components are arranged in three categories based on how core they are to a talent development function, according to the data. Those most often cited as core to the talent development function are the red pieces in the center of the image. These 15 were identified by the majority of respondents to be a function of their talent development structure. The orange pieces are often, but not always, part of an organization's talent development structure. And the yellow pieces are occasionally core components and part of some talent development functions.

The 15 functions that the majority of professionals identified as core components of a talent development structure are change management, coaching, compliance, employee engagement, evaluating learning impact, executive development, instructional design, leadership development, learning technologies, managing learning programs, needs assessment, onboarding, performance improvement, performance management, and training delivery. The remaining 24 functions,

TALENT DEVELOPMENT IS AN EVOLVING DISCIPLINE INFLUENCED BY MANY FACTORS.

Methodology

With the help of Rothwell & Associates, ATD collected data from more than 1,500 professionals in the field from these sources: two online surveys, in-depth interviews, an ATD International Conference education session, and the ATD Forum. R&A conducted quantitative and qualitative research during the summer of 2014. The first survey received more than 1,000 responses. Interviews with 31 industry thought leaders from organizations around the globe, including Asia, Europe, Latin America, the Middle East, and the United States, were conducted from June through August 2014. Insights from the field also were collected in May 2015 at the ATD International Conference & Exposition during an education session focused on trends in talent development.

The talent development function image was developed from data collected by ATD Research in a survey to ATD Forum members in April 2015, and several of these questions were included in the second quarter 2015 Learning Executive Confidence Index survey in June 2015. Input was received from 307 managers, directors, and executives who are responsible for talent development departments and functions. The data were analyzed to create the talent development function image included in this article.

Collectively, all of the data from the surveys, sessions, and interviews are presented in the whitepaper *Building a Talent Development Structure Without Borders*.

Thought Leader Perspectives

Rothwell & Associates interviewed 31 thought leaders in talent development about their views on talent development and the future of the field. Here are three perspectives from those interviews.

“The purpose of talent development is to help people improve performance and effectiveness in their current roles and also to help them prepare for and transition into future roles.”

—Steve King, vice president, *Talent and Leadership Effectiveness, Allstate Insurance Company*

“Years ago, work used to be concrete and prescribed; tasks and ways in which people solved problems were more defined. Today, work is much more abstract and open-ended—we’re solving problems in brand new, novel ways. That’s the whole idea behind innovation in terms of talent development: We have to think differently about how we train people. It’s not about converging on the right answer; it’s about divergent thinking, problem solving, how we teach people to do that, and how we create organizations that foster this. This is a fundamental shift in the way we work and run organizations. I really believe it’s going to upend how we think about developing talent in the future.”

—Julie Clow, senior vice president, *global head of people development, Chanel*

“In organizations, the goal of talent development is to improve the performance of the workforce and to inspire them. Effectively developing talent creates a workforce whose performance is higher than ever before seen.”

—Walter McFarland, founder, *Windmill Human Performance*

while not core to the majority of respondents’ talent development structures, will be core to others’ based on their unique needs.

The ATD talent development structure is intended to be a guide without borders that allows organizations to rearrange, remove, and add pieces to fit their needs. For example, an organization that does not need to conduct compliance training would not have that piece in its structure, while a company whose success depends heavily on sales might place sales enablement in the center of its talent development structure. Some firms also may need to add pieces beyond the common 39 to include functions unique to their organizations or industries.

Challenges in talent development

As organizations build their talent development structures, they must understand the challenges they face so they can prepare employees with the capability to meet them. The ATD survey asked talent development professionals about their challenges. The data indicate that many talent development functions have similar ones, including aligning learning and business goals, measuring the impact of learning, and addressing skills shortages/talent gaps. Nine out of 10 respondents said they are addressing these three challenges today.

Additional challenges on the radar are the need to be innovative, manage change, and keep pace with learning technology. These also are the challenges executives mentioned in the interviews conducted by R&A. An executive at Aon said of preparing for the future, “I think it is about how we frame development. If we are going to create an agile workforce, the good news for talent development professionals is that what we do is more important. And anytime there is change, somebody is going to have to go through the process of that change, and learning something new is almost always part of that.”

The interviews conducted for this research reveal how widely critical competencies for success vary from culture to culture. Compare, for example, the leadership competencies in an individualistic culture such as the United States with those in a collectivist culture such as China. Attitudes toward authority, the roles of women, views about customers, and the pace of work are just a few of the factors complicating the picture for a global organization. Language differences—once thought to be a major challenge in a global organization—now seem quite manageable compared with cultural and social factors governing work.

Organizations operating in more than one geographic region may have additional challenges posed by such factors as time zones, legal issues, and disparate work cultures. ATD and R&A posed an additional question to professionals in those circumstances. Their strongest concerns at the organizational level

were building corporate strategy that is adaptive enough for a borderless, refocused world, and building cultural awareness, eliminating cultural bias, and encouraging a global mindset. Four out of five respondents agreed that these are challenges their organizations face today.

Respondents agreed that the top two challenges at the employee level are communication style issues and understanding cultural norms. As an executive working for the Flame Centre in Singapore said, “We need to develop leaders who are globally able to sense the situation but, at the local level, are able to adapt very quickly to survive and thrive.”

Trends in talent development

As organizations determine the pieces of their talent development structures, the challenges and trends they expect to encounter should be a factor. Looking to the future, talent development professionals are monitoring trends in the industry to assess the relevance and impact they will have on their organizations. They expect to see many of the challenges they face today continue as trends into the future. ATD Research identified five top trends that will affect talent development during the next five years:

- need for an innovative workforce
- more flexible organizations to adapt to the rapidly changing world
- changes in the skills needed to be successful in the workplace of tomorrow
- employees demanding more of their employers
- an increase in the strategic roles held by those responsible for talent development.

A higher level for talent development

Talent development is an evolving discipline influenced by such factors as changes in the world economy, innovation in learning technology, and the competencies needed by future workers. These changes in the world business environment have laid bare the interconnectedness of many practices—not just training—that contribute to an organization’s ability to find, develop, keep, and inspire the talent needed to achieve goals and implement strategies quickly.

Practices such as recruiting, onboarding, leadership development, performance management, and succession planning are now part of the mix, as are efforts to change corporate cultures, engage employees, and foster innovation. These factors, in turn, have raised the collective set of talent development practices to a higher functional level in organizations, and to the creation of senior executive positions with responsibility for leading and integrating it all.

Many talent development leaders are embarking on the journey to build a talent development structure customized to suit their unique strategies and the competencies to realize them. The data provided here, and more in-depth in the research whitepaper *Building a Talent Development Structure Without Borders*, will be a mile marker along the path to the next iteration of the Knowledge Era that Drucker so presciently described.

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