Getting Talent Management Right: 
Now that’s the power of The Home Depot!

Gretchen Lumsden, Senior Manager
Talent Management, The Home Depot
Clarke Peterson, Principal Consultant
Atlanta Leadership Consulting
The Home Depot

✓ Founded in 1978
✓ The largest home improvement retailer in the world
✓ Ranked No. 30 on the Fortune 500 U.S. list
✓ Employ over 300,000 associates working in over 2,200 retail stores in the US, Canada, Mexico and China
✓ FY 2011 sales of $70.4 billion
✓ Core values are the fabric of our unique culture and central to our success
Orange-Blooded: The Home Depot’s Core Values

“You take care of the customers, we take care of you, the rest takes care of itself.”

– Arthur Blank, Co-founder
Talent Management’s Mission

The Right People with the Right Skills in the Right Jobs at the Right Time

Our Leadership Pipeline is a Key Differentiator
Talent Planning’s Role

• Ensure the availability of ready successors… with the right skills… at the right time

• Build bench strength for key roles

• Fill key openings from within, without delay, and with confidence to maximize business results
Challenges We Faced

- Defining success. What does it look like and how do we ensure consistency?
- Defining developmental needs in really specific ways, rather than in generalities.
- Providing development that really works, where people actually get better.
- Differentiating between performance and potential to strengthen our succession process.
It All Begins with Competencies

Prior State

*Multiple Success Factors; Inconsistently Applied*

- Leadership Essentials
- THD Values
- Multi-Unit Experience
- Executive Presence
- Personality Traits
- Tenure
- Business Acumen
- Exposure
- Time-in-position
- High Potential
- Jobs previously held
- Manager biases

Selection → Performance Management → Talent Planning → Feedback & Development

Result: Confused associates and managers without clarity on what it takes to be successful

Future State

*One common language drives all HR processes*

New THD Competency Model

Selection → Performance Management → Talent Planning → Feedback & Development

Result: Clear success profiles drive alignment, retention, and engagement
Competencies: The Basis for Systemic Talent Management

- Are we measuring the right things?
- Is talent aligned with the strategy?
- How do we build the bench?
- Are the right people in the right jobs?

- What does success look like?
  - Do candidates fit the profile?
  - Are we interviewing against the profile?

- What is the fit?
  - How can we accelerate performance?
  - How can we best align new hires with the profile and culture?

- Job Profiling
- Selection
- Onboarding
- Competencies
- Performance Management
- Succession Planning
- Development
- Feedback

How can we help people improve and grow?

Do people know how they are perceived?
Competencies: The Glue that Holds Talent Management Solutions Together

- Human behavior and competencies have been studied for decades – competencies are known
- Organizations shouldn’t reinvent the wheel
- There is an 85% solution – a research-based competency library that can be adapted and customized for any organization, industry, level and function
- Research indicates there is a higher ROI on talent management solutions that are aligned by competencies
Research indicates that most organizations/leaders identify the wrong competencies for success

Most competency models that we see are too compound – they try to cram lots of competencies into 5-10 statements

Core competencies can’t do the whole job – jobs are unique and generally require 20-25 competencies for success
Lominger’s Leadership Architect® Library

**Leadership Architect Library Structure**

**Factor I: Strategic Skills**
- Cluster A: Understanding the Business
  1. Business Acumen
  24. Functional/Technical Skills
  21. Technical Learning
- Cluster B: Making Complex Decisions
  17. Decision Quality
  30. Intellectual Horsepower
  32. Learning on the Fly
  51. Problem Solving
- Cluster C: Creating the New and Different
  2. Dealing with Ambiguity
  14. Creativity
  28. Innovation Management
  46. Perspective
  58. Strategic Agility

**Factor II: Operating Skills**
- Cluster D: Keeping on Point
  16. Timely Decision Making
  50. Priority Setting
- Cluster E: Getting Organized
  39. Organizing
  47. Planning
  62. Time Management
- Cluster F: Getting Work Done through Others
  18. Delegation
  19. Developing Direct Reports and Others
  20. Directing Others
  27. Informing
  35. Managing and Measuring Work
- Cluster G: Managing Work Processes
  52. Process Management
  59. Managing Through Systems
  63. Total Work Systems

**Factor III: Courage**
- Cluster H: Dealing with Trouble
  9. Command Skills
  12. Conflict Management
  13. Confronting Direct Reports
  34. Managerial Courage
  57. Standing Alone
- Cluster I: Making Tough People Calls
  25. Hiring and Staffing
  56. Sizing Up People

**Factor IV: Energy and Drive**
- Cluster J: Focusing on the Bottom Line
  1. Action Oriented
  43. Perseverance
  53. Drive for Results

**Factor V: Organizational Positioning Skills**
- Cluster K: Being Organizationally Savvy
  38. Organizational Agility
  48. Political Savvy
- Cluster L: Communicating Effectively
  49. Presentation Skills
  67. Written Communications
- Cluster M: Managing Up
  6. Career Ambition
  8. Comfort Around Higher Management

**Factor VI: Personal and Interpersonal Skills**
- Cluster N: Relating Skills
  3. Approachability
  31. Interpersonal Savvy
- Cluster O: Caring About Others
  7. Caring About Direct Reports
  10. Compassion
- Cluster P: Managing Diverse Relationships
  4. Boss Relationships
  15. Customer Focus
  21. Managing Diversity
  23. Fairness to Direct Reports
  42. Peer Relationships
  64. Understanding Others
- Cluster Q: Inspiring Others
  36. Motivating Others
  37. Negotiating
  60. Building Effective Teams
  65. Managing Vision and Purpose
- Cluster R: Acting with Honor and Character
  22. Ethics and Values
  29. Integrity and Trust
- Cluster S: Being Open and Receptive
  11. Composure
  26. Humor
  33. Listening
  41. Patience
  44. Personal Disclosure
- Cluster T: Demonstrating Personal Flexibility
  40. Dealing with Paradox
  45. Personal Learning
  54. Self-Development
  55. Self-Knowledge
- Cluster U: Balancing Work/Life
  66. Work/Life Balance

**Factor VII: Trouble with People**
- Cluster V: Doesn’t Relate Well to Others
  101. Unable to Adapt to Differences
  106. Blocked Personal Learner
  108. Defensiveness
  112. Insensitive to Others
- Cluster W: Self-Centered
  103. Overly Ambitious
  104. Arrogant
  105. Betrayal of Trust
  107. Lack of Composure
  109. Lack of Ethics and Values
  119. Political Missteps
- Cluster X: Doesn’t Inspire or Build Talent
  110. Failure to Build a Team
  111. Failure to Staff Effectively
  117. Overmanaging

**Factor VIII: Trouble with Results**
- Cluster Y: Too Narrow
  113. Key Skill Deficiencies
  114. Non-Strategic
  115. Overdependence on an Advocate
  116. Overdependence on a Single Skill
- Cluster Z: Doesn’t Deliver Results
  102. Poor Administrator
  118. Performance Problems
Strategic HR Tools from Lominger
Lominger Product Reach

• More than 50 Paper and Online Products, available in up to 9 languages, research-based and experience-tested

• 13,000+ Customers in 85 countries

• 1/2 of Fortune 500 Companies
Customizing the Tools: Painting them **Home Depot Orange**

- Selecting the Competencies Most Critical to Success
- Packaging the Competencies
- Providing Feedback – VOICES 360 Process
- FYI Book Online *becomes* … The Home Depot Talent Development Toolbox
- Building a Career Development Site
Selecting the Competencies Most Critical to Success at The Home Depot

1 - Subject Matter Experts perform independent card sorts to identify most important competencies for success.

2 – Independent SME results are displayed and discussed. Competencies with highest level of agreement + competencies arrived at through group discussion = Preliminary Success Profile.

3 – Job incumbents complete a multi-rater assessment to help identify key competencies.

4 – Multi-rater results are combined with benchmarking research to identify areas where the preliminary model can be improved.

5 – Suggestions for improvement are presented to original group of SMEs. Group discusses possible calibration of the model and arrives at consensus.

6 – Final Success Profile is established. Competencies are used in multiple HR tools.
Packaging the Competencies: Outstanding Performance Defined by a Simple Equation

Success Profile = Job Specific Skills & Competencies + Set Vision & Strategy / Lead & Manage Change

- Execute for Results
- Develop Others
- Customer Focused
- Build Relationships
- Act with Urgency
Success Factors are Additive by Job Level

All Associates

Supervisors & Managers w/ Direct Reports

DMs / Directors & Above

Customer Focused

Build Relationships

Act with Urgency

Execute for Results

Develop Others

Set Vision & Strategy / Lead & Manage Change
Providing 360 Feedback using VOICES®

• Survey collects feedback from Learner, Boss, Peers, Direct Reports and Others regarding performance and importance for up to 67 competencies and 19 career stalkers and stoppers.

• Facilitated feedback by trained feedback coach, if done well, helps a Learner become motivated to work on a development plan.
Painting VOICES® Orange – Customizing for The Home Depot

- 44 Competencies included in VOICES® survey
- Currently not using elements for importance or Stallers/Stoppers
- 250+ HR Partners trained as VOICES® coaches
- Changing the culture of 360s - VOICES® is used for development only, not performance management
FYI Book Online becomes The Home Depot Talent Development Toolbox
Building a Career Development Site

Career Development Resource Center

Overview

Welcome Home Depot Associates

Message from Tim Gran, EVP, Human Resources

Make Your Job a Career:
The Home Depot is not just a good place to have a job; it’s a great place to be. For many careers, your job is your life. We want to provide you with the resources and tools necessary to help you map out your future at The Home Depot.

Self Development Toolbox

Disclaimer: The information contained in this document is intended to address frequently asked questions only. For complete information on Standard Operating Procedures or Benefit Plan Summary information, please refer to the appropriate SOP or Benefit Summary documents on mypeople.

Expand All Collapse All

Welcome  Your Career Path  Development Plan  Self Development Publications

Self Development Toolbox

WHERE ARE YOU TODAY?

- Determining Your Own Career Path
- Preparing Yourself
- Setting Your Goals

Career Development Resource Center

Welcome Corporate Associates

Select your area of Development:

- ODDA
- Finances
- IT
- Legal
- Merchandising

 SSC Groups
Performance and Potential

• Many leaders are high performers….
  – In a single area
  – Due to the situation
  – Because the job is easy

• They may not perform well in a different job, at a higher level or in the future
High Performers are not always High Potentials

Source: High-Potential Management Survey, Corporate Leadership Council, 2005
High Potentials are mostly High Performers

93% of high potentials that are high performers

7% of high potentials that are not high performers

Source: High-Potential Management Survey, Corporate Leadership Council, 2005
The Performance Potential Matrix

- Provides a more clear picture of talent than forced ranking
- Helps leaders distinguish performance from potential
- Excellent tool for facilitating a dialog amongst a senior leadership team - multiple perspectives provide for a much more accurate assessment
- Excellent transition to development planning --- with a differentiated strategy for each box
### High Potential

- If current position is below VP, promotable a level vertically within the next 2 years **and** viewed as having the capacity for growth 2 levels longer-term
- If current position is VP or above, promotable a level vertically within the next 2 years
- Aspires to advance at The Home Depot
- Possesses required mobility for next positions, within the timeframe expected for promotion
- Performs well in almost everything they take on
- Demonstrates track record of outstanding leadership ability
- Demonstrates comfort with a broader company perspective than his or her job currently requires
- Quickly processes and grasps new concepts and information

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Only 29% of all high-performing employees have what it takes to excel at the next level. *(Source: CLC, 2011)*
## Talent Planning: Performance Potential Matrix

Considerations:

- Educating leaders on the purpose and intent
- Driving usage of the full 9-box
- Establishing retention and development strategies

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Summary – The Home Depot Approach

1. Developed “validated” competency models
2. Rolled out a new 360 feedback tool
3. Defined potential and differentiated it from performance
4. Enhanced Talent Planning tools to capture critical competency-based data
5. Created a new Career Development site for associates
6. Provided developmental support using the 70, 20, 10 rule
Questions?
Free Books! Are you in?

Do we have your business card?

It’s almost time to draw the winning names...
Thank you for attending

To learn how easily you can bring the power of Lominger’s Leadership Architect® Suite of strategic human resource tools to your organization, please contact:

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