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Deep bench gives leg up on talent war

Corporations must identify and grow winning team

Ray Williams

Two weeks ago, this column looked at how most organizations apply little or no rigor to identifying and cultivating their top players. But what if corporations were to create a deep bench to draw upon?

That is what the best championship athletic teams have in common with the best corporate leadership teams. The New York Yankees and Atlanta Braves baseball teams have competed brilliantly on the basis of deep bench strength and the development of exceptional players in the minor leagues. While occasional championship teams buy their way in with newly acquired veteran teams, the powerhouse winners demonstrate the power of relentless scouting, growing the most talented farm teams and skillfully managing the movement of players through the system.

Business leaders have similar ambitions. Yet most leadership teams can only dream about the king of perennial top leadership of companies such as General Electric. In the mid-1970s, Walter Mahler wrote *Executive Continuity*, a detailed description of how leading companies plan for the replacement of key executives, describing the practices of GE, Exxon and a handful of others.

In the mid-1980s, the majority of *Fortune* 500 companies adopted programs that on the surface resembled GE's approach. While many were widely adopted, by the early 1990s the benefits of succession planning seemed elusive and many of the practices had grown bureaucratic and procedural-bound.

Two decades of failure have taught us some lessons:

► **Don't confuse strategic planning with forecasting** Effective success or talent-pool management concern itself with building a series of feeder groups up and down the entire leadership pipeline. In contrast, replacement planning is focused narrowly on identifying specific back-up candidates for given senior management positions.

► **Stop focusing on annual staffing reviews.** These have become stilted,

administrative tasks. They are vents opposed to continuing processes by which decisions are made and results checked. CEOs should set the talent agenda. Unlike CEOs who spend their time on finance or keeping the board of directors happy, CEOs must set people development as a priority in the company in order for other people to embrace its importance.

► **Stop developing "clone" executives.** While executive involvement in talent development is paramount, they should not have exclusive responsibility for their replacements. Executive continuity is often not the right objective. When pressure to grow the business produces significant changes in strategy, changes in leadership styles are necessary. Companies that create an effective succession management process quickly anticipate and fill succession gaps. They also identify employees with high management potential and actively plan their careers and development to build "bench strength." These companies align their human-capital strategy with their business strategy.

► **Talent recruitment and development become a regular topic in executive team and board meetings along with finance and marketing.** These organizations emphasize on-the-job development, not academic or seminar learning. They create progressive assignments, moving leaders through a series of challenging jobs quickly (every 18 to 24 months). These companies also carefully design assignments, giving clearly defined and quantifiable goals designed for scope and variety. And they individualize development, through experiences, informal coaching and mentoring. They help potential leaders build strong networks. One study shows 40% of all newly promoted executives and managers failed within the first 18 months of promotion because they didn't build strong teams and network connection. Rather than relying on standardized curricula, successful organizations develop leaders on the job through a series of challenging and diverse experiences, and offer feedback and coaching to maximize their learning experiences.

The concept of succession planning needs refocusing to include a more comprehensive set of assessment and development practices that support the entire pipeline flow of talent, from entry level campus recruiting through general management selection. Only then can the war for talent be truly won.



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