

You must dig deep to find the right people for any business

LOCATION: RICHMOND, VIRGINIA, USA

As Senior Vice President of Leadership & Development at Capital One, Steve Arneson is responsible for setting and executing Capital One's leadership development and talent management strategies. Before joining Capital One, Steve worked for Time Warner, where he served as Vice President of Organization Effectiveness for America Online and as Vice President of People Development for Time Warner Cable. He previously held the position of Senior Director of People Development for PepsiCo.



STRONG emphasis on recruitment and development of the best employees is critical to the creation and retention of any organization's

long-term competitive advantage, according to Steve Arneson, Senior Vice President of Leadership & Development at Capital One.

He says: "We broadly define talent management as the entire life cycle of an employee within the organization, starting with sourcing, recruiting and hiring, to training, development and movement, followed by performance management, coaching and transitioning. Talent management is no longer just a human resources issue – it is vitally important to the function and success of the organization as a whole. In terms of competitive advantage, in a company such as ours, we rely every day on our people for ideas, innova-

tions, and creativity – your number one asset goes home every night and you just have to hope that they come back the next morning."

Arneson believes that over the past ten years many companies' approaches to talent management have changed, and they are now digging deeper in terms of sourcing the right talent for their organization, as well as learning to move and develop existing talent within that environment. He says: "The other significant change is career development, because providing current associates inside the organization with exciting, challenging, empowering work is what is absolutely necessary in order to remain competitive in today's market. Line managers at every level have had to be prepared to get a lot more involved in talent management in order to provide their own associates with real opportunities to grow their skills and enhance their careers, and to try to retain those associates as they develop. They have to be willing to get on the recruiting trail, provide employees with the feedback

they need to grow, and be willing to import and export staff both geographically and departmentally.”

The key factors needed to make up a strong, successful talent management program can be broken down into four *integrated elements*, according to Arneson.

He explains: “First of all I think that that there needs to be a very strong recruitment program; secondly it is vital that there is a real focus on career development; thirdly a robust succession management process should be in place; and finally both time and resources must be devoted to good performance management strategies. All four of these elements must work together to create a coherent talent management program because in every company people are the key and must be treated that way in order to get the best out of them.

“I think that Capital One recognized that fact very early on and put a lot of time and money into their talent management as a result, but I don’t think that every company realizes that to the same extent.

“There are certain companies that can be labeled ‘A Level’ companies, and those people that are really talented want to work at these organizations and they will find them. Obviously, the great companies really attract the great talent, whereas those companies that are just bumping along or perhaps even dying a little bit each year do not attract the talented, smart, innovative staff.”

For this very reason, a significant part of Capital One’s recruiting process involves making corporate presentations at some of the most elite university campuses in the United States. He says: “Our senior managers personally recruit bright, smart, talented people at the universities for entry level jobs. However, when it comes to more senior leadership positions we recruit from some of the top companies in the world and we

are looking for the right mix of experience, skills and culture fit that is going to make that individual successful at Capital One. We shop at the highest priced stores if you will.”

Arneson says that it is important for managers to be aware that talent management programs are not always simple to implement, and warns that organizational flaws can often undermine their core aims and values.

He says: “One of the reasons that companies struggle with talent management is indifference, lack of skill, lack of involvement or lack of excellence by line managers in both the recruiting and development processes. Direct managers are often not empowered or confident

enough to execute those processes in place, and although the human resources department can do a lot of the work, management has to be engaged.”

Another reason that talent management programs are often weakened within organizations is that the senior leadership team is not heavily invested in talent management themselves, according to Arneson.

He says: “Senior management needs to be involved in making decisions about movement and succession planning and must be continuously wired into their talent, always asking questions like ‘Who do we have? What do we still need? Where is the right role for ‘x’?’ At Capital One, we have a wonderful program called Leaders As Teachers, whereby our senior leaders are actually in the classroom themselves, sharing their ideas and experience and having a dialogue with the more junior executives at the company.

“It’s a great way for them to give back, and also to show that they are directly involved in and committed to great talent management and development. They are also very involved in recruitment – our CEO often personally recruits people – and succession planning,





or looking ahead and making decisions about which executives to place in certain roles.”

Involving direct and senior management in talent management is an important contributory factor to their continued success, but Arneson points out that HR professionals who are committed to talent are also vital for the design, planning, implementation, and development of such programs.

He says: “I’ve been involved in talent management throughout my career and have been at Capital One for three years, and I wanted to work for them for a number of reasons, not least the company’s culture.

“I wanted to know what it feels like to work there and how committed the organization is to developing high standards of excellence. I wanted to work at a place that is serious about winning and where the senior team is supportive and are prepared to roll their sleeves up and work with me on managing the talent. I also wanted to know that the leadership team was committed to investing time and money in talent management, and that they will be prepared to put processes in place such as talent and organizational reviews, succession planning, and robust recruiting programs.”

Because valuable employees want to know that there is an opportunity for them to be able to grow within their organization, Arneson believes that managing talent is essentially about ‘growing your own’.

He says: “We have a policy of growing from within and we want to be able to move people who have done so well for us up the organization. Yes, we will recruit when we have an acute need or when we need to raise the

bench strength, but our primary focus is for our own associates to be promoted to leadership positions and to assume broader roles within that company.

“That policy is great for morale: it keeps people fresh, it spreads ideas and innovations around the company and it balances the recruiting you need to do.”

For companies which have not yet sufficiently invested in talent management, Arneson recommends that they begin by designing and implementing a robust performance management system.

He concludes: “The best place to start is to know what you have, and in order to do that you really need to have a repeatable and sustainable management process,

including assessing, evaluating and rewarding talent,” he explains. “After that, I would urge them to begin placing an emphasis on career development and putting programs, tools and processes in place that can help them to grow and develop that talent that they have now assessed.

“Parallel to this they need to take a look at how high their

standard – or bar – is when recruiting, and then decide which kind of recruiting enhancements can they implement to make sure they are only recruiting the best people into their organization.

“Lastly, I would recommend developing a consistent succession planning process to help grow leaders more effectively.”

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**STEVE ARNESON was
talking to EMMA POMFRET**