

THE DIFFERENTIATED WORKFORCE

Transforming Talent Into Strategic Impact

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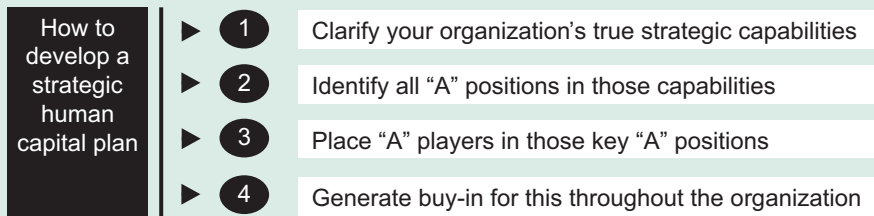
The Web site for this book is at www.TheDifferentiatedWorkforce.com.

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MAIN IDEA

Most organizations are busy trying to win the war for talent when instead they should be trying to win the war with the talent they already have instead. The best way to achieve that is to make a fundamental change in the way workforces are managed. Instead of constantly attempting to bring in new and better talent, work to get the people you already have better aligned with your corporate strategy. Manage your workforce like a portfolio of investments rather than as a replaceable asset that can be slashed at the first sign of trouble and then replaced again anytime anywhere.

An effective strategic human capital plan will involve four steps:



“We believe in the need for a fundamental change in the entire approach to workforce strategy. We call this approach a differentiated workforce strategy. Just as any good business strategy involves making the right choices and the right investments, the same is true of a workforce strategy. It involves more than investing on the people side of the enterprise, but involves disproportionate investments where you can expect disproportionate returns – those specific jobs and those specific people within jobs that help create strategic success. Differentiation is not just a feature of your workforce strategy; it is the most important feature.”

– Brian Becker, Mark Huselid and Richard Beatty

Overview – What is a differentiated workforce strategy? Page 2

A differentiated workforce strategy means you make disproportionately large investments where you expect superior results to arise. You make choices on the inside about where you will invest, what jobs you will focus on, who is to be held accountable for workforce success and how that success will ultimately be measured. Differentiation involves making choices which have strategic consequences.

Step #1 – Clarify your organization’s true strategic capabilities Page 3

Taking into account your firm’s overall business strategy, choose which capabilities should be the focus of your workforce strategy. In very direct terms, clarify what exactly your firm needs to do well in order to create ongoing customer value. This is about: “How will we compete?”

Step #2 – Identify all “A” positions in those capabilities Page 4

Once you know which strategic capabilities are essential to your firm’s commercial success, you then need to identify the key employee competencies and behaviors which are needed in those areas. Here, you’re trying to answer the question: “What must we do exceptionally well to win?”

Step #3 – Place “A” players in those key positions Page 5

Strategic human capital planning involves putting “A” players into the organization’s “A” positions so as to serve “A” customers exceptionally well. Leaders have an integral role in making this happen. The levers leaders should use in this will include selection, development, assessment and rewards and overall work design. This is about: “How will we get the right people doing the right things for success?”

Step #4 – Generate buy-in for this throughout the organization Page 6

Once you know how you need to differentiate your workforce, you then need to intentionally design workforce management systems which will get the job done. Some elements will need to be consistent throughout the organization whereas others will be uniquely customized to specific situations and jobs. Communication about what and why is vital to getting everyone to buy-in and move the firm forward. The question here is: “What do we need to do to help improve the performance of our best employees in the key strategic positions?”

Scorecard – How to measure your results Pages 7 - 8

For any organization, metrics are the definitive answers to questions about performance. Once you clarify what your workforce strategy is, you then can develop strategic workforce measures which are based squarely on that strategy. The telltale signs you have the right measures in place are everyone will know what they mean and equally everyone will know why those measures are important. Once everyone has the right perspective on what a differentiated workforce strategy looks like, the measurement process itself will be reasonably straightforward.

