

# **The right people in the right place with the right skills:**

**How to improve Talent Management in the Civil  
Service**

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## Introduction

When the enhanced Board model was launched in 2010, the non-executive group identified five areas in which they could support and challenge the government. These were (and remain): strategic clarity; commercial sense; talented people; results focus; and management information. We included talented people in this list because managing talent effectively is vital to running a successful organisation.

In my last annual report to parliament I highlighted the crucial importance of improvements in this field:

*The Civil Service must develop a far more sophisticated approach to talent management both within departments and across government. The best private sector organisations know where their most talented people are, nurture them and engage them on the most challenging issues facing the organisation. The Civil Service needs to act on talent management at a corporate level: departments must allow for talent to move freely between other departments. This requires clear processes and decision-making rigour as well as a change in behaviour, both among senior leaders and those identified as 'talent'*

### Annual Report 2012/13

The Civil Service has a challenging programme of work to deliver. It must continue to innovate and deliver better services with fewer resources, responding to new political priorities and managing changing delivery models. It is vital to identify and develop the most talented people to do this.

Good talent management leads to greater efficiency. It delivers a diverse and inclusive organisation in which the best people thrive, whoever they are. It is a key leadership issue and a critical part of any senior role. Chief executives devote considerable time to it. I would like to see Civil Service leaders doing the same and sending the signal that talent management really matters to them and to the success of the Civil Service.

This report is based, in part, on research done by the Governance Reform Team in the Cabinet Office. They spoke to senior leaders in private sector organisations considered to be leaders in talent management, and met senior Whitehall officials. It highlights that some good work is already underway in Whitehall. My recommendations support these efforts, suggest ways to make them standard practice across all government departments, and provide a roadmap for bringing Civil Service talent management in line with global best practice.

## Best Practice in the Private Sector

Our research found that companies which manage talent well have seven features in common. These are:

**Talent management is identified as vital to the success of the business. Senior people dedicate a lot of time to it.** CEOs, boards, functional leaders and all line managers spend a significant amount of time discussing and managing talent. Examples include CEOs spending half a day a year with the twenty top performers. This is not seen as an HR process but is a central part of the business planning cycle. Organisations describe talent management as being 'in our DNA'. Senior managers understand that getting this right is the key to the performance of the organisation. Boards are heavily involved with the development and succession of senior people.

**Identifying successors is an integral part of senior people's jobs.** Senior executives are expected to identify two or three suitable successors and ensure that these people get the breadth of experience necessary to succeed them. This process usually starts a number of years before the likely succession to ensure there is time to develop those who have potential but not yet the right experience.

**The quality of talent management is high.** Leaders invest time in getting to know individuals and understanding their ambitions and circumstances so that they can plan careers for the benefit of both the business and the employee. People are coached in how to have productive dialogue about their career development and talent management. This dialogue ensures that talented staff understand their value to the business.

**The careers of top performers are planned with a long term view.** Individuals are given opportunities from an early stage to take stretching roles that prepare them for top management roles. Roles are normally allocated for two or three years and towards the end of this period the individual, together with the Talent Board and/or line manager, will plan their next move.

**There is a shared idea of what 'talent' looks like** so that it is easy to identify talented people. Companies typically have grids that identify three or four areas in which people must perform well in order to rise. Leadership is always one of these. The result is a diverse workforce and meritocratic environment in which talent is prized above all else. Evidence is used to measure the performance of individuals so that the identification of talent is never based on just one person's opinion. Instead, it is based on evidence and tested by discussions in HR committees.

**The needs of the business override those of individual departments, functions or countries.** Talented people are seen as a business asset and moved into roles that both support the business and enable the individual to gain the experience required to be a future leader.

**Talent management happens within the context of a clear business strategy** that identifies future skills needed and the degree to which the company wants to 'build, borrow or buy' these skills. This identifies the talent which needs to be developed from within, and the gaps which can be filled by external appointments. It helps the business identify where it needs to make an effort to retain certain key individuals.

## What is the current picture in the Civil Service?

Some good work has been done in the last two years to improve talent management in the Civil Service. A new strategy is being implemented with a more rigorous approach to managing the Civil Service's top talent. Governance has been improved by the Senior Leadership Council, Directors' Talent Review Board and Civil Service Talent Board meeting to discuss people at different levels of the organisation.

In spite of these improvements, practice remains variable across departments. The Cabinet Office has started work to raise the profile and quality of talent management across Whitehall. Departments, such as the Foreign Office, Ministry of Defence and HM Treasury, have already begun to do it well, but some departments continue to see it largely as a process that must be run simply in order to satisfy HR managers.

All departments need to prioritise talent management in the same way. The Civil Service is no different to any other business in this sense. Having the best people in the most important roles is key to delivering the Government's stretching programme of work.

Comparing best practice in the private sector to the current position in Whitehall, I make the following observations:

<b>Best Practice</b>	<b>Civil Service</b>
<p><b>Talent management is recognised as vital to the success of the business and therefore senior people dedicate a lot of time to it.</b></p>	<p>There is now greater recognition of the importance of talent management. Suitable processes are in place, but effective application varies significantly across Whitehall. Talent management is not yet seen as a key leadership act.</p>
<p><b>Identifying and nurturing a pool of successors (so that succession runs smoothly even when changes in leadership are unexpected) is seen as an integral part of the job of senior people, especially Board members.</b></p>	<p>Not all senior leaders understand the need for succession planning, and it is not yet a key objective for many senior managers.</p>
<p><b>Leaders and managers invest time in getting to know individuals, understanding their ambitions and circumstances, and planning their careers effectively.</b></p>	<p>Talent management discussions too often focus on adhering to process or on somebody's short-term performance rather than their potential. In general, senior leaders are responsible for the career development of too many people, and cannot be expected to have enough knowledge of the people they are managing. Feedback is often poor or non-existent.</p>
<p><b>The careers of top performers are planned with a long-term view to benefit individuals and the business.</b></p> <p><b>Roles are normally allocated for two or three years. At the end of this period the individual and the Talent Board and/or line manager will plan their next move strategically.</b></p>	<p>The Civil Service as a whole does not yet plan and manage individual careers strategically and as a result loses talented people or fails to develop them.</p> <p>People are too often left to manage their own careers, leading them to make bad choices that later exclude them from top jobs due to lack of experience (this may particularly impact on women). People also change jobs too often and in an unplanned way that does not support the Civil Service, leading to important roles being left vacant at critical points.</p> <p>Departments should make more and better use of 'managed moves' as a way to move talented people around and ensure that they get the right experience to enable them to succeed as future leaders.</p>
<p><b>There is a shared view of what 'talent' looks like. Strong leadership skills are a pre-requisite</b></p>	<p>There is often a gap between the rhetoric encouraging staff to build up a broad base of</p>

<b>Best Practice</b>	<b>Civil Service</b>
<p><b>for appointments to senior roles.</b></p>	<p>skills and the reality of appointments to top positions. Too much importance is often attached to experience in policy design, even if the individual has not demonstrated evidence of strong leadership capability. This means that finding Permanent Secretaries and Directors General with the capability to manage large delivery departments is more difficult than it should be. Experience and skills in operations should not be seen as an impoverished route to the top. If 'talent' is not defined objectively, then it will be harder to achieve the government's aim of increasing diversity in senior leadership teams.</p>
<p><b>The needs of the business override those of individual departments, functions or countries so that talented people are seen as a business asset and moved into roles that both support the business where talent is needed and enable them to gain the experience they will need to be future leaders.</b></p>	<p>There was a wide variance in opinions among senior managers about whether talent could (or should) be managed corporately and moved around departments. Some senior leaders were very protective of "their people" and saw them a departmental rather than Civil Service resource.</p>
<p><b>Talent management happens within the context of a clear business strategy that identifies the future skills needed and the degree to which the company wants to 'build, borrow or buy' these skills.</b></p>	<p>Talent management is still too often seen as a HR issue and is not integrated with strategic planning.</p> <p>The Civil Service must articulate clearly which skills are needed in the future so that talent management can be integrated with strategy. This will enable the right people to be identified and developed, and will also highlight the gaps in talent that cannot be filled internally.</p>

## Recommendations

Our research gives rise to eight recommendations which, if implemented, will help the Civil Service to improve talent management and succession planning:

**Show that it matters.** Permanent Secretaries and Directors General should spend more time on talent management at the level of both departments and the Civil Service as a whole. They should all be committed to a specific objective to improve succession planning and people management. The Cabinet Secretary, as Head of the Civil Service, (and in consultation with the new government CEO) should act as 'CEO' in this regard, with Permanent Secretaries doing the same in their own departments. Coaching or mentoring should be available to help them to do this. Future appointments to senior posts must consider aptitude for and understanding of talent management as a key component of a good leader. I propose that that Permanent Secretaries and Directors General all conduct a diary analysis to see how much of their time they are currently dedicating to talent management. This will help to identify where talent management needs to be given greater attention. The results should be shared with the Cabinet Secretary and the new government CEO.

**Focus on the top of the organisation first.** In order to create a culture where talent management becomes a central element of what senior leaders do, the Civil Service must get talent management right for the Top 200. If the most senior leaders have experienced effective management of their own careers, they are more likely to dedicate time to managing the careers of those they lead. As effective leaders, they should be willing both to relinquish and receive good people in order to develop them and fill gaps in talent in the Civil Service. This means viewing themselves as leaders of not just their department, but of the Civil Service as a whole. The Civil Service Board should spend time every quarter on succession planning for senior leaders.

**Gain clarity on what is meant by 'talent'.** What are the key attributes and skills the Civil Service will need in future leaders? What evidence can be used to identify and track talented people? Projects such as the Indicators of Potential Tool and work on Civil Service 21 are seeking to develop a clear vision of the characteristics leaders need and how we can identify those exhibiting them.

**Think strategically about talent.** Good talent management can only happen when there is clarity about the future shape and needs of the organisation. Departmental boards should address this and the Civil Service as a whole must focus on its needs as an organisation. Conversations about talent management should take place within the context of a clear idea of the skills that are needed now and in the future.

**Tighten up talent governance** so that it is clear that the right dialogue is taking place at the right level. The numbers of people considered by each talent management board needs to be low enough to facilitate detailed discussion and well-informed decisions. People must know when they have been discussed and any consequent decisions. These should help to drive their career decisions.

**Make it simple.** Identify five key qualities which people must demonstrate. These qualities should structure the Civil Service's approach to talent management. Leaders should explain why these qualities matter, and ensure that people receive clear and appropriate feedback.

**Make better use of non-executive expertise.** A non-executive with talent management expertise should be appointed to the Senior Leadership Committee. Non-executives should also play an active role in mentoring, especially Permanent Secretaries. All departments should have a Nominations and Governance Committee (or an alternative group which deals with talent management) chaired by a non-executive. It should have a clear role in scrutinising departmental talent grids and succession plans.

**No new processes should be launched.** Talent management requires that the right strategy, the right culture and the right processes are in place. The processes are fit for purpose, although they may need some fine tuning. The changes that are now needed involve behaviour and leadership.