



# **Talent Management:** **Key to Sustainable Profitable Growth of the Professional Services Firm**

By Bob Moore, CMC

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### The Challenges of a Knowledge-based Enterprise (The PSF)

Professional service firms such as law firms, financial services firms, money management firms, management consultants, advertising agencies and engineering, design and architectural firms —enterprises that provide knowledge-based solutions, guidance and advice to clients—face a number of unique challenges to sustainable profitable growth.

### Knowledge Workers

Professional service firms attract very smart people with a very high need for achievement and who may not be natural team players. Practitioners tend to have different goals and motives and frequently report greater frustration, unmet needs, lack of shared purpose, and poor morale. This is frequently the result of what I call the mismanagement of the knowledge worker, a mounting issue in all knowledge-based enterprises. Most importantly, practitioners in professional service firms simply want to practice their expertise and are not particularly interested in leadership roles or dealing with human, interpersonal challenges - internally or externally.

**Imagine . . .** what it would do to measurable results to have a workforce of fully engaged Top Talent executing your organization's strategy—**every day!**

### The Realities, Disengagement and Turnover

While fully engaged top talent is the ideal, it is far from the reality. The results of most hiring practices are ineffective! Here are the current statistics to back that up:

- 46% of all new hires fail within the first 18 months.
- Of the remaining 54% that remain employed, 45% are rated as fair to marginal.
- 66% of hiring managers regret their decisions within the first year.

- Only 19% of all new hires are considered to be a universal success.
- Only 13% of new hires rate themselves as actively engaged and 64% say they are disengaged.
- As many as 24% say they are actively disengaged, have no passion for what they do on a daily basis, and are actually spreading ill-will and discontent.



Turnover—when workers leave the organization—results in the loss of human capital and their knowledge, skills and abilities. Turnover is also the significant cause of . . .

- Lost productivity, collaboration and innovation
- Lower employee morale and increased workload
- Additional management time required to . . .
  - reorganize remaining work,
  - out-process departing employees, and source and interview their replacement.

This is particularly critical for all positions involving business development and client contact. For these reasons, effective talent management is the key to the **Sustainable Profitable Growth of The Professional Services Firm.**

### Empowering Leaders

One of the most important traits of empowering leaders is that they are facilitators of change. They feel capable of identifying areas that need improvement and working to bring about transformation.

“Only those companies that win the hearts and minds of their top talent will be able to deliver value over both the short and long term.”  
Deloitte Research 2008.

## Talent Management

Talent management is based on a senior management team’s commitment to hire, develop and retain talented employees. It comprises all of the work processes and systems that are related to attracting good people who can be turned into Top Talent. Organizations that invest in effective talent management practices consistently outperform their industry peers.



Effective talent management is an integrated system that matches talent with the job, **the Job-Talent Fit process**. It begins by fully understanding the job, the primary reasons it exists and the measurable accountabilities expected from anyone in that job. If a job could talk, we could hear precisely what is required to achieve superior performance, telling us about the following measurable attributes:

### Job-Talent Fit

The next step is to assess the talent of the finalists for the position and determine the degree of fit with a **Gap Report**. The Gap Report becomes the basis for the onboarding and individualized development plan for new hires.

In summary, an effective hiring system need not be complicated, frustrating or costly. Rather than a cost, a well-designed hiring system not only lowers costly turnover but assures that you hire good people who can be turned into fully engaged top talent.

### The Dark Secret:

#### ***The Rest of the Talent Management Story***

Now that you have successfully discovered good people through an effective hiring process, let’s examine the next step: **Development**. But first, I must warn you about the “Dark Secret of HRD,” which means that your

organization is almost certainly wasting most of the money you invest in learning and development. Well over 80%, by some estimates, of the knowledge and instruction gained in training is not fully applied on the job. Here are the three myths and realities that can derail your training and development programs and prevent your good people from becoming top talent.

### Myth #1

When employees have skill deficits, invest in the best training you can find, and your performance will be “corrected.”

### Realty #1

Without sponsored follow-through reinforcement, application, feedback, encouragement and accountability, as much as 90% of classroom instruction doesn’t “stick” in the workplace, which results in \$50 to \$100 billion being wasted every year.

### Myth #2:

If people value what they learned in training, they’ll do it on the job.

### Realty #2

The second reality is about what really happens in the workplace. People deal with everyday situations out of habit. Under pressure, habits trump newly introduced skills and most of the time, people won’t use a newly learned skill until it’s ingrained. Failing to follow through with structured reinforcement means most participants will return to their old habits.

### Myth #3

If motivated people learn what to do in training, they’ll begin using the desired skills consistently after they return to work.

### Realty #3

What people take away from the classroom is mainly knowledge and familiarity, not skill. To ingrain any skill, routine, habit or behavior pattern, you have to perform the correct action again and again to stimulate the brain cells involved to interconnect.

## The Real Issue

To address the myths and realities, recognize that education, experience and technical skills are not enough to excel. The know-how we acquired in higher education or on-the-job training helps us perform in specific roles, but that's not enough to excel and your training and development process must address the following three factors:

1. Personal strengths and people skills are CORE to a person's success.
2. Knowing is NOT the same as doing.
3. Creating a new habit means REWIRING the brain which requires repetition.

## Summary

Leaders of professional services firms who want sustainable profitable growth must do the following:

1. Recognize that talented project teams are not enough. They require a unique style of leadership.
2. Acknowledge and address the reality of disengagement and turnover.
3. Implement an effective integrated talent management solution that assures job-talent fit.
4. Redesign learning and development programs that consider:
  - a. Personal strengths and people skills are CORE to a person's success.
  - b. Knowing is NOT the same as doing.
  - c. Creating a new habit means REWIRING the brain.

5. Provide leadership development for all team leaders and project managers. This means equipping them to effectively practice the "Work of Leaders" skills and Developing Innovative Cohesive Teams. They must become involved in all aspects of Talent Management:

- Selection: Based on the talent requirement of the specific job
- Alignment: Building cohesive, high performing teams which begins with team leadership
- Development: Based on the gaps determined in the selection process



## Next Steps

We have prepared a brief questionnaire to help you clarify your Talent Management priorities. Now, click on the following button.

**Complete  
the Questionnaire**

## About Bob

Bob Moore, CMC, is founder of [www.Effectiveness.com](http://www.Effectiveness.com), an internationally recognized resource to executives and professionals who want to accelerate their progress to sustainable growth. Bob is a talent development specialist and founder of [www.TalentManagementInstitute.com](http://www.TalentManagementInstitute.com), a resource center for improving selection, alignment and development of top talent. He is the author of Turning Good People Into Top Talent ([www.TopTalentBook.com](http://www.TopTalentBook.com)) and a CMC®, Certified Management Consultant, the globally recognized certification mark of consulting competency, professionalism and ethics awarded by the Institute of Management Consultants. Contact: [Bob@Effectiveness.com](mailto:Bob@Effectiveness.com) | Phone: 919-439-5811