UNC eView:

How to Build Talent Faster and Better than the Competition

With:
Jim Shanley,
Partner of The Shanley Group

Corey Seitz,
President of Seitz Talent Consulting

Marc Effron,
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Introduction

How can companies build talent faster and better than the competition?

The workforce is changing rapidly. The baby boom generation is moving steadily towards retirement, and many senior leaders will be leaving the workforce – taking years of knowledge and experience with them when they go. Organizations need to accelerate the development of their remaining leaders to prepare them for the challenges of senior leadership roles. Those that are successful in developing their leaders faster and better than the competition will be among the winners in the global competition for talent.

So, how can a company build talent faster and better than the competition? We have asked three of the world’s most experienced and accomplished Talent Management Practitioners to share their views and opinions about what works and what doesn’t work. Jim Shanley, Corey Seitz and Marc Effron each weigh-in on this important topic, offering insights that will help you to accelerate talent development efforts in your organization as you prepare the next generation of leaders for the challenges of leading increasingly complex, global organizations. They each give clear, concise steps and examples that talent development professionals can incorporate into improved development plans. These interviews will help provide the required focus and mindset that organizations need to beat the competition in talent development.

Happy listening/reading,

Kip Kelly
Executive Development ▪ UNC’s Kenan-Flagler Business School
Interview: Jim Shanley

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Patrick Cahill: Jim Shanley, Partner of The Shanley Group and one of the most recognized global Talent Management Practitioners, had a 20 year career with Bank of America where he led a team of over 1,500 professionals. Under Jim’s leadership, Bank of America earned a reputation as a benchmark company for their Leadership Development and Talent Management programs and processes. Many of Jim’s former teammates are now Chief Talent Officers in large global companies.

Alright let’s jump into the first question here, Jim. How can companies build talent faster and better than the competition?

Jim Shanley: Great! Thanks for having me. I have been looking forward to this. Well Patrick, there are four things that I have found. Those companies that build talent faster and better do four things really, really well. First, they are a recruiting machine. They figured out how to create a value proposition for leaders to be able to recruit the best from any industry and any geography in the world, and they figured out how to keep the best. So it’s a recruiting and retention machine.

Second, the top leaders of the company – so the top 50 - have what I call a ‘talent mindset’. And what that means is, they have a fundamental belief that talent drives performance. In other words, if you have A players, they will beat B players, who will beat C players every day of the week. So it is just that fundamental belief that talent impacts performance.

Another part of having a top talent mindset is that the executives of these companies know what the gold standard is in talent. So if they are considering filling the chief marketing officer, and they are in the industrial sector, they just don’t say, ‘who’s the best chief marketing officer in this geography in the industrial sector.’ They step back and say, ‘in the world, what does the best chief marketing officer look like, what are those skills and competencies that he or she possesses?’ And that is what they go after, and that is how they calibrate their talent. They calibrate it at a gold standard level.

And a third thing that they do, these companies that have a talent mindset, for some reason, they are relentless about performance and raise the bar every single year and have a meritocracy philosophy.

In summary, so far, the four things companies do: the first is, they build a recruiting and retention machine; second, the top 50 executives have a talent mindset; the third thing they do is, the top 50 executives of those companies that build talent better and faster, have what I call, ‘a culture of candor and risk taking with regards to people.’ And here is what I mean by that, they do three things exceptionally well and consistently. First, they are absolutely candid with their people about their performance and potential. So they are candid, direct and transparent. The second thing is those top 50 executives are candid with each other about their talent. So they are comfortable and competent
How to Build Talent Faster and Better than the Competition

enough to have great talent conversations about other people’s talents in the room with their peers. And then a third thing they do, they take bets on talent. They put people in jobs before they are ready, and they take bets on top talent. So the third thing is this culture of candor and risk taking with regards to people.

And then the fourth thing those companies do really well is, they have good leadership and executive development processes from recruiting to onboarding to performance management to development to compensation from a reward for performance standpoint.

So the four things they do well: 1) recruiting and retention machine; 2) they have a talent mindset; 3) they have a culture of candor and risk taking with regards to people; and 4) they have good leadership and executive development processes.

Patrick Cahill: Jim, if I could just jump into the talent mindset which you mentioned that the top 50 executives have, how have you found that organizations have driven that mindset across the top 50 executives?

Jim Shanley: Well, at first, more often than not, it is driven by the CEO and his or her direct reports. If you don’t have a talent mindset there, it’s really hard to do a bottoms-up. What I found is in three camps in terms of what companies have done. Either they have a CEO or a COO who just believes it, and just drives it, and demands it of his or her top 50.

The second is the companies get in a crisis, and through investors and others, they are pressured to put in A talent in key positions, and A talent seems to breed that talent mindset. The third is an influx of talent from the outside within the top 10 or so. And that executive, in a top 10 position with a talent mindset, starts building that within his or her unit; and what happens is, performance takes off and the CEO becomes a little bit more of a believer and starts driving that mindset, and the processes to establish it.

Patrick Cahill: Okay, that makes sense. In the idea that maybe the CEO needs to see some examples of the benefits of having that type of mindset, have you seen the process from start to finish, and how long it really takes to get an organization to go from getting that influx of talent to the CEO seeing the results and then it being spread across the top 50 executives?

Jim Shanley: It really varies. If there is a crisis, or immense investor pressure, or the current CEO is fired and a new CEO comes in, that transformation could happen in a matter of months. Because quite frankly what the CEO would do with the top 50 is demand those behaviors that drive a talent mindset, or those executives won’t have a job.

That’s where it happens. In numerous, numerous examples, this is dated a little bit but Larry Bossidy who had been the CEO under Jack Welch of GE, went into Allied Signals which had been an old but established but not a high performing company, and within a matter of months, Allied Signal’s performance started driving up. Larry drove that talent mindset and within a year or two, Allied Signal became a talent machine, quite frankly.

Patrick Cahill: Interesting. The other thing that caught my attention beyond the talent mindset is the idea of taking bets.
Given that we are talking about the people that are reporting to the top 50 executives, they are really driving this mindset, and they are going to be the ones probably taking some initial bets which means those people are going to have a lot of responsibility. Can you tell me about the process to take responsible bets, and how you ride that line?

**Jim Shanley:** Sure, an easier example that people can relate to sometimes is Athletics. Let’s do football – you might have a team that hasn’t won the division championship, but they are doing pretty well. But, they’ve never reached the division championship. The coach and owners are in a dilemma. Let’s say they have a good quarterback that’s performing at the 60th percentile as opposed to other quarterbacks. The dilemma is: two great quarterbacks are coming out of college and the coach and owner are convinced they can get a draft pick. Do you take the bet and draft the best athlete, and give that new best athlete coming out of college a shot at the starting quarterback position?

It’s an unknown quantity. All you have is, you can look at that quarterback’s past performance in college, you can look at the character, the person’s drive and some innate abilities. But it’s a big bet and it either can go really well, really bad or somewhere in the middle. It seems that those executives who are comfortable taking the bets, have come to a decision that mediocrity is not acceptable. And they’ll take the bet and take a person – this quarterback – who has been the starting quarterback for 5 years, and again as compared to other quarterbacks in the NFL, he is pretty good. But they take that bet saying, ‘I will take the bet.’

Now, sometimes it works, sometimes it doesn’t. When it works, it’s marvelous and the general manager, the coach and the owner are geniuses. When it doesn’t, the coach gets fired. So it’s basically, how comfortable is that executive with mediocrity?

**Patrick Cahill:** And I wonder, and I don’t know, feel free to tell me this is going beyond the scope of how you see building talent faster and better. I start thinking about, if you have this A player that you are pushing. Do you ever run the risk of damaging this person’s potential by putting them too far ahead too quickly? And I was just wondering, is there some type of back-up plan to make sure that you are not in the long-term damaging this person and retaining that A talent?

**Jim Shanley:** Well, that’s a great question. The idea is, how fast can you accelerate the development of talent? To a position where you can take a bet on him or her? If you believe that the building blocks of A talent are a couple of things: first, it’s raw materials. So the person has the cognitive skills, the smarts, the ambition and the ability to relate to people. That’s one, and if a person has it, that’s a pretty good starting point. The second in terms of developing talent is, how do you give that A talent the variety, the diversity and intensity of job experiences?

If there is something I see in the corporate world is executives not pushing their A talent fast enough and hard enough. I believe a person who is really good, if you put them in a job, in most cases – not all cases – but in most cases, they can learn the lessons they need in that job within 24 months, maybe 30 months.

So, in terms of what you have to evaluate is, is that person learning lessons? If I move him from a small district into a large multi-functional regional manager role, the skills I have got to learn pretty quickly are: How do I move from a micro-managing into a general management mode? How do I quickly learn the disciplines enough that I can be knowledgeable of picking the right people? How
can I set up the systems and processes to run multiple functions? Can I do it well, and can I create the team under me?

So, if I were the executive I would be watching to see if this high potential is learning their lessons. Once they have learned the lessons, I move them to a new job. I am amazed when I do work in Silicon Valley. The mindset there is, put people in big jobs over their heads and see how they do. If they do well, give them more – and I think one of the big diversity issues in corporate America, quite frankly, is we are not pushing young talent fast enough.

**Patrick Cahill:** Alright, Jim. This has been really helpful and I have really enjoyed your insight, and I think we should be wrapping it up here. So do you have any final thoughts as organizations really think about how to build their talent faster and better than the competition?

**Jim Shanley:** You bet. I really fundamentally believe that every manager or people manager or HR executive can do things in his or her unit that they don’t have to wait for the executives to do. So my challenge to the listeners and readers would be four things: 1) Are you recruiting a great talent and retaining the best? 2) Do you have a talent mindset? 3) Are you being absolutely candid with your people, and are you taking bets on the right talent? 4) Do you have some good processes in place to accelerate the development of leaders?

**Patrick Cahill:** Alright. Thank you so much, Jim.

**Jim Shanley:** You bet!
Interview: Corey Seitz

Listen to this interview [here](#).

Patrick Cahill: Corey Seitz, President of Seitz Talent Consulting, LLC, is a recognized leader in global talent management. A trusted advisor and coach to executives, he specializes in aligning the growth of individuals and organizations. Corey brings extensive experience at Fortune 500 corporations having served as the Global Head of Talent Management for Switzerland-based Novartis International, Johnson and Johnson and EMC.

Now we go to our first question, and the big question: how can companies build talent faster and better than the competition?

Corey Seitz: Well Patrick, thanks for spending some time with me today. I am excited about the opportunity to share a little bit of my knowledge with you and others on talent management. So, I think the question you asked is an excellent one. I believe it’s the 64,000 dollar question that companies ask. I think that there are two short answers to that, and then I want to be able to expound a little bit because I think there is some more detail that will be helpful in terms of answering that question.

Patrick Cahill: Okay.

Corey Seitz: Let me spend a few seconds just focusing on how to build talent faster. The simple answer to that is that you don’t want to waste moves in an organization. You want to be able to consistently provide the right job assignments to individuals. Because the research is very clear, that leaders most vibrantly develop from the job assignments that they have. So in order to build talent faster, you have to make sure that you do not waste any moves (i.e. the positions you give people are going to really help them grow, and also going to help grow the business). So, speed is very much determined by ensuring that people are growing as fast as possible; and giving them the right assignment and focusing in on that is absolutely the best way to increase the speed of the overall talent management process, and the speed at which the business is able to develop talent.

I want to talk a little bit more about that later but now let’s move to better. I think better is very much dependent on what is important to your business. It focuses on your businesses’ most critical roles because the research will show you that there are some roles within an organization that disproportionately affect the success of that organization. So in many organizations, you know whether it’s a pharmaceutical organization or a consumer product organization, the people that are typically called general managers - or that run countries, or regions, or maybe a slice of the business or a particular product line - those general managers typically have a disproportionate impact on the success of the business. So, better has got to be better for your organization.

So those are the two quick answers. But to drop to the next level, I think what it really takes in talent is to have what I call a simple aligned focused approach.
Let me talk a little bit about all three of those because I think they come together to really drive the faster and better approach. From a simple standpoint, there are a couple key components to making sure your talent strategy is simple. Number one, it is starting with the science. There is some science that has been done in the area of talent management and leadership development, and I think you've got to start with that science and do what has been shown to create affect, and shown to actually improve the development of people. One of those things would be, like I said, the critical job assignments that people get. Research has shown that that has the largest impact in terms of people development.

The second area that I always look at in terms of a simple approach is to always consider what I would call the complexity value trade-off. In other words, if you are going to implement a particular initiative - whether it is a learning program, a way of moving people across the organization, or a team building initiative - I always look at it and say, ‘simple is always better’, and the judgment has to be, is additional complexity - doing additional things, doing additional steps - justified in terms of the enhanced effectiveness it has? So, in a sense there is always the cost of adding in complexity and doing multiple steps in a process, whether it is a succession planning process or a performance management process, or a leadership development process. The simpler, the better - that may sound strange, but I can tell you in the field, it seems like things sometimes are unnecessarily complex.

The third rule around simple is, in my personal vernacular, I have always said, ‘I don’t want any psychobabble.’ I think you should be able to explain what you are doing in simple English that my mom would understand, and quite frankly, the people outside of the field of industrial psychologists - I am an industrial psychologist - would as well. What matters is how do you apply stuff that people can find practical? So using simple language I think is very, very important.

For me that’s the simple part of the talent strategy. I think the second area is equally important and that is what I would call aligned, the alignment of the strategy, and that really starts with the business. Because the business strategy, the overall business strategy should be closely linked to those strategically critical positions. Like I mentioned earlier, things like general manager roles that are very, very important. What are the key skills that have to be developed for those strategically critical positions? Whether they are general managers, or R & D leaders, or whatever positions are most critical for your particular organization. That’s got to be aligned and integrated with your talent strategy, and really driving your talent strategy.

I think the other piece of alignment is to ensure that the talent processes that you have in an organization all fit together into what I call a Master Plan. What are the typical talent processes? In most big organizations, they are recruitment, organization design, performance management, succession planning and talent reviews, leadership development initiatives, team development, learning, engagement and compensation.

I think the key there is that those things actually are aligned and integrated, and someone has thought through, ‘how do all those fit together?’ I’ll give you a for instance - if we have an organization that is very, very focused on building effective teams and having high performance teams in the organization, then that should probably be reflected somewhere in our performance management process, and it should also be reflected in how we compensate people. If we want to
drive higher team performance, then just incenting an individual on goals and individual objectives is probably not the right way to actually integrate all those processes. There are many other integration points but that is one that I think is pretty vibrant.

My third focus on alignment is one that I think is quite frankly often forgotten in big organizations, and that’s to align and include individuals in shaping their future. I think that the best organizations are transparent on not only performance - how they look at your performance or your performance over the past year - but also, more importantly, what potential they see you having in the organization. Most organizations now do things called potential ratings and I think those types of ratings systems absolutely have to be shared with individuals. I mean we are talking about a group of intelligent adults, and they should have the transparency extended to them that they know how they are being looked at and how their performance is being rated and how their potential is being rated.

And I always find it a bit odd that one of the key values of almost any organization is integrity and trust. And I think the basics of integrity and trust are honesty and dialogue, and if you don’t have dialogue around people’s careers, a very important thing, I think that’s a major missing point. I think also that including individuals in shaping their future includes the strongest organization to have what I call purpose-driven leaders, (i.e. there is something broader that is driving their behavior beyond just pure profit motive). They know what they are playing for, and it is broader than just what happens day to day in a business that includes both the person’s role inside the organization, very critical, but also their role in broader society, and their family role as well. I think all of these are critical components to be included into that.

In terms of including individuals in shaping their future, something that I have found to be very important is starting early in the pipeline. So early in the pipeline, you have people thinking about: What do they want their career to look like? What do they want their purpose as a leader to look like? How might they also interact in broader society? I think this really creates a very, very strong talent development process in the organization.

I have talked a little bit about simple. I have talked about how you keep things aligned. The last piece that I think is equally critical in your talent strategy is to have a very focused talent strategy. So by that I have got really three different areas I focus on. The first is, to focus development and growth on closing the gap between people’s current skills and what I would call a target position. So target position would literally be what both the individual and the organization believe in the next 3 to 5 years is the realistic position that someone could go to that they could ascend to in the organization. I think focusing in on and helping people understand what is the gap between where you are at right now and the target role that both yourself and the organization has set for you, is very, very important. I think it’s often not done and it’s often not really clear what that role is or what the gap is, and so I think that’s a bit of a waste. It certainly slows down the overall process.

The second area in terms of focus for me is what I call managing experience tirelessly. The best organizations really spend a lot of time looking at job assignments and those job assignments that will develop people and drive the business. So it’s that focus in giving the right people to the right job, I mentioned that earlier in terms of not wasting moves. I think it’s very, very critical and an absolutely critical focus for great companies.
And then at the end of all of it, in terms of focus and your overall talent strategy and approach, you’ve got to measure your success. To me, there is only one real measure, and that is the depth of the talent pipeline. So how deep is your pipeline? Do you have the bench strength that you need to be able to fill the roles of your organization, and particularly those strategically critical positions? Because if you can’t fill those, you are going to hold the business back from growing, you are going to lose speed, and you are also not going to be better than your competition.

Faster, great moves, better, focused on the strategically critical roles but then I think you have to dial it back a little bit more and for me, that’s part of having a talent strategy that is simple, aligned and focused. So, Patrick I think this is about as efficient as I can get in terms of both speed and better. So, I’ll start there and see if you have any questions.

**Patrick Cahill:** That was a great overview. Thanks, Corey. The first thing that came to mind when you started talking was the science and you mentioned that, how critical job assignments are on driving talent or developing talent. That seems like the number one, if you are going to do anything, attack that. Could you give me an example of what the tier 2 example of some science in this field? Meaning, if people are going to attack 2 things based on science, what the second one would be?

**Corey Seitz:** I think the other area of science that’s really, really important is fit - fit between individual and organization. There’s pretty good science that shows that if the fit is better, people are going to perform at a higher level, and they are also going to be more engaged in the organization.

So, the key there as a practitioner is, clearly understanding what the culture is that you want to have in your company and then being able to select people coming in to the company with those kinds of attributes. I think in a sense, culture trumps everything. When people look for a good organization to go to that, I think, is very dependent upon, what’s the profile of an organization that people are looking for? What are their personal values? And I don’t mean solid values versus shaky values, or someone who is ethical versus unethical - quite to the contrary. I mean, there are different types of organizations that are a better fit for certain people. There are some organizations that are very social - you know most business is conducted verbally and in meetings - and there are other organizations that are much more data-oriented. And that is not industry specific either. You can find vast differences within pharmaceuticals or within consumer products or so. So that’ll be another area. There are many others, Patrick, but that’s one that I also think to be very interesting in terms of both from a personal career standpoint but also from an organizational standpoint in terms of what you are looking to do.

**Patrick Cahill:** Thanks, jumping into another item that you brought up, Corey. You talked about really evaluating complexity’s value versus the complexity you are adding for the process. I was just curious if you have an example of how you’ve evaluated whether there was real value in adding a piece of complexity to your process, and what that actual complexity might have been, just to give people some real tangible evidence of that process.

**Corey Seitz:** Sure - actually I hope this is not too grounded in the minutia of the field - one of the things that almost all organizations do is, they do something called potential ratings. Potential ratings are a way to assess an individual's ability to take higher level roles in the company. I actually worked on those types of systems my entire career. Later in my career, I started to have a realization that actually for most line leaders that are not spending their whole career looking at talent and how to
develop talent, what really resonates with line leaders is to ask them a question like: so right now, Sally is the general manager of Spain, and we know that for our business, the French business is much larger – and more complex – than the Spanish business, and therefore what’s the gap between where Sally is right now, and actually being able to do the role in France?

I found that was always a very productive question to ask people to get them centered on those two things: 1) it helps them think through what’s the person’s potential; 2) most importantly, it helps them think through, “How can we develop the person and get them ready for that position?”

I had an epiphany so to speak that, why was I building a talent process that made people do that extra step? (i.e. I found that what you really want to be able to nail down is, where can people be moved to?) What would be developmental for them? But to drive the business, who is our next head of the French business?

What I actually moved to was instead of even talking about doing potential ratings on people, I dropped that. I didn’t ask people to do that extra step. I said let’s just talk about the target job or jobs that a person has in the next five years, and let’s talk about what it is they have to do to close that gap.

So I actually eliminated a fairly complicated step for the whole talent process for the organization that I was working for at the time, and I have now adopted that approach totally in the work that I do. I find that if you look at the curve of value and complexity, it’s a huge improvement because I have removed a whole step from a pretty complicated process. The value of it actually increased because you’ve taken away a lot of the, for the sake of a better term, haziness of how to actually do this?

So you as a practitioner have made it simpler and better all at the same time. You can’t always get that. It doesn’t always work out that efficiently. But it’s just the idea of, as few steps as possible to reach the objective. Using the science is really important, Patrick, but it’s only important if it can be practically applied. If it can’t be then you have to look to other alternatives which hopefully, that’s not the situation you are in, but a lot of times you have to really make that trade-off as a practitioner and say, ‘that’s got to be a good equation.’

You’ll actually hear that from my two colleagues as well. I think we very much grew up with that mindset.

Patrick Cahill: I appreciate that real example. I don’t think that was getting too far into the trenches there. One thing that resonated with me is the topic of transparency and the importance of that and developing a pool or bench of potential people that are going to fill your critical roles. Are there any difficulties as an organization trying to improve their transparency in making that a two-way street? Are there any issues of making it clear that it’s in your talent’s best interest to be transparent on what they are thinking and where they want to go?

Corey Seitz: I think for sure there are those in the field who would not agree with my approach. There are people who - in the field, in big organizations - don’t want to share with people their potential ratings or their target jobs because they believe if someone knew that, they might make the decision to go somewhere else. I think that’s misdirected on two levels having spent my entire career in the field.
One, I think that people do have a pretty good feel for how they are actually perceived in the organization so I don’t think you are really fooling them by not telling them. My bigger concern is, I just don’t think it’s ethical - neither ethical nor effective - to not let people know where they stand, how they are looked at. And of course, this is a projection into the future, right? So your future performance may certainly improve and you would have a better chance of going to that role, or something may happen and your performance is not as good as it once was, and you may not go into those positions. I think that’s the reluctance people have but I believe that risk is worth sharing with people where they sit. In all honesty, it is very difficult to grow and develop and close the gap, if you don’t know where the perceived gap or where you are at right now to get into another position. So I think transparency is really, really critical. I’ve seen it, and have actually seen it done both ways, and my experience has been that being transparent is much better than not being transparent.

Patrick Cahill: That makes sense. I would imagine that just the topic of transparency probably bumps into something you brought up earlier which is, the culture. And I would imagine that some companies’ established cultures can absorb this concept of transparency, and their teams can absorb it maybe more than others? Is that an accurate statement or am I going off in the wrong direction there?

Corey Seitz: Well, I think there is some truth in that. But I think that the idea of transparency around both performance ratings and potential ratings are so critical that I think organizations need to get there. To be honest with you, I’m sometimes surprised that even gets discussed in the field anymore, it’s quite obvious in which direction you should go.

Patrick: Great! Corey, I really appreciate all your time and your insight. I think before we wrap it up, because we’ve taken up a bunch of your time, are there any thoughts or closing thoughts around the goal of building talent faster and better than the competition?

Corey Seitz: I think it’s exciting stuff, and I also think that the field continues to progress. We learn things all the time. I think that the one area that I frankly have been spending a lot of time focusing on lately - because I think it’s very critical and has not been as well researched or well applied - is the whole idea of how to make teams perform at a higher level.

I think a lot of time is spent on the individual level, but we can all name examples of teams - whether they are teams in an organization or sports teams, and team in a political team - where the individual players were very good, but somehow they didn’t coalesce as a team. They didn’t perform as a high performance team. That area of work is, frankly, where I have been doing a lot of work in, and really, I think it has a big, big impact on individuals at the end of the day, and also on the company and how much growth and development and joy people get out of their work. It’s not just about the individual; it’s about how the teams operate together too.

Patrick Cahill: I think that’s an exciting part of talent management being an emerging field. And it almost sounds like another topic for another interview, Corey.

Corey Seitz: Absolutely. I would like to talk about that.

Patrick Cahill: Thank you so much, Corey.

Corey Seitz: My pleasure. Thanks for the opportunity, Patrick.
Interview: Marc Effron

[Listen to this interview here]

Patrick Cahill: Marc Effron, President of The Talent Strategy Group, and author of One Page Talent Management: Eliminating Complexity, Adding Value (Harvard Business Press), has served in executive roles at leading corporations and consulting firms. His consulting work focuses on creating effective talent strategies and talent management process designs. He has co-authored two other leadership books and written chapters in nine management books.

Alright, Marc, let’s jump right into the first question: how can companies build talent faster and better than the competition?

Marc Effron: Thanks, Patrick. I appreciate the opportunity to chat about that extremely important topic. I think there are actually some very straightforward ways that companies can accelerate the pace at which they grow talent. I think the first step is oftentimes a surprising one for organizations, and once they understand that they are missing this element, they realize how critical it is. That something is called a talent management philosophy.

Having a talent management philosophy sounds like the squishiest HR concept ever. It actually is much more solid than that; it is the foundation of your talent building practices. All the talent management philosophy is are the rules of the road for how you want to build talent in your organization. It answers questions like: How important is performance around here? How much do behaviors matter? How much do we want to differentiate in how we reward and develop people between our absolute best performers and our average performers?

Or questions like: How transparent do we want to be with our employees about our talent building practices? How accountable do we want to hold our managers for building talent?

So those questions and others like it and the answers to those questions and others like it comprise a company’s talent management philosophy. It really is the body of knowledge that helps organizations to make smart decisions about talent. Ideally, this is something that the senior team decides upon. So, essentially the senior team says, ‘here are the rules of the road with which we want to manage talent in our organization.’ The reason that it is a foundation for everything else that you do is it really sets up the ground rules.

For example, if you are in a succession planning conversation, you’re trying to figure out do you put one of two candidates into a role, and you are looking at their profiles: Who are they? What have they done? And you have a talent management philosophy in place that says that talent growing behaviors are a critical element of being a successful leader. In other words, you have to show that you can actually build talent in your group and maybe even export it to other groups. If you have that particular statement in place or talent philosophy in place, and you look at two candidates - one of whom develops their talents extremely well, and one of whom is struggling a bit - it helps to provide
you with a guideline to say, ‘well we believe in leaders developing other leaders. We have two choices here and one clearly fits that profile better than other.’

So that talent management philosophy really is the foundation or core aspect of building great talent. It helps you to build better talent faster because when everyone knows the rules for building talent, and everyone is operating by the same rules across the organization for building talent, you are going to have not only people building talent more consistently, but able to make faster decisions about how do we actually manage people in your organization.

Once you have that talent philosophy in place, there are three things that a company needs to do, and this is what I outlined in my most recent book, One Page Talent Management. In One Page Talent Management, my co-author and I talk about three core concepts: simplicity, accountability, and transparency. It really outlines what companies are doing today that prevents them from building better talent faster.

Let’s start with simplicity. It is amazing how companies have over-complicated their talent building practices today. I call it ‘well-intentioned complexity’ because nobody has done this to intentionally slow down how quickly talent is built. Unfortunately, our field has a bit of an academic bent to it. We are sometimes too focused on getting the academically-right answers as opposed to the practically-right answers.

In fact, I just finished helping a very large global corporation take an exquisitely designed integrated process for performance management, succession planning, development planning - it was as elegantly designed as an expensive Swiss watch. Unfortunately, it was extraordinarily difficult to use and the organization basically ignored it. So the contrast was, it was academically perfectly designed, but practically impossible to use. So simplicity was one of the main challenges, and I find that across many organizations.

Accountability for developing talent is one of the other key things missing in many organizations - unless we hold managers accountable to develop their talent. Meaning things like, we hold managers accountable for setting big challenging goals in performance management, and we hold managers accountable for actually developing their employees. Unless there is clear accountability for doing these things, well intentioned but very busy managers will reprioritize those tasks to the middle of their to-do lists. There must be clear accountability, and by accountability I mean there are consequences for doing these behaviors well or not doing them well. That clear accountability is an essential element in companies that build talent faster.

And the final element, transparency – actually, it was interesting, as we did research for the book we found great science and research to support simplicity and accountability. There was little science that said if you are more transparent about the results of these processes, they are more effective. Our belief was that it is the right thing to do for employees to be open with them about how your organization manages talent, and what the rules are for succeeding.

This goes back to the earlier discussion about talent management philosophy. Transparency says you are going to be open with people about things like: Do you have a long future in this organization? Are you going to be moving up at the pace that you thought? Being transparent with employees allows them to choose how they want to manage their careers. At too many
organizations what I hear from senior leaders is, ‘Well, if we told Suzy she wasn’t going to be CFO, she might leave.’

So the only question I can ask them is, ‘How long do you feel it’s appropriate to lie to Suzy about what her future will be?’

We need to be open with people and let them make smart choices. It could well be that Suzy is going to be fine with not being the CFO, but you are never going to know that until you are open with her about what your organization’s plans are.

When I look at organizations that build talent effectively, what I see them doing is, first of all, having that core talent philosophy in place - what are the rules of the road for building great talent? And then creating the simplest possible processes to do that, holding leaders accountable for building talent, and being open with the organization about what the individuals’ futures are in the company.

Patrick Cahill: Alright. Well, Marc, that all makes a lot of sense. Going back to how you started talking about how that talent management philosophy can sound a little squishy, and I think we all know that talent management as a field is emerging and the science is developing. Can you give us some examples of some of those questions or ground rules that are established based on science and keep us away from that squishiness that some people might feel like having a talent management philosophy might be? So some questions or ground rules that are clearly best practices if you position them this way.

Marc Effron: Sure. I am glad you bring up science because one of the things that I did not mention in the ‘simplicity, accountability, transparency’ section was that whatever we do in human resources, it should be grounded in the relevant science.

I actually write about in One Page Talent Management in each of the chapters, where we talk about particular talent management processes: performance management, succession planning, 360s, et cetera. We outline what does the core science - meaning the absolute most relevant, welded researched - say? What are the findings that should guide us in designing our talent management practices? So starting with the science is an essential element in everything that we do. Around a talent management philosophy, there actually is a lot of choice but little science. Because what we are saying about talent management philosophy is independent of what Marc might think is right for this company, what is the consensus of the senior leaders around how they want to manage talent?

The five areas of a talent management philosophy are: performance, behaviors, differentiation, accountability, and transparency. While there’s certainly some science in each of those areas, what’s more important with a talent management philosophy is that the senior team actually agrees on what their shared view is about how to manage each of those areas.

Let's contrast science with what that actual philosophy might be. There is extraordinarily clear science on something like goal setting. That the more challenging of a goal you set for an individual, the higher their performance will be. In other words, most of us respond very positively when challenged to do more. So the science is clear that leaders should set very big, bold goals. Now, if for some reason an organization believes in long service employees and an average level of performance is okay for a very long time, they might not have an aggressive performance
management, or an aggressive performance philosophy, even though the science suggests that if you set bigger, bolder goals, you’ll have higher performance.

So while, ideally, I really want my clients to start with the science and follow the guides that science provides, I am actually even more interested in that senior team coming to shared agreements of what the rules of the road are that they can both operationalize their talent management practices with and also communicate to the employees of the company, ‘Here’s what the rules of the roads are.’ Because then the employees can say either, ‘Those sound great. Feels like a place where I want to work,’ or, ‘No, that doesn’t feel like a place I’m going to be comfortable and/or succeed.’

**Patrick Cahill:** That makes a lot of sense, Marc. I think to have a message that the entire senior team can agree on, buy into and then communicate. I would imagine though if we look at the question of building talent faster and better - and this is where I am imagining and it might not be the reality - that if you looked at a cross section of companies in different industries, that all had the goal of building their talent faster and better than the competition. Would their philosophies look pretty similar because there are some set sciences to how to drive your talent faster and better?

**Marc Effron:** I think, I agree that there shouldn’t be too much difference in the philosophies between various organizations. I think the magic comes through a few things. Part of it is, yes, companies who adhere more closely to execute on the core science, in theory, should be more successful. That’s simply the basic tenet that if you are doing things that are proven to be right, you should be more successful than if you are doing things that may not be proven to be right. But I think the real power simply comes through the execution - consistent execution of those processes - and being very open about those processes in the organization.

For example, something like succession management. 90% of the companies around the globe based on my consultant experience use a very standard what we call a performance and potential grid to do succession planning - since you evaluate people on their historical performance and their future potential. It’s a very standard issue tool.

And so, theoretically, if everyone is using the same tool, then they should be getting very similar results. But the way that people execute that succession planning process, the way they evaluate the performance and potential, the level of accountability that people have to follow-up on those discussions, all those things vary dramatically. So, there may be consistency in the philosophy across organizations - most companies want higher performance, most companies want to hold people more accountable for leadership behaviors - the ability to execute on the processes that flow from those philosophy statements is what I find is the essential, or key differentiator, between those companies who are succeeding and those that are not.

**Patrick Cahill:** Okay. Thanks, Marc. I really appreciate all this insight and it has been really helpful. As we wrap up, do you have any closing thoughts around how to build talent faster and better than the competition?

**Marc Effron:** I would reinforce, make sure you have a clear set of rules about, what does it mean to be a leader in your organization? What is your talent philosophy? Then, when you are building those talent management practices, make sure that they start with the science, and that they are incredibly
simple and easy to use, there is clear accountability for follow-up, and there is great transparency about both the process and the outcomes.

Patrick Cahill: Alright, thank you so much, Marc.

Marc Effron: Thanks, Patrick. I appreciate the opportunity.
About the Experts

Jim Shanley, Partner of The Shanley Group and one of the most recognized global Talent Management Practitioners, had a 20 year career with Bank of America where he led a team of over 1500 professionals. Under Jim’s leadership, Bank of America earned a reputation as a benchmark company for their Leadership Development and Talent Management programs and processes. Many of Jim’s former teammates are now Chief Talent Officers in large global companies. Since beginning his consulting firm in 2006, Jim has worked with some of the most well regarded companies in the world. His consulting engagements have been in North America, South America, Western & Central Europe, Russia, India, China, and Australia.

Corey Seitz, President of Seitz Talent Consulting, LLC, is a recognized leader in global talent management. A trusted advisor and coach to executives, he specializes in aligning the growth of individuals and organizations. Corey brings extensive experience at Fortune 500 corporations having served as the Global Head of Talent Management for Switzerland-based Novartis International, Johnson and Johnson and EMC. His experience crosses several industries and he has had leadership roles at Bank of America, Kraft and PepsiCo.

Marc Effron, President of The Talent Strategy Group, and author of One Page Talent Management: Eliminating Complexity, Adding Value (Harvard Business Press), has served in executive roles at leading corporations and consulting firms. His consulting work focuses on creating effective talent strategies and talent management process designs. He has co-authored two other leadership books and written chapters in nine management books.
About UNC Executive Development

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Our executive education programs are designed with results in mind, and we are focused on successfully meeting our clients' business and academic expectations. Below are a few examples of the results our client partners have achieved:

- Leadership refocused with new strategy and cohesive vision
- Strategic plans created for the global marketplace
- Supply chains streamlined
- Products redefined
- New markets targeted
- Cost-saving measures developed
- Silos leveled
- Teams aligned

Participants leave empowered to bring in new ideas, present different ways to grow business and tackle challenges. The result is stronger individuals leading stronger teams and organizations.

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