



THE STARTING POINT:
**Building the Leadership
Talent (Skills) Pipeline**

Leadership strategist Manfred Kets de Vries writes:

*"Your business can have all the advantages in the world; strong financial resources, enviable market position and state-of-the-art technology, but if **leadership (talent/skills review)** fails all of these advantages melt away..."*



Introduction

“If you look at any business that’s consistently successful, you will find that its leaders focus intensely and relentlessly on people selection”

Larry Bossidy & Ram Charan: *Execution – The Discipline of Getting Things Done*
Crown Business, New York, New York, p.110



Introduction

“If you look at any business that’s consistently successful, you will find that its leaders focus intensely and relentlessly on people selection”

“Over time, choosing the right people is what creates that elusive sustainable competitive advantage.”

*How can a
company sustainably
and successfully build its
talent pipeline?*

Core Approach



The most proven, profound
and practical driving *mechanism* to
build the *talent/skills pipeline* is the
Talent *Review*



Top Management Action

The Leadership Review is seen as a **critical top management activity.**

The Review Meeting in these companies is regarded as one of the most important events of the year.



Top Management Action

Larry Bossidy, Chairman of Honeywell International wrote about his time at Allied Signal:

“I had devoted what some people considered an inordinate amount of time and emotional energy to:

- hiring**
- providing the right experiences for and**
- developing leaders**

between 30 & 40% of my day for the first two years and a good 20% later”




Systems Approach





Critical Career Crossroads

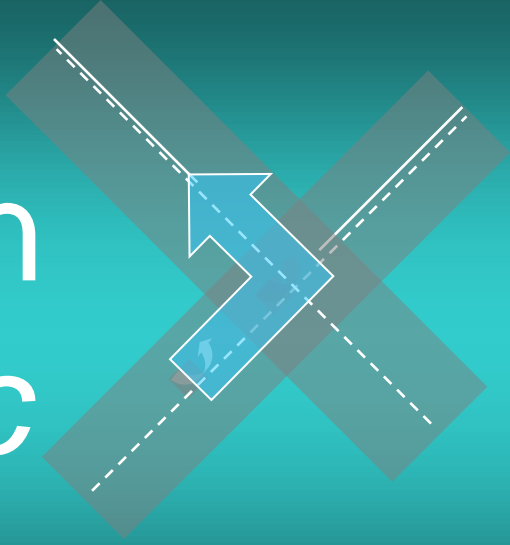
The leadership pipeline is based on the flow & growth of leaders through career crossroads or passages





Critical Career Crossroads

A crossroad is a change in position requiring a *drastic* change in behaviour.



Critical Career Crossroads

Crossroad #6
Group Manager to
Institutional Leader

Crossroad #4
Functional Manager
to Business Manager

Crossroad #2
Managing others to
managing managers

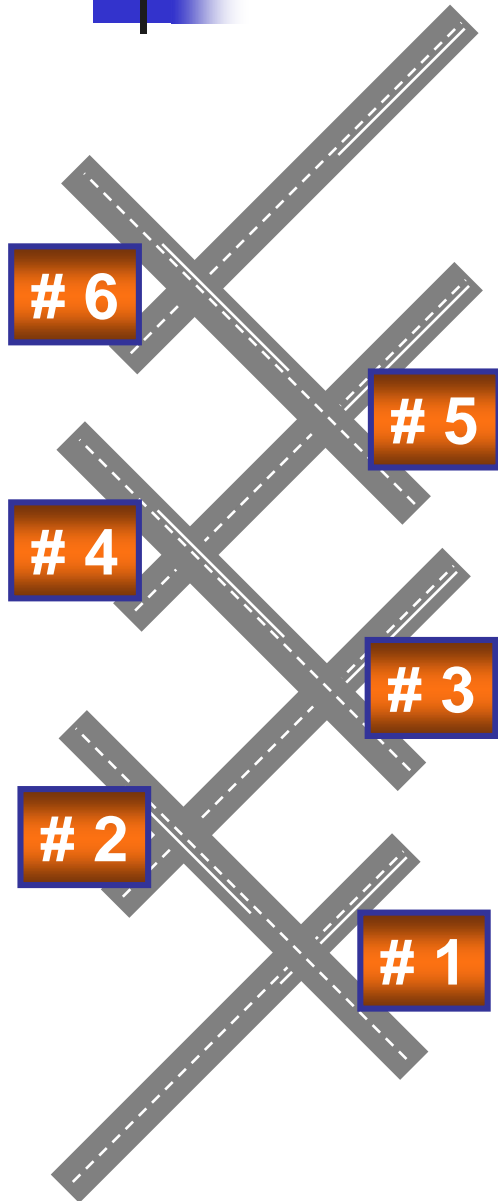
Crossroad #5
Business Manager to
Group Manager

Crossroad #3
Managing managers to
Functional Manager

Crossroad #1
Managing self to
managing others

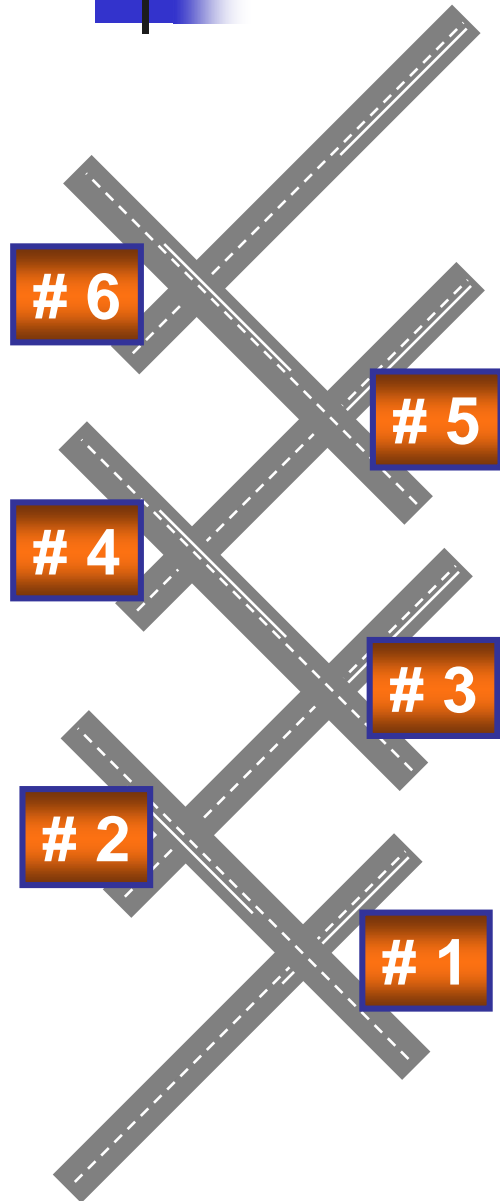


Career Crossroads/Turns



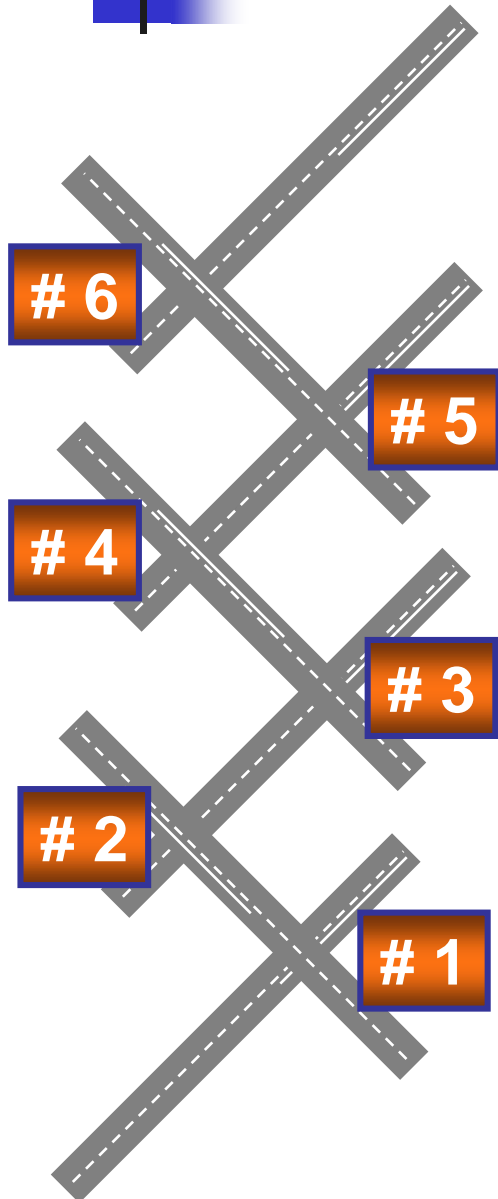
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Career Crossroads/Turns



- The six turns or crossroads, are major events in the life of a leader
- Representing significant passages that can't be mastered in a day or by taking a course
- Each passage demands a unique set of skills, time applications and work values
*(Important recommendation:
Do not lump passages together for selection or development purposes)*



The Leadership Pipeline

Each Leadership Passage requires that people:

- acquire a new way of managing and leading;
- leave the old ways behind



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In Three Areas



The Leadership Pipeline

Skill Requirements

:

*New capabilities
required to
execute new
responsibilities*



The Leadership Pipeline

Skill Requirements

:

New capabilities required to execute new responsibilities

Time Applications

:

New time frames that govern how one works



The Leadership Pipeline

Skill Requirements

:

New capabilities required to execute new responsibilities

Time Applications

:

New time frames that govern how one works

Character/ Work Values:

What people believe is important becomes the focus of their effort



The Leadership Pipeline

As an organisation becomes familiar with each leadership passage, it will focus on career routing and planning development from a fresh perspective.



System Requirements





Performance Potential Matrix

Matrix		Performance		
		Exceptional	Effective / Full	Not yet full
Potential	Turn			
	Growth			
	Mastery			



Performance Standards

Exceptional Performance	Effective/Full Performance	Not Yet Full Performance
<ul style="list-style-type: none">▪ Consistently exceeds operating, technical and professional output requirements▪ Is usually given the toughest assignments; the boss would fight to keep this person▪ Etc.	<ul style="list-style-type: none">▪ Consistently meets or exceeds all operating, technical and professional output requirements▪ Is considered a good performer, but equivalent talent could be found, if needed▪ Etc.	<ul style="list-style-type: none">▪ Is below standard execution of most operating, technical and professional output requirements and managerial tasks▪ Would not elicit boss's concern if this person left the organization.▪ Etc



Potential Standards


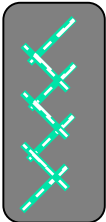



Turn Potential	Able to do the work at the next level in three years or sooner
Growth Potential	Able to do the work of bigger jobs at the same level in the near term Next level 3 years plus
Mastery Potential	Able to do the same kind of work currently being done, only better



Schedule of Review Activities

Time	Activity	Responsibility
February	Very carefully prepare agenda and guidelines for Review Meeting in April	CEO and HR Executive
March	Prepare elaborate information in detail for April Review	CEO Major Business Unit
April	Full-day session at every major business location.	Combined
July	Follow up, two-hour video conference, per major business.	Combined
November	Confirm and finalize actions committed to in April	Combined

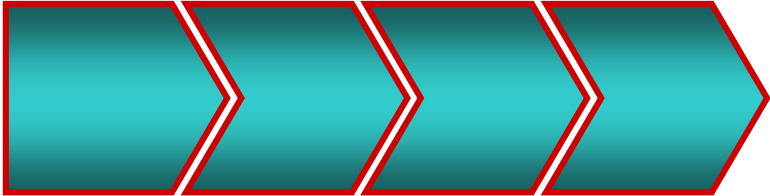
Why Does the Leadership Review Work

Success Requirements	Practice in Sum	Evaluation
<p>1. Top management understanding, action & long term commitment.</p>	<p>Present & past Chief Executives regarded this as one of their major responsibilities. Deep understanding of the power of the process and long term commitment to it</p>	
<p>2. Pipeline management</p> 	<p>Full understanding of and managing the leadership pipeline as well as the concept of career crossroads / passages</p>	
<p>3. Performance improvement & differentiation</p> 	<p>Tough aligned performance improvement system. Detailed review preparation; good quality HR information system; transparency; professional HR work - all enhance objective differentiation</p>	

Why Does the Leadership Review Work

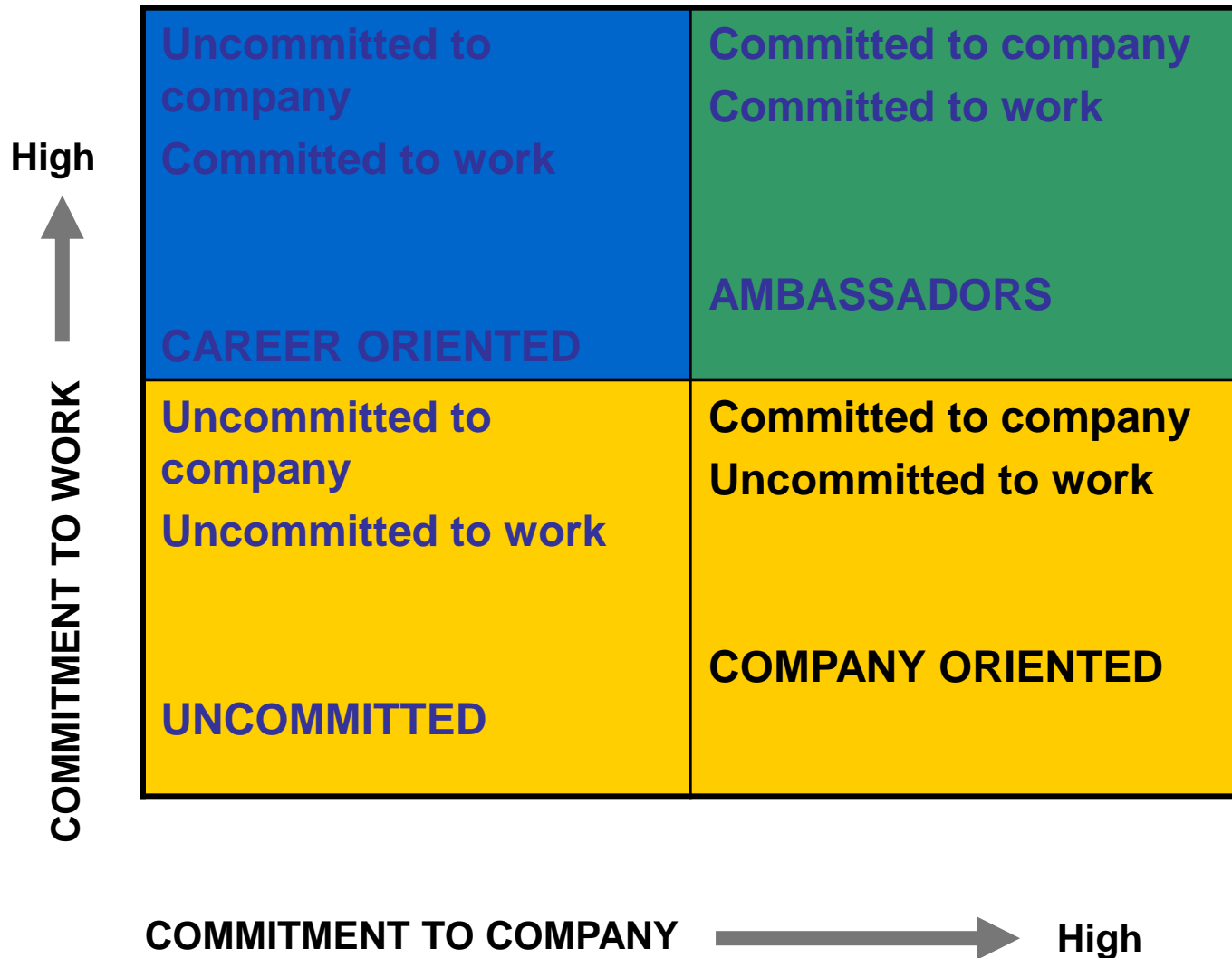
Success Requirements	GE Practice in Sum	Evaluation
4. Organisation wide selection	Facilitated through Leadership Reviews and effective use of Intranet	✓
5. Succession Planning & Future needs analyses	Do detailed performance potential matrix reviews. Leadership Review agenda link to strategic business needs and review of available resources, clarify gap & future needs	✓
6. Management education & training	Top business schools	✓
7. Coaching	Coaching, mentoring and growing managers - core responsibility of every level of management. Most senior executives also have personal coaches	✓

Why Does the Leadership Review Work in GE?

Success Requirements	GE Practice in Sum	Evaluation
8. HR contribution	Outstanding HR contribution for many years	✓
9. Aligned systems approach.	Fully integrated with compensation, performance review and all other relevant systems 	✓



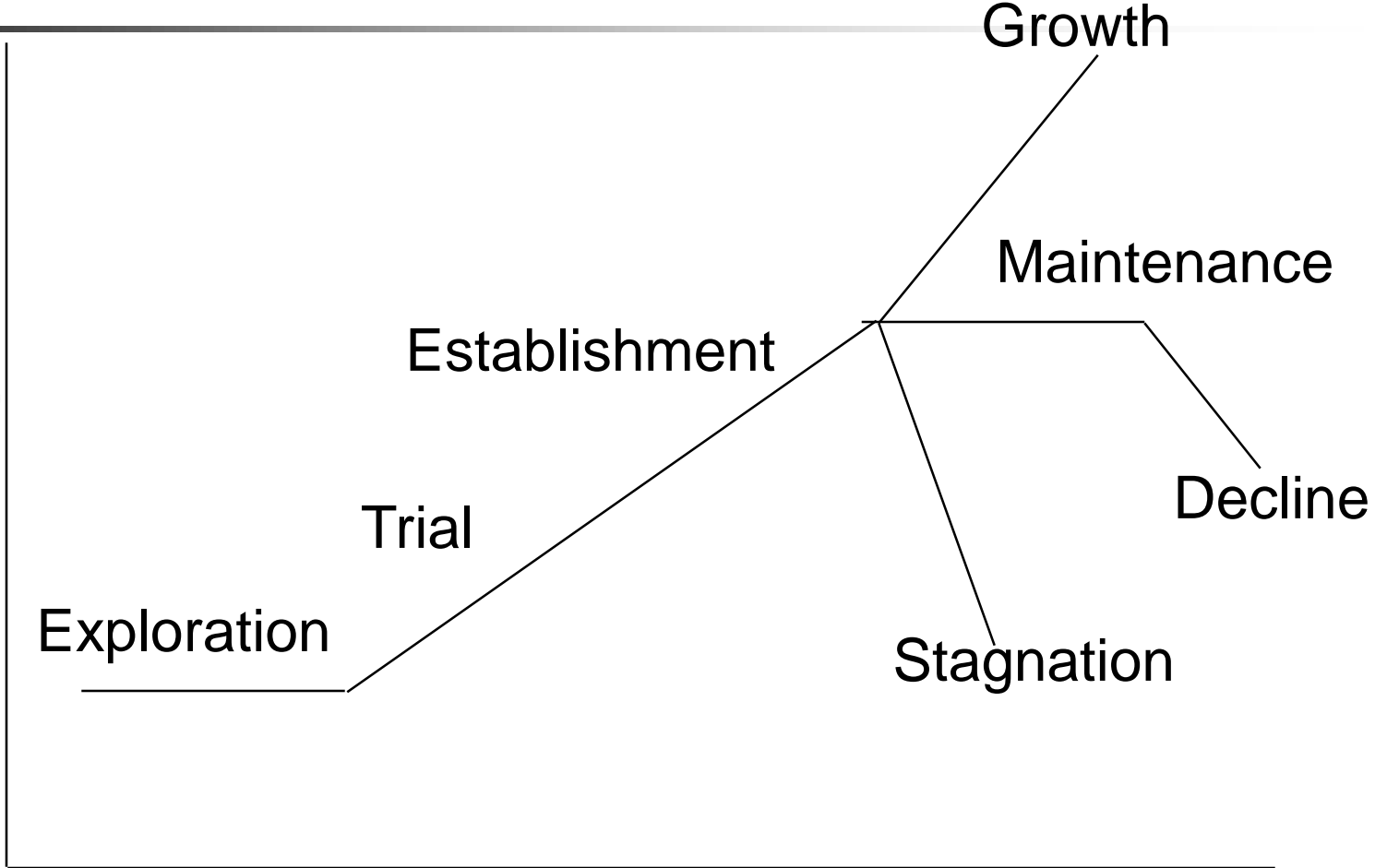
The employee commitment matrix...



Stages in your approach towards personal change

HIGH

**PER-
FORM-
ANCE**



Duration

The Elements of the Personal and Organisational Balanced Scorecards





Time for reflection

1. Where do you see your in relation to all this theory?
2. What implications does this awareness of career management issues have for the way you approach your staff?
3. What creative solutions to career management challenges could be considered in your organisation?
4. What competencies do you need to display when dealing with career management issues among your staff?