Belden’s Talent Management Approach

BUILDING A METRIC-DRIVEN APPROACH TO MASTERING THE SUCCESSION PIPELINE
As a fast-paced, results-oriented company committed to the setting of transparent goals that drive performance improvements, Belden set out to bring a level of strategy to its talent and succession management efforts that mirrors its rigor around financial and operational performance.

While many organizations claim to be metrics-driven, few extend this expectation to all functions. At Belden, no group is exempt from this depth of thinking, including human resources (HR). The Belden HR team has built a sophisticated, yet pragmatic, system to inform its hiring needs and build and sustain the talent pool.

**HIGHLIGHTS**

**Operationalize and Measure the Succession Pipeline:**
Create a succession "machine" by setting clear targets, tracking the results monthly and quickly counter-measuring any gaps in plan performance.

**Grow and Promote Employees from Within to Propagate the Belden Culture:**
Sustain Belden’s unique culture by developing leaders from within and creating evangelists who believe in and model the culture for others.

**Enhance the Hiring Process to Recruit Talent Needed for Succession Roles:**
Hire a select group of external candidates who can bring a fresh, outside perspective and innovative new ideas into areas of the company with the most need and opportunity for high-potential roles.
Like many companies, Belden had succession plans that looked strong on paper, but didn’t always result in an internal fill for an open succession position. And as the company grew quickly in size and geography through mergers and acquisitions, it became more challenging to break down business unit silos and move talent horizontally across the organization.

Today, instead of using a traditional and often times theoretical 9-box model, Belden takes a rigorous, metric-driven approach to managing its talent pipeline. This includes leveraging the full breadth of the company to maintain the growth and flow of high-potential talent to key roles and business units. It also pushes the team to go deeper and prove their results.

For Belden, HR metrics are a key driver of strategy and business results, and leadership is held accountable for achieving talent-related KPIs. Through this disciplined approach to talent management, Belden delivers value for its three critical stakeholders – employees, customers and shareholders.

"Belden uses data and an analytical approach to build a high-performing culture. To win in business, you need to keep score - and that’s what we do. This includes keeping score on how well we use our hiring opportunities and how well we develop talent. Succession planning is important, but its execution of the plan that delivers results."

TRACEY GRIMSHAW
VP, Human Resources, Belden
Tracking to Achieve KPIs Across the Succession Pipeline

The success of this approach stems from being engrained into the Belden culture. At Belden, succession planning isn’t a big annual event; it is a daily operating practice. Observing, tracking and analyzing performance is a key expectation for all its leaders, but especially for those who manage people in the talent pipeline.

The company sets goals across the entire talent pipeline—from recruiting to retention of the talent pool—going deep to ensure rigor and validity. As a company run on LEAN principles, the strong succession management plan enables Belden to control the costs of recruitment by promoting from within, which brings the added benefit of reducing the risk of failed hires. As people management skills improve across the organization, so does the quality of the talent pool.

Through this process, Belden has the people it needs to fill its most critical positions and deliver on its strategy. It can also more effectively move talent across various functions and regions to accelerate talent movement and growth.

### RESULTS SNAPSHOT

- **78%** of succession positions are filled internally
- **95%** of the talent pool is retained
- **40:60** talent to non-talent hiring ratio is achieved
- **50%** hiring productivity gains by promoting from within

<table>
<thead>
<tr>
<th></th>
<th>2018 Q3 RESULTS</th>
<th>2018 Q3 GOAL</th>
<th>2018 FULL YEAR GOAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Talent Retention</td>
<td>96%</td>
<td>95%</td>
<td>95%</td>
</tr>
<tr>
<td>Internal Fill Rate</td>
<td>78%</td>
<td>75%</td>
<td>75%</td>
</tr>
<tr>
<td>Unvalidated High-Potential Hiring</td>
<td>72</td>
<td>69</td>
<td>79</td>
</tr>
<tr>
<td>Unvalidated Successor Hiring</td>
<td>34</td>
<td>35</td>
<td>41</td>
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<tr>
<td>Early Career Leadership Program Hiring</td>
<td>42</td>
<td>42</td>
<td>42</td>
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<tr>
<td>Unvalidated to Validated Conversion</td>
<td>67%</td>
<td>75%</td>
<td>75%</td>
</tr>
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</table>
How a Talent Strategy Drives Company Growth

Belden takes talent management as seriously as every other key business initiative – intentionally investing time and resources to continuously manage talent decisions alongside all key business decisions.

To attract and retain the top talent in the industry, Belden’s program helps companywide leadership:

1. Understand the goals and hiring plans of the overall succession plan for critical roles
2. Track their performance in actively developing talent against a defined timeline

How Talent Fits into the Strategic Plan

- Manage talent by “building” vs. “buying”
- Achieve a 75% internal fill for 200 business-critical positions

How Belden Manages its Talent Pool

- Tracks readiness in three-year increments, from a high-potential new hire to “ready now” for a succession role
- Each role or developmental assignment is approximately 2-3 years in duration to challenge and grow employees at pace towards a succession position
Chief executives want each business function to contribute to the bottom line, not see itself as a cost-center. But, oftentimes HR metrics seem “soft” with no real business impact.

Belden’s CEO played an integral role in enabling the talent management system and holding his executive team and HR accountable for delivering.

At Belden, talent management goals are set three years out. Every member of leadership companywide has succession and talent targets to meet. Results are measured, reviewed and counter-measured monthly – and transparent to all. It’s an HR-facilitated process that’s owned by the business units, however the HR function is absolutely accountable for the results.

**AN EXERCISE**

Mine your organization’s history to determine the cost of failed hires

- What is the attrition rate of recent management hires? Why did they leave and where did they go?
- How long did it take to recruit them? How long will it take to replace them?
- What business goals were stalled due to lack of talent to execute?

**KEY BENEFITS**

- With a clear and measured responsibility to contribute to the company’s talent pipeline, managers are empowered to live out this promise and achieve their goals.
- An increased visibility into talent across the larger organization enables leaders to “hire” top talent from within. This new, more accessible pool to draw from facilitates talent movement and accelerates talent development.
- Belden does not use “consultancy” talent management terms, enabling managers to be involved in the key business process.

“The visible and active support of the CEO is a key component of Belden’s success. Our CEO has been involved in ensuring we create the right performance tension and that both HR and leaders are accountable.”

DEAN MCKENNA

Senior VP, Human Resources, Belden
Building Talent Pipeline Tools for Successful Implementation

With leadership on board and the strategy in place, Belden had to build out the system and tools to operationalize this process and eliminate the mystery that can come with managing people, as well as the biases present in a non-data driven approach.

**KEY COMPONENTS OF BELDEN’S SYSTEM:**

**Action-Oriented Talent Reviews**
Because Belden is action-oriented, talent reviews aren’t just a discussion about talent. Rather, they focus on actions. This could include which open roles require talent, which people in the pipeline need new roles to develop at pace, or which positions are at risk for attrition.

**Talent Pool Size and Mix Calculator**
To ensure proper coverage for all succession positions, Belden maintains a deep bench of talent. The company tracks potential successors up to six years prior to them assuming those roles, as well as high potentials who are more than six years away from being ready. Armed with assumptions about turnover, velocity and conversion rate of successors and high potentials, the company calculates the talent pool size and mix, as pictured below.

<table>
<thead>
<tr>
<th>SUCCESSION POSITIONS (10)</th>
<th>READY NOW (# PEOPLE IN POOL)</th>
<th>READY IN 1-3YRS (# PEOPLE IN POOL)</th>
<th>READY IN 4-6YRS (# PEOPLE IN POOL)</th>
<th>HIGH POTENTIALS (# PEOPLE IN POOL)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Position A, B, C</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>26</td>
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<tr>
<td>Position D</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Position E</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Position F, G, H, I</td>
<td>3</td>
<td>5</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Position J</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8</strong></td>
<td><strong>14</strong></td>
<td><strong>16</strong></td>
<td><strong>64</strong></td>
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**TALENT TOOLS**
- Talent Data Cards
- Talent Pool Size and Mix Calculator
- Business Hiring Plan
- Functional Councils
Building Talent Pipeline Tools for Successful Implementation

Business Hiring Plan

The business hiring plan links growth, productivity, headcount, hiring and talent plans all into one schedule. Belden calculates the business hiring plan to see how many opportunities exist to hire unvalidated high potentials and unvalidated successors. In the example pictured below, Function A has 59 opportunities to hire externally in the year, and is forecasting to hire 24 talent (41 percent).

FUNCTION A

<table>
<thead>
<tr>
<th>YEAR TO DATE</th>
<th>FULL YEAR FORECAST</th>
<th>YEAR TO DATE</th>
<th>FULL YEAR FORECAST</th>
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<tbody>
<tr>
<td>ATTRITION</td>
<td>HIRED</td>
<td>ATTRITION</td>
<td>HIRED</td>
</tr>
<tr>
<td>Business Unit #1</td>
<td>2</td>
<td>4</td>
<td>4</td>
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<tr>
<td>Business Unit #2</td>
<td>7</td>
<td>6</td>
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<td>Business Unit #5</td>
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<td>12</td>
<td>15</td>
</tr>
<tr>
<td>Business Unit #6</td>
<td>10</td>
<td>8</td>
<td>14</td>
</tr>
<tr>
<td>TOTAL</td>
<td>36</td>
<td>32</td>
<td>57</td>
</tr>
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</table>

Functional Councils

To facilitate talent planning and reviews across businesses, cross-functional groups were formed. This approach helps leadership to align on the talent plan and to get to know the talent within other areas of the business. More detail is available in the Culture section.
Belden is a global technology company with brands, businesses and facilities operating across the globe. In order to execute one talent management process, the company had to find a way to expand their internal talent pool by managing both vertically and horizontally.

To accomplish this, Belden created Functional Councils for key areas, including sales, marketing, service and support, operations, research & development, and general management. The councils reach across businesses and are designed to:

• Provide visibility to talent
• Facilitate talent movement
• Accelerate talent development

Belden places people in the talent management program, and then regularly tracks their growth and potential. Their performance and future opportunities are discussed by the Functional Councils.

For example, the vice president and general manager of Belden’s Industrial Cyber Security, Kristen Poulos, joined Belden straight out of college seven years ago. Kristen spent approximately two years in each developmental role — marketing manager, global product line manager and vice president of global marketing — before advancing to her current management position.

“I’m often asked by candidates and new associates why I’ve stayed at Belden and my answer is always the same: at Belden, I’ve enjoyed deep immersion into many challenging roles. Assignment duration is long enough to learn, grow and make an impact; yet new opportunities are frequent enough to make every day incremental towards building skills and leadership capabilities.”

KRISTEN POULOS
VP and General Manager, Industrial Cyber Security, Belden
THE BELDEN WAY

Belden’s culture centers on regular visibility of project results and outcomes. When metrics aren’t hit, colleagues rally together to countermeasure and turn performance around quickly. This constant transparency is not for everyone. But as a company of engineers and the like-minded, Belden employees appreciate the challenge of managing to goals, tracking the results and analyzing the data for improvements.

Our values guide how Belden recruits, sets expectations and measures the performance of its people. Our reviews focus on what people deliver, but also on how they deliver using these six companywide values. Both elements are necessary to be successful at Belden.

CUSTOMERS DEFINE OUR SUCCESS
We keep our promises to our customers.
We earn our customers’ loyalty.
We create value for our customers.

WE PLAY TO WIN
We measure and hold ourselves accountable for our performance.
We outperform the competition.
We create exceptional value for our shareholders.

CONTINUOUS IMPROVEMENT IS OUR WAY OF LIFE
We utilize the Belden business system.
We improve quality, delivery and cost.
We eliminate waste from all processes.

WE REACH FOR GREATNESS
We use SDP to drive breakthrough results.
We stretch to create innovative processes.
We learn from our failures.

WE SUCCEED TOGETHER THROUGH TEAMWORK
We learn from each other as One Belden.
We value inclusivity and diverse opinions.
We do not accept silent disagreements.

WE INVEST IN TALENT
We attract and retain the best talent.
We pay for performance.
We actively develop all associates and promote from within.
Belden is going into its third year of this talent management program. Each year, improvements bring more efficiency, whether it’s adding automation to manual elements of the process or streamlining and refining the formulas and calculations for determining the talent pool.

The HR and functional leadership teams also meet annually to review the current year’s results and to look ahead to the future by:

• Discussing and prioritizing succession positions
• Setting three-year assumptions and targets
• Populating a three-year business hiring plan to determine validation and hiring needs
• Determining how to close any talent gaps
• Developing an annual action plan
• Committing to a future meeting cadence to review progress on KPIs

Belden sets high expectations and is on a journey in its quest to show how talent management and acquisition delivers financial value to the company.

“We run our talent management process in the same way we run every business process. It’s not an HR ‘bolt-on’ – it’s part of how we run our company. Detailed, action-oriented, analytical, fast-paced.”

DEAN MCKENNA
Senior VP, Human Resources, Belden
Implementation Checklist

- Setup functional councils
- Set targets, confirm assumptions (e.g., conversion, turnover, velocity) and assign responsibility
- Refine and prioritize succession positions and mapping
  - For each succession position, determine possible incumbents and determine the risk of losing that individual (high, medium, low), if the successor should be an internal or external fill, and how critical it is to have the position covered
- Determine talent pool size and readiness coverage
- Populate a three-year business hiring plan for validation and hiring
- Determine ways to close gaps
  - Manage underperformers, leverage attrition, redesign the organization
- Develop a vision for hiring (talent acquisition)
  - Define personal and intellectual characteristics for the talent pool, including their ability to live out company values
  - Look vertically and horizontally for intercompany talent movement

FOR MORE INFORMATION:
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