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The Talent Report

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For executives who hire top talent

How to identify your strategic positions

In a recent succession management study by the Aberdeen Group, they found that 74% of best-in-class companies were able to identify critical roles within their organizations, while only 35% of average companies were able to do so.

This is an interesting statistic. We talk about the importance of making strategic hires, but there's not as much information available on how to actually identify your strategic positions that require "A" players.

Whether you're conducting your workforce planning for 2011 or you're simply looking for ways to improve your people strategies, I want to use this issue of *The Talent Report* to share three key criteria for identifying strategic positions.

If you'd like more information on this topic, I highly recommend a 2009 [Harvard Business Review](#) article. I've described this article in more detail at the end of this report.

Before you can identify your "A" positions...

It's important to be able to clearly articulate your company's strategy and strategic capabilities (what must you do exceptionally well to win?). The next step is to identify the strategic positions critical for delivering those capabilities, as well as employee competencies and behaviors necessary in those roles.

Criteria for evaluating strategic positions

Having a clear picture of your company's strategy allows you to begin evaluating which positions are strategic based on three distinct areas:

- Strategic impact
- Performance variability
- Top talent scarcity

Let's take a closer look at each of these areas...

1. Strategic impact

Ask yourself:

- Which positions directly affect one or more of your strategic capabilities?
- Which positions have a direct impact on creating profit or driving significant cost savings?
- To what extent would improved employee performance in this role significantly improve your company's performance?
- And finally, to what extent would the selection of the wrong person have an impact?

Keep in mind, a position that makes a strategic impact doesn't have to be a C-level position. Strategic positions can exist at any level within an organization.

Case in point: **Disney World.**

Disney World is committed to delivering a magical experience and wonderful vacation memories for its guests. As such, in the world of Disney, its street sweepers make a strategic impact.

These are no ordinary street sweepers. Disney's sweepers are friendly, problem solving employees who make a huge difference in how guests experience the park and feel about Disney. Your child dropped her ice cream cone? They'll make things right. You can't find a good place to watch a parade? They'll make things right. Disney is looking for people who can do much more than sweep... Disney wants the right people to deliver an exceptional customer experience.

2. Performance variability

For a position to be a strategic hire, there has to be high variability. In other words, having the right person in the role can make a significant positive impact on your company... and having the wrong person can be extremely detrimental. Ask yourself:

- To what extent is there a significant performance gap between the highest and lowest performer in a specific job role?
- Can you immediately detect poor performance?

If there is high variability, the position is more likely to be a strategic position.

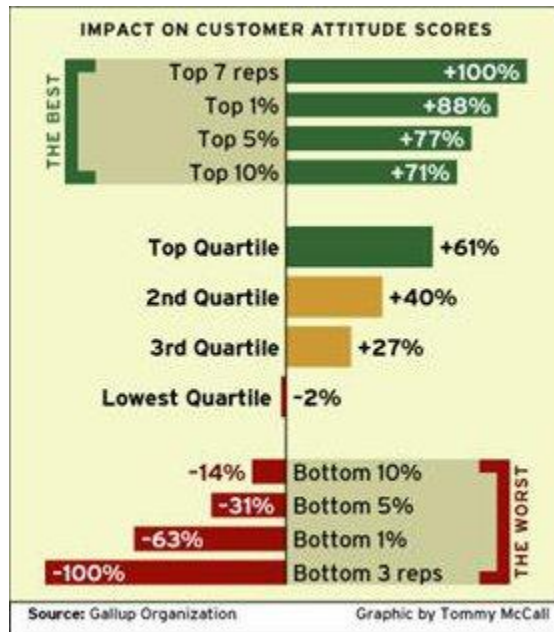
Consider this example: Gallup conducted a customer survey of a company that was well known for its customer service. [Gallup surveyed](#) approximately 45,000 customers to assess the impact of 4,583 service representatives.

Gallup found that the top 7% of the customer service representatives had a positive impact on customer attitudes with 100% of the customers they spoke with. In sharp contrast, the bottom 10% had a net negative impact of 14% on customer attitude scores. In fact, the bottom three employees alienated every customer they spoke with!

Less than 15% of jobs are considered "strategic positions"

There are very few strategic jobs within an organization --typically, less than 15%! You don't need "A" players in every position for a variety of reasons. When you do need "A" players, focus your efforts and make a financial investment to identify and attract the best talent.





3. Top talent scarcity

And finally, consider talent scarcity. Ask yourself:

- Is top talent difficult to attract and retain in this role?

If the talent is abundant and it's easy to keep the position filled, then it's not a strategic hire.

If we go back to the Disney World example, while there may be a number of people who could be street sweepers, there are very few that could be street sweepers and deliver Disney's level of commitment to excellence and quality. Very few people have the necessary experience and are willing to handle the level of accountability that's required, making the street sweeper a strategic position for Disney.

Where to learn more

By taking the time to determine which positions within your organization have strategic impact, you will be on your way to developing a workforce strategy that is directly tied to your strategic capabilities, resulting in a significant impact to your bottom line.

To learn more about identifying your strategic positions, turn to the *Harvard Business Review*. Last year, the *Harvard Business Review* published a book that focused on differentiating a workforce, so it becomes a strategic advantage. [The third chapter](#) -- "Identify Strategic Positions: Which Jobs Are the Most Critical to Your Firm's Strategic Success?"- is available for purchase for a small price.

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