**Topic: Aligning Strategy, Culture, and Talent**

**What is strategy?**
- Most people “know it when they see it but don’t have a definition”
- Pattern in a stream of decisions where all of those decisions are about competitors. They fit in one of three questions:
  - Where will we compete?
    - Geographic/product markets/industries
    - Domain choice decisions
  - How will we compete? What value will we deliver to customers?
    - Cost or Differentiation
    - Define how your company will be different in a way that will make customers want to buy from you
  - With what to compete?
    - The people, technology, and processes needed to deliver value to customers
    - Most important question for HR leaders to answer
- Strategy requires:
  - Delivering valued customer outcomes
  - Making tradeoffs – focus on being the best at something, not all things to all people
  - Creating alignment – keep all systems aligned around the differences – create the capabilities (people, systems, processes) to deliver that value

**What is culture?**
- “A pattern of shared basic assumptions learned by a group as it solved its problems of external adaptation and internal integration, which has worked well enough to be considered value and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems” – Edward Schein
- Cultures are ‘right’ or ‘wrong’ depending on the extent to which it ties to customer values

**Culture Framework**
- Basic Underlying Assumptions – unconscious, taken for granted beliefs, perceptions, thoughts and feelings (drivers of action)
  - Example in workplace: purpose, mission. What is important? What is right?
- Espoused Values – strategies, goals, philosophies;
  - Example in workplace: innovation, service, integrity, teamwork, accountability
Artifacts – visual organizational structures and processes
  - Example in workplace: reward systems, punishment, training, communications

What is talent?
- Broader definition of talent: “any individuals who have the capability to make a significant contribution to the current and future performance of the company.”
- Impact-based definition of talent: “the groups of individuals that drive a disproportionate share of the company’s business performance and generate a greater-than-average value for customers and shareholders.”
  - Best way to look at talent in today’s world
  - Start with the core capability – must define the value that its going to offer for the company or for their customers
- Leadership-based definition of talent: “the small percentage of those employees at the top of the organization structure and those rising to the top levels.”

How do you identify talent?
- Understand the critical employee groups that drive success
- “It is important to identify where you need world class talent, versus where good is good enough” – Lucien Alziari, CHRO Prudential Financial

How do you manage talent?
- First, understand the competency requirements for each of your “critical” talent groups

How do we align all strategy, culture, and talent to create competitive advantage?
- Customer value
- Strategy – defining customer value
- Culture – how cultural values within the organization translate to customer values
- Talent – people who drive customer value

Helpful Quote:
“Good organizations have good strategy, good culture, and good talent. But great organizations create great alignment among their strategy, culture, and talent by focusing on driving value to the customer.”

Discussion Questions:
1. How would you define culture? What are some of the noticeable aspects of that within your organization?
2. What are some of the most important competencies for your organization? What makes them so important?