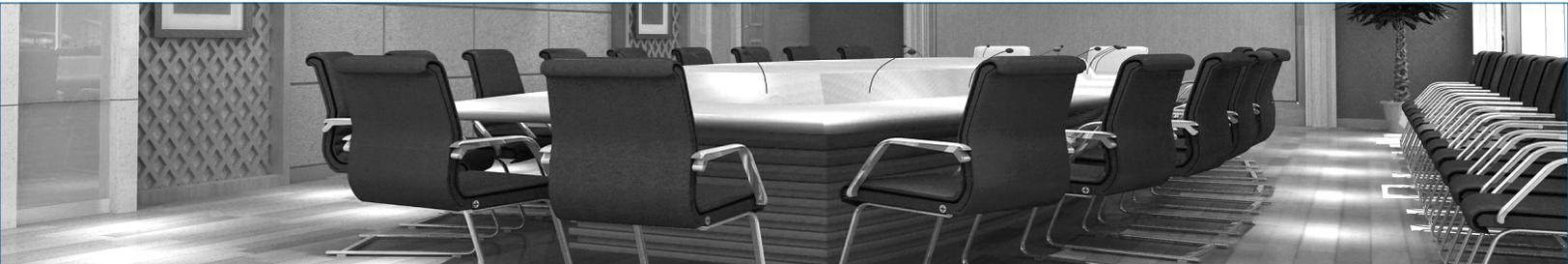


## Talent Development Imperatives for Boards of Directors

Shaker Heights Country Club

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### Overview

An increasingly competitive and global market imposes greater imperatives on boards and management to attract, develop, promote, and retain the best talent on an ongoing basis. This requires a commitment of time and resources from boards, management, and human resources departments to coalesce and commit to their companies' future success. The ten imperatives outlined below, gleaned from the National Association of Corporate Directors' Blue Ribbon Commission Report, are embraced and tailored by successful companies. Our roundtable discussion concluded that the boards and management of great companies spend time on people and the intersection between strategy, risk, and talent.

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### Ten Imperatives

I. Successful companies establish ongoing internal pipelines seeking talent at various levels to meet future challenges.

**Question: Do we have a proscriptive framework to acquire, develop, and maintain the best talent?**

II. The board of directors oversees management's talent development efforts.

**Question: Does our board work effectively with management to identify talent needs and execute on a long-term human capital plan?**

“High performing boards go beyond CEO succession to ensure deep internal pipelines of talent throughout their organizations.”

— GREG LAU  
RSR PARTNERS

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III. The board of directors and its committees evaluate human capital through the lens of strategy and risk, balancing human resource’s assessment of talent availability.

**Question: Does our board and management have metrics in place to monitor and understand fully the talent necessary to execute our strategy?**

IV. Directors should require management to provide a talent component in every strategic initiative presented to the board.

**Question: Is our board committed to management’s vetting of talent and feeding the pipeline in order to understand gaps and impact on our strategies?**

V. Boards should consider drafting talent oversight and succession planning into official corporate documents to ensure the sustainability of the talent development process.

**Question: Do our corporate governance guidelines include the requisite time allotted for talent oversight?**

VI. A company’s hiring philosophy, employee retention, incentive programs, and corporate culture should align to support a robust talent pipeline and long-term talent strategy.

**Question: Does our corporate culture and compensation support our talent pipeline?**

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VII. Onboarding programs should be delivered to all employees whether they are internal promotions or external hires.

**Question: Do we have an onboarding program tailored for each level of hire?**

VIII. The human resource function should serve as a strategic architect for talent development by supporting business units and functions in the development of their respective talent pipelines.

**Question: Does our CHRO have sufficient time to work with the board and management to maintain forward momentum developing talent?**

IX. CEO succession planning and management talent development should be a continuous and rigorous process, whereby the board identifies potential successors soon after a new CEO is selected and management is routinely developing its ranks to support its strategy.

**Question: Does our company view CEO succession and talent development as an event or ongoing process?**

X. Third party perspectives can assist the board to ensure an objective CEO succession process.

**Question: Do we elicit outside, objective expertise to benchmark talent?**

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