

The Seven Deadly Sins of Talent Management

Ensuring You Have the Leadership Talent and Bench to Implement Your Strategy



by Patrick R. Dailey, Ph.D.
and Charles H. Bishop Jr., Ph.D.



July, 2009

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The difference between market leaders and the *rest of the pack* boils down to one factor---quality of leadership.¹

General Motors, Citicorp, AOL-Time Warner, and AIG are examples of large corporations that have recently experienced leadership crises and are struggling to repair their leadership, talent pipelines, and performance. Others have just folded under ineffective leadership---Circuit City, Lehman Brothers, Bear Stearns. In contrast, Wall Street continues to bid up those companies with a superior leadership team including PepsiCo, Procter & Gamble, Johnson and Johnson and, FedEx. The *leadership engines* within these companies demonstrate the conclusions from McKinsey's *War for Talent* studies. These studies repeatedly suggest that market leading companies have elevated talent management to the status of a "burning corporate priority."² Their leadership pipelines are a competitive advantage---deep and flowing with ready now, best-in-class talent.

This article is about the art and discipline necessary *at the most senior levels* to manage your company's talent management pipeline. We put a spotlight on faulty processes and inadequate accountability that can render your talent management process ineffective in its essential mission of delivering a robust pipeline of exceptional leadership talent. We call these "sins." For each sin, we provide diagnostic clues or symptoms, which allow you to assess whether the sin operates within your organization. Most importantly, we offer practical solutions.

A Diagnostic Guide is provided at the end of the article to help organize an assessment of your organization's talent management practices. We suggest that you tear off the Guide and use it as you read the article.

Sin: Inept Assessment

Do your hiring managers differentiate great talent from good?

Each day, leaders throughout your organization make judgments, or "calls," to select talent for more

challenging and complex jobs. When these decision-makers fail to make astute talent assessments and predictions, a little bit of your company's future is chipped away.

When inept assessments from individual managers are combined across an organization into an overall picture of your organization's talent strength and readiness, this composite view too often catches senior executives off guard as they scrutinize or "scrub" promotability slates to select key leaders for critical assignments. That rich and ready pipeline is just not there.

Senior management is typically disappointed with these newly found talent deficiencies, but chalk up this problem as a natural aspect of talent management. Meanwhile, the ability of your organization to rapidly muster great talent for strategic moves in the marketplace is compromised by both quality and timeliness factors. When the talent assessment process ultimately generates only "good enough" talent and teams, what is the outcome to your organization when those great competitors in your sector take aim at your markets and your customers?

The stakes are high. Boards and Wall Street have demonstrated a lack of patience for the uncertain adventure of evolving good teams into great ones when the individual talent does not measure up to winning. Better to start with great in building high-performance teams.

Symptoms of Inept Assessment:

Senior Leaders Don't Agree on What "Success" Looks Like

Many companies just don't have a *collective* blueprint of the values and behavioral elements essential for success among their emerging leaders. Without a collective view, leaders tend to make talent decisions based upon differing views of what success looks like---some accurate and some off-target.

The formal term for these blueprints is a "competency model." These models capture a unique set of values, skills, or capabilities believed to be the

short list of essential behavioral differentiators for leaders within your company—the inference is that those who are highly proficient in these competencies tend to win; those who aren't, don't.

In arriving at this view of requirements for the future, organizations make a couple of key mistakes; the profile is not a view of the *future* demands upon tomorrow's leaders, but is based upon historical views of success. This is akin to driving an automobile while looking in the rearview mirror. You would not do that with your strategy; you should not do this with your talent. Organizations err at the extremes: not having a competency model, and overly investing time and resources in attaining perfection in their model.

Appointments Are Not Made From Your Promotability List

The assessment phase of a succession planning process typically concludes with the creation of pools of talent available to fill positions. These slates/listings are a “scrubbed” inventory of promotable individuals projected to move into designated jobs and projects in the future. As planned or unplanned openings occur in your organization, these slates are intended to be the first stop in the decision-making process of filling a vacant position. When your process is working well, these slates are typically the first, as well as the last, stop for identifying and appointing great talent into key roles.

In contrast, when names from this pool are *repeatedly* discounted or passed over, and other internal candidates or outsiders are recruited for these key roles, your talent management process is broken.

Performance Is Mis-used as a Proxy for Assessing Potential

Managers are often blinded by recent performance when assessing promotability of talent. This misjudgment leads an organization to certain mediocrity.

Predicting an individual's upward potential—how high, how fast, and up which functional or general management track—is at the heart of selection. Information is critical to be able to predict, yet solid information is one of the major shortcomings in too many senior level selections. Predictions or “calls” are too greatly influenced by past performance in jobs whose success is determined by dramatically different skill sets and characteristics than demanded in higher level jobs. This mismatch results in botched appointments of

high performers lacking the stretch to be a successful performer at higher organizational levels.

Performance evaluations are fact-based conclusions about the contributions an individual has recently made—most likely, in the past year. While an emerging leader's past performance may be an entry ticket for discussion of a promotional slate, using past performance delivered at one organizational level to predict performance at a higher level is ill advised because the strategic and political challenges are different at the next level.

You will most likely not find the fatally flawed information in organizations such as PepsiCo, P&G, or FedEx. They are among the few firms who have stressed the skill of assessing talent as managers come up through the ranks.

“Conspiracy of Politeness” Exists During Talent Review Meetings

During confidential talent review sessions, leaders typically present their assessment of key emerging talent within their units to their peers, HR leaders, and the leader's boss. The expectation is this audience will offer input and discussion about individuals being reviewed. This quality control practice is intended to ensure that assessments are made with quality, comprehensive input, and are ultimately agreed to by the senior management group.

It is easy to sense when there is too little candor coming from the presenter and not enough honesty or challenge coming from the review team. There may be an unwritten dynamic that more or less states that “we will not embarrass each other—let's all be polite and civil here.” This is not because the participants do not want to do well—it is more specifically because there is a lack of a disciplined process, a way of having productive conversations and the top of the organization is not properly involved.

When these sessions are not well staged and managed, they become sterile presentations that lack openness, full disclosure, and candor about a leader's subordinate talent. As a consequence, assessments and the composite view of your organization are not properly scrubbed. Presenters do not learn how to assess talent, and subsequently, the composite bench strength will be inaccurate. These sessions are disappointing for the audience, unproductive for the presenter, and ultimately offer no real organizational value.

Solutions for improving assessment include:

Bolt Your Competency Model to Your Business Strategy

Build a tailored, future-focused competency model that captures your “secret sauce”—the unique articulation of the knowledge, skills, and abilities required to navigate your strategy. Just as you would not borrow another company’s strategy, don’t borrow another organization’s competency model.

As with any strategic plan, your competency model will not be accurate, but it must be directionally correct. Without these essentials, your talent assessment may be inaccurate and your development off-target.

Train Managers to Assess Competencies and Learning Ability

Require hiring managers to be certified, or otherwise demonstrate mastery, in the skills of behavioral observation, questioning techniques, and interviewing skills around the elements of your competency models. Your managers need to be skilled at assessing learning ability. Emerging leaders that learn lessons faster and better than their counterparts are more likely to succeed in building your future organization.

Learning breaks down into a threefold process:

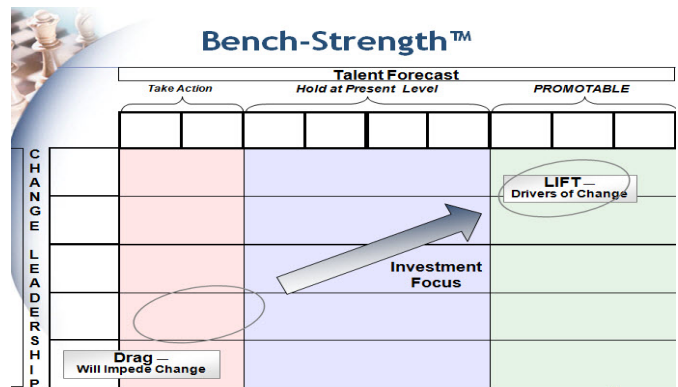
- Competency in collecting information is the most basic marker of learning ability. Does the individual accurately and fully gather facts, opinion’s, the history, trends within the context?
- Are individuals skilled in distilling meaning, pattern, predictability, or insights?
- Finally, are individuals able to put their insight to work in the decision process, anticipating the future, persuasively steering debate, building models, and bringing the key elements into focus and balance for discussion and fostering team-based conclusions?

Foster an Environment of Open Dialogue during Talent Review Sessions

Open dialogue is a quality control factor used to improve the accuracy of assessments of each emerging leader and enhance the senior team’s commitment to the assessment. We described it earlier as scrutinizing or “scrubbing” the assessment calls made by leaders to insure *calls* (assessment decisions) are accurate and

the leader properly learns assessment skills and standards. An atmosphere of “open dialogue” encourages a candid, robust discussion of talent so that information is real and believable. Open dialogue creates a categorically different atmosphere than a formal one-way presentation. Candor in these settings helps the silent voices to be heard and to wipe out “pocket vetoes.”³ The quality of the assessment is significantly enhanced with an open dialogue.

We use a breakthrough process called the Human Asset Inventory® to create this atmosphere of robust dialogue and formulate an accurate composite view of your organization’s talent pipeline. This paperless facilitated process accelerates the assessment phase, improves the accuracy of the individual assessment, and delivers a solid composite roadmap for managing the organization’s talent depth and readiness. The following is an example of how individual information builds into the organizational composite:



CEOs should ask:

- Can our managers explain the difference between great vs. good talent?
- Which managers accurately spot promotable talent early in their career?
- Who were the members of our promotable talent pool three years ago; where are they now?

Sin: Loose Accountability

Would you bet your bonus on the quality and readiness of your leadership pipeline?

One of the most unforgivable sins a senior executive can commit is underestimating the future leadership needs for the business—either in terms of quantity or quality. These oversights traditionally go unmentioned in annual reports and during analyst meetings. Yet these oversights compromise your organization’s

competitive future.

The concept of managing talent is not new. However, the views as to who is responsible for managing talent and how it is getting accomplished are evolving. In the past, initiatives and programs related to talent were viewed as the primary responsibility of the HR department. This has changed. That is good; however, part of the dilemma we have today is that there are not lines of demarcation as to who is accountable for what. Thus, at times we have confusion and frustrations, if not corrected can jeopardize your future.

Talent issues have to be integrated into the strategic direction of the company; with a clear understanding of the needs of the company, business leaders can use the principles of talent management to address capability gaps as part of their overall management processes. Charan and Bossidy alluded to this in their book *Execution: The Discipline of Getting Things Done*⁴

Many senior leaders show up at annual talent review meetings but are not fully engaged throughout the year in the process. No leader would ever think about going through the motions with the company's strategic planning process. Yet sustaining the organization's leadership cadre is the most strategic activity leaders face in dealing with the future of their organizations.

While managers play a valuable role in the business planning process and talent management strategy development, their most important role in talent management is the day-to-day frontlines of managing employee performance, development and potential.

In some companies, senior human resource (HR) leadership does not play the key partnership role in the talent management process that they should. HR should take accountability and run a good selection process and talent system. HR has a unique perspective; they observe emerging leaders in settings that can provide rich information regarding the competency of the talent in dealings with peers and subordinates— settings in which senior executives have little visibility. Too often, this information is just not properly utilized in selection and development matters. HR “consigliores” can be essential partners, but should not be the principals in the decision-making process.

Several constituencies are appropriately involved in the varied activities of talent management,

but the trouble begins when the senior officer does not take primary accountability for the process and its outcomes.

Symptoms of Loose Accountability:

Managing (Only) From the Heart

Loyalty to subordinates is a necessary and honorable trait. We admire executives when their hunches lead to great successes or breakthroughs. We encourage executives to listen to their intuition as well as to analytics when making business decisions—even decisions that involve executive appointments and team configurations. Regrettably, many times the decision-making process is weighted too heavily toward intuition—the heart. Ill-conceived selections subsequently occur. These errors cascade through organizations: first with leaders lacking necessary skills going to underperforming units; then to organizations that are unsteady in implementation. Leading too much from the heart and without substantial objectivity is a path to mediocrity.

“One-Horse Races” Are Run for Key Appointments

When the candidate pool for key appointments is thin, choices are narrow, placement alternatives are typically not creative, and standards tend to drift quickly downward from “great” toward “good.” When your leadership pipeline is so thin that you have few backups for key positions, your appointment options are severely limited. Considering the added threat of attrition with “ready now” leaders, you have exposed your organization to undue risk. When organizations forecast zero or one candidate for promotion into key roles, it is clear that the talent management process is ineffective.

Senior Leaders Are Not Held Accountable for “Bad Calls”

The talent management process requires that the organization define what success looks like in its leaders. In addition, the leader-selection process relies upon senior leaders accurately predicting the future capability and readiness of talent in the emerging leadership pipeline. When senior leaders make inept or irresponsible predictions or “bad calls” leaders are appointed who fail in their jobs and organizations lose ground. Companies rarely track the accuracy of a leader's promotional calls, his or her “batting average.” Occasional mistakes are understandable, yet a pattern of “bad calls” should be highlighted as a deficiency in the manager's judgment and

responsibility to the broader organization.

Solutions for Improving Accountability:

Play a strong role in selection decisions at least two levels down

Oversee the selection process and evaluate the decision-making of the hiring managers, with particular emphasis on judging the competency of the candidates themselves. Review candidate slates for open positions, querying hiring managers to ensure that their hiring criteria are future-focused, that the candidate list is diverse and taps promotable talent across the whole organization, and passes your test for “great.” If the right talent is in place—“the right people are on the bus in the right seats”⁵—you can drive your change agenda.

Senior leaders who ensure that resources are deployed to the most critical performance *and* development assignments affect the organization in the most positive ways. These “Robin Hood” activities send powerful messages about senior executives’ focus on talent as a corporate asset. Other leaders soon learn that being a net contributor of talent to the organization is an honor, as well as a corporate responsibility. Organizations also benefit from unintended consequences—great talent tends to gravitate to units that manage talent strategically.

Score your process and reward success

A well-functioning talent management system should provide superb choices for the organization. If yours does not, push into why that is the case.

Build talent management factors into senior leaders’ annual performance plans and compensation payouts. Measure *outcome* as well as *process* variables.

Process measures are used to gauge the speed and efficiency of developing and appointing leadership. Metrics are used to gauge the quality of selection decisions, internal vs. external hire rates, time spans for filling key roles, “churn” rates in key roles, and the accomplishment of developmental plans. We also recommend keeping an eye on brewing problems by tracking attrition of high-potential talent, stagnation of talent being in jobs for long periods of time, and calculating the cost of low-performing talent in the organization.

Challenge “calls” to sharpen standards

The ability to size up talent that will form strong leadership teams is a critical skill set for executives. Talent “calls” largely determine any leader’s fate and often one’s legacy. The senior executive must master this competency and ensure other leaders in decision-making roles conform to high standards. We urge senior leaders to be active in this matter. Don’t allow subordinate leaders’ inept or sub-optimized judgments of talent to cloud your picture of the depth and readiness of your talent pipeline. Challenge what is being said about emerging leaders’ skills and readiness. Test subordinate leaders to ensure they have fully thought through their assessments and predictions. Ensure subordinate leaders feel accountability for their calls. Your actions achieve two things: you elevate your subordinates to your standards; and you send critical signals throughout your organization, which tends to calibrate standards throughout.

CEOs should ask:

- Is there a solid leadership team at the top of each operating unit?
- Can each operating unit fill its own leadership requirements with great talent? Furthermore, can it supply great talent elsewhere in the organization?
- Is the talent throughout the unit consistently best-in-class?
- Is the unit capable of stepping up to additional challenges—for example, major acquisition, or a change in strategy?

Sin: Tolerating Protectionism

Are you personally willing to break down the barriers between operating units for sharing and developing top talent?

Protectionism exists when organizational walls and cultural norms limit the movement or development of emerging leaders across organizational boundaries. This sin narrows your degrees of freedom regarding development for emerging leaders and ultimately limits choices in appointing “ready now” leaders, compromising the quality and readiness of your talent pipeline.

Protecting employees is noble. Overprotecting emerging leaders often stifles their professional

development. Equally harmful is allowing underperforming “favored sons” and slow-learning leaders to be shielded in safe harbors erected within “silos” throughout your organization.

Silos naturally operate as an outgrowth of complex organizations reaching for functional focus or specialization. They are not necessarily destructive. The leadership challenge is to bridge silos with management process when it is essential for the broad organization. Talent management should be one of these processes.

Protectionism may be alive when talent management is not a transparent, cross-organizational process. Another signal is when there are too much “these are my people”, with the all-too-common and destructive management control behavior of”I make all the talent decisions within my unit”. Talent management is not seen as a shared, corporate-wide endeavor.

Symptoms of Protectionism:

Inability to Move Talent across Organizational Boundaries

Maturation and leadership development require that individuals be exposed to different challenges and tested in a variety of settings. When talent development is not centrally managed, moving talent across silos and other organizational boundaries becomes a hazardous journey. Often, great talent is simply not freed-up for these moves. In other cases, even when they are, the receiving unit treats the incoming talent as an intruder. This talent rarely gets the most valuable learning or development opportunities. Developmental rotations may be painful for many organizations and may even be career-ending moves for the talent.

For emerging leaders, these boundary conditions limit their career options and choices. They may observe that cross-functional movement is a career threat due to a loss of sponsorship, or believe that opportunity for real developmental learning is low. When different policies or practices exist between major operating units regarding cross-functional movement for development or appointment, great talent may observe peers outside their unit being promoted and conclude that there is not a level playing field. They feel landlocked. A simple remedy is to leave for greater perceived opportunity.

“States’ Rights”⁶ Mentality and Practices

Within protective cultures, it is difficult to get “behind the curtain.” Protective leaders creatively prop up subordinate leaders who may have been essential for past success, but have failed in keeping their skills sharp for the future. Conversely, emerging talent is sheltered, and there is an unwillingness to have them considered for other key assignments elsewhere across the organization. It is difficult to have meaningful discussions and “talent trades” with executives in these organizations. The timing is described as “not right.” In fact, within those protective organizations, the timing is never right for sharing talent.

Cronyism

Cronyism can operate to advance the career of less-talented “favored sons” or limit the progress of great talent hidden or overlooked within organizational units.

Preferential treatment can destroy the special trust between senior management and your emerging leadership talent. The message is that performance and potential are less important than being “favored.” The result is that the foundation of your talent management system is the “good old’ boy” network.

Talented “Outsiders” Have Difficulty Breaking Into the Culture

When great talent fails, we often point to the inability to assimilate or accept the values of the organization. This may be true. Likewise, the overprotected units manage to erect insidious roadblocks and traps for great talent. This prevents high-performance teams from emerging and a progressive change agenda from taking hold. “Game- changers” inserted into this culture can be derailed, if not protected and encouraged. Look carefully at your culture when great talent fails.

Solutions for Breaking Down Protectionism:

Create an “air-traffic control” capability to facilitate appointments and development.

We advocate that the leadership pool of any organization be a shared resource. The CEO has a primary role in dispatching this leadership to jobs in which the broad organization is best served. Further, each operating unit has a privilege of tapping into the pool and a responsibility to provide leadership talent into this resource pool. Operating units do not own the

talent within their organizations any more than an operating unit owns the assets housed within its workplace.

A centralized talent management system operates to forecast leadership needs and facilitate the match of emerging leaders to high-value developmental assignments, as well as critical appointments. The role exists in organization with solid pipelines; sometimes referred to as an “air-traffic controller”.

This central-control function is responsible to the CEO for monitoring the deployment of emerging leaders and facilitating appointments into pivotal positions. The function optimizes the quality of appointments and ensures best use of developmental opportunities and talent deployment. It also enables the CEO and other senior leaders to put their stamp firmly in place regarding the quality of talent and reinforce the view of talent as a shared organizational resource.

Without a central-control point, key developmental assignments are decided outside the purview of the senior leader, with a limited pool of candidates and limited perspectives on the developmental learning objectives and talent requirements of the greater organization. Fred Smith at Federal Express and many other informed CEOs reportedly spent 30 to 50 percent of their time on talent management matters because they realize that key appointments represented critical control points of their organization’s future.⁷ How much time an executive spends on talent management issues sends a clear signal to other leaders in the organization about its relative importance to the company.

The key here is that without a process to control and monitor the person-position match, you lose.

Know your pipeline and the talent in it.

Knowing the individuals in your pipeline is another element of being actively involved in the talent management process. Make sure you have a list of the emerging talent beyond those whom you know directly; know their backgrounds and find some time to schedule meetings with them.

Better still is teaching your talent. Formal programs that allow you to lead small groups of high-potential understudies through case-study reviews and projects presents valuable opportunities for education and enculturation, as well as the ability to determine

the readiness of your future leaders. You are presented with a great laboratory to observe emergent leadership occurring among your best talent.

Knowing your pipeline is categorically different from *knowing about your pipeline*. *Knowing about your pipeline* comes from summary reports, charts, resume and competency profiles, and management testimonials. These are ineffective surrogates for personally getting out meeting and *knowing* your emerging leaders.

CEOs should ask:

- Which senior leaders too frequently use the excuse that an emerging leader is “not quite ready” for an assignment elsewhere in the company or that business conditions are such that promotable talent can’t be freed up for a move elsewhere in the company?
- In which units do our organization’s best emerging leaders get lost or leave?
- What units choose to appoint someone in a job who does not appear on the promotability list?
- What senior leaders are successful exporters of talent into other units?

Sin: Playing It Too Safe

Are you willing to take short-term risks and “financial hits” to place emerging leaders into real challenges as they learn their lessons of experience?

Developing leaders with the keen instincts and well-honed skills to lead organizations into their futures does not come without risk. This risk involves placing talent into real and challenging situations where they must perform *and* learn from their experience. It is a truism that the greater the challenge, the greater the learning opportunity—and, unfortunately, the greater the risk of failure to the individual and the organization. So-called 100-percent “safe-fills” provide little growth opportunity for the individual. The outcome can result in low motivation or over-confidence by the leadership team. The ideal situation is a job that demands performance and provides a challenge for the individual.

Symptoms of Playing it Too Safe:

Low-Risk Learning and Development Opportunities Are Utilized

Organizations attempt to manufacture learning in safe ways—approaches that are low-risk, maintenance roles, and other simulated settings. While appropriate for entry-level college graduates, these settings put little on the line in terms of requiring astute analytic work coupled with decision-making and effective operational follow-through. Simply put, emerging leaders in these settings are not forced to live with the strategic, people, customer, or operational decisions that result from managing a real piece of the business. Development then is shallow, at best; “lay-ups” fail to enhance the emerging leader’s self-reliance and reputation among peers and colleagues.

Coaching Objectives are not defined for the Individual.

There are two objectives for coaching. Performance coaching is used to strengthen or “fix” competencies within an individual’s current role to deliver expected or improved performance. Secondly, transformational coaching is used to prepare a high potential talent for a promotional role at one or more higher levels of scope and responsibility.

Confusing these objectives results in misguided signals to the individual and loss of impact to the organization. With performance coaching situations, the absence for clear communication leaves individuals without the proper motivation for strengthening and fixing performance matters in their current roles. Conversely, haphazardly staging transformational coaching objectives can lead individuals to apply new behaviors in their current roles only to find these new behaviors are not valued, reinforced, or rewarded...and their bright future is dimmed.

With performance coaching, the individual should receive immediate feedback as a result of altered behavior and incorporate this new learning into his/her repertoire—the organization can quickly assess whether ...“he’s got it”, or not! For transformational coaching, the high potential is immersed in projects, temporary assignments, mentoring or training that prepares the talent for decision making, interpersonal interaction and dynamics, and accountability that the individual may not receive immediate feedback and may be counter to the dynamics in his/her current job scope--- there are fewer opportunities to receive real feedback on new learning and new behavior. This simulated learning may not enable the individual to consolidate new learning and new behavior—the organization just does not know whether “she’s got it” or not.

Promotions Are Delayed Until the Talent Is Overripe

Organizations attempt to mitigate risk by not exposing emerging leaders to challenges until they have over-learned roles and responsibilities. This understudy approach theoretically creates leaders who are “110-percent ready” for an assignment. It rarely works. Unfortunately, this overripe development strategy prepares emerging leaders for the past rather than the future. The old adage of “ten years of experience or one year of experience ten times” seems to work here. Individuals on a short list who are repeatedly passed over for promotion—as well as their direct managers—require your attention. Look around. If you have a highly rated talent in a job for more than three years, one of two things is going on: either the person is getting stale and disillusioned; or he/she is overrated and no one else wants the individual in their unit.

Holding Steadfastly to a Promote-From-Within Practice

Organizations often celebrate that 85 percent or more of key appointments are made to insiders. Rigidly holding to this practice is risk-avoidant and ultimately affects your competitiveness. The figure sells well inside, yet a leader is wise to realize the need to aggressively recruit new competencies or set the current benchmark at a higher level of talent. Without that flexibility to always recruit in line with the business needs, you are boxed in. If the need is for a unique skill, you need the flexibility to do what is required. Some will lobby for developing inside, but again, if it will take two years and you need that talent in three months, there is no question what needs to be done.

Leaving high-potential out of the equation

When talented individuals believe organizations are not listening and not involving the talent in their own career planning and choices, they view organizational efforts as disingenuous, and they disengage. If an organization fails to learn and act upon the aspirations, desires, and future goals of your emerging leaders, talent-development assumptions and plans are made on incomplete and, most likely, faulty information.

Your best talent is most likely ahead of the organization in this area, and if you fail to listen and act, you may be setting up conditions for your best to leave, taking a bit of your future with them.

Solutions for Prudently Managing Development Assignments:

Ensure Real Business Risk and Personal Challenge Are Used

Organizations should prudently manage their risk in developing leadership talent for the future. The key is a managed process to stage the learning process in ways that provide appropriate risk to the individual as well as to the organization. A well-conceived development process results in personal and organizational achievement—not a series of defeats. The aforementioned air-traffic controller is an example of an approach to match person and challenge. This is a future-oriented issue, and one that will slip through the cracks if you don't make someone accountable for the orchestration and monitoring of assignments and movements across the company. Small wins along the way build confidence and an earned reputation for learning, leading, and succeeding. The payoff is the development of a leader able to steer an organizational unit successfully into its future.

Accept the reality that some great emerging talent will fail their developmental curriculum and will need to leave the organization. Not every rose bud blooms into an exquisite flower.

Prepare transformational coaching guidance

Coaching guides that clearly lay out knowledge, skill, how to view the transition to be made and what needs to be learned for specific job levels are useful tools for helping talent understand and differentiate job demands existing at different organizational levels. These guides educate individuals and managers about what “works” at one organizational level and what is critical at another level.

The following table sketches out a successful approach for laying out coaching guides that are useful in both performance and transformational coaching situations and clearly demonstrate to individuals the difference between the two positions.

	From Front Line Leader/Managing Others	To Managing Managers
Skills getting us to the new and different Operations getting us better	<ul style="list-style-type: none"> Communicates plans and priorities Understands and uses informal networks to get things done Translates direction into plans that can be effectively implemented by individuals and unit <ul style="list-style-type: none"> Performance Planning (plans work) <ul style="list-style-type: none"> Coaching and Feedback Evaluation Managing for results...get results through people <ul style="list-style-type: none"> Focus on key priorities Deploying resources Stays on top of results <ul style="list-style-type: none"> Produces results Creates a positive work environment <ul style="list-style-type: none"> Design work for success Communicates across the organization Relationships 	<ul style="list-style-type: none"> 2-1: Strategy Interpreter and Communicator...it's the company's evolving objectives 2-2: Focuses the organization on the right issues <ul style="list-style-type: none"> Priority Setting Navigates through the organization Delivers Results 2-3: Holding leaders accountable...Get Results through People <ul style="list-style-type: none"> Workflow management Manage of boundaries that separate units—"silos-buster" Deploy and redeployment of resources Efficiency and Quality, fact based decision-making 2-4: Consistently raising the bar <ul style="list-style-type: none"> Continuous Improvement—looks for opportunities People and Teamwork—advances and spotlights Results: time Customer Satisfaction
People ...building the right team	<ul style="list-style-type: none"> 2-3: Anchoring the right foundation or "people's skills" <ul style="list-style-type: none"> Using us people>Selecting talent...know key distinctions Coaching for development Feedback, Rewards, and Motivation 	<ul style="list-style-type: none"> 2-5: Stretching, developing and Empowering Front Line Managers <ul style="list-style-type: none"> Assembling a strong team of managers Giving leaders the power to make decisions and execute 2-6: Coaching/Protecting front line leaders for their roles

Promote the Best People in Key Jobs Early and Often

Stretch your best talent and move them into challenging positions a little early. Stretch but do not break. Normally, it takes about eighteen to twenty-four months to get a handle on a new level of responsibility and to learn the lessons of that challenge. You are getting real work done with the placement, but most important of all, you are testing the individual. Make sure you know what the person is to learn at that level of management, closely monitor their progress, and make sure that they can win in the job.

Many times, executives promote people with the expectation that they have the knowledge and skills to handle the job—rather than the knowledge and skills to handle a particular level of leadership. Different levels of leadership—moves up in scope and scale—require a new mindset, knowing what is important and valued, and the skills to be successful. In *The Leadership Pipeline*, authors Charan, Drotter and Noel⁸ offer a framework and practical tools that describe leadership behaviors at six distinct leadership passages, demanding mastery of specific skills, time applications, and work values. Make sure you keep the best moving. If you do not, someone else will.

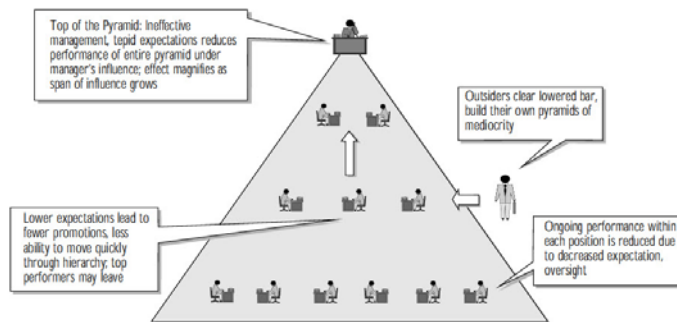
Break Some Compensation Rules

With high-potential talent, it is said, “Give them your wallet.” Although we don't recommend that literally, treat the highest-talented individuals differently with pay and other financial vehicles that signal and retain them. Find ways to accelerate your high-potential talent through salary grades quicker than normal talent. Find ways to pay for potential—as long as the talent stays on course. In many ways, you pay great talent for the jobs that they are going to perform for the organization.

Wake up to the Real Performance Problems That Might Involve Twenty-five (25) Percent of Your Leadership Team.

Organizations have trouble dealing with poor and marginal performance. Over time, the practice gets embedded into the culture, and it accumulates to the point at which some organizations may have as much as 25 percent of the leadership positions staffed with either “show-stoppers” or marginally acceptable “blockers.” Organizations generally are adept at identifying the 10 percent of showstoppers; however, the particularly perverse effect of over-retaining blockers constitutes the single biggest threat to top-talent retention as they impede the upward trajectory

of high potentials. This second category is a hidden-value destruction phenomenon that spreads beyond the actual performer in which he or she might be viewed as marginally acceptable. The situation worsens if the underperformer is in a pivotal, make-or-break position. The Advisory Board helped capture this dynamic in their “Pyramids of Mediocrity.”⁹



Too many will take the spirit and soul out of an organization. Talent leaves primarily because of whom they report to. Do you have these pyramids in your organization? If so, what have you done about them? If you tolerate this, you are undermining the value of the organization. Do not try to change it overnight, but act—too much is at stake.

CEOs should ask:

- Do we deal with derailed talent? With showstoppers?
- Are we truly stretching emerging leaders with developmental assignments that equip them with the necessary lessons of experience?
- Is there a developmental agenda for each emerging leader—in addition to the performance plan—that is both measurable and tracked?

Sin: Settling For “Just Good Enough”

Can your team outwit and outmaneuver your competition?

Organizations can lose their fitness edge when not challenging to attain market share or functional excellence. In the early stages of decline, signs of “organizational dry rot”¹⁰ can be detected in the middle-managerial appointments. In those cases, “good enough” leaders are appointed to key roles and steer their operating units toward incremental improvements and even deliver strong results. These

organizations have worked harder and managed to win—for a period of time. Often, they have chosen to keep score using internal measures of success and performance—year-to-year metrics, for example, as opposed to external metrics that score against best-in-class performance comparisons. Soon these organizations are in over their heads—overworked and out of gas. Their reputations slip, and great talent becomes difficult to attract and retain. Predictably, the competition begins to outwit, outflank, and outmaneuver them.

Symptoms of Settling for ‘Just Good Enough’:

Compromise candidates are appointed into key roles

Great talent has a way of creating enthusiastic consensus among selection-makers. When the selection process fails to converge on great talent, and a compromise candidate moves forward in the selection process, trade-offs may implicitly lower performance expectations and limit the new appointee’s freedom to act. Remedial actions, such as additional or special support staff or additional managerial attention, are often suggested to assist the compromise appointee. In essence, the original job specification is downgraded due to the limitations of the candidate.

Operating Units Rarely Stick Their Necks Out To Step-Up Their Performance and Contribution

Teams that challenge for market leadership typically operate at the “winning edge” of their abilities and *occasionally* lose by an eyelash. The conclusion is that they stretched a bit too much or were simply unlucky. These outcomes should signal that standards are high and leaders are able to mobilize teams to stretch. If there is learning and personal growth, these infrequent negative outcomes are not fundamental problems. Conversely, some teams that always win may “game” the system so that performance standards are always within easy reach. Mediocre leadership is a common hallmark within these organizations. When organizations fail to reach for market leadership, they put themselves on a slippery slope of decline where “good enough” values and performance standards permeate the prevailing culture. Are there units within your organization that do not operate at the “winning edge”?

Operating Units Are Unable to Renew Their Performance Capability

Businesses that provide sustained performance are able

to simultaneously improve their current operational performance and prepare for tomorrow. These organizations can perform and renew concurrently. Simply stated, great leaders ensure their businesses get better *and* get different. Be vigilant about monitoring units in which renewal initiatives languish and innovation lags competitors.

Belief in “Management Alchemy”

“Management alchemy” is the idea of being able to create “A” teams with “C” players through training, team-building, and other forms of magic.

While it is true that everyone is developable, the practical dilemma boils down to how long it will take—the costs and the opportunities lost for engineering these transformations. Rarely can you get to the future before your competition without more than your fair share of great talent from which to build high-performance teams. Too many training and team-building dollars have been invested on a decidedly fair pool of talent in the quest for high performance. The juice may just not be worth the squeeze.

Solutions for Avoiding Settling for ‘Just Good Enough’:

Build your bench ahead of demand

Have more “ready now” leadership than your forecast indicates. To achieve this condition without “featherbedding,” or unnecessarily overstaffing, your organization, your talent-development programs must be proactively managed. Develop or recruit “ready now” talent that is able to step up to growth opportunities or to replace a leader who has left your organization. The notion is to have a stockpile of flexible talent at various organizational levels and be able to deploy this best-in-class talent on a rapid-response basis. A rubric for the leaders within PepsiCo was to ensure the operating businesses always had a more-than-adequate supply of talent to support business growth and change. If a leader failed here, the leader failed overall.

As organizational levels continue to shrink, lean principles are also applied to talent development. Thus, we see less-than-full job changes and more job enrichment, special project assignments, and other development experiences. With a supply of “ready now” talent, there is no temptation or panic response for the organization to settle for “good enough,” and emerging talent throughout the organization is motivated to develop, work as a team, and perform.

The payoff from your talent development process must be a sufficient supply of flexible “ready now” talent that can be deployed in a variety of assignments.

Recruit and engage more than your fair share of “game-changers”

Great talent attracts great talent. Companies that manage to acquire more than their fair share of great talent will have the edge in the war for talent. To win this war, managers must be able to recruit, develop, deploy, and retain great talent, continuously top grading from good to great. Great talent is represented in individuals who can simultaneously deliver sustainable results and enable your enterprise to successfully prepare for the future— individuals who can help you improve performance today and lead the build-out of organizational units that are competitively tuned for market leadership in the future.

We like to call these individuals “game-changers.” Game-changers are not hired guns, outliers, or simply the “young turks” in the organization who must be watched and perhaps coddled. In contrast, these are agile learners who attract followers and lead groups toward the future. They drive current performance, yet challenge the status quo through appropriate channels and means. These assets help the organization adapt—get different—in preparation for a competitive future. Game-changers are the future vitality of your organization.

Equally important to acquiring game-changers is protecting them from rejection and resistance. Providing proper supervisory management, astute political cover, and good assimilation are important ingredients for ensuring your game-changers have the chance to influence and change your business for the better.

Supplement your pipeline with great external talent

External talent-acquisition comes with a risk. That risk is most associated with successful assimilation, along with the dashed hopes of less-talented leaders already in the organization. The key is ensuring that the externally recruited talent is demonstrably more able than available internal talent. Parity is not enough.

A partnership with a small number of executive search firms can pay significant dividends. In addition to their formal role of recruiting senior leadership, these partners assist you in benchmarking

internal talent against best-in-class benchmarks and the occasional opportunistic acquisition of great talent to add to your bench. These partners can be coordinated with the central control process mentioned earlier so they remain a strategic, not scattered, resource around your company. It also enables them to be plugged into your competency model and cultural requirements.

Make it a line management job to ensure that great talent sticks in their operating units

The failure rate of new executives is higher than 40 percent. We refer to this as American business's "dirty little secret." For both internal and external appointees, the first one hundred days in a new role is essentially a time for learning and action. These are periods of immense exposure, but unfortunately, formal channels of information and political support are not as yet assembled. To confront this problem, progressive companies use an assimilation process that helps the individual focus on the right issues and build the coalitions and bridges essential for success. These programs accelerate a new leader's productive contribution and reduce the risk of rejection that plagues new appointees. Our experience has proven these efforts to be essential. It is all the more reason for managers to be held accountable for these efforts and safeguards to be in place to prevent the process from being truncated. Make it someone's job to ensure that strong roots are established by newcomers in your organization's culture.

CEOs should ask:

- Are game-changers getting the best development slots and being appointed into the most critical jobs?
- Are we able to protect the game-changers as they learn and gain experience?
- Into what operating units is our best talent reluctant to go?

Sin: Failure to Reinvent Your Wheel

Are you borrowing or buying a succession-management process, then force fitting it into your culture?

Many of our best known brands—IBM, Dell, FedEx—have their own "secret sauce," something that makes them distinctive. If you probe into the genesis of what makes such great brands, one of the key factors is their

approach to talent—their selection, development, and retention. Often, the founder or a pivotal leader has put their personal touch on crafting a style or direction in leadership development. Noteworthy developers of leadership include P&G, Dell, Google, Baxter, International, PepsiCo, FedEx, and Johnson and Johnson. Their leaders made preemptive moves with emerging leaders that paid significant dividends in financial terms and created distinctive and sustainable competitive advantages.

Elsewhere, we often see "herd mentality." Leaders borrow what is going on at a well known company, read an article or two, bring a new process into their organizations—and fail. The "me too" adoption of GE's "nine box assessment" in many ways is seductive in its simplicity, but a gross oversimplification that has caused issues with its forced ranking of employees. What worked in one culture may not be a good fit in another. When leaders try to imitate the success of others by importing their methods, the organization loses its bearing and its confidence.

We feel strongly that leaders need to "invent their own wheel" for their talent management process. While there are some essential building blocks to an effective process, we use the phrase "reinvent the wheel" to encourage leaders to build an identity for their talent management process that solidifies involvement and commitment among other senior leaders. Nothing is as convincing as the senior executive personally putting his or her stamp on an issue. Talent is one issue that is worth it.

Symptoms of Ineffective Ownership:

Seduced by fads and technology

Treatment before diagnosis does not work in medicine, but it is all too common in American business.

We see many organizations that implement interventions guided more by a fascination of "what's hot" rather than a determination of what's needed. There are many contemporary interventions being adopted by organizations, including mentoring, coaching, team building, and 360-degree feedback programs, that may be on target and effective for a special need. But these should be employed after diagnosis and as a part of a comprehensive strategy for talent management.

Technology can inadvertently create barriers to solid talent management processes. Vendors now offer

simplistic “mail-in” succession planning tools with electronic forms and cookbook approaches that purport to replace the essential dynamic of robust discussion and dialogue about talent and its development.

Nothing is more powerful than sitting across from the table and saying to a peer, “I disagree with you...and, here is why”. And, yet we seem to avoid having those robust discussions.

Legacy programs and solutions are no longer aligned to the business needs and add little value

We see long-standing curricula that seem to have lives of their own. Just as the course offerings at some universities are driven by faculty preferences, the same things happen in organizations. Legacy solutions miss their mark as strategies change and new opportunities emerge. These solutions may convey history and tradition but may no longer be aligned with the strategic direction of the company. Some hit the mark, some miss. The bottom line is: development programs and interventions should be tracked back to a business need.

Creation of that “special task force”

Knowing that talent management and succession are important, yet unclear what to do, executives reduce their anxiety and create the “special task force.” This task force buys the leader some time. The time can be constructive for “inventing the wheel” or can result in a meandering journey to overcomplicate the mission of creating a pipeline of great talent. When the task force distances the executive from the process, it is clear the CEO has “no skin in the game.” Then the outcome is certain—a complex process that fails to move the organization forward due to a lack of energy, direction, and passion. Without the senior leader getting his or her hands on the wheel, the drive is uncertain at best.

Solutions for Building Process Identity:

Put your personal “stamp” on the process

P&G’s system works because of the personal stewardship of A.G.Lafley and senior management incrementally building it over time and were serious about the issue. Lafley put his stamp on the process. He elevated the process to core-competency status. FedEx is successful, in part, because Fred Smith became personally involved and focused talent management around the concept of everyone—from the top down—delivering customer service¹¹. The key point is that the senior leader was in the driver’s seat.

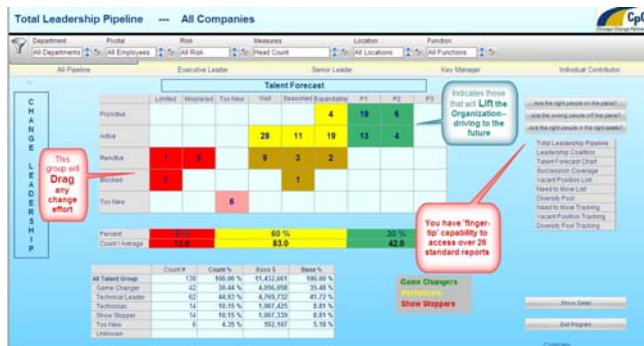
While it is instructive to learn best practices at these well-recognized companies, the important learning point is that “your process must become your secret sauce.” Stay focused on building talent who can drive your find a critical business issue on which to focus your process, and ensure that initial process-implementation delivers some certain “wins” early on.

Get the basics right

There are a few basic building blocks for a good talent management process. The first basic is having an accurate composite view of the talent within your organization—the big picture of performance and promotability. Ensure promotability assessment data is gathered, not by forms filled, but by having candid, robust conversations with senior leaders who are asked to put their credibility on the line with their assessment of talent. Clearly, our message is that talent review discussions are *not* casual discussions that allow equivocation, poor judgment, and absentee accountability.

Ensure talented leaders are deployed to *where the action is*, in those pivotal positions up and down your organization essential for delivering performance as well as developing your emerging leaders; not in staff roles. This is a matter of significant importance as the PIMS study¹² from Harvard indicates that having superior talent in a key position is a major differentiator in the creation of corporate value. PIMS reports difference between market leaders and laggards in the range of an astonishing 100-300%.

Keep your eye on the metrics—talent metrics. W. Edwards Deming’s quote of “in God we trust, all others bring data to the table”¹³ - needs to be remembered. Historically, the predictive link between good talent management practices and business outcome has not been well developed in many companies. We advocate the use of a Leadership Pipeline Dashboard that fully connects those talent management practices that advance business outcomes and competitive ability as well as those practices that retard business performance. Your metrics are always about the depth and readiness of your pipeline to support your growth. To manage your pipeline of leadership requires qualitative and quantitative data. A listing of the Dashboard metrics menu is included in the side bar provided.



Sin: Creating CredenzaWare

Is your talent-planning process an annual “event” or an ongoing, ingrained process that drives results?

Credenza-ware is the unrealized output of talent review meetings. This output finds its way to the shelves, disk drives, and credenzas of senior executives and presenters. Nice work that goes nowhere. We believe the culprit is the once-per-year process of conducting talent review meetings in which forms and formal presentations overwhelm the process of candidly assessing your organization’s talent strengths and deficiencies and setting plans in motion to close gaps.

When your talent meetings feel more like reviews than action-planning sessions, be on guard that the time and effort of many executives may have been squandered. Your future is in jeopardy.

Symptoms of CredenzaWare:

Dominance of a “Once-Per-Year” Mindset

You may hear the theme, “This succession planning is an annual exercise that we go through, then we get back to the real work.” If this captures the sentiment around your talent-management process, the process is lost.

According to Larry Bossidy and Ram Charan, “The people process is more important than either the strategy or operations processes...It’s the people of an organization who make judgments about how markets are changing, create strategies based on those judgments, and translate the strategies into operational realities.” They conclude, “To put it simply and starkly: If you don’t get the people process right, you will never fulfill the potential of your business.”¹⁴

When the talent management process is not properly orchestrated across the business cycle, the typical outcome is a once-per-year review meeting designed to discuss talent and the pipeline. Most likely, talent review meetings are limited to information exchange and stop well short of real planning, resource allocation, and commitment to action or expected outcomes. A once-per-year mindset exists for a presentation—not a meaningful action-planning process that addresses business needs.

Talent Review Meetings Are a Road to Nowhere

Sell your vision—get your management team committed.

Talent management is a business process. We believe there are three anchors that form the foundation of communication around the topic: 1) a belief that talent impacts business results, 2) a pervasive commitment to meritocracy and talent building, and 3) holding executives accountable for people management and development.

Personal involvement in communicating the business need, the tactics you will be implementing, and explaining the desired outcomes are a solid way to get your senior team involved and middle management educated. You do not have to have all the answers, but you must ensure that planning discussions are not diverted by a quest for perfection or by implementation of faddish pilot projects. Many companies create a special subsection of the senior leadership team—the “senior executive talent-development committee,” with the CEO being a member of the committee. Their responsibility is to provide the overall stewardship required and to drive the development of talent. This type of group can be especially instrumental in keeping the effort strategic: ensuring that there is alignment of efforts with the needs of the business; providing overall direction; setting priorities; making resource-allocation decisions; and quickly correcting problems when things go off track.

CEOs should ask:

- What percentage of our time each month is devoted to talent management matters?
- Do we showcase our talent management process in our annual report and recruiting materials?
- Does Wall Street enhance our valuation due to our leadership depth?

Talent review meetings typically occur once or twice per year. Review meetings are characterized by misguided preparatory work leading to overly formal presentations to senior executives. Questions are few and scripts are buttoned-up. Little direction is provided from top leaders to those below them regarding management of the talent pipeline. These meetings conclude without approvals, assignments, commitments to action, appointments, or change. No work orders are handed out. Presenters fail to receive directives, endorsements, approvals, or feedback. The work that went into the meetings is lost, and there is no implementation plan that can be tracked for the balance of the cycle.

Beware presenters who leave the meeting talking about their golf game rather than the substantive work that has to be done to build talent and manage change. If there are no work orders or solid plans coming from these meetings, your process is on a road to nowhere.

Talent Plans Are Not Tracked for On-Time, On-Target Results

The kiss of death in talent management is when the key issues become lost and the plans are not recorded or followed through. Without a commitment and the resources deployed for ongoing monitoring and tracking of talent plans and change management commitments, your talent-management process will never find its groove. It languishes as an unproductive nuisance and tends to be discredited because the process fails to clearly associate itself with the business of winning.

Solutions That Make Talent Management an Essential Business Process:

Focus on the Issues You Want Addressed

The CEO needs to communicate his or her expectations to subordinate leaders who will make talent-planning presentations to the leader. Prior to the meetings, the CEO should focus the presenter on areas of particular concern, such as areas critical to successful implementation of strategy or more thorough discussion on particular leaders. The senior leader might summarize the strategy, laying out the *talent demands* based on where the organization is going in the next planning cycle, and share how he or she sees the talent in the organization, what their concerns are (e.g., lack of overall bench strength or a need to launch a new sales initiative in a new market to staff and support), and other important issues that

this executive should come prepared to discuss.

Have Robust Discussions, Not Presentations

Talent-planning meetings feel more like guided discussions. Robust dialogue and questions are expected and welcomed. Presenters ask for authorization on proposals and leave the meetings with work orders and approvals. These sessions feel more like a beginning of something important rather than a conclusion. The key is to ensure these meetings lead to future action, as opposed to informing senior executives of the status quo.

Not surprisingly, we advocate talent planning.

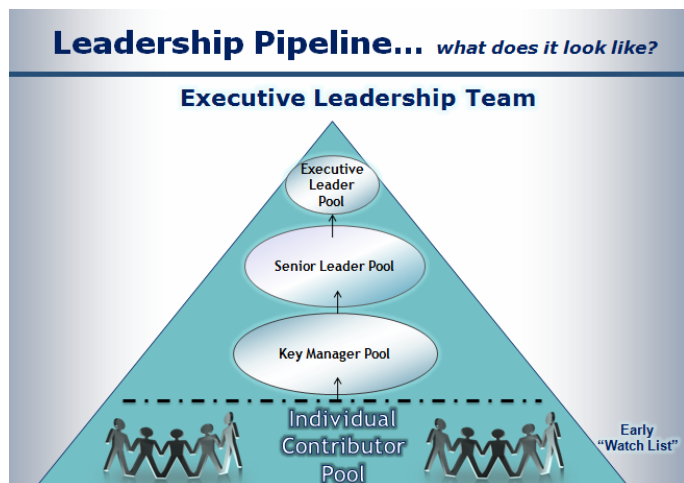
Put Plans and Commitments in Writing

The senior officer should send a personal note to the presenting officer, detailing what was agreed during the talent meeting: beginning with what the high points of the discussion were, followed by the key points made in the session (e.g., “I am concerned about John Smith’s ability to think strategically, and he is in a strategic role”; “Lee Brown, as discussed, might be overwhelmed in the job, and I want you to come back to me about your coaching plan to help Lee succeed”). This one-step *dramatically* affects the results that occur after the meeting. Not all the heavy lifting has to be done by the senior officer. Human resources can assist, particularly after the meeting. They can help capture the points covered, but the message and letter comes from the top officer.

Replace Succession Planning with a focus on a Pipeline of Talent Development

From most points of view, Succession Planning has failed American corporations. Conger and Ready¹⁵ in their study of succession planning report that 97% of organizations have ‘succession planning’ but only 3% feel that ‘it is working’. Other studies report less dramatic findings; whatever we have, the picture is not good. We decidedly need to do something different...we need a different ‘game plan’ here.

Succession planning does have its role; it needs to be in place at the top of the corporation for the CEO position and a few other members at the top; however, the logic falls apart after that. Talent management is more about creating ‘pools’ of talent at various levels. What might that look like? The following is a picture of the talent “pools” at various levels. What we suggest is like a convection system, one level feeding the other.



the Leadership Pipeline Dashboard.



Measurement of your pipeline:

Most organizations are focused on two types of people information; namely, transactional—basic information about the workforce; or operational—information related to the effectiveness of the HR function. Talent management requires more precision, focus and assisting management in making evidence-based decisions to maximize human capital investments. These two other areas; Strategic... analytics that identify top drivers of business outcomes and Predictive...analytics that help us maximize human capital investment.

There has been too much 'good will' and an intuitive sense around the question of making progress. If you cannot measure, you cannot perform; the same holds true in the talent area. Good news is that with some technological advances we are able to keep the talent pipeline 'thought in', rather than the previously cited 'once a year mentality'. You cannot afford to accept the traditional measures that are available. You have to demand more strategic and predictive information.

We have found a Leadership Pipeline® Dashboard to be helpful if you tie that into the idea of driving change; and its affect upon *execution* and *business performance*. The construct of organization 'lift' and 'drag' are central to our Dashboard and readily understandable. Lift comes from those that will take an organization to a different level; Drag is well known in that many of the underperformers will truly put skid marks on any change required. A Leadership Pipeline Dashboard enables an organization to understand the starting point and also to 'track all of the moving pieces' as you implement.

The following is depiction of the logic behind

CEOs should ask:

- Does every senior leader have a "ready now" backup? Or at least a plan for developing a backup?
- What is the status of follow-up regarding critical talent issues which were discussed during our last senior management meeting?
- Do we track progress of our subordinate leader's talent plans across the fiscal year and comment on these plans in annual performance reviews?

Summing Up

Leadership is often about delegation. Effective talent management is not. We have discussed the serious and purely personal work that the senior leader and other members of the senior team must perform in order to send signals to your organization about the value of building a deep and ready bench and the standards by which the process must be executed.

Leadership-rich organizations never believe their talent- management process and activities are discretionary duties. They understand the process as an essential core competency that can't be duplicated, that largely can't be delegated, and must not be neglected.

There is nothing altruistic about these values. It is about building the capacity to perform and win. Great leadership is the foundation for sustained performance through both evolutionary and revolutionary phases of any company's life span.

Without a leader putting a personal stamp on this process and investing personal time to know one's pipeline, the process is doomed for credenza-land.

At the end of the day, the central question for senior leadership is:

“Do you have the leadership talent and bench strength to successfully implement your strategy?”

Patrick R. Dailey and **Charles H. Bishop Jr.** have been senior human resources executives for leading global organizations, including Baxter International, PepsiCo, FedEx, Bank of America, Lucent Technologies, and Hewlett-Packard.

Together, they founded and operate **Chicago Change Partners**, a boutique human resources consulting firm specializing in supporting senior leaders and their teams to navigate personal and organizational change. From individual and organizational assessment and diagnostic work through large-scale intervention, CCP assists boards and organizations in assembling leadership teams and developing the “Leadership Coalition” required to focus, drive, and sustain change. CCP’s mission is creating great organizations that fuel growth and keep dreams alive for all associates.

1. In a series of studies conducted by the University of Michigan, David Ulrich, Wayne Brockbank, Arthur Yueng, and Dale Lake concluded that leadership and change capacity were the key differentiators in performance. “Top Books on Change,” in *Human Resources Management Journal*, volume 40, No. 3, Pp 275-286 2001 John Wiley and Sons, Inc.
2. Ed Michaels, Helen Handfield-Jones, and Beth Axelrod, *The War for Talent* (Boston: Harvard Business School Press, 2001) p. 159.
3. Larry Bossidy and Ram Charan, *Execution* (New York, NY: Crown Publishing Group, 2002), p. 172. In which the authors discuss the need for candid dialogue.
4. Bossidy et al, 142.
5. Jim Collins, *Good to Great* (New York: HarperCollins Publishers Inc.), p. 13. (2001).
6. The term “states’ rights” in the context of succession management and development is attributed to Bob Eichenger in a speech to a Human Resources Planning Society Workshop (circa 2002).
7. Interview with Fred Smith, in which he speculated about the large percentage of CEO time spent with talent. This was furthered substantiated by Ms. Paolo High, who assisted the CEO in the HR process at FedEx from approximately 1982 to 2003.
8. Ram Charan, Stephen Drotter, and James Noel, *The Leadership Pipeline: How to Build the Leadership- Powered Company* (San Francisco, CA: Jossey-Bass, Inc. 2001).
9. Corporate Executive Board, Corporate Leadership Council, “At the Frontier: Employee Retention and Workforce Mix Management,” (Washington DC: Corporate Executive Board, 1998): chapter 3, 53. Developed the idea of a Pyramids of Mediocrity.
10. John W. Gardner, “How to Prevent Organizational Dry Rot,” in *Management and Organizational Behavior Classics*, ed. Michael T. Matteson and John M. Ivancevich, (Homewood, IL: Irwin Press, 1993) p. 140.
11. Fred Smith, chairman of Federal Express, devoted time to in-depth personal involvement in leadership selection, development and strong monitoring of the organization climate. . He was personally involved and, by any measure, met our description of “inventing the wheel.” His personal involvement provided the impetus and a model essential to make progress in this critical area.
12. Harvard Profit Impact of Market Strategy (PIMS), a joint venture of the Strategic Planning Institute & the Harvard Business School. The study followed the fortunes of over 3000 business units of 450 companies for a 15 year period. The results were reported in the Harvard Business Review, July 1989; additional research continues. Study reviewed in a presentation by Dr. Gary Loveman, circa 2002.
13. Dr. W. Edwards Deming: One of the basic tenets of Dr. Deming’s seminar: 'Out of the Crisis' - The Deming Way, offered by W. Edwards Deming Institute over a number of years.

14. *Execution: The Discipline Of Getting Things Done* (New York, NY: Crown Publishing Group, 2002),
15. Douglas A. Ready and Jay A. Conger *Make Your Company A Talent Factory*, (Harvard Business Review); Boston: Harvard Business School; later their research was cited in the Wall Street Journal; November 2008.

Diagnostic Guide

Instructions: As you read the article, assess each Sin by reviewing the question and the description for each Sin. Checkmark each symptom that applies and add those unique symptoms operating in your organization. The Solutions column provides a comprehensive starting point for prioritizing process improvements.

SIN	SYMPTOMS	SOLUTIONS
<p>Inept Assessment</p> <p><i>Do your hiring managers differentiate ‘great’ talent from ‘good’?</i></p> <p style="text-align: center;">****</p> <p>Selection standards and assessment skills are off target and lead to mediocrity. Time to apply rigor to pinpoint competencies that differentiate performance; train hiring managers; operate a disciplined selection system that delivers top tier talent.</p>	<input type="checkbox"/> Senior leaders don’t agree on what “success” looks like. <input type="checkbox"/> Appointments are not made from your promotability list <input type="checkbox"/> Performance is used as a proxy for potential <input type="checkbox"/> A “conspiracy of politeness” exists during talent review sessions <input type="checkbox"/>	<ol style="list-style-type: none"> 1- Bolt competency model to strategy 2- Train manager to assess competencies and learning agility. 3- Foster an environment of “open dialogue” during talent review session.
<p>Loose Accountability</p> <p><i>Would you bet your bonus on the quality and readiness of your leadership pipeline?</i></p> <p style="text-align: center;">****</p> <p>Process excellence and selection accuracy are deemed as low in importance. There is no “spot light” on this essential managerial accountability. Time to ensure senior leaders put some “skin in the game.”</p>	<input type="checkbox"/> Managing (only) from the heart <input type="checkbox"/> “One horse races“ are run for key appointments <input type="checkbox"/> Senior leaders are not held accountable for “bad calls” <input type="checkbox"/> <input type="checkbox"/>	<ol style="list-style-type: none"> 1- Play a strong role in selection decisions at least two levels down . 2- Scorecard your process and reward Success. 3- Challenge calls to sharpen standards.
<p>Tolerating Protectionism</p> <p><i>Are you personally willing to reach down and across the organization to knock down the barriers to sharing and developing top talent?</i></p> <p style="text-align: center;">****</p> <p>Walls and barriers exist between organizational units around many issues; most likely talent is one of these. Time to knock down cross unit barriers and appropriately manage talent as a collective corporate resource.</p>	<input type="checkbox"/> Inability to move talent across organizational boundaries <input type="checkbox"/> States rights mentality and practices <input type="checkbox"/> Cronyism <input type="checkbox"/> Talented outsiders have difficulty breaking into the culture <input type="checkbox"/> <input type="checkbox"/>	<ol style="list-style-type: none"> 1- Create an “air traffic control” capability to facilitate appointments and development 2- Know your pipeline.
<p>Playing It Too Safe</p> <p><i>Are you willing to take short term risks with business results as emerging leaders learn their lessons of experience?</i></p> <p style="text-align: center;">****</p> <p>Talent development programs fail to stretch and build the necessary range and depth of skills, coalitions and temperament necessary for promotability and success at the next level. Time to fix your talent development agenda---make development more challenging, inject a “pass/fail” mentality and tailored to the needs of high potentials.</p>	<input type="checkbox"/> Low risk learning and development opportunities are utilized <input type="checkbox"/> Promotions are delayed until talent is “over ripe” <input type="checkbox"/> Holding steadfastly to a promote from within practice <input type="checkbox"/> Leaving high-potential talent out of the equation <input type="checkbox"/> <input type="checkbox"/>	<ol style="list-style-type: none"> 1- Ensure real business risk and personal challenge are used. 2- Prepare transformation Coaching Guidance. 3- Promote the best people into key jobs early and often. 4- Break some compensation rules. 5- Wake up to the real problem that might involve 25% of your leadership and <u>act</u>.

SIN	SYMPTOMS	SOLUTIONS
<p>Settling For Good Enough</p> <p><i>Can your team outwit and out-maneuver the competition?</i></p> <p>****</p> <p>Your operating leadership and management cadre do not deliver market leadership. Your bench has failed to offer ready now talent that senior leadership believes can step up into pivotal roles and win in the marketplace. Your “bar” is too low. Time to upgrade. Time to build your bench from rigorous internal development as well as recruit “take your breath away” talent from the outside that can step in and step up.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Compromise candidates are appointed to key roles <input type="checkbox"/> Operating units rarely stick their necks out <input type="checkbox"/> Operating units are unable to renew their performance capability <input type="checkbox"/> Belief in Management Alchemy via team building and training <input type="checkbox"/> <input type="checkbox"/> 	<ol style="list-style-type: none"> 1- Build talent ahead of demand. 2- Recruit and develop more you’re your fair share of “game changers” 3- Supplement your pipeline with “great” external talent. 4- Make it someone’s job that great talent Sticks.
<p>Failure to Reinvent The Wheel</p> <p><i>Are you borrowing or buying a talent management process and force fitting it into your culture?</i></p> <p>*****</p> <p>Talent management has not been treated as a core competency. Modest investment and inattention has produced an undistinguished process. Time to create your brand of talent management processes and a distinctive leadership profile; put your personal stamp on the process; build out both the assessment and development sides of your unique process. Invent your “secret sauce.” Connect talent management with the business.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Seduced by fads and technology <input type="checkbox"/> Legacy programs and solutions are no longer aligned to the business needs <input type="checkbox"/> Creation of the “special task force” <input type="checkbox"/> <input type="checkbox"/> 	<ol style="list-style-type: none"> 1- Put your personal stamp on the process. 2- Get the basics right. 3- Sell your vision – get management leaders involved.
<p>Creating “Credenza –Ware”</p> <p><i>Is your talent review process a once a year ‘event’ vs. an on-going, ingrained process that drives results?</i></p> <p>*****</p> <p>Process planning, review/planning meetings and follow-through are haphazard. Time to elevate talent management to the same level as your strategic planning and annual budget planning process and repeatedly follow up to compare plan v. actual through the fiscal year. Time to work your talent management plan <i>everyday</i>.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Dominance of a “once a year” mindset <input type="checkbox"/> Talent review meetings are a “Road to Nowhere” <input type="checkbox"/> Talent plans are not tracked for on time, on target results <input type="checkbox"/> <input type="checkbox"/> 	<ol style="list-style-type: none"> 1- Tee-up the issues you want addressed. 2- Have Discussions; not Presentations. 3- Put Plans and Commitments in writing. 4- Replace Succession Planning with a focus on a Pipeline of Talent. 5- Measure your pipeline.