Understanding the Talent Wave

The Talent Wave is the metaphor for talent management and succession planning in the second decade of this millennium. While talent "pools" are associated with shallowness and stagnation, and "leadership pipelines" with constriction into narrow, inflexible paths that can easily get blocked, a wave is pure energy. On the sea, it is not the water that moves, but the energy waves that pass through it. For HR and for corporate leadership, the choice in identifying, growing and retaining talent lies between largely ineffectual attempts to *control* this energy and finding imaginative ways to *harness and work with it*.

My forthcoming book, *The Talent Wave*[1], reveals the findings of five years of research into corporate approaches to succession and talent management. The starting point was a starkly challenging question, which became increasingly relevant as once admired company names were brought to their knees by arrogant, incompetent leaders: "If succession planning and talent management work, how come the wrong people so often get to the top?"

This question was rapidly followed by: "If succession planning and talent management work, why – in spite of so much effort to bring about change – is the diversity at the bottom of organisations not reflected at higher levels?"

My researches have led to conclusions that question the whole basis of corporate approaches in succession and talent. First, I looked for evidence that the paraphernalia of this aspect of people management – for example, the nine-box grids, the succession charts, 360-degree feedback and leadership competency frameworks – delivered what they promised. This evidence was woefully thin. Indeed, it was a lot easier to gather evidence that they did *not* work. Some examples illustrate the point:

- The nine-box grid is based on the assumption that it is possible and practical to measure individual performance and individual potential. The reality is that we can at best make a time-based best guess at both these measures. Among factors that upset the neatly lined up calculations are the inability of line managers to recognise talent (unless it is like them), the impossibility of clearly separating out individual and collective performance in many roles, and the poor transportability of high performance between roles.
- Leadership competences. A female head of OD expresses the point very well: "Our leadership competencies are based on the characteristics of successful male leaders 15-20 years ago. They are in practice a significant barrier to the advancement of talented females and to adapting the business to changes in our market environment. We need to focus more on what effective leaders will look like in the future, not what they look like now, or looked like then!" In

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reality, leadership competences are highly situational and constantly evolving. Trying to pin them down and make them generic is a great way to ensure that at least some of the people, who get to the top, are the wrong ones for the leadership situations they will face.

- Both these pieces of HR apparatus are a godsend to the sociopath in the wings. These people are skilled at manipulating people and systems to their own ends. The more mechanistic and tick box the system, the easier it is for them to bend it to their own ambitions. Even processes like 360 feedback, which on the surface sort out the caring, people oriented managers from the ruthless and manipulative, may in fact do exactly the opposite. Research shows that the honesty of direct reports' scores is related to how genuinely open the boss is to critical feedback. So great bosses may score less well than their sociopathic colleagues, on the bases that a) people don't want the aggro that comes from being honest and b) after a while, people come to see the dysfunctional and divisive boss' behaviour as "normal".

So how come we have been seduced into accepting all this "HR bling" as valid and helpful? The reasons stem from top management's desire to measure anything that moves and HR's desperate need to prove that it adds value. And the system does work, in the sense that, if you identify a particular group and give them lots of opportunities to experience and to learn, they are likely to advance faster than less privileged colleagues. But that doesn't prove that these were the most talented employees. In reality, those people may have taken the hint and gone off to work elsewhere, often for themselves, where their talent is appreciated.

Another powerful reason is that all of these systems are based on a major misunderstanding about the nature of the relationship between talented employees and employers. The underlying assumption is that this relationship is a *simple, linear system.* You put your money in the machine, press the right buttons and out come the future leaders your organizations need.

Nothing could be further from the truth! In reality, organizations and their employees form a *complex, adaptive system*. People and organizations are constantly changing, so the relationship between an organization and its talent is dynamic and evolving.

Set your talent free

Among the rules of how complex, adaptive systems work is that they:

- *Are emergent.* In the new vision of succession planning, the aim is less to fit employees into a grand plan, than to channel their energies and ambitions, encouraging the development of "deep capabilities" and trusting that the creative ferment will deliver the right person at the right time, most of the time.

- *Co-evolutionary* – when talented people adjust their ambitions and develop new skills in line with their observations of opportunities, they stimulate change, for the business as well as themselves (if they are allowed to!)
- *Self-organising* – if people are genuinely talented, they will find their own ways to respond to opportunities. All they need is information and support. Increasingly, talent turns out to be invested not in individuals, but in networks within the business.
- *Sub-optimal efficiency* – HR's response to the waste of talent, through attrition, in current HR processes has been to seek ever more complex means of control, with increasingly little effect. If there is a sufficiently wide and varied talent wave in the organization, then it doesn't matter that there is a degree of inefficiency. What matters is whether there are enough motivated, competent and creative people to move into roles when needed.
- *Requisite variety* – the more HR tries to pin down the qualities of leaders, the less variety in the system. Competence-driven homogeneity is guaranteed to undermine diversity objectives. More attention to ensuring sufficient difference in the Talent Wave allows for greater flexibility to the needs of specific and emerging roles.
- *Simple rules* – underlying the complexity of adaptive systems are simple rules that shape the way the system behaves. Some potential simple rules we have identified are:
  - All other factors being equal (e.g. broad satisfaction with pay and benefits) employees seek roles, which provide an appropriate balance between stretch (new learning), exploit (applied learning) and coast (work without significant learning potential)
  - Diversity of talent thrives in an atmosphere of psychological safety
  - Employees tend to have to have been working substantially at the level above, before they are promoted to that level
  - The strongest connections exert the strongest influence. So, if someone's strongest work/ career connections are external to the organization, it will be harder to keep hold of them.

Achieving high alignment between organizational aspirations and employee aspirations isn't easy. In a complex, adaptive environment, however, the trick is to support people in creating this alignment in their own unplanned, inefficient and messy – but ultimately highly effective – way. Some of the approaches the company can employ include:

- Use every vacancy as an opportunity to rethink the job role. Is it still needed? Rather than who could fill a role, ask "Who could transform it?"
- Letting people compete for jobs. Instead of limiting the talent resource by deciding in advance who might be suitable, offer people the opportunity to say how they might tackle the role and what they would bring to it.

- Raising the quality and scope of conversations about jobs and careers, so that a wide spread of employees understand and can direct their personal development towards future roles, rather than present ones
- Shift the emphasis from putting people into roles towards "the right person, in the right role, for the right time period". People grow (or not) and so do the demands of the role. Over time what might have been a great fit no longer is. Two phenomena happen commonly. One is that "designated talent" is moved on too soon, leaving a mess behind them. An innovation here is to hold a "legacy audit" a few months later, and to use the results to determine time in their next role. The other phenomenon is that the manager plateaus. They are not seen as promotable, but their self-esteem will not allow them a less important role. So they become an increasingly solid block in the pipeline – until an organizational crisis initiates a binge of unblocking. An antidote here is to create expectations of constant reshaping of roles and responsibilities. In one multinational company, for example, the top 150 managers have all been tasked with getting rid of at least 25% of their job each year. The aim is partly to stimulate delegation and coaching behaviours, partly to open up space for their own development and for working on more strategic tasks.
- Resist any attempt to put people into boxes. People only belong in boxes when they are dead. If you must use boxes, do so only to focus their attention on development needs; not as a means of making judgements about their promotability
- Value people for the time they will spend with you. So many appraisals are dishonest, because it is too dangerous for the employee to say, for example, "I'm thinking of spending another two years in this organization to acquire the skills and experience I need for the job I aspire to, which is unlikely to be here." The chances of continued promotion would in most cases shrink pretty rapidly at this point. Yet honesty allows you to work with the employee for mutual benefit, with the result that you get far more out of them, while they are in the organization and – according to anecdotal evidence – the time they stay is typically longer than is evidenced by more apparently "loyal" colleagues.

Four critical conversations

From my interviews with HR directors and leaders around the world, many of whom recognised the limitations of simple, linear thinking in talent and succession – even if they did not articulate it in those terms – four distinct types of conversation emerged, which they could encourage and enhance.

The first of these relates to the conversations that employees have in their own heads and with trusted confidantes about their ambitions and career aspirations. The second relates to their current working environment – the conversations they have with bosses, peers and HR about themselves and their work. The third consists of the broader, context-making conversations between an organisation and its employees more generally. In essence, it is about the psychological contract

between employees and employer with regard to development and career planning. The fourth kind of conversation brings in the external world and, in particular, the social networks employees and employers use.

The impact of promoting these four kinds of conversation is firstly that the organization and its talented employees can be much more honest and open about their aspirations and intentions. Secondly that they can plan together in a flexible way that not only allows both to make use of opportunities, but to *create* opportunities.

And how do we prevent the wrong people getting to the top?

There are two types of "wrong people". One group is wrong simply because their skill sets don't match the job they are in. (For example, the job may have changed around them.) The solution for this group is to make it easier and less painful (especially to their ego) for them to move out of their roles and into ones, which are a better fit. HR spends masses of time and effort putting people into roles, but very little attending to their sell-by date in those roles.

The other kind of "wrong" person is the sociopath, who becomes a more serious danger the higher he or she rises. Here, one simple tool I recommend is the *legacy audit* – a review, three months after they have left each role, to evaluate what exactly they left behind. When direct reports are no longer under their thumb, a more accurate picture of their leadership style and accomplishments may emerge!

Riding the talent wave

Intelligent HR functions and leadership teams should not be frightened at the thought of letting go of control of their talent. Indeed, many HR professionals I have interviewed and spoken with have been excited about the opportunity to shift from a policing to a shepherding role. Some of the practical steps these insightful HR people are taking include:

- Changing the language and focus of talent management and succession to emphasise opportunity for a much wider range of people
- Using social networks to encourage people to take initiative and stimulate change – so often the real innovators and the most competent leaders are people, who make things happen through influencing these informal, less obvious channels of communication
- Decreasing reliance on simplistic models and frameworks that aim to select and predict leadership talent. While it's hard to jettison these entirely, they are able instead to use them as simply minor inputs into the planning of developmental resources and opportunities
- Having processes to recognise and counteract "snakes in suits" (organizational sociopaths). Again, this doesn't necessarily mean labelling such people and keeping them out of the leadership circle; it is more about

making sure they are not permitted to gain access to roles, where their fatal flaws will become uncontrollable

- Challenging the culture that values conformity and box-ticking over originality and personal maturity – recognising that the best leader for tomorrow's organization probably won't be like the best leader for today's. This also means challenging top management, when they want to appoint successors, who are clones of themselves!

I began my journey of discovery behind *The Talent Wave* began with a great deal of disquiet (and sometimes anger) about the damage that simple linear thinking is doing to the potential for talented individuals and organizations to achieve great things. I've ended it with a far more optimism than I'd dared to hope. I am constantly observing that, in facing up to these issues, many HR professionals are empowering themselves. As one recently expressed it to me in private: "When we have the courage to apply original, creative and genuinely evidence-based thinking to succession planning and talent management, it exposes the logical flaws in so much other HR practice, which is equally based on overly simplistic assumptions. Embracing complexity is liberating and, in our company at least, I hope it will lead to a radical – and long overdue -- realignment between HR and the business." I hope she is right.