Entendeo Case Study: Engaging Your Talent and Planning Succession

Creating a Talent Flywheel

‘It is often said – perhaps too often – that people are an organization’s greatest resource. I guess this depends on the organization but they are invariably the one resource that is the most expensive, decisive and critical to a business’s plans, and the one thing that has the potential to make or break our success. Given these simple facts our people’s skills and priorities need to be understood and their energies need to be actively engaged. It is the task of each manager and leader to do this – to engage and help develop their people, realizing their full potential. Clearly, this benefits each individual but it also helps the manager, their team and the whole organization.’ (Senior Vice President, Human Resources, Leadership and Organization Development, Global Technology Business)

The challenge: How do you develop a strategy which makes sure that the right people are in the right roles, at the right time? And, crucially, how can you do this when the job market is becoming increasingly competitive, talented people have portable skills, and the skills needed for future roles are largely unknown?

Ravi Singh is a member of the executive leadership team for a global technology business, providing everything from computer chips to IT consultancy, data storage and enterprise software. Of all their products consultancy and services were highlighted in the firm’s 2020 strategy as growth areas. This recognizes the trend in their industry (and others) that customers need fewer ‘off the peg’ products, preferring instead to buy bespoke, tailored services. The firm therefore provided everything from guidance about new business models to customised databases and software systems. For example, one recent success, delivered for a global publishing client, was a tailored system enabling executives to connect and share information between individuals and business units, worldwide.

Ravi Singh’s challenges in supporting the new strategy, however, were significant. He needed to: 1) identify people with the skills and potential to succeed; 2) provide specific development opportunities as well as the support and challenge required to grow people’s abilities, and 3) keep all his people energised and engaged during a time of uncertainty and change (while the new strategy was being implemented).

The reality: The reality of the firm’s situation added to Ravi’s challenges. There was relatively little money available, the firm was comprehensively changing its strategy, products and position in the market, and there was almost no time available – the strategy had been agreed and the expectation was that implementation would start immediately. Interestingly, it was the reality of this situation that helped Ravi recognize the best way forward. There was no single solution – no ‘magic bullet’ – when it came to the vital work of developing employees’ talents. The answer lay in taking many small actions in several key areas, rather than looking for a single miracle cure.

Priority actions: Ravi’s approach was based on the concept of the talent flywheel. This approach to managing and engaging talent is based on a set of conditions which, when applied together in small, incremental steps, create an irresistible momentum for change. The key is to work on the challenge in a joined up, integrated way so that each change reinforces another in a related part of the organization. The goal of the talent flywheel is to use the latent talents available to the entire organization, making the resulting whole much greater than the sum of its parts. Several steps are essential for this approach to succeed.

See Talent in Context

First, think about talent in your context and consider demand and supply. What type of skills will be needed to survive and thrive into the future? When will you need them and for how long? To answer these questions it can help to lay out a range of scenarios and set out a ‘Make and Buy’ plan.
It’s also worth remembering that while succession plans may be useful they can also be quite static, taking little account of recent developments in skills or changes in need; for those reasons they can date quickly. What matters more is the manager’s mindset and approach: think about the people you need to deliver your strategy. How will your organization be more distinctive, efficient and innovative? Look at how people are performing today, why they are succeeding and who they are working with. Key questions: who are your most successful and effective employees and what are they doing right? What skills will be needed in the future? Specifically, what will the industry require, the organization value, and individuals aspire to?

Treat Everyone as Talent
Next, understand what drives people and how a competitor might view them. Ravi Singh recognized that in his highly competitive global industry there needed to be a more sustainable perspective on people. The truth is that we are exhausting (metaphorically and literally) the usual sources of talent and we must widen our search to different groups. We’ll know we’ve made progress when we have more diverse representation at every leadership level. This approach will balance the portfolio of capabilities in the organization, making it more innovative and more adaptable.

Also important is the ability to re-connect with the people outside the talent pool who constitute the vital core of the organization. This means moving on from a mindset where people arrive at career ceilings or they’ve reached their potential. If they have stalled or are under-performing the solutions are simple: help them, or move them. Move them towards work that is more stimulating, or to a different role or team more suited to their skills and aspirations, or to a role that can inspire others. Or move them on with thanks, out of the organization. Treating everyone as talent doesn’t mean continuing to carry those whose skills or attitude no longer fit. Key questions: are the right people in the right roles? If you are a market-leading brand you will be attracting the brightest and the best, so are they being supported, challenged and developed as effectively and comprehensively as possible?

Focus on Creating Value
It’s also time to move away from the notion that talent is only about high potentials. It is important to identify those who learn fast and continually out perform their peers. It’s more important to be clear about the potential you need, answering the question ‘potential for what?’ One definition of talent is ‘anyone who creates value for an organization’. ‘Potential’ simply means the potential to create value. Key questions: what does value creation look like in your organization? Who creates value and what, precisely, do they do?

Make Work Personal
People choose how and when they apply their talent, and that choice may be either conscious or unwitting. Also, it’s not simply a matter of assuming that an individual’s ability belongs to the organization that pays them. Potential is best realised and shared when there is belief in the organization’s purpose and trust in its leaders. It’s also dependent on the degree of meaning an individual achieves through their work – something that varies from person to person and at different times in their life. We need to organize work differently to accommodate this. This goes beyond flexible working arrangements to the way we define roles and how we encourage people to work. The challenge of making work personal is often very complicated and so requires a much more sophisticated and customized employee proposition. We will need to employ segmentation techniques to understand and respond to the different drivers of different groups. Key questions: what does work mean for your people? Does the company’s vision not only resonate with people (even inspiring them) but also have a practical dimension, guiding their thinking and actions? Is there a tailored and valued employee proposition for each individual?

Build Everyone’s Capability
It was clear to Ravi Singh and the rest of the executive team that one of the key reasons there wasn’t enough talent (or, at least, people with the right skills) was because education had not kept pace with the future. This happened in schools and universities and it also happened in our workplaces. At one end the priority is training: providing basic skills and job competencies; at the other end, expensive executive education for the stars of the future; but what about those in the middle?

The problem here is how the organization’s curriculum stays relevant to its strategy and how employees can build their capabilities, as they need it. Learning must become more convenient, continuous and customised. Segmentation will allow us to shape and target learning propositions more effectively, and the most able must
receive earlier (not exclusive) access to this education. We must also move away from an over-reliance on content rich interventions (such as workshops) towards more varied experiences. Projects, secondments, coaching and networking are increasingly important for talent development and for the organization’s health. They also cost less and get better results than conventional activity.

Finally, we must move from the idea of overly-regimented training or the more current, self-directed (i.e. left to your own devices) learning and adopt an educative mindset. The original definition of education meant ‘to draw out’, quite literally to bring an individual’s potential to life. To do this well, the organization needs its leaders to take on the role of teachers. Key questions: is learning continuous, varied and customised? Does everyone, at all levels, have an active development plan that they value? Is support for development activities consistent and compelling? Is learning seen as a ‘must’ for progression and esteem and are ‘teachers’ valued?

Take Leadership Seriously
A talented organization needs leaders in many guises. Thought leaders, customer champions, change agents, entrepreneurs and people leaders. They may be specialists in each of these areas or generalists who can combine these skills. What matters is that performance standards for leaders are set and exemplary performance is recognised and celebrated.

Arguably, leadership is the most influential, vital skill, and this requires serious attention much earlier. It’s interesting that what’s perceived as the more sophisticated end of leadership – coaching, inspiring, engaging people – is normally left until relatively late into a leader’s career. We believe the role of a leader is so important to talent (and the organization) that it needs to be supported, challenged and reviewed on a regular basis. Key questions: who are your current and potential leaders? What practical support are they receiving? What are the defining skills of a leader in your organization – and are these skills widely known?

Tend to Your Talent Ecology and Develop the Leadership Pipeline
The flywheel depends on the interaction of each of these conditions with the organization’s talent ecology. This is the complex set of relationships between individuals, teams, the external market and the organization’s culture – its strategy, structure, systems, symbols and beliefs. When aligned these elements provide the final, powerful turn of the flywheel and drive its momentum. They are the hardest to achieve and the easiest to lose.

The Leadership Pipeline, a concept pioneered by Ram Charan, Stephen Drotter and James Noel, provides a framework for leadership development by explaining what success looks like at each stage of a career. Employees understand that they need to do to succeed in their current role, and how they need to develop to prepare, in broad terms, for future roles.

There are six stages in the leadership pipeline:

1. Self-leadership: individuals are responsible for their own effectiveness, development and results.
2. Leading others: individuals are responsible for the work of other people.
3. Leading managers: individuals are responsible for the work of other managers.
4. Leading leaders: individuals are responsible for the delivery of part of a business.
5. Leading a business: individuals are accountable for the results of a business.
6. Leading your organization: individuals are responsible for more than one business.

The Leadership Pipeline describes how to improve skills – from newcomers to top executives; ensures consistency across the business, and explains how to prepare for career advancement. It meets three vital business needs: first, it provides clarity about what is required at different leadership levels. It also helps ensure that the right

“Biologists often talk about the ‘ecology’ of an organism: the tallest oak in the forest is not the tallest just because it grew from the hardiest acorn: it is also the tallest because no others blocked its sunlight, the soil around it was deep and rich, no rabbit chewed through its bark as a sapling, and no lumberjack cut it down before it matured.” Malcolm Gladwell, Outliers
development is accessible for all, helping people to understand the development that is needed at different stages of their career. Finally, it focuses the organization’s development activities. The leadership pipeline is used to ensure that development activities are focused, accessible and relevant.

For Ravi Singh, the talent flywheel ensured that the HR strategy supported the new corporate strategy and helped achieve the changes that were so vital to the business’s future. It not only helped ensure that the right people were in the right roles, at the right time: it also developed the skills and mindset needed to succeed, and did so in a way that energised and engaged employees.

Summary: The Talent Flywheel

See Talent in Context
We have a clear strategic purpose that integrates with our talent strategy. We use strategic scenarios to plan our workforce. We take care to balance ‘make and buy’. We know where our hot people and hot spots are.

Take Leadership Seriously
Leaders are role-models, teachers and coaches. All leaders are focus on managing and developing performance, achieving engagement, building teams and developing talent.

Build Everyone’s Capability
We have an open, internal recruitment and development market. Rotations are easy. Learning is modular and customised to each individual’s career plan. The most talented people have early access to these propositions. Becoming a leader is a big deal.

Treat Everyone as Talent
We hire all our people based on their ability to deliver value. We welcome and connect them. We have a core employee value proposition that can be tailored. When things don’t work out we help people leave with dignity. The diversity of the external market is reflected in our leadership.

Focus on Creating Value
Our performance systems focus on how much value is delivered. Excellence in innovation and relationships attracts the highest reward. Talent is identified through a record of delivering sustainable value.

Make Work Personal
We differentiate our people by understanding them, their background, aspirations and performance. Every individual has a personalised work proposition where they flex elements of their role and career development plans in agreement with their line manager.

About this case study. This case study draws on the experience of several Entendeo clients – notably the BBC, HSBC, Merrill Lynch and Zurich, as well as several international law firms. All of these organizations have highlighted the need to move HR professionals into much more central roles as business partners.

About Entendeo. We are an international executive development and consultancy business with a growing team of 40 coaches and consultants, offices in Europe, the Americas and Asia-Pacific, and a client base of global, market leading businesses. For further information please contact Brian Edwards, Managing Director (BEDwards@Entendeo.com).