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Context:

In this session, CAHRS companies gathered to discuss the evolving landscape of talent reviews, focusing on trends, tools, and strategies that are reshaping how organizations manage and develop their people. Building on earlier conversations about succession planning and leadership, companies explored key questions: Who are we focusing on? What are we evaluating? How can we best support development across the workforce?

Who's in Focus?

A common theme across the participating companies was the growing emphasis on identifying and managing talent in critical roles. These roles, often pivotal to an organization's success, require more attention as companies seek to ensure they are filled with the right people. Several companies noted a shift towards earlier career management, recognizing that fostering engagement and growth early can strengthen retention and improve succession planning. In parallel, efforts to identify hidden talent across the organization are gaining momentum, as companies recognize the value in bringing overlooked individuals into the fold.

What's Being Evaluated?

Historically, talent reviews have focused on performance and potential, but many organizations are now shifting towards evaluating key skills and competencies. This shift reflects a more nuanced understanding of what drives success in today's business environment. Performance remains important, but companies are increasingly considering how skills align with organizational needs and how employees can develop to meet future challenges.

How Are Reviews Conducted?

Technology is playing an increasingly central role in talent reviews. Several companies are leveraging artificial intelligence (AI) and analytics to provide deeper insights into employee performance and potential. These tools allow for a more personalized approach to development planning, giving leaders actionable data to create tailored growth paths for their employees.

For example, one company has integrated AI into its talent review process to assess employees and provide recommendations on how they can be developed further. Other companies are experimenting with new tools to automate parts of the review process and are mindful of the ethical considerations that come with AI adoption.

Approaches to Talent Reviews

Different companies are taking diverse approaches to how and when they conduct talent reviews. Some organizations conduct talent reviews for all employees, focusing on skill mobility and workforce planning. This comprehensive approach reflects a recognition that roles and skillsets are constantly evolving, and companies need to adapt to these shifts.

Others focus primarily on managerial and executive-level employees, often integrating talent reviews with succession planning. These reviews are not just annual events but are part of a more ongoing dialogue. In one instance, a company reviews its talent every six months, using each meeting to reflect on progress and set new action steps. This action-oriented approach is viewed as valuable, and companies are working to push this method deeper into their organizations.

Developing Leaders

Another key area of focus is leadership development. One company reported that it had shifted its development conversations from four times a year to two, focusing on identifying retention risks and high-potential employees. Leadership anchors were introduced to help guide these conversations, ensuring that employees are equipped not only with technical skills but also with the leadership capabilities needed to advance.

Across companies, there is a recognition that many talented employees, particularly those strong in technical skills, may need more support in building leadership capabilities. This insight is driving a more intentional focus on leadership development as part of the talent review process.

Shifting from Traditional Models

Some organizations are moving away from the traditional 9-box model for talent reviews, either simplifying it or rethinking the criteria entirely. For example, one company has shifted to a 4-box system, focusing on categories like high potential and key contributors. Others have stopped using the word "potential" altogether, instead assessing employees based on behaviors and outcomes.

A growing number of companies are also considering talent mobility across departments, recognizing the need for a more flexible approach to career growth and development. As organizations continue to refine their processes, the calibration of talent is increasingly seen as a step towards broader development rather than a strict assessment of where employees currently stand.

Critical Roles and Business Strategy

When it comes to critical roles, companies are taking a more strategic approach, tying talent reviews directly to business strategy. One company shared how it works closely with business leaders to identify the top 25 critical roles in the organization. These roles are determined based on their potential to drive value creation and protection, and they receive special attention during talent reviews. Senior leaders are deeply engaged in this process, which has dramatically shifted how talent decisions are made.

Other companies are beginning similar conversations, focusing on how critical roles align with business strategy and ensuring that HR leaders collaborate closely with business leaders to foster alignment.

Engaging Business Leaders

A significant challenge for many companies is ensuring that business leaders are fully engaged in the talent review process. Success in this area often depends on aligning talent strategies with the business model and strategic priorities. Companies that meet with business leaders regularly, rather than only in times of crisis, report better results in terms of ownership and engagement. Leaders who view talent development as a partnership with HR are more likely to invest in individual development plans that drive long-term success.

The Role of AI and New Technology

The integration of AI and advanced technology into talent reviews is a hot topic. One company built its own tool to automate processes, while another is in the early stages of AI integration. AI's potential lies not only in streamlining administrative tasks but also in providing insights into how employees can develop based on their performance assessments. For example, some companies are using AI to create custom talent cards, which outline the skills and competencies needed for success in specific roles.

However, the use of AI brings its own set of challenges, particularly around ethics and data privacy, and companies are approaching this transition with caution.

Burning Questions and Looking Forward

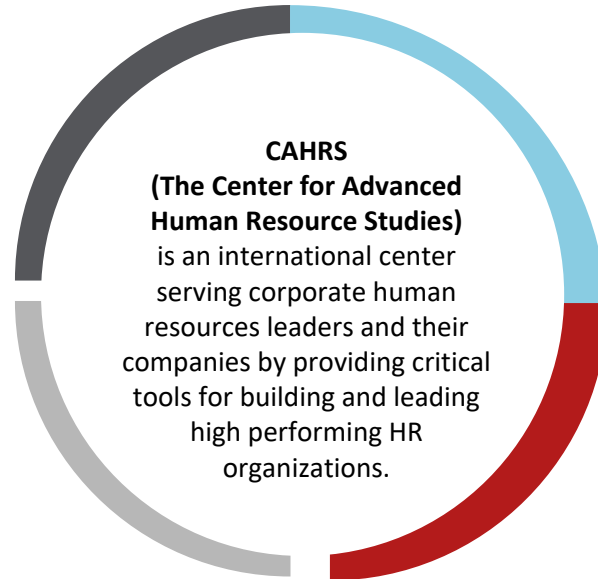
As companies refine their talent review processes, several burning questions remain top of mind.

- 1) To what extent should employees be told where they stand in terms of performance?
 - a) Many organizations are choosing to focus more on development rather than explicitly telling employees their rating. Transparency around development actions, rather than performance labels, is seen as a more productive way to guide conversations.

b) The frequency of talent reviews also varies widely, depending on the size and complexity of the organization. Quarterly reviews are more common in companies looking to create accountability structures at higher levels, while annual reviews may suffice in other contexts.

2) There is also growing interest in how tools like Workday can be leveraged for development planning. Many companies expressed the desire to explore this further in future discussions.

3) Finally, visibility into talent across business units remains a challenge for many organizations. A few companies are starting with HR partners coming together to share succession plans and discuss talent.



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