

IBM Institute for Business Value

Focal jobs

Viewing talent through a different lens



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By Eric Lesser, Denis Brousseau and Tim Ringo

Increasingly, organizations are being asked to improve employee productivity while at the same time limiting discretionary spending on workforce investments. How can they accomplish both simultaneously? One approach is to channel time, energy and resources towards positions that make a clear and positive difference in a company's ability to succeed in the marketplace. By identifying these "focal jobs" – and the talent management practices that support them – organizations can pinpoint areas that require more attention and more effectively allocate limited resources. Through research conducted with three global companies in the distribution services, professional services and information services industries, we have developed a fact-based, practical approach for addressing focal jobs, and captured a number of valuable lessons for enterprises looking to better leverage their talent management investments.

In today's fierce economic environment, companies face an especially challenging conundrum. Tighter credit markets, reduced consumer spending and general economic uncertainty all constrain an organization's ability to invest in its workforce. At the same time, enterprises must be able to develop a more productive, more innovative workforce that can help differentiate their organizations, and position themselves for growth when economic conditions improve. Given these opposing forces, how can companies resolve this dilemma?

One way is to direct attention to a few select jobs that truly influence the business's standing in the marketplace (or in the case of public sector organizations, achieve mission success). Rather than simply investing across a broad range of talent programs, organizations should pay particular attention to positions that have a direct and disproportionate influence on organizational success. We refer to these as "focal jobs." By addressing how these responsibilities are designed and

structured, and how the business's talent management practices enable effective job performance, companies can optimize the impact of their limited investments and make a direct contribution to organizational performance.

For many enterprises, thinking about focal jobs represents a new and different approach to workforce and talent strategies. Traditionally, talent management programs have focused on building the capabilities of top leaders and/or high performers. Yet in many situations, the jobs that are crucial to the success of the organization are not those designed to lead large numbers of individuals in a traditional hierarchy. Rather, they are responsible for managing important client relationships, developing new products and services, or overseeing valuable assets. These roles are not always solely populated by a company's top performers; there is often a range of individual talent associated with these jobs.

A number of leading academics in the human resources field have recently written about this concept. For example, John Boudreau, from the Center for Effective Organizations at the University of Southern California, and Peter Ramstad, vice president of HR for the Toro Company, describe the importance of the street sweepers in Disney’s theme parks – citing their role as a “pivotal job” in creating a unique customer experience.¹ Similarly, Brian Becker, Mark Huselid and Richard Beatty, three well-known professors in the human capital field, cite in their recent book the importance of key engineering positions in enabling the success of an aerospace and defense contractor.² In both cases, these experts recognize the value of specific positions that might be overlooked by traditional talent management approaches, yet are central to the success of the organization.

Over the last several months, we worked with three global companies across different industries to understand how organizations can identify their focal jobs, and target the talent management programs needed to improve the effectiveness of individuals within those positions. The jobs we examined included:

- Sales and services representatives at a distribution services company
- Outsourcing consultants at a professional staffing organization
- Product managers in a large information services company.

In this report, we describe the process used to identify, understand and recommend ways for improving an organization’s ability to address the talent management implications of focal jobs. We also highlight the practical challenges and considerations associated with bringing these positions to the forefront of corporate attention and managing their effectiveness on an ongoing basis.

Based on our research, we have identified three primary steps associated with more effectively managing talent investments associated with focal jobs:

- Determine the focal jobs based on corporate strategy.
- Identify the talent management practices associated with the focal jobs.
- Determine opportunities for improvement based on current and future needs.

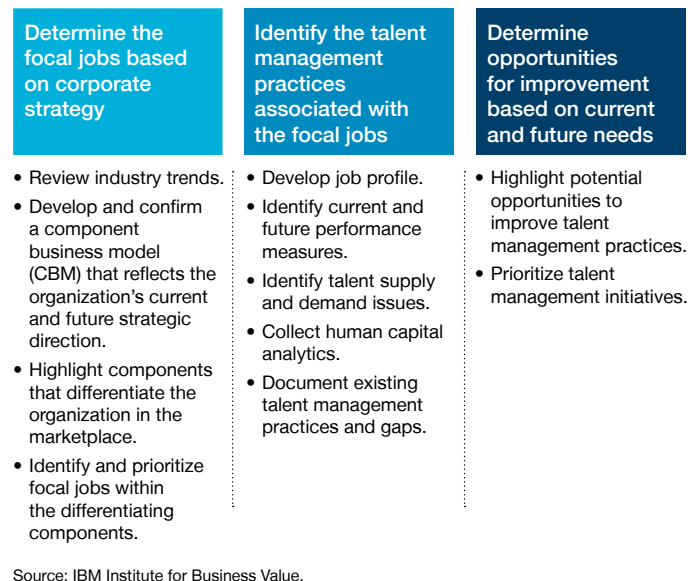


Figure 1: Managing talent investments associated with focal jobs.

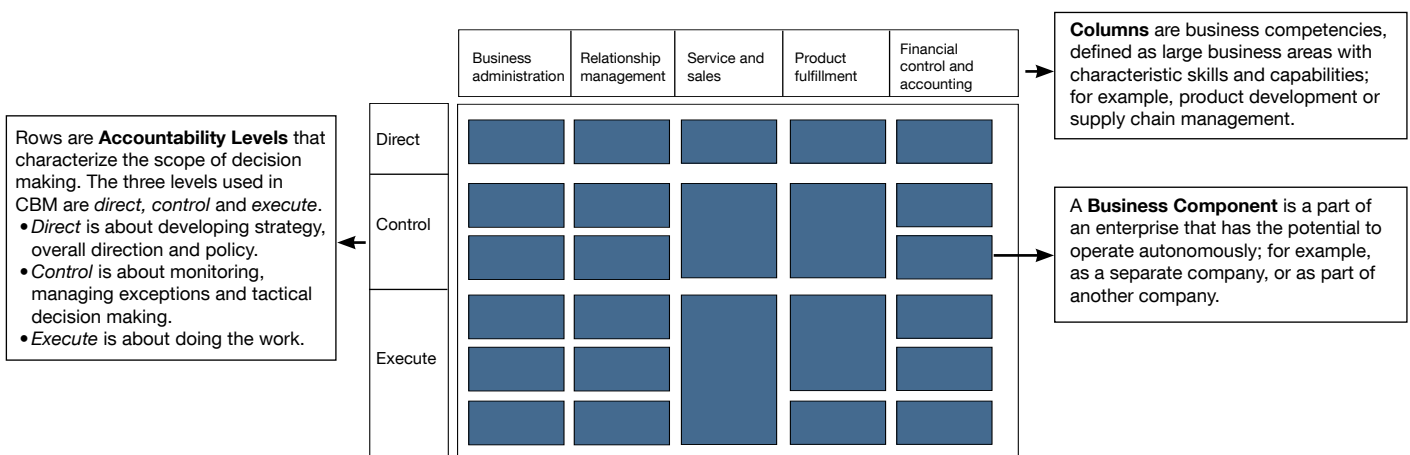
Determine focal jobs based on the corporate strategy

The first step in determining the focal jobs within an organization is a review of the corporate strategy. Without a detailed understanding of changing industry trends, customer needs and market opportunities, it can be extremely difficult to confirm which jobs will play a central role in making the strategy viable. Furthermore, focal jobs will often differ – not only by industry, but also by how an organization chooses to compete within that industry. For example, a business that differentiates itself by offering lower prices than its competitors may have very different focal jobs from an enterprise that focuses on creating a unique customer experience.

Once the major trends have been identified, the next step is to articulate a business model that drives the execution of the

business strategy. One tool that has been used for several years within IBM, a Component Business Model™ (CBM), can be particularly valuable when developing a shared view of the organization. A CBM is a “map” of an organization that includes three parts:

- Columns that comprise *Business Competencies* – large business segments that include workers with common skills and capabilities (for example, product development or supply chain management)
- Rows of *Accountability Levels* that characterize the scope of decision making
- *Business Components* that sit at the intersection of Business Competencies and Accountability Levels, and represent parts of an enterprise that have the potential to operate autonomously (as a separate company, or as part of another company, for example).



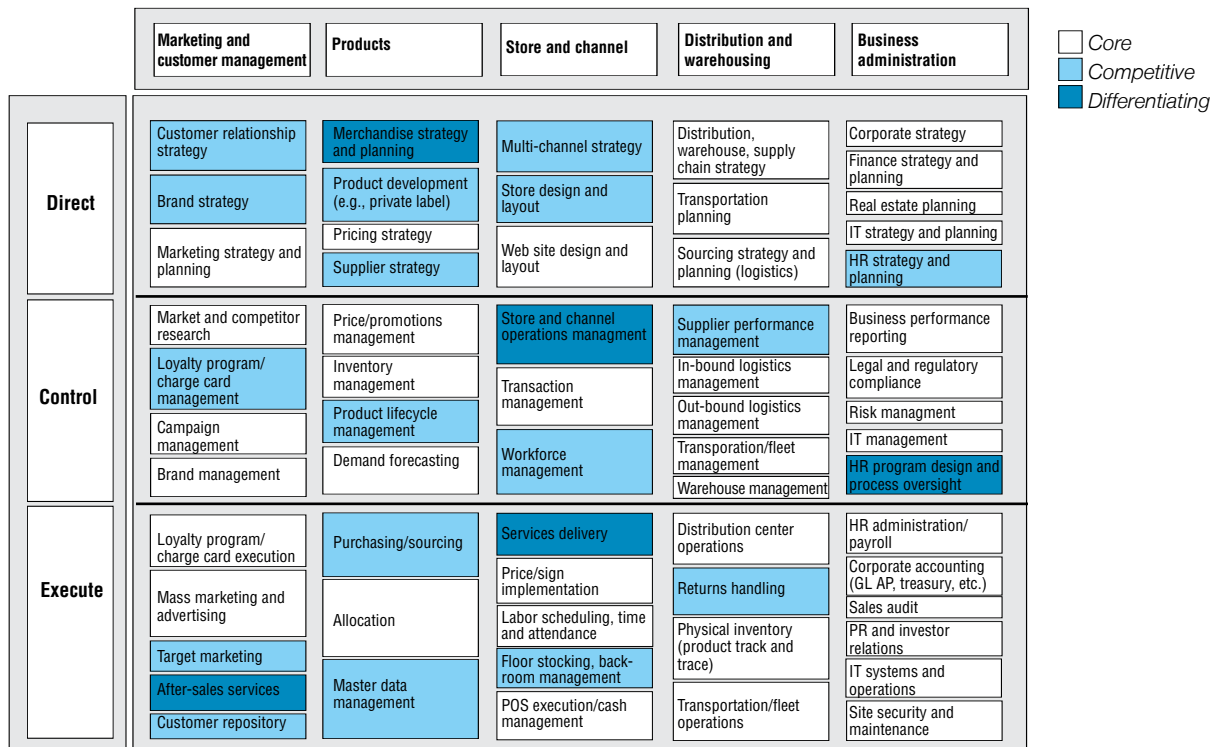
Source: IBM Global Business Services.

Figure 2: A Component Business Model can provide a shared view of the organization.

The CBM serves as a communication vehicle that can help stakeholders across the enterprise articulate a common view of the underlying structure of the organization that goes beyond traditional functional organization charts. Once the elements of the map have been agreed upon, the next step is to determine which Business Components of the CBM have the greatest impact on the ability of the organization to differentiate itself in the marketplace. Typically, this requires the team to assign one of three categories to each of the Business Components within the map:

- *Core* is a component that allows the organization to remain in business, but does not differentiate it in the marketplace.
- *Competitive* is a component that enables the organization to be considered in the decision making process of a potential customer.
- *Differentiating* is a component that truly enables the organization to significantly influence the buying decisions of customers.

An example of a heat map that highlights this differentiation can be found in Figure 3.



Source: IBM Global Business Services.

Figure 3: The Component Business Model helps determine areas that most influence an organization's ability to differentiate itself. .

The heat map requires a fairly detailed understanding of customer purchasing behavior, and the economics of the business and its industry. It is central to determining the focal jobs within the organization. For example, we found in one distribution services organization that the relationship between the delivery person and the local buyer of services was critical in determining the customer's level of satisfaction and purchasing decisions. For an information services company, the ability to define customer needs and translate those into system requirements was deemed the factor that most influenced the organization's ability to win in the marketplace. In the professional services company, the ability to successfully manage outsourcing arrangements was regarded as fundamental to future growth.

This step is central to the overall process, as it filters the range of potential jobs within activities that can truly distinguish the enterprise.

When the differentiating Business Components are determined, the organization can begin to identify the jobs within those components.

A heat map is central to determining the focal jobs within an organization.

Once a list of these jobs is assembled, the jobs are ranked according to four criteria:

- *Contribution to the Business Component output.* How important is the job in producing the internal products/deliverables from this particular component?
- *Linkage to other Components.* Does this job link the activities performed across different components in the business model?
- *Performance Variation.* Is there a significant difference in the contribution of high performers versus low performers in this particular job?
- *Scarcity of Talent.* Is it difficult to obtain/replace individuals in this particular job in the internal or external marketplace?

	Job	Contribution to outcome	Connectivity to other components	Performance variation	Resource scarcity	Total score
Store and channel operations management	Store manager	High	Medium	High	High	High
	District manager	Medium	High	Medium	Medium	Medium
	Operations analyst	Low	Medium	Medium	Low	Medium

Source: IBM Institute for Business Value.

Figure 4: Ranking of jobs within store and channel operations.

Based on this analysis, the most focal jobs within a differentiating Business Component would be those that:

- Make a significant contribution to the output of a business component
- Connect to other components within the organization
- Have a significant variation in performance
- Are difficult to fill, given a lack of individuals with the relevant skills.

From our research, we found that identifying focal jobs requires the insight of a number of important stakeholder groups:

- *Business Strategists* who can understand and dissect components of the organization's business model
- *Marketers* who understand customer preferences, as well as tradeoffs
- *Operational managers* who understand how work is done within different jobs
- *HR personnel* who have direct knowledge of the business, as well as individuals with experience in talent management and organizational development.

While these groups occasionally work together, this exercise provides a special opportunity for them to come together and focus on an issue central to the success of the organization. Without insights from all of these groups, the ability to pinpoint the focal jobs can be significantly compromised.

Identifying focal jobs requires the insight of various key stakeholders.

Identify the talent management practices associated with the focal jobs

Once the focal jobs are determined, the next step is to put together a basic profile of the jobs to better understand roles and responsibilities, the number of individuals who perform these roles, and the future trends that are likely to impact the job design requirements. This helps determine what data is required to better understand talent management requirements and identify likely individuals who could provide valuable information.

The next step in the process is to gather data that will be helpful in understanding how effective the organization is in designing jobs and managing talent. This involves collecting both qualitative and quantitative data that could provide insight into issues such as:

- How does the organization determine the number and types of individuals needed to fill this role?
- Are there elements of the current job design that inhibit job performance?
- Through what channels does the organization source and recruit individuals for this particular job?
- What is the turnover associated with this role, and how has this changed over time?
- How do individuals develop their skills in this area?
- What is the distribution of performance ratings across this position?
- How is performance recognized and rewarded in this particular role?
- Do individuals in this role see a career path for themselves within this job?
- To what extent are succession plans in place to backfill individuals when they leave this job?
- To what extent are individuals actively engaged in their current job?

Collecting quantitative information about individuals in specific roles presents an interesting set of challenges. As we have seen from previous research, the ability to collect and analyze human capital data is fraught with issues, including data availability, data quality and the need to obtain data from multiple sources.³ Overall, we observed that organizations have somewhat limited current and historical information regarding individuals within focal jobs.

In our research with one company, we found that most of the data regarding turnover and performance management was held at the local level. Aggregating the data at a corporate level was a cumbersome, manual process. For another business, a recent merger had made it difficult to obtain historical data from the predecessor companies. For all three companies we worked with, tradeoffs had to be made between the availability of data that would provide insight, and the time and resources needed to collect the necessary data on the focal jobs.

To gather additional insights beyond the initial data collection, we conducted interviews with a number of different stakeholders. These interviews were of particular importance in cases where quantitative data was difficult to obtain. Talking with individuals who currently performed the focal jobs provided us information about the strengths and weaknesses of various talent management practices that were in place, as well as the day-to-day challenges these workers faced in performing their jobs. Also insightful were discussions with individuals' managers, who often had a unique perspective on the drivers of job performance and the different capabilities that separate high versus average performers within the defined roles. In one case, we were able to talk with the customers of those performing a focal job. This opportunity provided a new perspective on how the activities of individuals performing pivotal jobs impact others.

The combination of quantitative data and interviews with stakeholders can yield valuable information on managing focal jobs.

The combination of quantitative data and interviews yielded valuable information regarding the ability of organizations to effectively manage individuals in focal jobs from a talent management perspective. In one company, we found significant early turnover in the first two years of the job – negating a significant investment in what was widely regarded as an industry-leading orientation and training course. Further analysis suggested a misalignment between what individuals expected to do within their role, and the actual tasks that were necessary when they were on the job.

In another organization, the number of individuals in a focal job increased rapidly in a very short time frame, due to the growth of a particular business segment. The company had not had time to establish consistent recruiting profiles that would attract the right individuals to the job. Nor had it developed succession plans to identify the next generation of employees to accommodate growth, or created a curriculum that would provide workers with the financial and relationship management skills needed for them to be successful. Without these elements, it could be difficult to build the pool of talent needed to grow the business.

Determine opportunities for improvement based on current and future needs.

Having identified the talent management challenges associated with focal jobs, the next step in the process is to pinpoint and prioritize opportunities for closing gaps. Although each of the focal jobs that we analyzed required different actions to close their talent management gaps, three major themes ran through many of our discussions:

- *The importance of tying together multiple initiatives under a common goal that aims to “professionalize” the particular discipline.* This involves the development of standardized competency models that provide guidance to HR personnel and managers on how best to attract and recruit individuals for focal jobs, as well as the creation of a roadmap for personal and career development for those already holding focal jobs. These competencies should be supported by a number of development efforts, including mentoring, informal communities of practice, common performance standards and career guidance. Despite the importance of focal jobs, we found relatively limited attempts to provide people who hold these jobs (as well as their managers) with the framework, tools and development opportunities they need. This requires seeing to it that the right individuals have access to the formal (and informal) knowledge and insight needed to perform their jobs effectively.
- *Focal jobs do not exist within a vacuum.* Indeed, all of the positions that we examined were in the midst of some significant transformation – a major reorganization, a post-merger integration, an economic slowdown or, in some cases, all three. Each of the larger events must be taken into consideration, given their impact on the overall design of focal jobs, and the priority and sequencing of recommendations.

- *Focal job analysis represents an approach to prioritizing, rather than limiting investments in talent management activities.* As one study participant noted, “Understanding focal jobs helped us realize that while you have to provide something for everyone, you cannot provide everything for everyone. Everyone should get the opportunity to develop themselves. However, it is important for companies to get much more focused about a certain sub-segment of their workforce.” Clearly, companies cannot ignore the need for a basic talent management infrastructure that provides an integrated approach to recruiting, developing and managing individuals across the organization. Indeed, all of the companies that we worked with had recently made significant investments in building their overall talent management capabilities. Yet the process for uncovering and addressing focal jobs allowed them to make better, fact-based tradeoffs regarding the need for additional investments in selected areas.

After identifying the challenges associated with focal jobs, organizations can pinpoint and prioritize ways to close gaps.

Paying attention to focal jobs: Key benefits

Based on our experience in working with our initial set of companies, we believe a focal job analysis can enable organizations to:

- *Directly link talent management investments to the business strategy and organizational performance.* Examining focal jobs can provide a clear line of sight between an organization's goals and the positions that are needed to achieve those objectives. This process also focuses attention on the drivers of performance within those jobs – either by improving job redesign or creating more effective methods for recruiting, developing and managing the employees in these critical roles.
- *Employ a more disciplined, fact-based approach to integrating talent management activities and investments.* Focal job analysis brings together various talent management activities and examines them in light of how they contribute directly to specific job performance. This enables organizations to see the interdependencies among traditional human capital silos (training, career management and performance management, for example) and the need for alignment across areas. As one director of talent management described, “Focal jobs provided us an opportunity to look at jobs in a disciplined fashion – similar to using a Six Sigma approach to processes.”
- *Raise the visibility of previously undervalued positions.* In many organizations, focal jobs are unheralded – often remaining well under the radar of senior management. Focal job analysis can help highlight the prominence of these positions and showcase their value to key stakeholders. One study participant summed up this sentiment by indicating that “People were surprised that our focal jobs were not our traditional jobs...the most glamorous/visible roles in our organizations were not necessarily the ones with greatest leverage.”
- *Drive the need for better workforce analytics and insights.* As another study participant described, “This process allowed us to become more data-driven, rather than anecdotal, in our approach to talent management.” In many situations, the absence of quantitative data in areas such as recruiting, turnover, employee engagement and performance management effectiveness is often endemic – not just for focal jobs, but across all jobs in the organization. The lack of such information can reveal deeper challenges in making fact-based human capital decisions.
- *Clarify the distinction between high-value contributors and high-value positions.* One of the challenges facing companies as they enter into talent management discussions is their tendency to slip into discussions about specific employees, and how the needs of those individuals should be addressed. In some cases, certain individuals bring such significant value to the organization that their needs must be dealt with directly. However, examining focal jobs compels companies to think about the development, maintenance and requirements of specific positions, which can be addressed through a more programmatic approach to talent management.

Conclusion

In today's challenging economy, companies need a framework for leveraging their investments – financial, technological and people alike. Traditionally, discussions about where to invest in people have focused on various groups of individuals: those at the executive level, those who are being groomed for such positions, and those who are high performers in their current positions. Alone, each of these groups provides value to the organization. Historically, however, organizations have not focused on positions that can make a unique contribution to winning in the marketplace.

By using a different “lens” to examine talent management issues, companies have the opportunity to more effectively use their limited investment funds to achieve greater organizational effectiveness and strategic alignment. Focal job analysis not only helps uncover the crucial positions within organizations; it also highlights the strengths and deficiencies of current talent management programs to drive high performance within these jobs. Our work with companies in this area underscores the value of taking a systematic, data-driven approach to linking business strategy to focal jobs, and uncovering opportunities to improve talent management practices that support these positions.

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