

# Série Découverte — Discovery Series



# Talent Management: The Evolving Role of the Board of Directors



“ Employees are a company’s greatest asset. You want to attract and retain the best, provide them with encouragement, stimulus, and make them feel that they are an integral part of the company’s mission. ”

Anne M. Mulcahy,  
former chairperson and CEO of Xerox



“ The best boards pay attention to broad talent development and workforce development, and are looking for evidence from management teams of programs that can demonstrate real value in terms of creating the kind of agile, resilient workforce that you need to succeed in this incredibly competitive global environment. ”

Bill McNabb,  
former CEO of Vanguard  
and board member of IBM, Axiom,  
and United Healthcare Group



“ ...So you see more metrics around culture and talent, you see more attention being paid farther down into the organization. ”

Bill McNabb



# The Context



**2022 was a tumultuous year**

**War, pandemic and climate change**

**Supply chain challenges**

**Inflation and a possible future recession**

**The ongoing war for talent:**

- **The great resignation**
- **High employee turnover**
- **Skill shortages**

# Workplace Trends



**Well-being and mental health  
including a feeling of belonging**

**Work-life balance**

**Security**

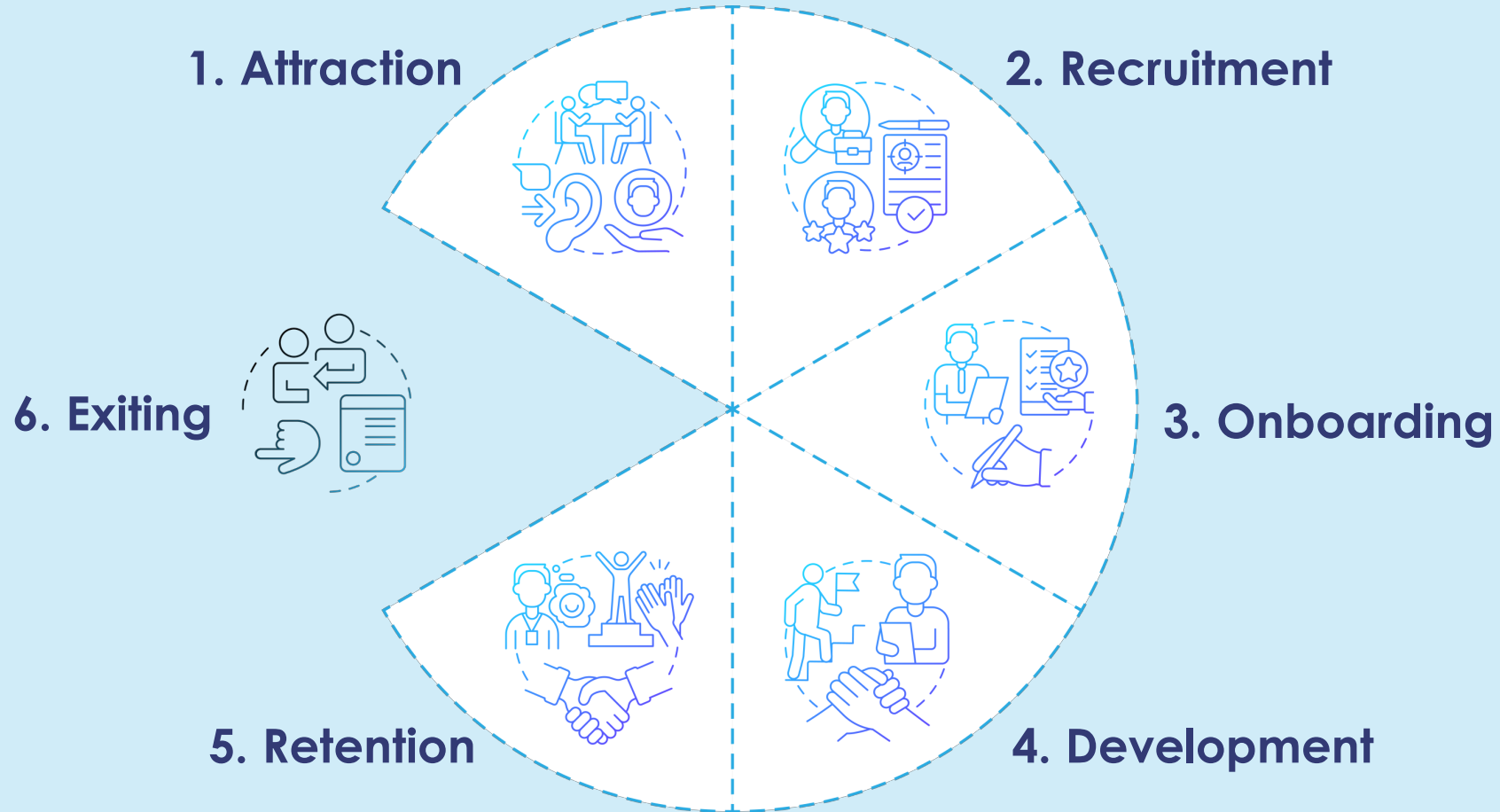
**Diversity and inclusion**

**Social responsibility and ethical  
conduct**

**Hybrid and remote work**

**More fulfilling work, higher salaries  
and improved benefits**

# The Employee Lifecycle





# The Board's Role in Talent Management, Traditionally

Traditionally focused the Board's efforts on an organization's most senior leaders while the rest of the workforce was seen as operational:

- CEO attraction, recruitment, onboarding, development, retention and eventual exiting
- CEO and executive compensation
- CEO and executive performance oversight
- CEO and executive succession planning



“ Boards have the fiduciary responsibility to ensure that the company has the necessary talent and leadership to be successful. It delegates this responsibility at its peril. ”

Mike Gannon in his article  
“A Deeper Dive into Talent Management:  
The New Board Imperative”  
PwC Governance Insights Centre



# The Evolving Role of the Board

**Commitment to equity, diversity and inclusion (EDI) and environmental, social and governance (ESG)**

**Discover the benefits of EDI and ESG for the organization**

**Work with management to define the desired organizational culture and values**

**A strong and healthy workforce culture drives**

**Expand succession planning activities to review and assess**

**Review and assess human resource practices**



# The Board's Evolving Role in the War for Talent



## Commitment to equity, diversity and inclusion and environmental, social and governance:

- Set the right tone from the top
- Prioritize, support and invest in EDI and ESG
- Establish the metrics that will be used to align compensation with results
- Embed EDI and ESG into the organization's mission, vision and values
- Develop policies, processes, training and programs that promote EDI and ESG
- Place appropriate structures and control systems to measure and report results
- Communicate internally and externally and engage the workforce in implementation

# The Board's Evolving Role in the War for Talent



## The benefits of EDI and ESG to the organization:

- Increase employee satisfaction and engagement
- Attract prospective employees
- Improve risk management and bottom line results
- Increase innovation and creativity in the workplace
- Develop a more agile and resilient workforce
- Grow deeper employee trust and commitment
- Increase employee retention

# The Board's Evolving Role in the War for Talent



## Work with management to define the desired organizational culture and values:

- Walk the talk – leadership must demonstrate the desired culture and values
- Communicate desired culture and values throughout the organization
- Call out inappropriate behaviour and hold people accountable
- Measure the pulse of employees through focus groups, surveys and employee culture and engagement assessments and review hiring and attrition data
- Elicit information about the employee experience through 360° feedback

# The Board's Evolving Role in the War for Talent



## A strong and healthy workforce culture drives:

- Increased productivity and engagement
- Improved employees' health and wellbeing
- Happy, motivated and valued employees
- Enhanced organizational brand
- Reduced absenteeism and turnover rates
- Better attraction and retention of the best talent

# The Board's Evolving Role in the War for Talent



## Expand succession planning activities to review and assess:

- Management strategies to build a strong talent pipeline for short and longer-term succession
- Mission critical roles
- Leadership training and development programs
- Attraction and recruitment strategies in alignment with organization skill and experience gaps
- Performance metrics in talent management across all levels of the organization
- Exit interviews, new hires, promotions, terminations, etc.



# The Board's Evolving Role in the War for Talent



## Review and assess human resource practices:

- Ensure that the CEO, CFO and CHRO are jointed at the hip in all aspects of leading and driving change
- Evaluate the employee onboarding experience and subsequent work experience
- Examine whistleblower complaints
- Determine the appropriate hybrid working model
- Review the hiring process including the impact of subjectivity and unconscious bias in the interview process
- Continually examine compensation and benefit packages
- Recruit Board members with HR expertise

“ This is not about fuzzy, holding hands around a campfire, kumbaya stuff. That’s not what values and culture and mission is about. This is about building an organization for success. This is about doing the tactical things to make sure your organization and your people are aligned around the same thing. ”

Justin Moore,  
CEO of Axcient, believes that culture,  
more than anything else, is the key defining  
attribute of success in tech and must be built  
starting on the very first day of a company’s life.

<https://www.youtube.com/watch?v=UUDKEbX5OQw&list=RDnU85zmwsqDM&index=2>



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# Conclusion

## Directors need to:

- Take a vigorous role in talent management
- Actively monitor EDI and ESG programs
- Review management reports and data to oversee and influence culture and employee relations
- Ensure robust succession planning is in place
- Evaluate HR programs and practices throughout the employee lifecycle
- Act strategically and hold management accountable



Association of  
Workers' Compensation Boards  
of Canada

