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Talent development: The architecture of a talent pipeline that works

Not all talent pipelines are created equal, nor do all talent pipelines operate effectively. There are cracks, blockages and breaks that prevent the right talent from rising to the top and reaching their own -- and the organization's -- potential. This Ivey professor describes the architecture that allows an organization to build and maintain a talent-rich pipeline and to become a talent magnet.

By Jeffrey Gandz

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The ultimate shared goal of both senior executives and HR professionals is to build a talent-rich organization. In practice, this means:

- Zero-Talent Outages: Having two or three people ready, willing and able to step into each role that opens up because of a business opportunity or the promotion, retirement or resignation of others;
- Succession not Replacement: Ensuring that these people are actually better than the people they are succeeding, if not able to be so immediately, then in very short order;
- Becoming a Talent Magnet: Building the kind of reputation as a talent rich enterprise that attracts great talent to your organization.

The Talent Development Pipeline Architecture

This requires much more than engaging in traditional, person-to-person succession planning, as important as that is. Talent-rich organizations do more than look just at individuals; they look at cadres of talent at different

levels in the organization. They want to be assured that they have lots of twenty-somethings with great potential, thirty-somethings with both potential and experience and who are building a performance record, and forty-somethings who are seasoned, mature, but still aggressively driving forward. From this group they will select a few people to be organizational leaders or lead-ers of specialist functions within the organization.

Lots of things have to be done well to make this ideal a reality. You have to define what kind of talent you need, both for the present and the future. You have to create and maintain the HR systems that help you attract, select, deploy, develop, reward and retain this talent. You have to manage the careers of your talented people to ensure that they develop the skills and judgment they need as they move into key leadership roles. And you have to design and deliver the programs that contribute to making all of these things hap-pen.

If you're a smaller enterprise, it is difficult to do all of this internally. You have to be good at recruiting people from other organizations and be creative and imaginative in developing and retaining them. You may have to expose them to environments and practices outside your own enterprise so that they develop the broader perspectives and understanding of what is possible and how others do things. In other words, you must prepare and enable them to select the right practices for your organization.

Organizations that do this well have an explicit or implicit **talent-development architecture**. There are four dimensions to this architecture:

- I. **A clear, articulated picture of your talent needs over the next several years.** This picture should be clear on the competencies and other characteristics that you want your talent pool, so that people can see what it takes

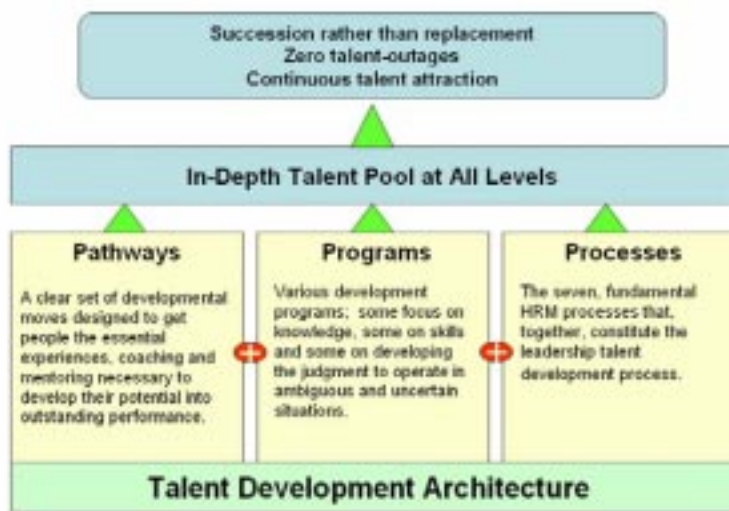
"to make it" in the organization.

- II. **Developmental pathways that you can use to get raw potential developed into polished performers.** You will need to define the experiences, exposures and challenges that they need to meet so that they can emerge as high performers in the future, whether as organizational leaders, specialist leaders or simply advanced specialists.
- III. **Key HR systems and processes that can enable potential to be realized as performance.** Typically, this means having sound, integrated, human resource planning, recruitment and selection, training and development, performance management, career management, succession planning, and compensation/benefits processes to ensure that the talent pipeline is filled. This will allow people move through the pipeline and ensure that the pipeline delivers the talent where it needs to be deployed, when it is needed.
- IV. **Programs that enable both talent to develop and talent managers to do a great job of ensuring that your organization becomes a talent-rich enterprise.** Some of these programs may be in-house, some may be obtained externally; many will involve forms of action learning or learning associated with delivering on accountabilities. Some will focus

on strategy and values while others will seek to develop competencies.

This talent development architecture feeds the talent pipeline to ensure that high-potential people are recruited into the organization, assessed regularly, given the opportunities to develop their talent through exposure to a variety of situations and environments through their careers, and given the opportunity to advance to ever-increasingly challenging opportunities. Not everyone will have a vertical pathway through the pipeline - some will reach the level of their potential and plateau, others will decide to drop-out or will be moved out because of their performance or because they block the development of others. The constant assessment of people, using the organization's performance management tools, 360-degree appraisals, and sometimes more extensive evaluations by professionals, ensures that the pipeline stays in excellent condition and that blockages are not developing.

This is a bi-furcated pipeline in which some individuals show the potential for organizational leadership outside their specialized areas; they need to be given broadening experiences, programs, challenges and opportunities - what is depicted in Figure 2 as the "organizational leadership track." Others show either limited aptitude or desire for such leadership roles but have high-potential for development along specialist lines. Some of these will eventually show the aptitude and desire to be specialist leaders -- and should be given the opportunities to develop as such -- while others will continue to achieve their potential in specialist roles.



A couple of caveats. There will be lots of errors in making these assessments since assessment of potential is an imprecise science at best, an art at worst. So anyone doing it must be prepared to recognize and reverse an error if they are to make this work well overall. Since performance is a function of the ability to do the job, a desire to succeed, to use the resources available to do it with and a clear sense of direction and purpose, it is conceivable that people may run out of one or more of these on the way to success. As a result, they may not realize their potential. The challenge is to maximize the yield from the potential that is hired

Figure 1: Talent Development Architecture

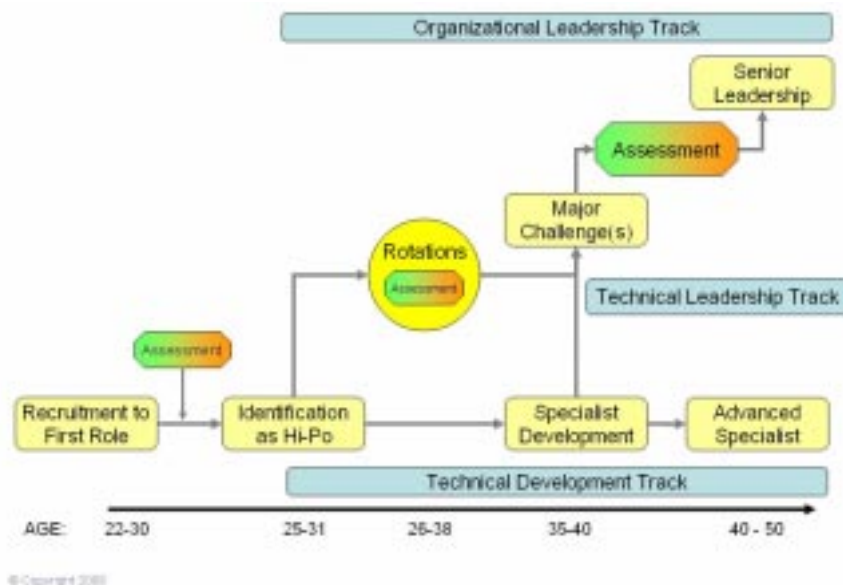


Figure 2: Talent Development Pipeline

without expecting every person to maximize their potential initially.

There is a time-line set into this diagram. Lest I be accused of ageism, I want to make the obvious point: If you are to take the actions necessary to develop talent, you have to allow time for that development to take place. Because so much development requires experience and reflection on that experience, because people need to be challenged with real-work demands and assessed on their responses, you *have* to recognize potential talent early and manage careers actively. Development is not something that happens by packing someone off to a business school for a few weeks to compensate for the inadequacies of their experiences over many years. It may help fill in a few gaps, but that's all it can do.

An effective talent pipeline requires constant attention, nurturing, assessment, refilling, and monitoring to ensure that it continues to provide the lifeblood of any thriving organization - the human talent it needs to reach its strategic goals

Talent Development System

The design, care and nurturing of the talent

development pipeline depends on the organization's talent development system. This is really a meta-system, since it consists of seven smaller systems, each of which must be aligned with the others. The driver is the human resource strategic planning system, which indicates the talent required to execute the strategic plan. It is enabled by recruitment and selection, career management, training and development, succession management, compensation and benefits, and performance management systems. Failure in any of these systems either blocks or breaches the talent pipeline and frustrates the ultimate organizational goal of talent sufficiency.

Avoiding the Pitfalls in Talent Development

There are many ways in which the best-intentioned talent development process can go wrong. I just want to identify a few of the more common ones:



Figure 3: Talent Development System

- **Seeing it as either an executive or HR issue:** In truth, the HR function cannot run the talent development function. It requires the commitment and personal engagement of senior line management. Every time I've seen the system work well, the CEO has also been the Chief Talent Officer. By the same token, it won't work unless there is a highly competent and aggressive HR function prepared to enable the process, one with excellent systems that line people can use to make it work, and with good monitoring and feedback so that they know whether it is working or not.
- **Developing talent for yesterday's needs:** In a rapidly changing world and with the lag-times it takes to develop talent for leadership positions, it's essential that the organization specifies the talent it needs on a go-forward basis. This is derived from strategic thinking and planning, and then translating that into producing the talent the organization needs to execute the strategies. This is a very different perspective from one that is based on a historical analysis of what it took to be successful in the past or, indeed, what it takes in the present.
- **Interrupting the pipeline flow.** Training and development is usually the first casualty of budget cuts. That's not surprising since it is one of the few areas of discretionary spending left in organizations that do not immediately affect the top-line. Companies that do talent development well separate the talent development budgets from other training and development budgets so that one can be maintained while the other is cut back. Failure to do this, especially if the budgets are cut back significantly and for long periods of time - as they were in North America through the 1980s, results in shortages and bottlenecks that manifest themselves 20 years later, as is happening today.
- **Failure to prime.** The second, and sometimes the first, casualty of budget cutbacks are hiring freezes. Again, it's understandable. But differentiation must take place between general hiring and the hiring of high potentials and the very best talent development companies always make exceptions to hiring freezes for exceptional talent and maintain their relationships with key sources of such talent, such as excellent business schools. They may cut back on the numbers they hire or reduce the numbers of schools from which they hire but they keep the pump primed.
- **Failure to prune.** One of the toughest of all tasks is the necessity to tell an individual that he or she is no longer considered to be in the high-potential pool

and will be taken out of the accelerated development track. Yet failure to do this clogs the pipeline. There are, after all, only a limited number of developmental roles in most organizations and playing an endless game of musical chairs plays havoc with organizational effectiveness and efficiency. In this respect there is no substitute for candor mixed with compassion, for prompt action rather than waiting for time to take care of the issue, and for making decisions based on limited evidence rather than waiting for conclusive evidence which may take years to materialize.

- **Doing it at the wrong level.** One of the most natural instincts of middle-level executives is to hoard talent - after all, they found it and developed it, why not use it? But if talent development is done at anything other than at the total corporate level, you sacrifice great opportunities for enrichment, cross-fertilization, and getting people the experience they want and need for later years. Top talent must be "owned" by the corporation and business unit executives must be encouraged and, if necessary, required to give up individuals for development purposes. In high-talent organizations this is not a huge problem, in that they recognize that they will get good talent when they give up good talent. But it is an issue at the start, where the sacrifice/compensation may be asymmetric.

Be a Talent Magnet

There are very, very few ways in which organizations can achieve sustainable competitive advantage. Because talent attracts talent, because talent can recognize other talent, because talented people want to join winning, talented teams - whether sports teams or business teams - designing and running an organization which is dedicated to talent development is one of them. It's hard work to get there and it never ends. The better a talent development place you are, the more likely others will raid your talent pool. The only defense is to keep your own talent so challenged, so rewarded, and on a continuing development track that they have neither the time nor the inclination to respond to a head-hunter's call. It's frustrating when you lose someone you have developed to another organization but, on balance, it's preferable to not developing people. On the positive side, I've met few great developers of people who did not get great satisfaction from doing it and worked with few organizations that failed to benefit from being talent magnets. ■