

Differentiation

Try a human capital strategy.



by Adrian Lajtha

YOUR SUCCESS DEPENDS on aligning *business strategy* with a *human capital strategy* (HCS) that puts *the right talent in the right roles*—performing in the right ways. Companies with such a HCS have a *distinctive feel* to them—people want to work and stay there. They are given a degree of autonomy to make decisions close to the action, yet they know how their piece of a project fits into the goals of the business. Their leaders are strong and collaborative. Their structures encourage work across functions and units and multiply the value of what any one group is doing.

They also tend to perform better. They are more agile and responsive to market conditions. They've done the hard thinking, considered multiple scenarios and outcomes, to know what workforce and organization are needed to *execute the business plan*. Their human capital "accounts" are robust and ready to be used for new investments.

Having a HCS enables companies to distinguish themselves. High-performance businesses have some means of putting in place the necessary people and skills. But in a recession, *traditional planning is inadequate to meet business needs*. Leaders need talent and leadership strategies that help them achieve differentiation.

Yet, the experience and skills needed to translate cutting-edge *business strategies* into a HCS elude many leaders, forcing them to respond with one piece of a strategy. They might create a leadership development program that addresses current issues and anticipates future needs, yet lack a real HCS.

An effective HCS informs a leader's decisions about where and how to compete, and supports the enterprise as it balances short-term decisions with long-term imperatives.

Last year, Accenture developed its HCS, examining the talent we'll need and where we'll need it, the talent and leadership implications of global shifts, and the new talent segments we'll need to drive growth. We also explored how

well our culture will serve us in the future and how we can ensure that it is relevant to new generations of talent and clients. *We find that we are well positioned to win in the talent wars—and are well served by our culture and our talent and LD strategies.* We're also addressing certain challenges through an enhanced focus on human capital. Beyond promoting the best talent to leadership roles, we're identifying leaders earlier in their careers, launching new LD programs, and planning how we'll meet the talent needs of new growth areas.

Ultimately, you must capture the powerful synergies that derive from focusing on *four pillars of a HCS*:

- **Talent.** What skills and capabilities will be needed to compete and grow the business? Where are the gaps between the skills we have and those we need, and how can we close these gaps through talent sourcing and development options?

- **Leadership.** What types of leadership capabilities do we need to act on to sustain our business strategy? How will we develop or source leaders?

- **Culture.** What are our key cultural attributes? How does this prevailing culture affect performance and productivity, and the ability to attract and retain the right talent? What are the characteristics of the *ideal culture* aligned with our business needs, and how do we create and sustain that culture?

- **Organization.** What *operating model* can help to optimize strategy execution and use of resources? What is the organization design—structure, governance, reporting relationships—most conducive to the business we want to be and the strategy needed to get there?

Achieving powerful results depends on making changes in each area. This may require new training and LD, innovative communication, a new approach to managing careers, cultivating culture, recruiting from different talent pools, retraining employees, creating new career paths, and enabling international experience.

A thoughtful HCS ensures that the right leaders are in place to source, develop and direct the right workforce talent, supported by the right culture, organization, and operating model—to achieve competitive differentiation. **LE**

Adrian Lajtha is chief leadership officer at Accenture. Visit www.Accenture.com.

ACTION: Create your own human capital strategy.

