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THESIS

**GETTING IT RIGHT:
REVAMPING ARMY TALENT MANAGEMENT**

by

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GETTING IT RIGHT: REVAMPING ARMY TALENT MANAGEMENT

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Submitted in partial fulfillment of the
requirements for the degree of

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ABSTRACT

U.S. Army officers face countless opportunity costs, especially at the mid-grade level, when deciding to stay in the Army past the ten-year mark of service. The scarcity of skilled labor in today's economy makes it important that organizations, especially the Army, retain their human capital investment. This thesis suggests techniques to acquire, manage, and retain talent to ensure that the Army's officer talent pool is not depleted. Some of the best corporate talent management practices are examined as an example for the Army to emulate. The thesis reinforces these proven techniques by examining corporate case studies, including General Electric and its leadership development, Sambian and its engagement, American Express and its use of talent profiles, and Facebook and its recruitment and retention practices. The thesis then examines current Army initiatives for future accession, development, retention, and employment of officer talent. The thesis concludes with recommendations for Army talent management to include an officer talent profile system that would increase officer engagement and hold leadership accountable for the retention of its officers.

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LIST OF ACRONYMS AND ABBREVIATIONS

ADSO	Active Duty Service Obligation
CCL	Core Competency Level
CEO	Chief Executive Officer
CSP	Career Satisfaction Program
CSRB	Critical Skills Retention Bonus
DOD	Department of Defense
DOPMA	Defense Officer Personnel Management Act
EMS	Executive Manpower Staff
GE	General Electric
HR	Human Resource
HRM	Human Resource Management
KPI	Key Performance Indicator
KSAs	Knowledge, Skills, and Abilities
NDRI	National Defense Research Institute
OCS	Officer Candidate School
OCS-EO	Officer Candidate School—Enlistment Option
OCS-IS	Officer Candidate School—In-Service
OEMA	Office of Economic and Manpower Analysis
OER	Officer Evaluation Report
OMF	Officer Management File
OML	Order of Merit List
ORB	Officer Record Brief
PCS	Permanent Change of Station
RCL	Required Competency Level
REFRAD	Request for Voluntary Release from Active Duty
ROI	Return On Investment
ROTC	Reserve Officers' Training Corps
SHRM	Society for Human Resource Management
SPHR	Senior Professional in Human Resources
SSI	Strategic Studies Institute

TRADOC Training and Doctrine Command

USMA United States Military Academy

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I. INTRODUCTION

At this very moment, a population of mid-level U.S. Army officers in the ranks of captain and major are seeking opportunities outside the military. The chance that these talented officers will actually leave the Army before retirement increases exponentially if their job satisfaction is lacking. If the Army keeps letting this talent trickle to the civilian sector, it is not just losing talented, highly trained leaders, but it is also degrading the combat effectiveness of units that will now have to retrain new officers to take their place. The U.S. military and the Army, in particular, has identified and studied the talent leakage problem, and yet the strategy used to stop this talent flight has not been as effective as it could be.

In the private sector, corporations invest millions of dollars in human capital management to increase retention of their most talented employees. A 2006 Society for Human Resource (HR) Management survey suggests that it has become such a crucial part of human resources at large organizations (500 or more employees with five or more HR staff), that 53% of these organizations have talent management procedures in place. Among these 53%, over 76% of these same HR professionals deem retention of top talent as their top priority.¹ While almost every organization will make the same blanket statement about their employees being the most important asset, including the Army, few truly maximize their efforts to keep their top talent “in-house.”

If proven corporate practices demonstrate how successful businesses retain and develop their leadership talent pool, the U.S. Army should take note and implement similar leadership talent management systems. The goal of this thesis is to examine successful U.S. corporate leadership integrated talent management practices that the U.S. Army could utilize to improve the management and retention of its own officer talent.

¹ Shawn Fegley, *2006 Talent Management Survey Report* (Alexandria, VA: Society for Human Resource Management, 2006), <http://www.shrm.org/Research/SurveyFindings/Documents/2006%20Talent%20Management%20Survey%20Report.pdf>.

A. BACKGROUND

The operations tempo of the Army through recent simultaneous prolonged conflicts has produced an officer population with a wealth of knowledge and experience involving combat, building infrastructure, jump-starting economies, and rebuilding societies that were in desperate need of civil-military projects. However, the current Army personnel file system only details the most basic of information on the Officer Record Brief (ORB) or Officer Management File (OMF). Duty assignments, awards, and military schooling do not provide much help in distinguishing one officer from the next, nor do they capture the wealth of knowledge and expertise that officers have gained while deployed and elsewhere.

Comprehensive talent profile systems already exist in corporate America to help companies track and identify the right candidate, at the right time, for the right job. These corporate talent profile systems provide more than just work experience of employees; they are sophisticated enough to provide an employer with information about their employees' location, non-job-related skills, life experiences, ambitions, geographical preferences, strengths and weaknesses; all which can be accessed at any time. This system creates an internal talent market of candidates able to be tapped from within an organization before searching for candidates in the external labor market or lateral entry. The profile system also enables leaders to network, pursue mentorship, and provide mentorship for their personal and professional growth.

While corporate America has dedicated considerable time, effort, and money to identifying, mentoring, and retaining its best talent, the Army is lagging behind in the same task. Equally disheartening is the fact that Army units do not have a social media system in place, such as a Monster.com or LinkedIn, which lists specific job assignments and their skill requirements to create an internal job market.

Furthermore, corporations are able to match their workforce demands with a supply of leadership talent within the organization that they have already screened, vetted, and pre-qualified for the job. For example, a department head that wanted to fill a leadership role in commercial advertising in Omaha, Nebraska, might look at a database

of candidates wanting to work in that location, with a background in radio, television or film; prior advertising and marketing experience, and with the ambition of heading up an advertising department in the future. This type of human resources management system maximizes efficiency by matching employees with the needed skills, experiences, and knowledge for the job from an organization's internal talent pool.

It would require significant changes, but corporate America's talent management techniques could transform the way that the Army manages its supply of officer talent so that it operates more efficiently, and in turn, enables units to be even more combat effective. This thesis aims to identify best practices from U.S. corporate talent management, and to apply these lessons to improving talent management in the Army.

B. DEFINITIONS

This research reveals that various organizations define talent, internal talent markets, and talent management differently. To provide a baseline for discussing these terms, the following descriptions are provided.

1. Talent

It is important to acknowledge that everyone has unique skills and will bring a certain amount of experience to their workplace environment. Some individuals may have more knowledge, skills, and experience than others, and can be identified almost universally in human resource circles as being high performers, possessing high potential, or being top talent. According to the Army's own talent management website, the definition of talent is:

...the unique intersection of skills, knowledge and behaviors in every person. Talent represents far more than the training, education and experiences provided by the Army. The fullness of each person's life experience, to include investments they've made in themselves, personal and familial relationships (networks), ethnographic and demographic background, preferences, hobbies, travel, personality, learning style, education, and a myriad number of other factors better suit them to some development or employment opportunities than others.²

² "U.S. Army Office of Economics and Manpower Analysis," 2013, <http://www.talent.army.mil>.

2. Internal Talent Market

An internal talent market disregards hierarchal approaches to filling employment gaps. Superiors are no longer custodians of their employees and cannot have expectations of loyalty just because an employee reports to them. In an internal talent market, the organization knows the talent that it possesses while developing, mentoring, and retaining that talent through information distribution. While utilizing the transparency of information, an employee can seek out opportunities based on personal and professional preferences. In return, an organization can select from within and know the available talent at any time based on the profile of a potential candidate listed in a database. In the McKinsey & Company article, “Making a Market in Talent,” the authors suggest that employees “are expected to find the best opportunities for themselves, and the market opens up a nonprice-based competition across a range of candidates and job alternatives.”³ In Figure 1, the McKinsey & Company graphic depicts the greater freedom employees have over their career when using an internal market.⁴

³ Bryan Lowell, Claudia Joyce, and Leigh Weiss, “Making a Market in Talent,” McKinsey.com, accessed October 31, 2014, http://www.mckinsey.com/insights/organization/making_a_market_in_talent.

⁴ Ibid.

A formal talent marketplace enables employees to manage their own careers

Elements of talent-assignment system	From	To
Relationship between employer and job seeker	Employee is 'owned'; loyalty is expected	Employee manages and directs career; loyalty is earned
Market definition	Silo-based (ie, within 1 organizational structure)	Enterprise-wide market
Competition	Job seekers have limited choices; job 'owners' have limited number of candidates to consider for roles	Open competition among wide range of candidates for wide range of alternative jobs
Terms of employment	Largely implicit contract between employer and employee, with limited definition of terms of employment and limited documentation of agreement	Explicit definition of terms of employment (ie, role, duration, place of work, trigger points for negotiation); 3rd-party enforcement of terms
Protocols	Implicit (or dependent upon negotiation)	Explicit definition of protocols for contracting process, terms of contract, and process of ending assignment
Exchange mechanism	None other than individual trust	Human-resources (HR) 'broker' to protect confidences and interests of both employer and employee
Pricing	Onetime negotiation	Standard compensation per protocols; transfer of assigned person per standard terms

Figure 1. McKinsey & Company Talent Marketplace Characteristics⁵

3. Talent Management

To manage talent, it first has to be identified. Next, the level of attention an organization gives to managing, mentoring, developing, and retaining its talent would be referred to as its talent management. About.com's human resources expert, Susan M. Heathfield, has contributed to over 200 print and online HR publications. She identifies talent management as being different than human capital management by the level of involvement given by managers "in the life cycle of an employee within the organization."⁶ Heathfield continues to explain that proper talent management involves

⁵ Lowell, Joyce, and Weiss, "Making a Market in Talent."

⁶ Susan M. Heathfield, "What is Talent Management-Really?," About Money, accessed October 2014, <http://humanresources.about.com/od/successionplanning/g/talent-management.htm>.

career guidance and information sharing by management that properly leads to opportunities within an organization for identified talent.⁷

C. PURPOSE

The purpose of this thesis is to demonstrate a need to identify, manage, mentor, develop, and retain Army talent through proper information sharing that achieves the most effective matching for both the officer and the Army. The focus of this research is on the successful principles and procedures of integrated talent management used in corporate America, as well as the current Army procedures used to identify and retain officer talent. Taking into account the potential skills that all officers have, their evaluation reports, preferences, and the requirements of an Army unit, the research demonstrates a best match scenario can satisfy officers' personal and professional development needs while maximizing combat effectiveness of the Army. This thesis also examines case studies of corporations that have successfully implemented integrated talent management practices to retain their human capital assets successfully and grow their own talent within. Finally, by considering the corporate best practices, case studies, and recommendations of civilian HR professionals, this thesis will demonstrate the best corporate talent management practices that may have the most applicability to the Army in revamping or designing its own talent management system.

D. SCOPE

The current personnel management system of the Army is based on outdated practice and does little to recognize that it is currently in an information age in which data is easily available for both officers and the organization. This antiquated system creates a talent mismatch more often than not and skills are not utilized because they are largely ignored. In Brigadier General Mark C. Arnold's manuscript, *Don't Promote Mediocrity*, he describes the Army as missing out on an opportunity to match junior officers with their actual college education:

⁷ Heathfield, "What is Talent Management-Really?."

The military should also do better at putting skills learned in college to immediate use upon commissioning, especially if that's what new junior officers want. Such skills may be in engineering, communication, information technology, behavioral sciences, marketing or other fields. This change would allow junior officers to build marketable competencies, something of value to themselves and the military.⁸

The Army is missing out on matching skills to the right jobs, but it is also missing out on collecting data that would provide a more objective way to differentiate its officers. Detailed officer data would not only differentiate skills, capabilities, and experience, but would also provide weighted metrics to measure specific skill competencies to calculate an objective rating.

The private sector already uses a nine-block talent grid to identify and manage its talent. This system is based on weighted metrics calculated by examining an organization's employee data and ranking talent based on performance management practices and competency scores. Besides talent data used for job matching and performance management, talent management techniques used in the private sector have proven to be very effective at managing talent.

The intent of this thesis is to focus on how such practices can assist the Department of the Army with improving its own talent management procedures. It analyzes specific actions taken by corporate America in respect to identifying, managing, mentoring, developing, and retaining its best talent. Each case study illustrating a corporation's talent management techniques is examined in an attempt to showcase specific results that benefited the organization. Current Army personnel management initiatives are analyzed to determine if any important factors are missing. This thesis also conducts a review to determine how the best practices from all sources can be implemented by the Army.

E. METHODOLOGY AND RESEARCH

To understand the best way to manage talent, this thesis conducts an analysis and study of techniques that have shown proven results in the business world. When looking

⁸ Mark Arnold, "Don't Promote Mediocrity," *Armed Forces Journal*, May 2012.

at best practices for talent retention and management, it is necessary to look no further than the myriad of American corporations with top human capital management experts charged with attracting and retaining top talent. This thesis, therefore, conducts a literature review to collect information on private sector talent management techniques that have been honed over the last 20 years. Furthermore, the thesis collects information through various professional human resources sites on the Internet, literary publications with emphasis on private sector talent management and retention strategies, webinars explaining the importance of performance management principles, and government white papers explaining Army human capital and market incentives.

This research of talent management practices in the private sector reveals the level of importance that companies placed on their talent profiles and performance management practices. The Army has been slow to change its own personnel evaluation system to provide an accurate reflection of its officer supply of talent. Even with the current minor changes to the Officer Evaluation Report (OER), most officers' evaluations have tended to be overinflated with comments that project universal meanings. To those who are or have been a part of the process, these same overinflated evaluation reports have lost their meaning and demonstrated that a meritocracy does not exist.

This thesis is organized to show the value of corporate talent management practices and how the Army can add value to its own personnel management procedures by implementing these methods. This thesis emphasizes in particular the talent profile system to show differentiation among Army officers along with its ability to match officer supply with organizational job demand. This thesis also proposes a performance management model based on weighted metrics capable of reducing subjective reviews. The model can be adapted to officers in the Army by establishing weighted competencies and skills specific to a position.

The thesis is organized as follows. Chapter II focuses on best corporate talent management practices in regards to workforce planning, performance management, and retention. Chapter III focuses on case studies of organizations with talent management techniques as the focal point. These case studies demonstrate lessons learned from talent management techniques used by various organizations in corporate America. Chapter IV

examines the Army's current personnel management initiatives to include retention, human capital models, and a social networking platform capable of matching officers to assignments in an internal talent market. Finally, Chapters V and VI present the researcher's recommendations and conclusion for talent management procedures that the Army should adopt or continue in the future.

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II. IDENTIFYING BEST CORPORATE TALENT MANAGEMENT PRACTICES

In the private sector, multiple techniques and procedures have been proven through research, trial, and error that organizations use to manage and retain talent. This section focuses on established best practices of medium to large private sector companies (with larger financial resources) in relation to managing, mentoring, developing, and retaining talent. Talent management has been a topic of interest for corporations for decades, and in this nation's fluid economy, firms are required now more than ever to execute their business plans with scarce available resources, to include human capital. While every corporation is different, some talent management practices have been so successful that they have been universally adopted as the standard across industries in managing talent effectively. Paying attention to the lessons learned by corporate America provides a better understanding of how investment in talent increases workforce performance, creates awareness of available talent, and determines how talent is affecting the organization's overall success.

A. ORIGINS AND EVOLUTION

To understand the importance of internal talent management, the evolution of human resource management (HRM), and its increasing importance in an organization's business strategy, should be examined first. Josh Bersin, founder and principal at the HR research firm Bersin by Deloitte, wrote an informative white paper titled, "Talent Management: What Is It? Why Now?" that details the rise in importance for internal talent management. Bersin explains that starting in the 1970s, human capital management transitioned from a personnel administration role to a more strategic human resources role that became integrated with an organization. Additionally, he describes how recruitment, training, designating organizational roles, creating benefit packages, and focusing on employee wellness all became prominent functions of HR. Bersin surmises

that as HR accepted more responsibility, it became essential to adopt new leadership roles that support an organization's strategic business decisions.⁹

Bersin also emphasizes that topic now more than ever. Talent management strategy should be an HR function that meets business objectives by conducting the following: workforce planning and recruiting, onboarding, performance management, training and development, succession planning, administering compensation and benefits packages, and identifying critical skill gaps. Bersin declares all these talent management principles as essential for support of the overall business plan of the organization and are required to be continuously assessed.¹⁰ However, for these talent management principles to receive the attention they deserve, they need to have the full support of the organization starting from the top down.

B. COMPLETE ORGANIZATIONAL BUY-IN

Talent management must be a priority for all levels of the organization. However, support for talent management is even more important from the top level of executive leadership responsible for establishing company culture and policy. In the Dale Carnegie Training white paper, "Introducing Talent Management," Senior Professional in Human Resources (SPHR) William Rothwell states, "No talent management program can work unless it enjoys the full support of the senior executive team—and especially the support and personal commitment of the CEO."¹¹ When chief executives have a vested interest in talent management, that interest provides validation within the company and establishes a culture that understands and appreciates its human capital.

One way for human resources to prove the value of talent management is through matching talent with the organization's strategic initiatives. More proof can be provided through HR data. In *The 2015 State of Talent Management Report: Powering Up Talent Management for Business Performance*, the SilkRoad talent management professionals

⁹ Josh Bersin, "Talent Management: What Is It? Why Now?," Bersin & Associates, accessed April 21, 2015, <http://www.bf.umich.edu/docs/KeyReferenceArticles.pdf>.

¹⁰ Ibid.

¹¹ William J. Rothwell, "Introducing Talent Management" (white paper, Dale Carnegie Training, 2008), 3, <http://www.dalecarnegie.com/imap/white-papers/download/talent-management/>.

identified that executives value performance management, recruiting, and workforce planning data the most. Figure 2 details the level of executive interest in talent management principles.¹² The graphic depicts 84% of executives' rate performance management data as important to very important. The next highest levels of interest are in recruiting at 83% and workforce planning at 81%.¹³

Types of Data Importance to C-Level Executives

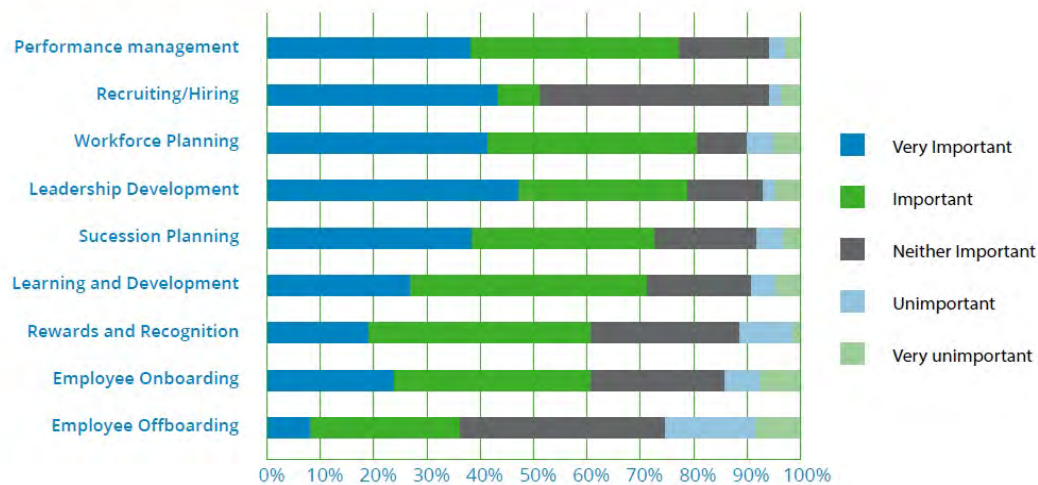


Figure 2. Talent Management Data of Interest to Chief Level Executives¹⁴

Executives realize that talent management data can provide feedback for HR effectiveness linked to its strategic business objectives. It is the HR professional's duty to push integration of talent management within the company, but it should be everyone's responsibility by "holding people accountable to meet measurable talent management objectives."¹⁵

¹² SilkRoad conducted research on what talent management practices were deemed most important in the private sector.

¹³ The SilkRoad talent management report was conducted May through November 2014 using four online surveys targeting talent management professionals to include chief human resource officers, vice presidents, directors, and managers of human resources. Over half of these companies had 500 or more employees, and 58% of respondents had over 10 years of talent management experience.

¹⁴ "The 2015 State of Talent Management Report: Powering Up Talent Management for Business Performance," SilkRoad Technology, Inc., 2015, <http://hr1.silkroad.com/SM-State-of-Talent-Management>.

¹⁵ Rothwell, "Introducing Talent Management," 3.

Susan Heathfield reminds everyone that “talent management, when handled strategically, flows from the organization’s mission, vision, values, and goals. This enables every employee to see where he or she fits within the organization.”¹⁶ Transparency allows for employees to feel like they are part of a bigger plan and have a say in the future of the firm. Employees who understand the organization’s strategic objectives are also more successful assimilating into the company’s culture. When employees buy-in to the culture, an organization will receive higher commitment and elevated engagement levels as a result.

C. STRATEGIC WORKFORCE PLANNING: KNOW WHAT IS NEEDED BEFORE IT IS NEEDED

A seemingly obvious measure involves inspecting an organization internally to determine if it already has the talent to meet the business objectives. For an organization’s business strategy to be successful, the strategic workforce plan should examine its talent pipeline to ascertain what talent it has ready now and what talent it can have ready in the future. An efficient company goes beyond this plan by examining what type of long-term talent investment it needs to match up with its business goals. This planning enables a firm to be proactive and not reactive with its talent supply. Incorrect planning will cause an excess of talent or even worse, a scarcity of talent in critical roles. Unique talent critical to the organization is not always readily available and effective organizations have a plan for how to fill this void.

The *Workforce* magazine article, “Why You Need Workforce Planning,” emphasized the importance of the relationship between workforce planning to business strategy as “more accurately called talent planning because it integrates the forecasting elements of each of the HR functions that relate to talent—recruiting, retention, redeployment, and leadership and employee development.”¹⁷ It is important to note that workforce planning does not end with hiring replacements. Strategic workforce planning

¹⁶ Susan M. Heathfield, “Best Talent Management Practices: Want a Superior Workforce? Manage Your Talent Better,” *About Money*, accessed April 19, 2015, <http://humanresources.about.com/od/Strategic-HR-Management/qt/best-talent-management-practices.htm>.

¹⁷ John Sullivan, “Why You Need Workforce Planning,” *Workforce*, October 24, 2002, <http://www.workforce.com/articles/why-you-need-workforce-planning>.

also involves cultivating the talent that an organization already has by developing, retaining, and providing growth opportunities for employees who align with the company's needs. In the Lawson Software and Human Capital Institute's white paper, "The State of Talent Management," a proper workforce plan should be developed with integrated talent management functions aligned with an organization's strategic plan, as shown in Figure 3. HCI's Talent Management model shows talent management functions integrated into the overall business strategy of the organization that produce results starting with the planning process.¹⁸

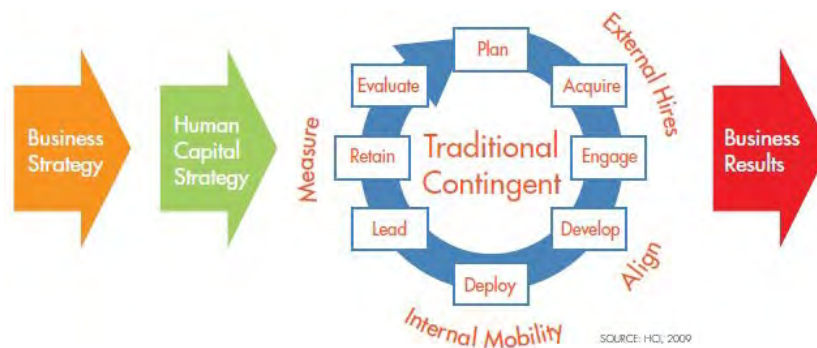


Figure 3. HCI's Total Talent Management¹⁹

1. Workforce Planning Software Makes Headcounts Easier

It is becoming more common for organizations to use some form of software to assist with forecasting talent needs linked to their business strategy. Some companies, such as Boeing, have developed their own software suite to manage talent. Boeing's workforce planning software became the industry standard that is emulated by other organizations today.

In Mercer's case study presentation, "Global Talent Mobility: New Models for Success," Boeing's predictive workforce model factors in the effects of workforce policies, trends, demographics, and skill shortages in its strategy to create accurate

¹⁸ Human Capital Institute and Lawson Software, *The State of Talent Management* (Washington, DC: Human Capital Institute and Lawson Software, 2009), http://hosteddocs.ittoolbox.com/state-of-talent-management-wp-hci_lawson_talent_management_ltm_whitepaper_new1.pdf.

¹⁹ Ibid.

forecasts for its business needs. Boeing’s predictive modeling forecasts potential skill gaps and develops a management action plan to fill these requirements.²⁰ Figure 4 depicts a generic data subset used by Boeing to forecast attrition, transfers, hires, and promotions for their present situation and into the future. Note the company tracking the resignations and retirements trends that may have an impact on them as a growing aging population leaves the workforce.

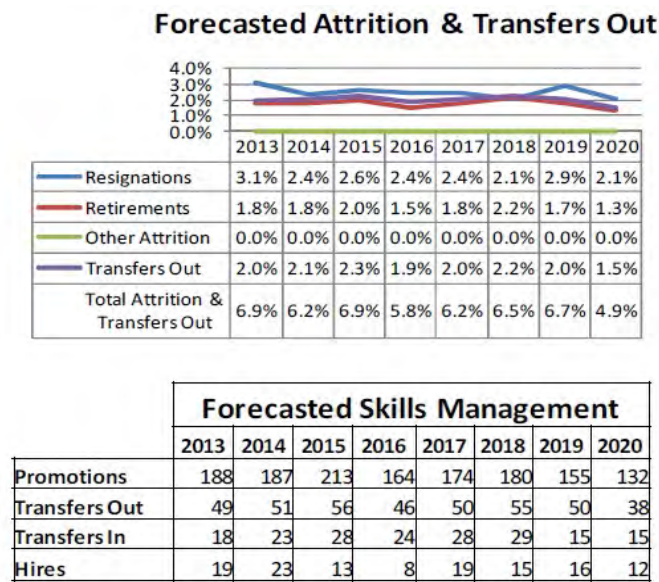


Figure 4. Boeing Forecasted Go-Forward Action Plan²¹

Boeing can further subset the data to include job categories, specific skills, business units, and geographic locations to assist with identifying talent tendencies, risks, and demands. Data can even be collected to help identify potential trouble spots down to specific employees who may be a flight risk. This collection of data turns into actionable information mined from workforce planning software that enables organizations to have factual information on the strengths and weaknesses of their employee supply. It may not be a substitute for “hands-on” talent management, but it does provide organizations with

²⁰ Brian J. Kelly and Dianna L. Peterson, “Global Talent Mobility: New Models for Success,” PowerPoint presentation, January 31, 2013, <http://www.mercer.com/content/dam/mercera/attachments/global/Talent/workforce-analytics-planning/boeing-case-study-webcast-presentation.pdf>.

²¹ Ibid.

objective information that leads to correct action planning for retention and recruiting new talent to fill critical gaps.

2. Technology Makes It Easy To Identify And Rate Talent

Technological innovation over the last ten years has made collecting and assessing employee data fast, easy, and affordable so corporations can identify, track, rate, and retain their talent supplies. Through talent management software suites now available through multiple vendors on cloud storage, companies can also access workforce data from any secure computer or mobile device practically anywhere with an Internet connection. Employee workforce data can include performance appraisals and ratings, training and development plans, succession plans, and talent profiles that showcase an employee's skills, experience, goals, and aspirations. While technology is not the cure all for talent management, it definitely assists larger companies in making timely decisions that involve their workforce business strategy. Identifying existing talent already in an organization is, arguably, the most important issue with which talent management software assists.

a. Employee Talent Profiles Make Talent Visible

An important feature of most talent management software suites is the employee talent profile system. The talent profile system enables employees to create a detailed profile highlighting their specialized skills, experiences, capabilities, goals, and aspirations that can be viewed by key stakeholders (HR, mentors, managers) within the organization. The profile also contains the company standard competency scores, past reviews, development plans, ranking, and historical compensation record. This profile is significant because it enables an employer to mine data for specific talent needed for the organization's business plan. For instance, an organization may need to know if it has enough employees with the right qualifications for a business expansion project in another country by searching for specific skills (such as language proficiency and certifications) amongst its talent pools. Further filtering is conducted by examining employee relocation preferences, work experience, and employee aspirations. Talent profiles can then be compared to determine if a candidate is qualified and also if enough

potential employees are available to proceed with the project, which benefits both parties because the right person is selected, in the right job, at the right time. If the talent supply could not fill the organization's demand, a decision would have to be made on whether to train more employees or to acquire talent externally. This identification of critical skills shortage is covered in more detail later under succession planning.

Another benefit of employee talent profiles is the ability for employees to mine the data to find matches for possible mentorship and networking opportunities. As an example, employees could do a key word search for a professional organization they wanted to join. The employees could then filter their search even further by employee position, producing a list of senior leaders or peers who are members of the professional organization. The employees can now connect with any of these employees on the list to discover more information about the professional organization and the possibility of entering into a mentoring relationship.

b. Performance Management Rates Talent Potential

Rothwell states that for any talent management system to be successful, an organization must first analyze the work being done, the people doing it, and what an organization's definition of talent actually is. Leaders examine the details of employees' job activities and responsibilities to understand and set realistic expectations. Competency modeling then measures results ranging from adequate to best at all echelons and units of the organization. Rothwell further explains that the better levels of talent are differentiated by being defined as high potentials, high performers, and high professionals. High potentials are good performers in their present jobs and are promotable. High performers are employees who produce the most results out of everyone doing the same job, while high professionals are the subject matter experts on specific areas of an organization's work.²² Rothwell's explanation is what most corporations identify as performance management.

Performance management uses data to provide an accurate interpretation of whether employees are successfully meeting their performance goals and organizational

²² Rothwell, "Introducing Talent Management," 4.

business objectives. The data collected can reduce favoritism in performance appraisals by using a weighted score that can be tracked and measured. These measured scores—usually calculated from the weights of an employee’s 360-degree evaluation, functional and behavioral competencies, and performance appraisal—are what an organization uses to differentiate its employees. When evaluating employee competencies, an organization creates its own competency and skill list relevant to the job at hand. The company then assigns a weight of importance for each competency followed by each employee’s competency gap score. The competency gap score is derived from the difference of the required competency level (RCL) and an employee’s own core competency level (CCL) as assessed by the employee’s supervisor.

Employee scores from the same talent pool (similar jobs) are then compared and entered into a high potential competency model that eventually forms the nine-block talent grid that rates development and succession potential of a company’s employee supply. TalentGuard, Inc., Chief Executive Officer (CEO) Linda M. Ginac explains the high potential competency model and nine-block talent grid process used to rate an organization’s talent from start to finish in her webinar video, “7 Ways to Encourage the Adoption of Effective Talent Management.”²³ Ginac’s detailed process used to form her employee high potential model from performance management data are closely mimicked by the private sector and explained in Figures 5–10.

Figure 5 demonstrates three levels of generic competencies based on an organization’s strategy model. Starting from the bottom foundational level of competency, each level increases in difficulty and needs to be mastered before moving up to the next level of competencies. Thus, responsibilities are distinguished, as it can be seen that leadership level competencies may represent a strategic level of skill above management competencies. The next graphic (Figure 6) illustrates that when a nine-box talent grid is used, talent that falls in the upper right quadrant is usually identified as high performers and high potential while the bottom left quadrant represents an organization’s lowest performers. For the nine-block model to work, terminology has to be agreed upon

²³ Linda M. Ginac, “7 Ways to Encourage the Adoption of Effective Talent Management,” YouTube video, 56:48, posted by Frank Ginac, March 6, 2013, <https://www.youtube.com/watch?v=44xjP1zwxIA>.

within the organization so that employees can be ranked into the correct boxes of the talent grid.

Figure 7 represents a point in time in employees' career, and if employees are "one-blocked," they have been evaluated as a high potential, ready to be promoted immediately within their pool of talent. Several names may potentially be in each of the boxes based on their evaluation of performance and potential. Figure 8 defines the level of competencies that employees have mastered and also represents in which competencies the company is willing to invest. For example, if an employee is in block 4, the organization is willing to spend development money and resources on an employee for critical thinking and problem solving skills. An organization will strive to push its employees toward getting to the one block. Since resources and money are limited, this system identifies where money is invested and what skills are important. Furthermore, it provides clarity with regard to competency skills, so that employees know where they rank and for what they are striving.



Figure 5. The High Potential Competency Model shows Competencies were broken down into three key areas: foundational; management; and leadership. Competencies would have to be mastered starting from foundational up through leadership with the level of difficulty increasing vertically²⁴

²⁴ Ginac, "7 Ways to Encourage the Adoption of Effective Talent Management."

TALENT GRID FOR SUCCESSION PLANNING

Potential Dimensions

PERFORMANCE			POTENTIAL
5 Flashes of Potential	2 Emerging Leader	1 Future Leader	
8 Scope Change	6 Transitional	3 High Impact Contributor	
9 Under Performer	7 Effective	4 Specialist	

Figure 6. In the Nine-box Succession Plan the boxes are color coded to represent competencies mentioned in the previous graphic. The yellow represents basic mastery of competencies while the blue represents mastery of competencies in the strategic area²⁵

TALENT DEVELOPMENT USING THE GRID

Performance Dimensions

PERFORMANCE			POTENTIAL
5 High Potential but Demonstrates Talent	2 Ready for Advancement with Development	1 Ready for Advancements Immediately	
8 Potential to Improve Performance	6 Potential to Take on More Responsibility	3 High Performer Transferable Skill Sets	
9 Performance Issues	7 Highly Valued in Specific Area	4 High Performer in Key Area; Hard to Replace	

Figure 7. Nine-box Definitions²⁶

²⁵ Ibid.

²⁶ Ginac, "7 Ways to Encourage the Adoption of Effective Talent Management."

TALENT GRID ANALYSIS

Competency Gap Analysis by Employee

PERFORMANCE			POTENTIAL
5 Coaching & Dev. Negotiation Appropriateness Financial Stmtts.	2 Forecast Growth Return	1 Lead Change Communications Global	
8 Connection Confidence Integrity	6 Org. Awareness Influence Conflict Mgmt. Budgeting	3 Strategic Agility Strategic Partnership	
9 Performance Issues	7 Initiative Discipline Accountability Consistency	4 Critical Thinking Problem Solving	POTENTIAL

Figure 8. This Nine-box Competency Gap Analysis by Employee illustrates when an employee is listed in one of the boxes, it describes two things: the competencies the employee should have mastered and the competencies in which the company is willing to make an investment²⁷

Employees inserted in the nine-block know their ranking and what resources will be allocated to them. Figure 9 shows the percentage of employee development dollars spent along with learning and development methods used on employees who fall within a certain box. “One-blocked” employees will receive 30% of the development dollars, coaching, incentives, training, executive exposure, and one-on-one mentorship from the CEO. “Nine-blocked” employees will receive zero development dollars and no training opportunities because they are failing to show any improvement in potential or performance.

²⁷ Ibid.

INVESTING IN EMPLOYEES

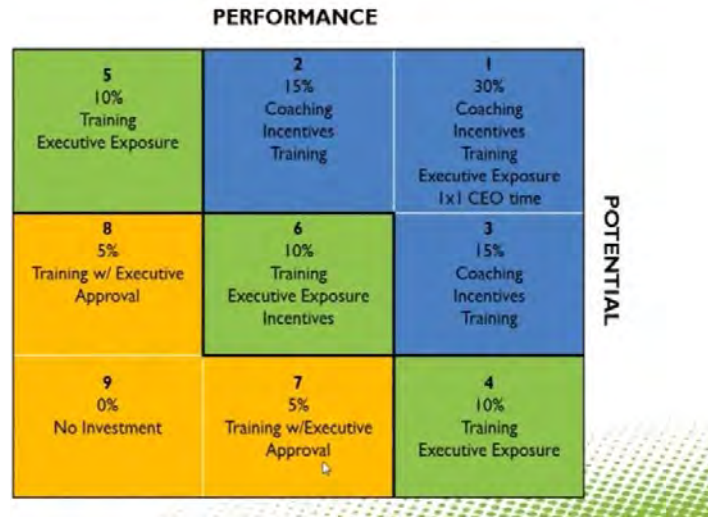


Figure 9. Top Learning and Development Tools²⁸

Finally, in Figure 10, employees are inserted into the nine-block talent grid based on their performance appraisal, 360-degree feedback score, and mastery of competencies. Employee 16 has been identified as a future key leader who has already established a mastery of the strategic competencies and is currently ready for advancement opportunities. Using this model, a succession and development plan can be established using data collected from continuous performance appraisals. Key performance indicators should be continuously monitored to determine if the correct investment is being into the right people and the right competencies and skills. All employees—no matter if they are high performer/high potential or low performer/low potential—need to show potential to receive development to prepare for more challenging responsibilities in the future.

²⁸ Ginac, “7 Ways to Encourage the Adoption of Effective Talent Management.”

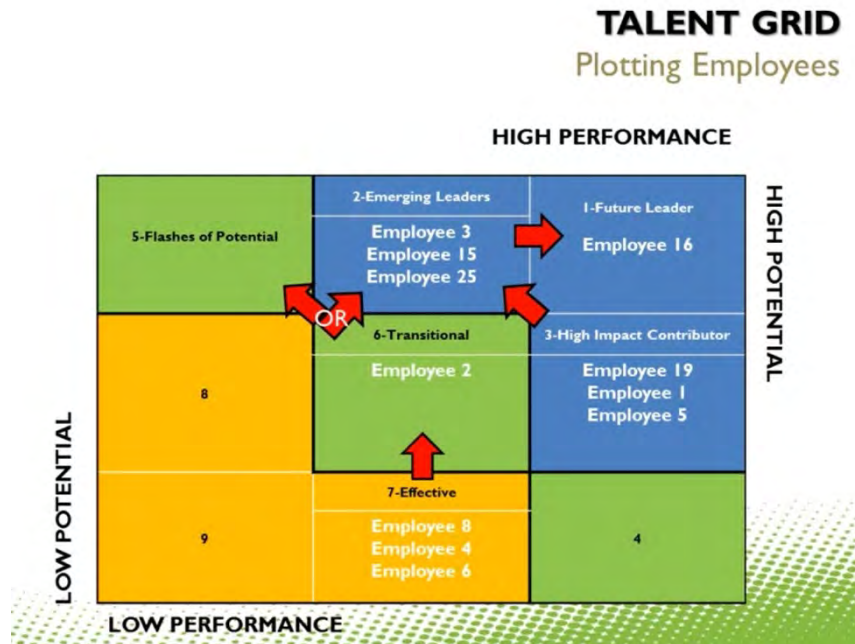


Figure 10. Nine-block Employee Ratings²⁹

When skill gaps and critical job shortages are identified, the organization needs to establish whether it can develop the talent fast enough. Organizations that do not have the internal talent supply to fulfill future business demands properly, or fill gaps in critical positions, need to use a robust recruiting strategy to fill those needs before the performance of the business is negatively impacted.

3. Recruit What You're Missing

Successful companies start by recruiting talent who meet the needs of the business and are compatible with their culture. The Development Dimensions International white paper, “Nine Best Practices for Effective Talent Management,” explains how selecting the right talent is more important than developing it:

Training people to improve their judgment, learning agility, adaptability—all core requirements for most of the talent hired today—is difficult, if not impossible. Lack of motivation for a specific role or a poor fit between employees’ values and those of the organization leads to poor

²⁹ Ginac, “7 Ways to Encourage the Adoption of Effective Talent Management.”

performance, and no classroom experience or learning activity will change this fundamental mismatch.³⁰

Companies get the right fit by making realistic information available with specifics concerning job duties, location, and benefits offered. The competition for talent is stiff and many recruiting challenges are involved with attracting talented applicants. These challenges are mitigated by emphasizing an organization's brand, using a proper recruitment process, and providing potential candidates with realistic information about the organization and its expectations for the type of employment duties and responsibilities to be fulfilled.

The Society for Human Resource Management (SHRM) conducted staffing research for its guide, *The Employer Brand: A Strategic Tool to Attract, Recruit, and Retain Talent*, which defined employer brand as "...the image of the organization as a great place to work in the minds of current employees and key stakeholders in the external market (active and passive candidates, clients, customers and other key stakeholders)."³¹ The way job candidates view an organization will either attract talent or repel it. Therefore, companies that entice talent emphasize employer brand from the first contact with a candidate through the selection and hiring process. A technique used to ascertain if an employer brand is effective involves surveying candidates and new hires to gain feedback on what specifically made the organization stand out compared to the competition. SHRM's research also revealed that "the top three factors that influence recruiting are corporate core values, a team-based culture and a reputation as an employer of choice."³²

Recruiting processes are successful when an organization develops and focuses on specific goals. In SHRM's talent recruitment guide, *Recruiting and Attracting Talent*, factors to be considered include the number of positions that need to be filled, the date

³⁰ Richard S. Wellins, Audrey B. Smith, and Scott Erker. "Nine Best Practices for Effective Talent Management," 2009, http://www.ddiworld.com/DDIWorld/media/white-papers/ninebestpracticetalentmanagement_wp_ddi.pdf?ext=.pdf.

³¹ Society for Human Resource Management, *The Employer Brand: A Strategic Tool to Attract, Recruit and Retain Talent* (Alexandria, VA: SHRM Staffing Research, 2008), 1.

³² Ibid.

they need to be filled by, total applicants desired, type of applicants, expectations of new hires, and forecasted retention of new employees.³³ Managers who will lead these potential new hires should have input on the information given to applicants to provide a realistic account of what the job entails. SHRM states subsequent steps in the recruitment process include developing a recruitment strategy, carrying out recruitment activities, and measuring and evaluating recruitment results. Recruitment strategy creates a plan that answers which type of individuals should be targeted, where they can be found, how they can be reached, when a recruitment campaign should start, and what specific job offers entail.³⁴ Recruitment activities involve advertising the position through different forms of media, conducting career fairs and college campus visits, creating employee referral programs, or whatever effective means produce the best outcomes. To measure recruitment results effectively, data needs to be collected on recruitment effects to enable organizations to utilize their effective methods while discarding ineffective ones for future recruiting efforts.

No matter what recruitment channels are used, the job description needs to be as informative and factual as possible. Details will help to attract the right talent better that understands an organization's expectations and the type of work that should be performed. Accurate job information also acts as deterrence to applicants who might otherwise apply and accept a job with the wrong perception of what is required to be successful. According to SHRM, "If you have job applicants with realistic expectations, studies suggest you will see lower turnover, better performance, higher job satisfaction and greater trust of the organization."³⁵

When an organization attracts the right talent, it can then undertake a selection process that produces the best candidates. In a proactive mode, the organization narrows down the applicants even further by thoroughly screening the talent pool to ensure the right fit. Since the organization used proper workforce planning and a timely recruitment

³³ James A. Breugh, "Recruiting and Attracting Talent," SHRM Foundation, 2009, <http://www.shrm.org/about/foundation/products/Documents/1109%20Recruiting%20EPG-%20Final.pdf>.

³⁴ Ibid.

³⁵ Ibid.

strategy, it can be more selective with its employment offers. Once a candidate accepts the employment offer, it is then up to the organization to manage employee expectations and assimilate them into the culture.

D. ENGAGEMENT IMPROVES RETENTION

Engagement is a term that has been used frequently in talent management, but its meaning has been thinly stretched into describing an employee's satisfaction within the organization. In the *Forbes* magazine article, "What is Employee Engagement," HR specialist Kevin Kruse emphasizes that engagement is neither a measure of employee satisfaction or happiness at work. Kruse defines engagement as "...the emotional commitment the employee has to the organization and its goals."³⁶ SHRM's research report, *Employee Job Satisfaction and Engagement: Optimizing Organization Cultural for Success*, provides a more thorough explanation:

Employee engagement is typically defined by the actual conditions in the workplace (the environment and the work itself) and workers' opinions and behaviors (how the employees perceive their relationship with their work, as well as how they view others around them relating to their work).³⁷

Another incomplete interpretation of engagement is using an annual climate survey to measure satisfaction within an organization. Although surveys can be a part of an engagement strategy, it should not be the only means for leadership to get their fingers on the pulse of the organization. Through timely coaching, mentoring and stay interviews, an organization can increase its employee engagement exponentially. However, successful engagement also involves effective onboarding, the socialization of new employees into becoming effective members of the organization.

³⁶ Kevin Kruse, "What Is Employee Engagement," *Forbes*, June 22, 2012, <http://www.forbes.com/sites/kevinkruse/2012/06/22/employee-engagement-what-and-why>.

³⁷ Society for Human Resource Management, *Employee Job Satisfaction and Engagement: Optimizing Organizational Culture for Success* (SHRM Research Report 15-0133) (Alexandria, VA: SHRM Staffing Research, 2015), <http://www.shrm.org/research/surveyfindings/documents/2015-job-satisfaction-and-engagement-report.pdf>.

1. Effective Onboarding

In *Onboarding New Employees: Maximizing Success*, Talya Bauer explains that onboarding is the process by which new employees adapt to the “social and performance” piece of their new jobs to contribute to an organization’s mission. Onboarding exists in two forms, informal and formal. Informal onboarding occurs without the benefit of an organizational integration plan. Formal onboarding entails a set of written policies and procedures used to integrate new hires into the organization’s culture, assist with adjustment to their roles within the organization, promote socialization, and define expectations. Bauer suggests that the best onboarding procedures include making the first day on the job special, using a formalized orientation program, developing written onboarding plans, using technology (such as online sources) to assist with the process, measuring progress at the 30-, 60-, 90- and 120-day milestones, including stakeholders in the program, and clarifying objectives and responsibilities to new employees.³⁸

Effective onboarding starts when the job offer is accepted. Administrative paperwork to include orientation packets can be handed out before employees start their first day. Steady leadership involvement during the onboarding process results in employees being more engaged, committed to the organization, and having a higher level of job satisfaction. Higher employee retention and increased output can be attributed to the coaching and mentoring first provided during the onboarding process.

2. Coaching and Mentoring

Engagement increases when managers are involved with coaching their direct reports. Coaching involves continuous development of employees by helping them increase their knowledge, skills, and abilities while still holding them accountable for results. It fosters growth by providing encouragement, recognizing successes, providing constructive feedback, and establishing a dialogue about goals and expectations. Successful coach/talent relationships involve trust between the two parties and eliminate fear from asking for help or making mistakes. Coaching is even more effective when

³⁸ Talya N. Bauer, *Onboarding New Employees: Maximizing Success* (SHRM Research Report 10-0645) (Alexandria, VA: SHRM Staffing Research, 2010), <http://www.shrm.org/about/foundation/products/Documents/Onboarding%20EPG-%20FINAL.pdf>.

linked to data collected through talent discussions, key performance indicators (KPIs), and 360-degree feedback reports. Coaches bring out the best in their talent by helping employees increase their performance and also by providing direction on how to achieve success. In her book, *Coaching, Counseling & Mentoring: How to Choose & Use the Right Technique to Boost Employee Performance*, Florence Stone emphasizes the importance of a skilled coach:

Managers who master the skill of coaching find that it can boost the performance of workers by making clear to them what they should do and how they should best do it (think *instruction*), positively reinforce good work (think *praise*), and find ways to redesign jobs or increase employee contribution (think *empowerment* or *shared leadership*).³⁹

Managers who provide good coaching lead employees who are more inspired and have more commitment to the organization. That commitment is even greater when they also have a mentor.

Successful organizations know the value of good mentorship programs. Mentors share their knowledge and expertise with the less experienced in personal and professional matters. They are role models to be emulated, coaches that guide through a company's culture and political structure, brokers of contacts and resources, and advocates for their mentees aspirations and goals.⁴⁰ Mentor/mentee relationships are beneficial for the participants and the organization because they increase morale, loyalty, performance, and set the groundwork for long-term alliances. When mentor/mentee relationships are developed within the organization, employees understand they are valued because of the extra attention. Corporations are increasingly investing in formalized mentorship programs that "shorten learning tracks, speed up managerial advancement, and build the next generation of leaders."⁴¹

³⁹ Florence M. Stone, *Coaching, Counseling & Mentoring: How to Choose & Use the Right Technique to Boost Employee Performance*, 2nd ed. (New York: AMACOM, 2007), 12, <http://www.questia.com/read/120694667/coaching-counseling-mentoring-how-to-choose>.

⁴⁰ Ibid.

⁴¹ Stone, *Coaching, Counseling & Mentoring: How to Choose & Use the Right Technique to Boost Employee Performance*, 12.

The investment in coaching and mentorship increases engagement when done correctly. Both coaching and mentorship involve a steady stream of open communication leading to an understanding of the employees' talent to develop the employees to their fullest potential. This communication should also involve specifics on what employees like about their organization and what it would take to retain their services. This conversation is known as the stay interview.

3. Stay Interviews

It is common practice for organizations to conduct an exit interview when an employee decides to move on to other opportunities. Even though some insight can be gained using this process, the exit interview tends to be unproductive and is conducted too late to have an impact on keeping an employee. Employees do not want to burn any bridges or sour the relationship with the organization when separating—they may need them for a reference or want to work for them again someday—so they tend to hold back about what really drove them to leave. Instead of relying on exit interviews for feedback, many organizations now conduct stay interviews to keep their employees engaged.

Stay interviews are an effective talent management tool used by leaders to start open conversations with their employees. They are used to get to know the talent of an organization while receiving feedback that could lead to preventing flight risks. Stay interviews can be as simple as a short conversation informing employees that they are a valued member of the team. They should not be confused with the performance review or the development plan, although these subjects might come into the conversation. These conversations are more frequent, and therefore, keep employees engaged in the organization while increasing retention. Stay interviews are conducted one-on-one for maximum honesty and legitimate feedback. Depending on the questions asked, they can provide real insight into the personalities and motivations of an organization's talent supply. In Beverly Kaye and Sharon Jordan-Evans book, *Hello Stay Interviews, Goodbye Talent Loss*, the authors list their favorite questions to maximize effectiveness of the stay interview:

- What will keep you here? What might entice you away?
- What about your job makes you jump out of bed in the morning?

- What makes you hit the snooze button?
- If you were to win the lottery and resign, what would you miss the most about your job?
- What do you want to learn this year?
- Does work give you back as much as it takes out of you?⁴²

The information collected from stay interviews is crucial to an organization understanding its talent. Supervisors receive direct timely feedback from their employees that can be further clarified by asking more questions. It indicates a huge advantage over a survey that can be subject to interpretation if a comment is not understood. Conversely, stay interviews are equally important to employees because the attention given to them by leadership demonstrates that they are a valued part of the organization. However, one advantage of a survey is that it is usually anonymous and creates an outlet for those fearing that speaking their mind may lead to negative repercussions.

4. Surveys

Surveys are effective when an organization reacts to the feedback in a timely and appropriate manner. Employees feel engaged only when their concerns are addressed and they feel like they are a catalyst for change. Surveys are also most effective when combined with other engagement techniques, such as the previously described effective onboarding, coaching and mentoring, and stay interviews. Barbara Milhizer, of the human capital consultancy firm PeopleResults, suggests that for engagement surveys to truly work, they must be short, frequent, triggered by individual key milestones (such as anniversary dates), have thoughtfully constructed questions on what actions an organization is actually willing to take, and used for more than just data numbers.⁴³ Surveys—when properly administered—open up a dialogue between management and employees that can lead to positive changes within an organization.

⁴² Beverly Kaye and Sharon Jordan-Evans, *Hello Stay Interviews, Goodbye Talent Loss* (Oakland, CA: Berrett-Koehler Publishers, 2015), Apple iBook, 29–31.

⁴³ Barbara Milhizer, “10 Ways Engagement Surveys are Killing Engagement,” TLNT, August 13, 2012, <http://www.tlnt.com/2012/08/13/10-ways-engagement-surveys-are-killing-engagement/>.

E. WHY SHOULD WE CARE?

The private sector knows that if it does not care about talent management, it will lose its talent fairly quickly to its competitors. The world is more mobile than ever before and if employees do not feel connection to their organizations, job, or leaders, they will leave and take their skills elsewhere. A changing workforce now has four generations of workers potentially employed by the same organization. In other words, organizations need to be adaptive and appreciate what keeps each of these generations engaged and motivated. Performance feedback, development, engagement, and integrating the latest technology into talent management are all mandatory for attracting and keeping top talent. Therefore, the bottom line is that if an organization does not show love to its people, another organization will.

III. CASE STUDIES VALIDATE CORPORATE PRACTICES

It is beneficial to look at private sector companies that already use talent management in their business application to determine if these practices would be advantageous to use by the Department of the Army. In this chapter, several recognizable private sector companies that use elements of integrated talent management systems are explored. These firms include General Electric (GE) with its success with leadership development, Sambian Partners with its employee engagement, American Express with its use of talent profiles, and Facebook with its unique recruitment and retention practices. These specific case studies were selected because the organizations are not only considered leaders in their industries, but also leaders in implementing integrated talent management.

A. GENERAL ELECTRIC AND LEADERSHIP DEVELOPMENT

It would be hard to find anyone in the business world who does not consider GE to be a leader in internal talent leadership development. Numerous studies of the company have been conducted in regards to its management development processes, and subsequently, copied by other organizations. A 2006 Harvard Business School case study, *GE's Talent Machine: The Making of a CEO*, describes GE as having the reputation of one of the world's leading companies for talent innovation and development since its founding by Thomas Edison in 1878.⁴⁴

GE's modern management practices have been widely emulated, and GE has a history of promoting its leadership internally, which can be traced back to the executive development groundwork established by the company's second CEO, Charles Coffin. Since Coffin, GE's leadership pipeline has made HR management a priority with a special emphasis on developing its internal management talent.⁴⁵

⁴⁴ Christopher A. Bartlett and Andrew N. McLean, *GE's Talent Machine: The Making of a CEO* (HBS No. 9-304-049) (Boston: Harvard Business School Publishing, 2003), <http://hbsp.harvard.edu>.

⁴⁵ Ibid.

The authors of the GE case study explained that following World War II, CEO Ralph Cordiner stressed the importance of decentralization and management development throughout the organization. During his reign, GE started Crotonville, the first corporate university. Cordiner also put importance in on-the-job development with the creation of a new corporate Session C system that focused on managers' career aspirations and development. Session C produced evaluations, development plans, and career succession plans for every manager at GE. The case study revealed that after the Session C process was created, GE formed an Executive Manpower Staff (EMS) that directly reported to the CEO. Its purpose was to identify GE's inventory of high-potentials and to ensure they were exposed to various GE businesses for more developmental experience.⁴⁶

The GE case study described how CEO Jack Welch eventually expanded this practice further by making several leadership programs with different entry points. Programs focused on managers getting exposure to different parts of GE's operations through opportunities at multiple businesses. Welch would also be the catalyst for the nine-block system of evaluating talent and leadership potential of employees based on their performance and adherence to GE values. Before the end of his tenure as chairman and CEO, Welch would also implement a ranking structure that forced managers to identify their top, average, and least effective employees in their Session C reviews. Rewards went to the top performers while counseling for improvement or suggestions for other opportunities outside of GE was directed at the bottom 10%.⁴⁷

GE's interest in manager development demonstrates an investment in its talent and produces a performance-oriented culture. The performance management system at GE examines strengths, weaknesses, and potential that assists in the creation of development plans for its employees. Part of this plan is exposure to multiple businesses within GE that creates a diversely skilled manager with an increased level of experience. More experience is gained by varied job assignments, formal training opportunities, on-the-job learning experiences, proper mentorship, and employee feedback. GE's

⁴⁶ Bartlett and McLean, *GE's Talent Machine: The Making of a CEO*.

⁴⁷ Ibid.

dedication of time and effort into developing its management creates loyalty within its organization, increases productivity, and results in more engaged employees and leaders. Employees want the opportunity to advance their careers. GE is able to fulfill this desire by understanding where its talent is located and structuring a development plan targeted at building appropriate competencies, which in turn, feeds into GE's workforce planning model that places the right employee, in the right job, at the right time.

B. SAMBIAN PARTNERS AND ENGAGEMENT

In the *Harvard Business Review* case study, "Why Are We Losing All Our Good People?" Edward Lawler analyzes a fictional architecture and engineering firm named Sambian Partners that loses key management positions to the competition. Sambian has grown into a successful firm with significant expansion on both U.S. coasts and the United Kingdom. The firm encourages collaboration on projects to promote innovation and is also on the cutting edge of its industry by leading the "green" movement in its building designs.⁴⁸ On paper, the company appears to be healthy and a great place to work. An unexpected exodus of talent combined with a recent influx of critical comments in the company survey suggest otherwise.

This case study described several events that eventually triggered the concern of Sambian's CEO. The first event that caught the CEO's attention was the resignation of employees with critical skill sets. The first exodus was due to a family issue in Ireland, while the second exodus was due to an employee accepting a new job opportunity. The next event was when a mid-level manager, who already had a history of talent attrition, alerted the CEO that other employees with critical skill sets were rumored to be on the verge of leaving the company due to the relationship of the employees with the previous mentioned talent who left for a new career opportunity. The third event that drew her attention was when surveys were completed anonymously and a common complaint surfaced about procrastination by project managers that resulted in wasted production time, which required employees to work longer hours. Additional complaints were also

⁴⁸ Edward E. Lawler III, "Why Are We Losing All Our Good People?," *Harvard Business Review*, June 2008, <https://hbr.org/2008/06/why-are-we-losing-all-our-good-people>.

listed about perks focused on younger employees, the younger work force feeling undervalued by management, and even dissatisfaction with the cafeteria choices. Finally, the CEO dismissed the survey results and gave up on her investigation as to why people were unhappy and leaving the organization.⁴⁹

1. Appropriate Engagement

The most valuable lesson learned from this case study is that all talent is a flight risk unless proper engagement from leadership is conducted to keep the talent from leaving. Attrition may have been prevented if the organization had invested in stay interviews, surveys, and proper mentorship performed (all methods of engagement), and taken action based on the feedback in time. For example, one employee left Sambian because he wanted to be closer to his family in Ireland. Sambian had a business division in London, England. A stay interview and mentorship could have alerted Sambian of the employee's desire to be closer to home. A transfer within the company or an opportunity to do the same work from Ireland may have been offered in an attempt to retain his skills.

Unfortunately, the engagement plan for Sambian included a survey that was only given after a trend was suspected and talent started to leave the organization. By then, the survey was too late and the CEO opted not to act on the feedback. Surveys given on a regular basis with consistent questions enlighten leadership to potential issues that can be addressed proactively instead of reactively. Most importantly, acknowledgement of the issues and a plan of action are needed to ensure employees that they are being heard.

Further employee engagement, to include surveys taken more frequently, would have made several other issues apparent to Sambian's CEO as well. When employees state that they feel perks are geared toward certain demographics of employees, this perception should be examined and addressed. It is not unusual for today's workforce to have three generations of employees working together in an organization. Understanding the preferences of each generation, whether it is related to time off, work environment, or communication style, is important for an organization's ability to retain employees. Not

⁴⁹ Lawler, "Why Are We Losing All Our Good People?."

paying attention to the diversity of employees will eventually lead to a retention problem when a population segment feels its needs are not being met.

2. Mentorship and Coaching

An organization should establish a mentoring and coaching program for numerous reasons. Many of the behaviors, attitudes, and ethics of an organization are driven from the top of the organization, starting with the CEO, and establish the culture for subordinate leaders to follow. Sambian's CEO should have taken the opportunity to understand better the results of the survey and issues viewed as outliers. To understand the issues within the organization, the CEO should meet with junior leaders and members outside of leadership roles, or enlist a third party, to glean information on how the company is being perceived from the inside. When leadership listens to its employees, they feel more engaged and will not only work harder, but will be more willing to voice their concerns because they feel like they will be heard. Even if the result is that no change occurs, by letting employees know they were heard and why no change is occurring, engagement may improve. In her commentary of this case study, Anna Pringle, head of international people and organization capability for Microsoft, explains it best:

In organizations like Sambian, where creativity, innovation, and intellectual capital equal competitive advantage, the most effective leaders devote at least 40% of their time to people—coaching and mentoring other leaders, rerecruiting the top talent.⁵⁰

Pringle also suggests that the CEO conduct “listening tours” that involve visiting all departments to receive feedback and to invite key talent to meetings for open discussions. Finally, Pringle suggests that the CEO create a blog to address the issues that are mentioned while collecting feedback within the company. Employees would be able to comment anonymously to these blog posts with their opinions, questions, and issues within the company.⁵¹ This type of engagement in an anonymous format would encourage employees to communicate their concerns without fear of repercussions.

⁵⁰ Lawler, “Why Are We Losing All Our Good People?”

⁵¹ Ibid.

C. AMERICAN EXPRESS AND TALENT PROFILES

American Express has worldwide brand recognition with consumers for its travel agency service, credit and charge cards, while creating a solid reputation globally as one of the best places to work. The Bersin & Associates case study, “Talent Assessment and Planning at American Express,” by Leighanne Levensaler, examines how this company made several employment short lists for best places to work in Europe, India, and in the United States. Due to its remarkable integrated talent management system, with a heavy emphasis on career planning and performance, this 65,800 employee (as of this case study) global firm had a turnover rate of less than 1%.⁵²

American Express’ talent management system involves the top 5,000 managers being assessed universally by the same career planning process across all divisions of the business. The talent assessments are then centrally managed to ensure a consistent leadership path for future development and career advancement across the organization. A key part of this process involves leaders of all levels creating a talent profile that highlights their unique attributes, such as experience, skills, career aspirations, and geographical preferences to build a dialog during leader assessment that can assist with identification for future roles and movement within the organization. Company leaders explore their business strategies and match their existing talent, produce employee development plans, or seek to fill skill shortages based on their anticipated organizational needs. American Express also utilizes a software program for organizational metrics that tracks and assesses talent online.⁵³

1. Career Planning Should Include Employee Input

American Express demonstrates its understanding of the relationship between employee engagement and business productivity. The employee profile system used by American Express enables employees to open up a dialog with management to establish the right fit for the employee and the organization. Employees feel more empowered

⁵² Leighanne Levensaler, “Talent Assessment and Planning at American Express,” Bersin & Associates, 2008, <http://www.orgmetrics.com/images/whitepapers/OMITalentAssessmentandPlanningatAmericanExpress.pdf>.

⁵³ Ibid.

within the organization when they have a clear development plan and are engaged by their leadership. Talented employees expect and appreciate both being able to seek professional growth opportunities and knowing that their skill sets are being utilized correctly within the organization. As workforce demographics change, talent will not hesitate to seek opportunities outside of the organization if their expectations are not being met. The profile system provides the capability for employees to list career aspirations, geographical preferences, type of business preferences, and also establishes official terms of employment. American Express also benefits by identifying key skills, experiences, and preferences of its workforce that help it better align talent with its business objectives. It allows for senior management to draw from a more diverse range of skills because the organization has an inventory of talent with specific critical skills. It also helps it identify where a talent gap may exist, so that it is able to build the skill set needed from within or begin identifying external candidates. American Express can now be proactive and not reactive with workforce and succession planning.

2. Buy-in Equals Better Retention

Transparency in the performance management and evaluation process at American Express helps it to identify leaders who are ready to assume a position now or who may be ready in the future based on their contribution and potential within the company. Metrics are objective and feedback is candid. Business managers are held accountable in their own performance evaluations for retention and development of their talent. Active mentorship, coaching, and engagement are a part of their talent management process from the top down. Employees are aware that it is part of the culture, which breeds loyalty, increases the productivity of both the employees and the organization. It has ultimately led to greater retention, as American Express has demonstrated with its less than 1% turnover rate.

D. FACEBOOK AND RECRUITMENT/RETENTION

Facebook is less than a decade old, but the corporation has already gained attention as a leader in talent management practices. The talent recruitment website ERE released a two-part case study in 2013 entitled, “A Case Study of Facebook’s Simply

Amazing Talent Management Practices,” in which author John Sullivan described Facebook’s talent management practices as unique and exciting.⁵⁴ Sullivan noted that the social media company was the number one rated company on the popular job search engine Glassdoor.com, for job satisfaction while its employees rated their CEO with a near perfect 99% approval rating. Sullivan also noted that the average Facebook employee produced over \$1.3 million in revenue and \$120,000 in profit for the firm each year. Thus, Facebook is an innovative company with impressive workforce productivity. Sullivan also stresses in the case study that each of Facebook’s unique talent management practices is first being pitched to corporate leadership before being approved to demonstrate a significant return on investment (ROI).⁵⁵

Facebook has a six-month onboarding period for new hires versus a day or more of watching videos, attending briefings, or completing paperwork. During this six-week time period, employees actually are put on a team to work on real projects and are assigned a mentor. At the end of the six-week period, employees are given a choice of which team and project within Facebook they would like to join. Facebook also has employee driven internal mobility called Hackamonth. Employees who have worked on a project for over a year can choose their next project team. After working with the new team for a month, they have the option of staying on the new project team if they enjoy it. Instead of being risk adverse, employees are encouraged to be daring and be quick innovators.⁵⁶

Recruiting has never been a problem for Facebook since it possesses the number one ranking for employee satisfaction. If Facebook wants talent, it conducts Acqui-hiring, a process that involves buying a smaller firm to acquire its talent pool. Another of Facebook’s recruiting techniques is talent contests with internships and job offers as rewards. The CEO uses his role in recruiting by speaking publicly at college campuses to

⁵⁴ John Sullivan, “A Case Study of Facebook’s Simply Amazing Talent Management Practices, Part 1 of 2,” ERE.net, 2013, <http://www.ere.net/2013/09/09/a-case-study-of-facebooks-simply-amazing-talent-management-practices-part-1-of-2/>.

⁵⁵ Ibid.

⁵⁶ Ibid.

attract potential talent from students and faculty. Facebook also relies on employee referrals and employer brand recognition to attract the top talent.⁵⁷

Facebook's economic rewards and employee benefits are robust to say the least. The firm offers unlimited sick days and provides every employee (including new hires) 21 paid days off a year. New parents receive a \$4,000 payment and four months of paid leave for both spouses, with some reimbursement for adoption and daycare fees. Rewards are performance based with bonuses differentiated up to 300% between a low performer and high performer at the same level. Employees receive restricted stock units as a part of their bonus compensation package as well. Facebook employees also enjoy a number of free amenities, including food of every variety, haircuts, laundry service and dry cleaning, acupuncture, fitness centers, movie theater, videogame room, barbeque area, ice cream, fresh baked bread, train passes, van pools; shuttle buses with Wi-Fi, onsite doctor's office, and a chiropractor.⁵⁸

Facebook is not just about great benefits. The firm also provides an ideal working space that fosters collaboration and maximum productivity. Offices, cubicles, and desks do not exist. The open area concept creates easiness in finding solutions when employees have no boundary space between them. Meetings are not held on Wednesdays so that programmers have at least one workday with no interruptions of work flow. Management roles are lateral moves and are not considered a promotion. New managers are given an internal mentor for four months and an external strength coach for the following three months for support in their new roles. Facebook's workforce planning involves the utilization of teams anywhere from six through 30 in number with their engineers rotating on projects and exposure to new managers with each endeavor. Employees are provided performance feedback every six months with metrics that illustrate their contribution to the company.⁵⁹

⁵⁷ Sullivan, "A Case Study of Facebook's Simply Amazing Talent Management Practices, Part 1 of 2."

⁵⁸ Ibid.

⁵⁹ Although it is an extensive summary of the benefits provided to Facebook employees from part two of the case study, numerous perks were left out. Facebook is attempting to match or beat perks that other competitors like Google, Microsoft, and Apple are already providing. Computer engineering talent is scarce and recruits understand their market value.

1. When You Are Number One, Talent Comes to You

Facebook's best place to work rating shows that it is managing its talent correctly. Talented people will always seek out the best organizations, which is a recruitment tool unto itself. Facebook has also demonstrated that no one in the firm is too high on the organization's chain of command to conduct recruiting, including the CEO. Buy-in from the top, to include active involvement in the recruitment process, delivers the message to potential hires that Facebook is dedicated to finding the most talented individuals and everyone at Facebook has a vested interest in who joins the organization.

Facebook's talent management emphasizes trust. It is given from the first day of employment while creating loyalty and fostering a positive work environment. Facebook's unprecedented six-month onboarding process is a unique benefit to employees who get the choice of the project team they wish to join. It shows even more dedication to its employees by immediately providing them unlimited sick days and 21 paid days of personal leave a year to include new hires.

Facebook's desire to remain innovative, and at the forefront of the social media industry, is the reason for collaborative projects that expose its employees to new ideas and concepts. Workforce cohesion is fostered through team participation in project assignments that advance Facebook's business goals. Facebook also demonstrates smart business strategy by holding contests that provide winners with internships or possible job opportunities. This initiative essentially enables Facebook to audition talent with minimal investment.

2. Retention—It Is Not Always About Pay

Talented employees leave organizations for all types of reasons, but attrition can be mitigated through monitoring workplace attitudes before retention becomes a problem. While Facebook has a pay for performance type bonus structure, the company understands that talent stays because they feel valued, have a sense of connection with the organization, and feel satisfied performing innovative work. It should be mentioned that perks and incentives absolutely make a difference, but they are not the complete answer to solving retention issues. Incentives, such as new baby pay and four months of

paid maternity time off for both spouses, go a long way to promote Facebook's genuine concern with employee work-life balance (especially for female engineers). Work out facilities, on-site medical care, and chiropractic services as perks help keep Facebook employees healthy and enable them to be more productive. As long as Facebook continues to offer better workplace alternatives, and continues to be voted a best place to work by its employees, it will attract and retain top talent. In addition, if it takes offering the best perks, better performance management, and creating the best work environment possible, then it is well versed in the talent management process already.

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IV. ARMY TALENT MANAGEMENT INITIATIVES

The previous chapter described some of the best practices private sector industry leaders utilized to manage its top talent. Over the last ten years, the U.S. Army has also taken an interest in talent management practices in an attempt to retain its own talented corps of officers. This chapter discusses the latest talent management procedures that the Army has either attempted or that have started to gain attention. Specifically, this chapter addresses the last ten years of Army talent management efforts while examining their effectiveness and potential. Topics covered include retention, performance management, human capital models, and a social networking talent profile experiment sure to entice the next generation of information charged Army professionals, the millennials.

A. RETENTION

The Army uses two robust training and college education pipelines to create its officer supply between the United States Military Academy (USMA) at West Point, New York, and Reserve Officers' Training Corps (ROTC), at colleges and universities across the nation. Cadets entering either pipeline will receive leadership training and experience that will transform them into the future leaders of the Army. Starting from the beginning, a significant amount of time and resources are used to screen candidates before allowing them to become cadets, especially if they receive scholarships. While continuing their college journey, cadets are continuously vetted to ensure that they are the right fit to commission as an officer. Those who do not measure up will be removed and dropped from the program. Those who do make the cut receive a college degree and a guaranteed job leading soldiers at a relatively young age.

Depending on whether cadets were on scholarship, the source of their commission determines the length of commitment for the officer upon graduating college and commissioning as a Second Lieutenant. Typically, newly commissioned officers will owe five years of active duty or less for a college education potentially worth over \$100,000.00 (depending on the school). By the end of this initial term, an officer will have received even more training and experience while potentially being responsible for

upwards of 100 people. Thus, officers are college-educated professionals, have an immeasurable amount of world experience, have led at multiple levels of their organizations, and have already been screened and vetted several times. It is no surprise that corporate America is interested in poaching this talent from the Army, and also, no surprise that officers are realizing their own value.

1. Critical Skills Retention Bonus

In 2007, the Army sought to retain over 16,000 active duty captains and decided to offer a critical skills retention bonus (CSRB) to all competitive category O3s from year groups 1999 through 2005. The CSRB bonus was offered in lump sum payments of \$25,000, \$30,000, and \$35,000 to officers in exchange for three years of active duty service. According to the monograph, “Towards A U.S. Army Officer Corps Strategy for Success: Retaining Talent,” Wardynski, Lyle, and Colarusso explain that the officer bonus cost taxpayers \$500,000.00 and did not even target officers who were going to leave. Out of the population of Captains who had taken the bonus in Fall 2007, 77% were going to stay in the military anyway.⁶⁰

This attempt at officer retention did not focus on talent management principles. Firstly, it was a quantity- not quality-based bonus system that did not target talent. The CSRB was reactive in nature and could have been adjusted with proper workforce planning and forecasting methods to identify a smoother succession. Furthermore, even the high end of the bonus (\$35,000) was not enough of an incentive to retain officers who had a higher opportunity cost outside of the military. In 2007, most of these officers had already deployed more than once for a year or more at a time. They already had a significant amount of savings from deployment money not to take the bonus seriously. Finally, the purpose of the bonus was to target officers on the fence about leaving. During fiscal year 2007–2008, the CSRB bonus was offered to year groups 1999–2002. These officer year groups had already served their initial active duty service obligation (ADSO)

⁶⁰ Casey Wardynski, David S. Lyle, and Michael J. Colarusso, “Towards a U.S. Army Officer Corps Strategy for Success: Retaining Talent” (monograph, Strategic Studies Institute (SSI), 2010), 26–28.

with the 1999 year group already serving eight years. The CSRB targeted a demographic of officers who were likely staying in the Army even without the bonus.⁶¹

2. Career Satisfaction Program

The Army is currently offering USMA and ROTC cadets the Career Satisfaction Program (CSP) option that offers three incentives: branch of choice, post of choice, or graduate school. According to the Army Career Satisfaction Program webpage, cadets can decide on one or up to two options before graduating, and in exchange, they incur a three-year ADSO.⁶² ROTC scholarship cadets will serve seven of eight years on active duty (with the final year in the Individual Ready Reserve) while USMA cadets will serve the full eight-year obligation on active duty. Cadets choosing their branch will not be charged a three-year ADSO if they fall into the top 50% on the cadet order of merit list (OML) that determines officer branch, regardless if they signed a CSP contract. If they rank in the bottom 50% of the OML, the branches are filled by the OML with the CSP branch of choice option and incur the additional three-year obligation. If the post of choice option is selected, cadets will have to wait for the OML and branch selection board to convene before knowing whether they are eligible. If cadets choose the graduate school option, they may choose the school and discipline of their choice as long as they are able to get accepted to the school. Cadets essentially have a two-year paid sabbatical to obtain their degrees between their 6th and 11th years of service. The Army's CSP webpage claims that the value of a Harvard MBA, plus additional military pay and benefits while going to the school, have been valued at \$250,000.⁶³

The CSP is a proactive pre-commissioning investment in Army human capital and it has proven successful since being implemented in 2006. Cadets who would not have received their first choice of branch or post now have an opportunity to satisfy their expectations while the Army receives a committed officer for three additional years. For

⁶¹ Wardynski, Lyle, and Colarusso, "Towards a U.S. Army Officer Corps Strategy for Success: Retaining Talent," 26.

⁶² U.S. Army, "Career Satisfaction Program," accessed May 2015, <http://www.career-satisfaction.army.mil/index.html>.

⁶³ The Army CSP webpage has a Harvard Business School year totaling \$57,590 per year in 2012.

those cadets who choose the graduate school program, they now have the opportunity to develop themselves personally and professionally, which will make them more productive, as well as, marketable whether they stay in the Army or not. The Army has the possibility of getting more than eight years of service out of officers if they choose the graduate school option.

As mentioned previously, any officers who stay past their initial obligation, are likely to continue serving. Even if officers begin graduate school in their earliest window of six years, when they return to the force with their degree, they will be at the eight-year mark and that much closer to the “half-way” point in their careers when officers decide to continue on or leave the Army. Wardynski, Lyle, and Colarusso, estimate that between 2006–2009, “more than 4,000 cadets participated in OCSP to secure their branch of post of choice, guaranteeing the Army more than 12,000 obligated man-years of service at no cost to the Army.”⁶⁴ Figure 11 shows the value to the Army of the CSP over those same four years. Cadets select a branch of choice first, followed by graduate school, then post of choice with a 42% participation rate. The numbers also show a 20% higher chance of staying eight years or more with the CSP incentive than without it.⁶⁵

⁶⁴ Wardynski, Lyle, and Colarusso, “Towards a U.S. Army Officer Corps Strategy for Success: Retaining Talent,” 28.

⁶⁵ Ibid., 64.

Officer Career Satisfaction Program Results

Year Group	Branch for Service Cadets	Graduate School for Service Cadets	Post for Service Cadets	Total Participants [Eligible Cadets] (Participation Rate)	Contracted Man-Year Gain	Expected Eight-Year Continuation Rates [w/o Incentives] (with Incentives)
2006	749	271	116	1,133 [3,338] (34%)	3,231	[47%] (60%)
2007	878	487	164	1,529 [3,391] (45%)	4,485	[47%] (66%)
2008	840	564	191	1,450 [3,366] (43%)	4,673	[47%] (66%)
2009	969	560	247	1,583 [3,547] (45%)	5,208	[47%] (69%)
TOTAL	3,436	1,882	718	5,698 [13,642] (42%)	17,596	[47%] (67%)

Figure 11. Officer Career Satisfaction Program Results⁶⁶

B. HUMAN CAPITAL MODELS

Over the last 10 years, the Army has been investigating its officer career management model that has been governed by laws and policy put in place over a quarter of a century ago. The Defense Officer Personnel Management Act of 1980, better known as DOPMA, “is a time-based management system with relatively fixed career ‘flow points’.”⁶⁷

1. The RAND Model

RAND research examined sections of DOPMA in the U.S. Code, Title 10, Chapter 36, “Promotion, Separation, and Involuntary Retirement of Officers on the Active-Duty List,”⁶⁸ and identified several characteristics that would potentially impact

⁶⁶ Wardynski, Lyle, and Colarusso, “Towards a U.S. Army Officer Corps Strategy for Success: Retaining Talent,” 64.

⁶⁷ Peter Schirmer et al., *Challenging Time in DOPMA: Flexible and Contemporary Military Officer Management* (Santa Monica, CA: RAND Corporation, 2006), xv.

⁶⁸ Ibid., 10.

the approval of any human capital model. DOPMA impacts officer career paths by implementing inflexible, time-based promotion zones based on seniority with set time limits for serving.⁶⁹ Despite the hurdles, RAND created several different officer management scenarios based on time and competencies, and examined their potential effects on promotion and career length. RAND's goal was to try to validate a competency-based human capital model with promotions driven by accumulated officer education and job experiences instead of seniority.

The RAND model was tested using six simulated scenarios based on assignment length, career length, and time to promotion while using the current framework of DOPMA regulations as the baseline. The Army community looked at was Infantry officers. No function was included for officer choice in the model despite individual preferences playing a significant role in an officer's career. The Infantry community, and the laws and policies that oversee the officer management system, were used as the "baseline scenario." The inputs were altered and then new model results were compared to the baseline scenario along with outcomes from other scenarios. Three scenarios used DOPMA rules while the remaining three scenarios used more flexible promotion policies that allowed varied time to promotion.⁷⁰

The RAND research identified longer duty assignments as having more depth but giving less career breadth. Lengthening careers compensated for the lack of breadth by creating more assignments, but with the same DOPMA promotion standard, officers only gain additional time in the rank from which they separate or retire. The extended time only in their separation/retirement grade does not bring more assignments or experience to assignments earlier in a career.

The RAND research suggests a more competency-based career relying on knowledge, skills, and abilities (KSAs) as the benchmark for promotion. The promotion zones and seniority would be eliminated and the work community (Infantry in this case)

⁶⁹ The RAND research gives a robust list of DOPMA policies that affect officer careers through the current up-or-out time-based management system on page 10 of its report.

⁷⁰ Schirmer et al., *Challenging Time in DOPMA: Flexible and Contemporary Military Officer Management*, xv.

would choose which experiences and criteria would be used for promotion suitability. In turn, promotions would be spread out over multiple years for the same grade, while experience through education and assignments was accumulated. If a large number of assignments are lengthened, the amount of time needed to accumulate experience will increase, which will effectively cause a need for a lengthened career or a change in promotion criteria.⁷¹

The significance of adding a competency-based career model instead of a seniority driven, promotion zone is significant when looking at things like specialization. Adding longer time to assignments will potentially slow down promotions for some, but it would also enable officers to become experts and stay longer in their “niche” without being punished for it. While it may not be the best system for fast-tracking officer promotions, the competency-based career system can give more personal satisfaction in the jobs being performed because an officer can choose fulfilling assignments without fear of being forced out of the Army for not checking off career milestones dictated by the DOPMA system.

2. A Proposed Human Capital Model Focused Upon Talent

The Strategic Studies Institute (SSI) at the U.S. Army War College developed its own Army Human Capital Management model in 2009. This four-phase model was presented at the 47th Annual U.S. Army Senior Conference, co-chaired by the Honorable Thomas Lamont, Assistant Secretary of the Army for Manpower and Reserve Affairs, and then Army Training and Doctrine Command (TRADOC) Commander, General Martin Dempsey. The four-phase model is illustrated in Figure 12 and consists of the following phases: accessing, developing, retaining, and employing talent. This model differs from other officer career management templates by featuring a limited lateral entry in phase three, which signifies specialty skills or expertise that cannot be filled by

⁷¹ Schirmer et al., *Challenging Time in DOPMA: Flexible and Contemporary Military Officer Management*, xvi.

the Army internally. It also should be noted that after commissioning, continuous development is occurring in all phases until leaving service.⁷²

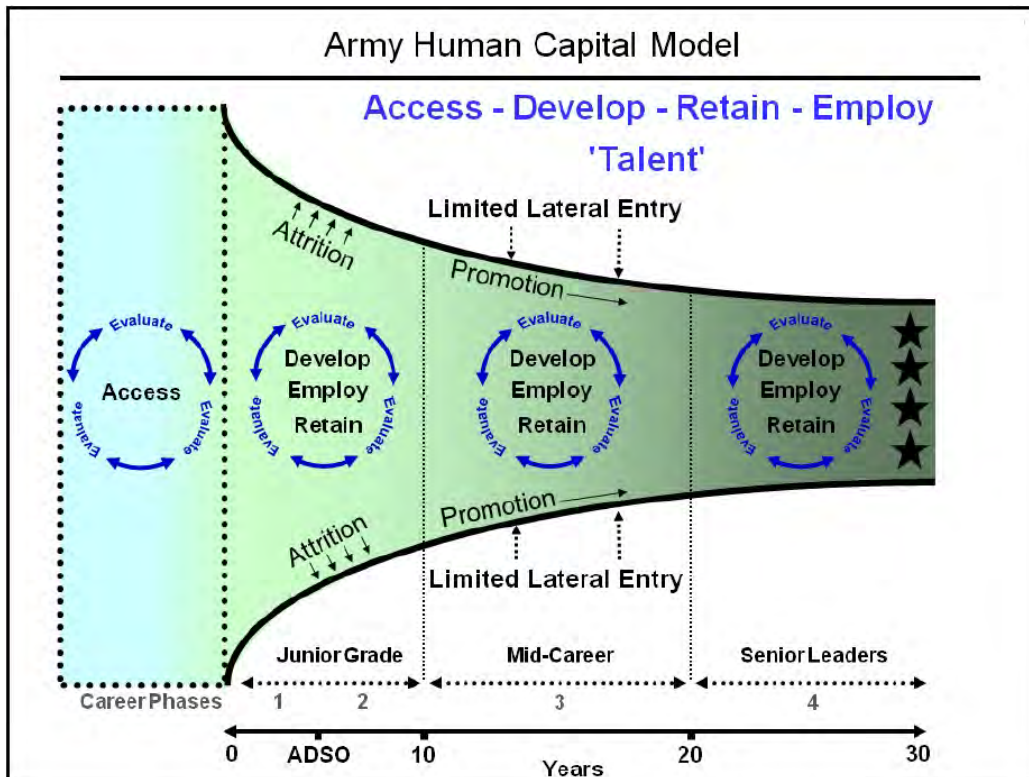


Figure 12. SSI's Proposed Four-Phase Army Human Capital Model⁷³

a. Access Phase

The access phase in this model is similar to the current system. However, the creators of this model explain that the levels of selection and verification in the current legacy system vary significantly by commissioning source. Cadets are first screened by the college application and acceptance process depending on the tier level of the institution. Application for ROTC and USMA scholarships add another level of screening. The creators of this four-phase model are quick to point out that the sources

⁷² It is the first in a six-part Officer Corps Strategy Series analyzing officer talent management. Although this conference occurred in June 2010, this human capital model was actually mentioned in the monograph a year earlier in 2009.

⁷³ Wardynski, Lyle, and Colarusso, "Towards a U.S. Army Officer Corps Strategy for Success: A Proposed Human Capital Model Focused Upon Talent", 19.

for commissioning do not have the same screening process. For example, a USMA cadet will have been evaluated for four years, and 28% of each class will not make it through the program to commission.⁷⁴

When compared with the Officer Candidate School (OCS) with enlistment option (EO), or the OCS in-service (IS) commissioning sources, it demonstrates a wide gap in the screening, vetting, and culling process. OCS-ES candidates are only required to finish basic training followed by a 90-day OCS course prior to commissioning. OCS-IS candidates are college educated enlisted soldiers who enter into the 90-day OCS course prior to commissioning. ROTC cadets fall in the middle of the selection and culling spectrum between USMA cadets and OCS-IS. The screening and vetting of these cadets occurs from the beginning of the college admission process through several years of training and military instruction before graduating college and commissioning. Non-scholarship cadets are also screened and vetted through military instruction and training before commissioning.⁷⁵

The assessment of cadets prior to commissioning in this human capital model is similar to the existing model for creating officers. However, the selection and vetting process from various commissioning sources determines the type of officer talent the Army receives. SSI explained that in the current Army officer management system, no strategy exists to integrate the four phases of their model (to maintain officer strength). Thus, a shortage of midlevel officers causes the Army to increase its accession missions. Since the number of USMA cadets is capped at 4,400, and funds for ROTC have been reduced, the Army relied more on OCS candidates to fill the shortages. These factors led to OCS candidates filling close to 40% of the officer commissions in 2008.⁷⁶

⁷⁴ Part 4 of the Officer Corps Strategy Series is focused entirely on the accessions process of current commissioning sources. USMA cadets face the most rigorous evaluation process out of all commissioning sources.

⁷⁵ Casey Wardynski, David S. Lyle, and Michael J. Colarusso, "Accessing Talent: The Foundation of a U.S. Army Officer Corps Strategy," 2010, http://talent.army.mil/uploads/1363887105Vol_3.Accessing_Talent_.pdf.

⁷⁶ *Ibid.*, 10.

b. Develop Phase

The development of an officer begins in college while obtaining an undergraduate degree. It continues after commissioning through mentorships, duty assignments, additional civil schooling, military training, and affiliations with other officers. SSI feels that continuing civil education throughout an Army career is as important as military training because education teaches an officer how to think, while training teaches competency. A balance of civilian education and military training will increase and maintain officer talent levels.⁷⁷ Officers are also developed through their duty assignments when they can apply direct application of their knowledge and training to gain more experience.

In this model, officers are given the opportunity to pursue higher education opportunities and pursue a variety of duty assignments that increase the breadth and depth of officers' talent. More emphasis is put on non-combat related skills to produce more complete officers. As an example, SSI suggests that officers pursuing their graduate degrees (via the previously mentioned CSP) should take input from the Army about what competencies are needed for emerging requirements in different career fields applicable to the Army.⁷⁸ Army investment in higher education and training enables officers to grow professionally and personally while giving a sense of relevance in the workforce. This approach will mitigate feelings of lost opportunity cost when considering whether knowledge and skills would be better utilized outside of the military.

c. Retain Phase

A previous section mentioned the retention strategies used by the Army over the last ten years. SSI's model continues to support the CSP and it demonstrates a proactive approach to retention by targeting officers with the highest opportunity cost and lowest demonstrated career continuation rates. However, this approach suggests that more retention efforts should be made in targeting junior officers who have more mobility, are

⁷⁷ Casey Wardynski, David S. Lyle, and Michael J. Colarusso, "Towards a U.S. Army Officer Corps Strategy for Success: A Proposed Human Capital Model Focused on Talent," 2009, http://talent.army.mil/uploads/1365455798Towards_a_U.S._Army_Officer_Corps_Strategy_for_Success_.pdf.

⁷⁸ Ibid., 28–29.

less likely to have a family, and consider leaving more frequently than other offices because they have not committed a significant amount of time to their careers. Other retention methods should include matching an officer's skills to projects earlier in a career before those skills deteriorate. The SSI research notes that "high skill, information workers seek lifetime employability rather than lifetime employment."⁷⁹

d. *Employ Phase*

In the SSI human capital model, the focus is on creating an officer talent match with the required competencies needed by the Army. The Army would make this match by first identifying officers with talent competencies and special skills to manage its talent supply better. SSI research suggests the creation of a platform to capture and document special skills, life experiences, certifications, and competencies that would otherwise go unnoticed using the current ORB system. What is being suggested is a talent profile system so that the Army can conduct more effective workforce planning. SSI's suggestion was considered, and in a show of progress, the Army has at least tested implementing such a system by launching a pilot program called Green Pages, which is discussed further in the following section.

C. THE TALENT PROFILE EXPERIMENT: ARMY GREEN PAGES

A little known Army experiment named Green Pages was conducted from August 2010 through August 2012 that involved the U.S. Army Engineer branch and the Office of Economic and Manpower Analysis (OEMA).⁸⁰ Taking a page from the corporate playbook, Green Pages was the Army's attempt at a web-based social media venture that proved to be quite successful in matching Army engineer officer supply with Army unit demand. Through 19 pilot iterations, over 748 Army engineer officers were able to use a

⁷⁹ Wardynski, Lyle, and Colarusso, "Towards a U.S. Army Officer Corps Strategy for Success: A Proposed Human Capital Model Focused on Talent," 30.

⁸⁰ The Army Green Pages concept was originally unveiled to attendees of the 47th Annual U.S. Army Senior Conference June 6th–8th. The conference was co-chaired by General Martin Dempsey, the TRADOC Commander at the time, and Honorable Thomas Lamont, Assistant Secretary of the Army for Manpower and Reserve Affairs. General Dempsey declared, "...this is going to happen whether we want it to or not." One of the immediate outcomes of the conference was for GEN Dempsey to ask OEMA to pilot the Green Pages program to test and validate its potential.

new information-based method to match their talent with an available permanent change of station (PCS) assignment.⁸¹ Green Pages enabled engineer officers to create talent profiles that showcased their knowledge, certifications, life experiences, hobbies, and skills not showcased on their ORB. The engineer officers were also able to enter detailed information on their own career preferences to include geographical locations, role assignments, goals and aspirations that provided a more robust picture of the officer. This profile created a market incentive for officers to describe themselves specifically in a resume in an effort to differentiate themselves to compete for PCS assignments.

Units were also encouraged to list as much detail as possible for available assignments to include the job descriptions, expectations, and deployment cycles. The information that units provided enabled officers to make a more informed decision on whether they would be a good fit for the organization and its culture. Better yet, in most cases, officers reached out to a unit to start a dialogue to help them make a more informed decision on whether the organization was a right fit. This communication helped shaped an officer's final preferences by obtaining clarification on a unit and a feel for its culture.

Army Green Pages validated what many suspected already, that the availability of information would lead to better informed decisions. The access to information that Green Pages provided altered the decision process for both officers and units. The pilot report showed that 49% of officers changed their first assignment choice, particularly after becoming interested in units that demonstrated interest in them. Figure 13 shows the preference change statistics for each individual pilot. "Assigned via pilot" shows the number of officers from that pilot assigned through Green Pages. "Changed top preference" counts the number of assigned officers who changed their top preferences after using Green Pages. "Possible changes" shows the number of officers whose initial choices were available to choose as their final selections. If officers chose assignments

⁸¹ Office of Economic and Manpower Analysis (OEMA), "Army Green Pages Proof of Concept Pilot Report: Using Regulated Market Mechanisms to Manage Officer Talent," December 15, 2012, http://talent.army.mil/uploads/Green_Pages_Proof-of-Concept_Pilot_Report.pdf.

not on the final slate, they were not counted in the “possible changes” data.⁸² Participating officers increased their assignment satisfaction because 34% were more likely to receive their top assignment choice versus the traditional method. Finally, on average, units were 45% more likely to receive one of the top five officers they requested, as compared to having no say in the legacy system.⁸³

Engineer Pilots by the Numbers

Pilot #	Pilot Name/Population	Assigned via Pilot	Change Top Pref.	Possible Changes	Percent
1	LTC 12-02	55	26	44	59%
2	LTC 12-01	8	0	2	0%
3	MAJ Winter 2013	7	4	6	67%
4	MAJ Summer 2012	61	35	52	67%
5	MAJ Spring 2012	24	12	18	67%
6	MAJ ILE Feb 2013	8	1	6	17%
7	MAJ ILE Aug 2012	64	26	57	46%
8	MAJ ILE Aug 2011	61	22	47	47%
9	MAJ ILE Feb 2011	10	0	0	0%
10	CPT Senior Winter 2013	30	9	15	60%
11	CPT Senior 12-02	31	13	20	65%
12	CPT ECCC 02-12	78	30	72	42%
13	CPT ECCC 01-12	105	0	0	0%
14	CPT ECCC 04-11	41	13	39	33%
15	CPT ECCC 03-11	40	17	36	47%
16	CPT ECCC 02-11	15	9	15	60%
17	CPT ECCC 01-11	51	19	39	49%
18	CPT ECCC 04-10	36	9	20	45%
19	CPT ECCC 03-10	23	11	22	50%
	Totals	748	230	466	49%

* MAJ ILE Pilot Feb 11 had no initial survey data
* CPT ECCC 01-11 had no initial survey data

Figure 13. Engineer Pilots and Preference Data⁸⁴

The Green Pages talent profile system validated a need for this program to be expanded and released to the rest of the Army officer branches. Over a two-year period, the engineer branch demonstrated that having access to more information creates a better match for the officer and for the unit. Green Pages differentiated its officer supply by exposing knowledge, skills, experiences, and attributes to units with specific demands, which created a better assignment match for both parties. Assignment satisfaction will only increase if information is readily available and if officers are allowed to have more

⁸² Office of Economic and Manpower Analysis (OEMA), “Army Green Pages Proof of Concept Pilot Report: Using Regulated Market Mechanisms to Manage Officer Talent,” Appendix 3: Talent Supply (Officers).

⁸³ Ibid., 31–33.

⁸⁴ Ibid., 51.

input into their employment decisions. Unfortunately there have been no further developments for this program since Green Pages was proven successful in 2012.

V. REVISED TALENT MANAGEMENT FOR THE U.S. ARMY

This research investigated the best integrated talent management practices of the private sector and initiatives taken by the Army to manage its corps of officer talent. Additionally, it presented case studies of corporations using integrated talent management practices. The private sector case studies and best talent management practices can provide valuable lessons to the Department of the Army in its attempt to manage its own talent. RAND, the Strategic Studies Institute, the OEMA, and others have conducted studies of corporate America practices for years in an attempt to design a new human capital model for the Army. The Army has identified some improvements to the current DOPMA influenced officer career management system, but it has been slow to initiate change.

The goal of this thesis was to examine successful U.S. corporate leadership integrated talent management practices that the U.S. Army could utilize to improve management of top tier talent, specifically in the officer's corps. This thesis concludes by showing why some of the best corporate practices and initiatives outlined in the case studies should be adopted by the Army before officer corps talent flight becomes a crisis.

A. ESTABLISH A TALENT PROFILE SYSTEM

The first recommendation is to establish a secure web-based talent profile system for all officers and contracted cadets in the U.S. Army. As demonstrated by American Express and Army Green Pages, if an organization is going to manage talent properly, it must be able to identify it and know where to find it. Officers and contracted cadets need a social networking mechanism to showcase their competencies through a talent profile, while also being able to network, find mentorship, and search for job opportunities that match their qualifications.

As much as officers need a talent profile system to manage their careers, the Army could gain even more by creating talent profiles for contracted cadets. The Army has much to gain by understanding what type of officer it will be receiving upon commissioning. Cadet accession can become more robust by units previewing cadet

educational accomplishments, life experiences, and special competencies before these officers begin their officer basic course. This information will enable gaining units to know exactly what type of officer they are receiving potentially six months to a year before arrival. A searchable social networking system would also benefit both Army and cadet by providing networking and mentorship opportunities. These resources are important at the cadet level because this contact could influence a cadet's choice of branch, choice of duty station, or decision on whether to contract for the graduate school option.

The Army's global missions also require officers to have dynamic competencies specifically matched to solving problems threatening U.S. national interests. A talent profile system showcases these competencies by providing searchable data remain hidden without a way to expose searchable data identifying the supply of talent. The current ORB does a disservice in showcasing an officer's knowledge, experience, and skills, as well as differentiating talent. Additionally, it is a non-searchable source of minimalist detail providing a snapshot of an officer's career. The ORB is not managed by the officer, and therefore, may contain errors or outdated information. The only current incentive for officers to correct their ORB through the personnel office is in preparation for a promotion board, change of branch, or unit selection process. If a more searchable database were implemented, officers could have the ability to showcase their specific competencies to units with those needs. Such a database could create a market incentive for the officers to keep their talent profile updated. Moreover, such a system could lead to the right officer, in the right job, at the right time. In Tim Kane's book, *Bleeding Talent*, in which a survey demonstrated that of 250 West Point graduates, nearly 90% agreed that "a more entrepreneurial personnel system and a job-matching system that was driven by a market mechanism"⁸⁵ would raise the retention level of top officers.

⁸⁵ Tim Kane, *Bleeding Talent: How the US Military Mismanages Great Leaders and Why It's Time for a Revolution* (New York: Palgrave Macmillan, 2012), 228.

B. PRACTICE PROPER ENGAGEMENT

The Army should strive to create a leadership culture that takes pride in its people and recognizes its talent. It is important that Army officers are informed of their value to the organization and that they know they are appreciated. Talent management principles, such as coaching, mentoring, and stay interviews, increase engagement and accomplish these tasks. As the case studies demonstrate, truly talented leaders make every effort possible to coach, mentor, and stay engaged with their people.

1. Coaching

A young impressionable officer needs a lot of coaching and mentoring. However, so do all officers no matter where they are at in their careers. Coaching helps develop all officers for future responsibility by helping them increase their knowledge, skills, and abilities, while holding them accountable for results. Providing coaching helps subordinate officers reduce fear from asking questions and making mistakes. Coaching further enables senior officers to pass their experiences on to their peers and subordinates so this knowledge is not lost. Coaching also could have a larger impact on the organization because officers are typically in a unit for several years.

If officers are provided bad coaching or no coaching at all, they will likely show no growth, which will be reflected on that unit when the officers report to their next assignment. When officers receive good coaching and development, they are more likely to pass those techniques to their own officers who they will groom in the future. Therefore, good officer coaching is important not just for the sake of their unit, but for the sake of the future Army as well.

2. Mentoring

Mentorship combined with greater coaching produces talented officers. Mentors share their knowledge and expertise with less experienced officers about personal and professional matters. Furthermore, mentors with a similar background and experience, but are not in the immediate chain of command, can be valuable to officers because they enable officers to ask candid questions without fear of reprisal. With this similarity in

mind, a mentoring program linked to senior leaders who have served in specific units in the past could be valuable. These mentors could be senior leaders not in an officer's chain of command, but who are still active or newly retired. Active senior officers could be located on the social networking portal used for the talent management profiles. To be effective, senior leaders should cap how many officers they mentor. Additionally, senior leaders' mentorship status should be listed on their talent profile so that a prospective mentee can see who is available for a mentor/mentee relationship. Retired officers willing to provide mentorship could maintain unit affiliation through the organization's website or Facebook page.

3. Stay Interviews

Usually the officers' chain of command conducts an exit interview when officers decide to present their Request for Voluntary Release from Active Duty (REFRAD) paperwork. However, according to Army Regulation 600-8-24, Officer Transfers and Discharges, officers only need counseling if they have served less than ten years of active federal commissioned service, specifically in the following circumstances: opportunities in the military, a discussion of the officer's previous time invested in the Army, a determination of whether they have any additional service obligation, a determination that the officer is not under or will be under any UCMJ charges, and opportunities available with an appointment in the U.S. Army Reserve.⁸⁶ Unfortunately, for many officers, it may have been the only counseling received about staying in the Army, and just like in the private sector, it comes too late; the officer is already ready to leave.

This thesis recommends that leaders conduct stay interviews to learn more about the officers' job satisfaction and demonstrate that they appreciate their officers. These stay interviews could be incorporated in informal counseling sessions and would not take much time to conduct. Commanders should especially make the time for their junior officers and let them know that what they are doing is valuable to the organization. Such an interview could cause officers to feel like they are assimilated into

⁸⁶ Department of the Army, *Officer Transfers and Discharges* (AR 600-8-24) (Washington, DC: Department of the Army, 2011), 3.

the unit's culture and give them a sense of pride that what they are doing is contributing to the overall unit mission.

Stay interviews do not have to be an elaborate process. Pulling officers to the side after physical training or while in the dining facility are excellent ways to get to know junior officers and receive feedback on the unit. Simple gestures go a long way in retaining talented officers.

C. MAKE UNIT LEADERSHIP RESPONSIBLE FOR TALENT MANAGEMENT

The final recommendation is for the Army to create a talent management system controlled at the unit level. The current system of the Army does not always place the right officer in the right unit. Leaders understand what type of officers they need to make their unit more combat effective. Unit level leadership should be able to provide guidance to local level HR departments who are subject matter experts in workforce planning and talent management. These HR specialists would be able to spot trends, plan for shortages, and monitor retention issues before they negatively impacted the unit.

As a final point, leadership at the unit level should take responsibility for the talent that it already has. It should not take a REFRAD packet from an officer for the unit leader to realize that the officer is planning on leaving. Talent management at the unit level should involve leadership taking responsibility for the retention of its officers. Furthermore, officer attrition should be reflected in a senior officer's OER. If commanders were held accountable for the retention of their officers, it could lead to an increased effort in coaching, mentorship, and engagement practices. Moreover, if 25% or more of the officers rated by the same commander have left the Army voluntarily, it could be a good indication of toxic leadership. This problem could be verified because the new OER process maintains raters' profile for the duration of their federal service.

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VI. CONCLUSION

Talent management is clearly a subject of importance to corporate America and the Army due to the shortage of skilled labor in today's economy. The talent war has long been a part of corporate protocol in a race for innovation. Currently, the private sector is drawing the Army into the talent war by attempting to poach its officers, who have been screened and vetted, and have demonstrated leadership capability at levels exceeding that of their civilian counterparts. Unfortunately for the Army, it cannot play by the same rules and it must continue to grow its own talent from within. It makes it increasingly difficult for the Army not to have a talent management system in place to retain its best officers.

Some of the recommendations the researcher has made take organizational buy-in from the top down to launch, even with verified success. Despite the proven effectiveness of the Army Green Pages talent profile and social networking platform, it still has not been launched Army-wide. Other organizations have presented the Department of Defense (DOD) with research showing better methods and have also yet to be implemented. RAND's National Defense Research Institute (NDRI) has conducted numerous studies proving that the legacy-based officer career management system governed by DOPMA is no longer relevant. However, the current human capital model for U.S. military officers remains, and promotion zones are still based on set time periods and level of seniority.

To conclude, recommendations that the researcher has made in the previous chapter are low cost, easy to implement, but still pay big dividends in the Army's own struggle to keep its most talented officers. Army officers do not serve for the money or for perks. Officers continue to serve because they feel relevant, and feel like they are contributing to something greater than themselves. However, most of all, Army officers will always want to work for great leaders who take an active interest in their people. Great leaders motivate officers to accomplish incredible things and then take the time to recognize their accomplishments. Engagement techniques do not need to be elaborate,

just effective, to build loyalty. One informal conversation with senior leadership about an officer's aspirations could make that officer think harder about leaving.

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