



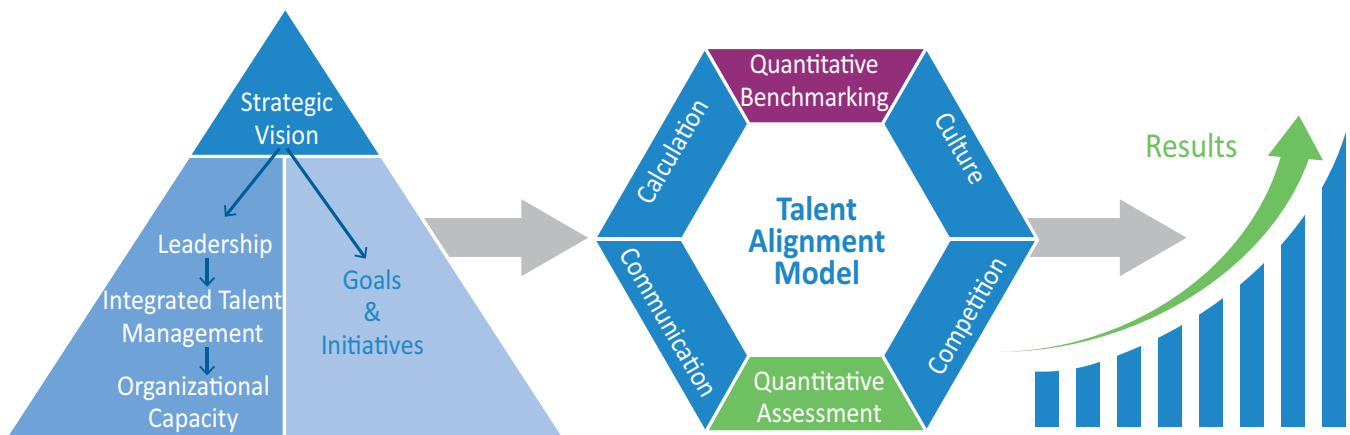
## KEATING ADVISORS

# Talent Alignment Model

## The Big Idea

Keating Advisors understands that successful organizations align talent management with the organization's vision and strategic goals.

To that end, Keating Advisors has developed a talent alignment model that encompasses our firm's holistic approach to talent management.



### Evaluating Client's Needs

The strategy and vision of an organization are the lenses through which leadership operates and organizational culture and policies are formed. When beginning any engagement, Keating Advisors asks organizations, "Where do you want to be 5 to 10 years down the road?" The answer to this question is instrumental in developing a talent management strategy that supports the organization's long-term success.

Where do you want to be  
10 years down the road?

Keating Advisors' framework combines quantitative data as an anchor for the development of fair and objective talent management systems with qualitative data to inform how those systems can be customized to meet the unique needs of each organization.

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Are the right people in the right positions?

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Do they have the resources to achieve their goals?

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Companies with the highest engagement rates outperform those with the lowest engagement rates.

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When Keating Advisors begins to assess an organization's needs, we examine how the strategy and vision are carried out in three critical areas: leadership, integrated talent management, and organizational capacity.

The first area, organizational leadership, is the driving force of these systems. Leadership has the ability to shift the organization's culture, and it is up to individual managers to articulate the importance of talent management and how every individual in the organization can support the organization's goals.

The second area, integrated talent management, consists of all the processes which makes success possible, including recruiting, onboarding, training and other internal systems that help keep the organization running.

The final area, organizational capacity, is the organization's efficiency in executing work plans and carrying out initiatives to achieve its goals, as defined by the leadership team. Keating Advisors asks questions such as, "Are the right people in the right positions?" and "Do they have the resources to achieve their goals?" The answers to these questions depend on the organization's current state, its strategic objectives, and its desired state.

These three areas are critical in aligning business strategy with human resources practices. An organization can only be as successful as its leadership and employees as they enable an organization to either flourish or crumble.

Gallup's *State of the Global Workplace Report 2013* found that only 30% of employees in the United States are engaged at work, while 52% are not engaged and 18% are actively *disengaged*.<sup>i</sup> Gallup's research found that employee engagement impacts key performance indicators, including absenteeism, turnover, shrinkage, safety incidents, quality, customer satisfaction, productivity, and profitability. The research demonstrates that *companies with the highest engagement rates outperform those with the lowest engagement rates*.

The level of employee engagement is heavily influenced by how employees perceive how they are valued and whether or not they are recognized for their performance and accomplishments. The American Psychological Association conducted an extensive Employee Recognition Survey in 2014 and found that only about half (51%) of the US workforce feel valued by their employer. The survey found that less than a third (29%) of employees felt their work was recognized appropriately, yet 87% reported that recognition was important to them.<sup>ii</sup>

When employees feel connected to organizational strategy and goals, they are more likely to exhibit commitment to improving their performance and bolstering productivity. Our talent alignment model is based on this fundamental link between people and organizational success.

## Implementing our Model

After gaining a thorough understanding of an organization's vision and goals, Keating Advisors develops a total rewards strategy comprised of four parts, called the **Four C's: Culture, Competition, Calculation and Communication**.

**Culture** – Organizational culture is critical to organizational success because it defines the beliefs, ideologies, principles, and values that the individuals of an organization share. Culture is how an organization's unique vision and values are carried out day to day in the workplace. Rewards that are valued and appreciated in one culture may be less valuable in another.

A shared culture promotes better communication and reduces conflict. In this way, organizational culture can increase loyalty to an organization and support the retention of top performers. The talent alignment model ensures that we have a firm grasp of the customs and expectations of the workforce to effectively design programs for maximum efficacy.

**Competition** – Critically examining competition involves comparing how your organization competes within the competitive labor market. The labor market for a given organization is made up of the sector(s) with which that organization competes for talent. The talent alignment model analyzes labor market trends to attract and retain employees with the skills needed to accomplish the organization's mission. Objective industry market data provides insight into what other organizations are paying in order to compare and contrast.

Part of organizational strategy is always going to be keeping a keen eye on what others are doing and how your organization can stand out among the crowd. This is where the Keating Advisors approach is especially advantageous, because it integrates the most up-to-date data from the market into solutions that attract the necessary talent at a cost that is affordable and sustainable.

**Calculation** – Calculation is the link between pay and performance. There are various ways to make the link between pay and performance, including performance increases, merit increases, annual bonuses, and other awards and recognition. No two organizations will do this the same way. The different plans that organizations choose to employ will depend on business strategy, goals, and organizational culture. No matter what approach is taken, pay-for-performance is only as good as the metrics used to determine rewards. If implemented correctly, pay-for-performance allows an organization to attract and retain top talent while motivating performance. In fact, research has found that pay-for-performance plans increase employees' intrinsic interest in the organization's success.<sup>iii</sup>

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Rewards that are valued and appreciated in one culture may be less valuable in another.

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How can your organization stand out amongst the crowd?

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What is the appropriate link between pay and performance?

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Even the best talent management systems are likely to fail if they are not well communicated.

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The goal of all talent management efforts is to **attract, retain,** and **motivate** employees.

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**Communication** – The final “C” is all about how an organization communicates its vision, philosophies, and policies to employees. A vision is only as effective as how it is communicated. Even the best talent management systems are likely to fail if they are not well communicated.

Communication is also key throughout any change process. Clear and consistent communication allows employees to feel that they are a valued part of the organization. Communication is most effective when it goes both ways. Organizational leadership has a vested interest in communicating important information to employees, while allowing employees a safe and reliable outlet for communication can help leadership to address issues they may be unaware of and increase employee engagement.

Finally, it is Keating Advisors’ perspective that transparency is a value worth striving for. That said, the appropriate level of transparency will vary among organizations and is dependent upon the organization’s current state, desired state, and culture.

## Results

Keating Advisors develops customized, practical, evidence-based solutions for clients that are reflective of the organization’s mission, goals, and organizational culture. Our Talent Alignment Model provides a proven framework to help companies develop effective solutions to any organizational challenge.

The goal of all talent management efforts is to attract, retain, and motivate employees. Keating Advisors’ Talent Alignment Model reconciles the external competitive labor market with internal considerations by integrating comprehensive analytical assessment with an understanding of the underlying dynamics of organizational culture and employee engagement.

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<sup>i</sup> Gallup. (2013). State of the Global Workplace Report: Employee Engagement Insights for Business Leaders Worldwide 2013. Retrieved from [www.gallup.com/services/178517/state-global-workplace.aspx](http://www.gallup.com/services/178517/state-global-workplace.aspx)

<sup>ii</sup> American Psychological Association. (2014). Employee Recognition Survey. Retrieved from [www.apaexcellence.org/assets/general/employee-recognition-survey-results.pdf](http://www.apaexcellence.org/assets/general/employee-recognition-survey-results.pdf)

<sup>iii</sup> Fang, M., & Gerhart, B. (2011). Does pay for performance diminish intrinsic interest? *The International Journal of Human Resource Management*, 23(6), 1176-1196. doi: 10.1080/09585192.2011.561227

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