



## A Little Less Plotting And A Lot More Conversation Please

“ *Talent review: the mysterious meeting where all the managers lock themselves in a room and talk about you.* ”

## 9 Tactics for Talent Reviews with Business Impact



# Talent reviews: why?

---

Talent reviews - the forum in which managers “meet to talk talent” - should probably not now exist. With the promise of the predictive algorithms of Big Data, integrated talent technology, networking applications for collaborative working, the implementation of personalised learning systems, and the move towards self organised teams, talent reviews seem a corporate anachronism that can reinforce business and functional silos.

But they still operate. Why?

It's partly that the promise of a revolution in talent data and technology is more blogged about than experienced in reality by the majority of talent management practitioners. And even with the gains of better technology and talent intelligence, judgement is still needed to evaluate information, put it into resourcing context and make wise business decisions<sup>1</sup>.

It is also that talent management remains a messy set of resourcing and development challenges that keep shifting. In many instances, organisations are still working out the questions to ask, and not ready to implement the “answers” of a prescriptive talent technology system. Here the answers of talent technology may avoid the awkward and more fundamental question: what role do people play in our business strategy?

What are the challenges for talent reviews? And how can their effectiveness be improved for greater organisational impact?

“*The idea that we can accurately predict talent demand for an entire company several years out is a myth.*”

**Peter Cappelli**

# The good, the bad and the ugly

This article draws on our experience in working with organisations in the design and implementation of succession and talent processes. It also summarises the range of practices now being adopted within this activity.

Talent reviews come in all shapes and sizes, and the specifics hinge on their purpose within a talent management strategy.

At best they can be an important connect between an organisation's strategic positioning and its game plan for execution. Here talent reviews help **answer key questions**, for example:

- do we have the people - now and in future - to deliver our strategy?
- are our "best" people in those roles that are critical to our current and future success?
- which roles can we anticipate will become more important to our future competitiveness?
- which risks have been identified that have the potential to damage the business?
- what strategic options now open up based on a fresh insight into our people?
- if we shift our strategic priorities and operating model, how easily and quickly could we redeploy people within a different organisational structure?

Alternatively talent reviews are a **corporate ritual**, a time consuming exercise which requires executives to work through spreadsheet templates or complete forms in a talent management technology system. Once consolidated, the executives meet to review the talent map for the business area, challenge their peers about who is and isn't appearing in which box, and move around names to finalise the grid.

This map is then sent to Head Office for further consolidation and the participants within this activity get back to their day jobs.

Or worse, the talent review becomes a **destructive dynamic** within the organisation. Enron's CEO Jeff Skilling famously described their Performance Review Committee as *"the most important thing for forging a new strategy and culture - it is the glue that holds the company together."*

Elsewhere in Enron, this event was known as the "pit of vipers" that, to mix metaphors, *"spawned a gangrene-like rot that allowed the organisation to cannibalise itself."* The review became an institutionalised popularity contest in which cooperation was replaced with divisive competition.

## 9 tactics for greater impact

---

This perspective identifies nine tactics that will help you introduce a talent review process to go beyond plotting performance vs potential<sup>2</sup> to one that shapes the development of your people and your organisation.

Each organisation has to design and implement its own talent review process to respond to the distinctive challenges it faces. If much competitive advantage emerges from differentiation, then a “me too” solution of established “best practice”<sup>3</sup> is unlikely to deliver much business gain.

Use these tactics as guiding principles to shape your thinking and open up debate to identify an approach that moves from analysis and plotting to conversations that trigger action.

1. **Clarify purpose before positioning**
2. **Keep it manageable**
3. **Estimate your base line**
4. **Build a sustainable success framework**
5. **Map the process before you find a technology solution**
6. **Build maturity of debate**
7. **Avoid silo thinking**
8. **Attend to the nuts and bolts**
9. **Keep refreshing to revitalise**

“*Predicting rather than preparing is the dangerous assumption that we will produce a great supply of ready now talent.*”

**Kevin Wilde**

# Tactic 1: Clarify purpose before positioning

In our experience there are three main variations of talent reviews.

**1.** The **ad hoc group** that operates as a task force and comes together to address specific resourcing challenges, for example, in planning and coordinating an organisational restructure. The upside is a flexibility that avoids the bureaucracy of talent processes and systems to focus minds on issues of pressing importance, and participants are empowered to make quick decisions and implement actions.

The downside: participants can find it difficult to get up to speed with the issues and momentum is lost easily. It can also become disconnected from wider talent management activity.

**2.** The group that largely operates to **calibrate evaluations of performance and talent**. This is the classic forum in which participants meet to share different perspectives of the target population with the aim of improving the accuracy and consistency of assessments.

At best, this approach educates participants in rethinking their expectations of performance and talent and broadens their awareness of the wider talent pool within the business area or organisation. It also allows participants to share their experience of ongoing issues within their immediate work area and gain ideas and solutions from their colleagues. At worst, this forum is a squabble over numbers and plots that creates lists but little action.

**3.** The forum that has a **wider remit** and is authorised to make “big” decisions. This is the group that goes beyond the talk of evaluation and recommendations to establish action plans.

At one level this can be the straightforward exercise of, for example, making major investment decisions about individuals’ development, through to a more expanded role that includes policy decisions about process and practice.

This group has the potential to make a significant business impact through the decisions it makes about resourcing and development. To operate effectively this type of talent review also needs significant time in positioning and preparation and organisational maturity.

“*If you are unsure about the impact of your talent review process, stop it and see what happens.*”

# Tactic 1: Clarify purpose before positioning

## How should the review be positioned in future for greater impact?

- what is this forum designed to do? What problem is it solving that cannot be solved through any existing organisational processes?
- what is it specifically not designed to do?
- what is its scope? Is the talent review focused on a relatively bounded set of issues, for example, achieving consistency in performance evaluations? Or does it have a much broader remit in resourcing and development decision making?
- how does this impact on other practices and processes within the organisation?
- what outcomes are required of this activity? And what mechanisms are needed to translate these outcomes into action in resourcing and development?

## Assess the current status of your talent review.

- what is **working well** and needs to be built on and enhanced for the future? What gains can be made in process and practice for greater efficiency, responsiveness and business impact?
- what is **not working well** and either needs an overhaul or to be abandoned as no longer relevant to the future? Here difficult decisions may need to be made to manage the politics of challenging legacy practice or questioning current expectations of the talent review's objectives.
- what is **not in place** and needs to be introduced to ensure the talent review supports the future strategic agenda? This is to ask the "why" question to ensure the purpose of the talent review is clarified.

“If a talent review is the answer, what is the question?”

# Tactic 1: Clarify purpose before positioning

## Are you on the back foot or the front foot?

There is talent management as **risk management** to develop responses to current or emerging resourcing challenges. These are likely to be problems of the kind:

- workforce planning has anticipated a wave of retirements from key positions
- succession exposure is highlighted for critical roles in a strategically vital business function
- there is a difficulty attracting high quality candidates for specific roles
- we are losing high performers at a particular level

And there is talent management as the dialogue about potential **opportunities** and options. This is a debate about “what if scenarios”. If we:

- planned to grow the business by 25%...
- decided to move into a new market...
- diversified our business to create a different product or service line...

what would be the challenges for our people and the implications for talent management?

“ Although generally the business strategy drives the talent strategy, sometimes the reverse happens. ”

**Rob Silzer & Ben Dowell**

## Tactic 2: Keep it manageable

Donald Rumsfeld was roundly mocked for his summary: *“As we know, there are known knowns; these are the things we know we know. We also know there are known unknowns; that is to say we know there are some things we do not know. But there are also unknown unknowns - the ones we don't know we don't know.”*

But the point is fundamentally sound. There are unknown unknowns. Talent reviews take on too much when they attempt to *“control what is uncontrollable and predict what is unpredictable.”*

There may have been a time when talent reviews could make long range forecasts, plotting the development of emerging leaders through a programmed sequence of moves within a well mapped career path. For those firms operating in very stable industries where classic strategic planning is still relevant, this approach can have value. But it is not an approach we see too often.

For those firms, whose strategy is more adaptive - shifting resources to respond quickly to market trends - talent reviews are likely to be based on a more fluid agenda that addresses issues of more immediate relevance.

Talent reviews are kept manageable when they:

**Work to a time-scale that makes sense for your organisation.** This shapes not only the inputs to the talent review (what data is captured?), the conversation itself (what is the focus of the review?) as well as the type of actions that are agreed (what happens next?)

Any sensible organisation needs an insight into the quality of the talent in its pipeline to identify a choice of credible and capable candidates for roles of growing importance to the future of the business. However if the organisation is refocusing and restructuring to shift its resourcing emphasis, talent reviews may be less about upwards progression within 2-3 years and more about versatility for today.

**Focus on a few big priorities** rather than take on each and every talent related issue.

This requires rigour and discipline in pushing down the specific issues that should and can be resolved by line managers as part of their day to day responsibilities.

It also avoids grappling with the organisational problems that need corporate attention to revisit policies and processes. The talent review might rightly discuss the likely loss of key people. But if the issue hinges on a flawed rewards system or a toxic culture, action planning for specific individuals will miss the point. These are the types of issues which should be pushed up for wider organisational debate.

## Tactic 2: Keep it manageable

---

Focusing on a few big priorities also implies applying a set of filters to ensure the population being reviewed is manageable. There seems little virtue in plotting a work area of 100 plus individuals. Instead the process should prioritise key categories of people and the review focus on the subset of the population that require organisational attention to agree actions.

### Accept the limitations of what we can know about

Line managers, the argument runs, are highly subjective in their judgements of people and the options for their development. Cognitive biases are so prevalent that their evaluations cannot be trusted.

Given this reality we are informed we must now equip ourselves with the analytics of new assessment methodologies to improve the predictive power of our judgements. And a wave of new tools and techniques have emerged over the last decade. The hype of the marketing claim has not been supported by the evidence<sup>4</sup>. Predictive validity has not seen much gain over the last few decades.

Robust assessment of course has its role to play in data capture and integration for talent reviews. But when a talent review attempts to project too far into the future - drawing on for example long-term predictions of executive potential - it may be more an exercise in speculative crystal ball gazing than provide the recommendations that make a practical business difference.

It's a good rule of thumb that if we limit our predictive horizons, we make the talent review more grounded and practical.

“*You don't win by predicting the future; you win by getting the odds right.*”

**Charlie Munger**

## Tactic 3: Estimate your base line

“*There is really only one question: what’s going on here?*”

**John Mamer**

Sometimes we don’t know what we don’t know. And sometimes we know more than we think we do.

Before designing and implementing a review process it may be better to begin with a pragmatic reality check to gain an understanding into the scale of the challenge and the likely priorities for the organisation.

This will require judgement from informed stakeholders who are both willing and able to look at the issues and provide informed insight. This hinges on having the “right people” contributing to this initial audit. These include:

- **key stakeholders** whose support will be needed to position the credibility of the exercise
- **strategists**, those genuinely thoughtful thinkers who can provide a wider lens on the business
- **experts** who have an informed view of the issues, and can also put the review into an external context
- **employees** who can provide a bottom up perspective and also keep the evaluation grounded in organisational realities

The strategy here is to draw on the “wisdom of the crowd” to get a sense of what organisationally we know with reasonable certainty and what is relatively unknown. As with all exercises of this type, diversity of perspective is critical to ensure an objective and thoughtful analysis.

## Tactic 3: Estimate your base line

No doubt the judgements emerging from this first cut analysis will be imperfect. But this approach can be implemented without the time and cost of building an infrastructure for detailed data capture and analysis.

Some of these questions are generic, some will be more or less relevant, depending on the distinctive challenges for different organisations. But the mix of trigger questions are likely to be a variation of:

### Short term Opportunities and Risks

- Are we losing key talent? Where in particular?
- Are we well placed to fill current and future vacancies?
- How do our people stack up against their competitive peers within the industry?
- Do we have our most talented people in our critical roles?
- Are our people up to speed and performing in these roles?

### Medium term Opportunities and Risks

- Do we have sufficient depth and breadth of talent to sustain performance?
- Which leaders will require proactive development in the next 12 months?
- Do we have any significant blockages within the talent pipeline?
- Do we have sufficient mobility to encourage the movement of talent across the organisation? Or are we stuck in silos that discourage the free movement of talent?
- Do we have credible succession coverage for critical roles?

This approach follows a similar approach to that outlined by Philip Tetlock in "SuperForecasters"<sup>5</sup> where predictive judgements are accompanied by a level of confidence, from low to high certainty.

Well facilitated, this initial review provides an overview of the talent landscape.

What are the critical issues we feel reasonably sure we know and understand?

What is the size of the gap between our starting point - our base line - and where we need to be in future?

- a relatively small gap that can be closed with a few incremental improvements in current practice?
- a significant gap that will require a rethink of priorities and plans?
- a massive gap that is a major threat to the organisation's future and will require a radical overhaul of what we do and how we do it?

What are the issues we feel less certain about? Are they critical to the business? If so, what do we now need to do to improve our understanding of the specifics?

## Tactic 4: Build a sustainable success framework

A success framework is the talent management blue print that summarises what is of importance - values, skill sets, experience, etc. - to the organisation's future. This framework should provide clarity and consistency to guide evaluation and decision making about performance, career development and succession management.

There are two challenges:

### 1. Agreeing the optimal level of detail

Too little detail, for example, a reliance only on ratings of performance and potential, and the framework will be next to useless in guiding meaningful action planning. Too much detail of the kind mapped out in complex competency models, and associated activity becomes time-consuming and end users often struggle with the material. This kind of complexity also comes at the price of a shorter shelf life.

### 2. Deciding how much consistency should be applied across the organisation

For some organisations, there is a common framework to be consistently applied across all work areas. The advantage is a simplicity that allows consolidated analysis around defined criteria and data fields. The downside: a one size fits all approach that reduces to the lowest common denominator and lacks relevance to different business units.

Alternatively, success frameworks vary across the organisation to help different business areas identify the specifics that are important to them. At best this maps the detail of experience and expertise (often neglected within generic competency models) to provide insight into resourcing and development decision making. At worst, over time, the organisation becomes a hodge-podge of competing models that make data analysis problematic.

Trade offs therefore need to be made to find the optimal compromise that juggles the expectations of different stakeholder groups. The "solution" typically emerges from a judgement based on:

- **Organisational structure** and how similar or different resourcing requirements are across different functions and businesses
- **Level of business change** and where high levels of change require the flexibility of simplicity vs greater stability that allows for more complexity
- **Maturity** and how much complexity is manageable given the legacy of past activity and the skill sets of current players within the process

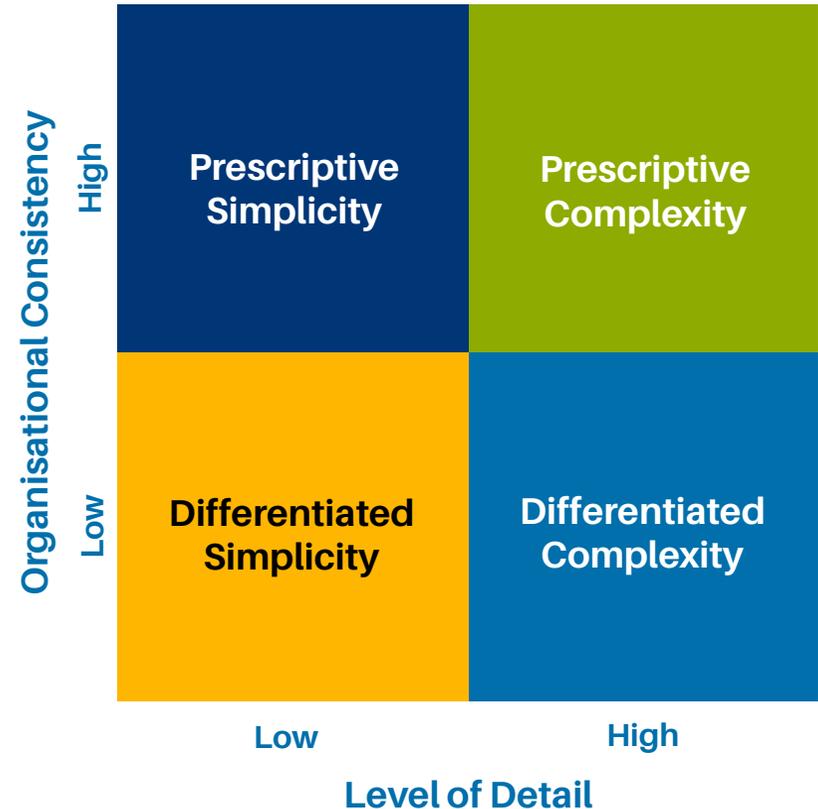
## Tactic 4: Build a sustainable success framework

**Prescriptive simplicity** is the preferred option when there is a need for consistency across different business areas and the organisation is experiencing rapid change and/or unable to accommodate the complexity of detailed success frameworks. This design philosophy is probably best suited to firms in fast moving markets looking to deploy talent flexibly across its different business units.

**Differentiated simplicity** allows each business area to develop its own variation of a high level success framework. This approach works best for firms whose different functions have distinctive skill requirements but are still looking to consolidate talent intelligence at an organisational level.

**Prescriptive complexity** is the approach that requires highly detailed frameworks to provide precision and nuance in assessment, a strategy that is accepted across all business areas to allow comparisons and benchmarking. This philosophy is best suited to relatively stable firms where long-term talent planning is possible.

**Differentiated complexity** allows each business area to develop its own detailed success framework to ensure the distinctive issues of each area are fully reflected in accurate assessment. The upside: nuanced insights into talent within a business area. The downside: difficulties in the consolidation of talent intelligence. This philosophy is best suited to an operating model of stand-alone businesses where mobility of talent is less of a priority.



## Tactic 4: Build a sustainable success framework

In our own consulting assignments and in the design of assessment methodologies we draw on six themes<sup>6</sup> that provide an overarching model to map out the dynamics of sustainable success.

**Credibility:** the factors of track record, experience, positive working relationships that shape organisational profile and reputation

**Capability:** incorporating functional skill sets, professional expertise and management competency

**Character:** reflecting an operating style of integrity, resilience and distinctiveness that represents sustainable professional and leadership practice

**Career management:** a vocabulary to summarise career options and identify key drivers of motivation and self management tactics

**Connections:** the breadth of networks and quality of connections an individual can draw on to access additional talent

**Context:** the factors in the operating environment that are more challenging or supportive of performance

This framework can be expanded out to include specific factors within each overall theme. In our talent profiling projects, typically we identify between 20 and 30 discrete factors. This seems to provide sufficient nuance to gain insights into individuals within the population undergoing review without burdening the organisation with time consuming and confusing frameworks and assessment methodologies.

“Complexity bias is a logical fallacy that leads us to give undue credence to complex concepts.”

Shane Parrish

## Tactic 5: Map the process before you find a technology solution

The talent technology business is big business. After a recent round of mergers and acquisitions, although small niche players remain, largely the market is dominated by a handful of dominant vendors. Here the promise is of integration around a seamless portfolio of connected talent applications.

Strategic talent management it is claimed requires a unified platform to roll up the full range of HR processes, from applicant tracking in recruitment through to performance management to Board level succession. It is these integrated solutions that provide the tools and metrics for aligned and joined up talent management.

Josh Bersin in his rethink of integrated talent management<sup>7</sup> asks the uncomfortable question: *“Do today’s talent management programs work? Have the companies who purchased and implemented talent management software transformed themselves?”*

In Bersin’s critique he questions the fundamental goal of integrated talent management and the enterprise to bring together stand-alone applications within the full talent cycle. *“We built an industry around this whole idea”,* and argues that *“the one vendor solution has come and gone.”*

The problem is that the integrated technology solution seems to have run ahead of the user experience. Largely designed for the convenience of the software developers (now unravelling legacy acquired software to knit together integrated platforms) based on out-dated processes<sup>8</sup>, these solutions rarely reflect the practical challenges of hard pressed managers.

Unsurprisingly, after the time and cost of customisation and implementation, end users vote with their feet and resort to standard office applications to manage talent processes.

Despite the marketing claims of the software vendors, integrated talent technology is rarely the solution to talent reviews. Indeed in some instances it may be part of the problem. Much talent technology assumes a regularity and stability of organisational process that is not the experience of those involved in implementation. If the emphasis is now on simplicity and speed to help an organisation adapt and improvise, big talent technology can become a barrier to responsive practice.

Gerd Gigerenzer makes the point that *“in an uncertain world, less often proves to be more”*. Complex solutions work very well for simple problems. But when the issues we face are ambiguous, uncertain and changing, simplicity is the superior strategy<sup>9</sup>.

## Tactic 5: Map the process before you find a technology solution

---

Process mapping for talent reviews requires an understanding of:

- what data should be captured, in what format, by who?
- how is this data consolidated for individual profiling and trend analysis?
- what presentational formats are required to highlight key opportunities and risks?
- what metrics should be calculated to provide a resourcing health check for the organisation?

Once the blue print has been agreed, then review the options for talent technology<sup>10</sup>.

“ *The more individual constituent parts a system has, the greater the chance of its breaking down.* ”

Charlie Munger

## Tactic 6: Build maturity of debate

“*Talent reviews. That’s where you look after old friends and settle old scores.*”

### Workshop delegate

Frameworks, process and technology are important enablers of progressive talent management. But a well functioning talent review requires more than tools and techniques; it needs maturity of thought and talk.

At one level this is the avoidance of the “bad behaviour”<sup>11</sup> associated with the discussion of individuals, their current impact and options for future progression. “Bad behaviour” can be summarised as:

**Excessive politeness.** Here there is a reluctance to challenge evaluations and recommendations in the interest of preserving interpersonal harmony within the review. Alternatively, this emerges from the Lake Wobegon Effect - *“all of the women are strong, all of the men are good looking, and all of the children are above average”* - and any challenge of “my people” is a personal attack on me as the line manager.

**Unnecessary aggression.** This is the problem of too much challenge. Radical candour provides a bracing exchange of views that can generate robust conclusions. Taken to the extreme, this level of challenge (often shaped by a hard driving, competitive culture) becomes counter-productive to quality dialogue and imaginative decision making.

## Tactic 6: Build maturity of debate

**Insufficient insight.** This is the immature conversation arising out of poor preparation and a limited understanding of the drivers of personal and business success. Here evaluations are based on halo effect generalisations or dated stereotypes of effectiveness and a barrier to the shrewd insight about who is genuinely making a contribution now, who might in a different role, and what specific development will be relevant to progression.

**Complicated tangents.** This describes the contributions from those participants looking for the perfection of precision. Here the talent review becomes hijacked through interventions that want to rethink all elements of the process, from the detail of definitions and criteria to a complete review of each and every organisational policy. Nothing wrong of course with consistency, but complicated tangents can take the review in an unhelpful direction.

Well functioning talent reviews require participants who are both **able and willing** to engage with the issues. When participants don't see the connections between business performance and team and personal contribution, or their understanding of the drivers of performance is skewed, participants become part of the problem rather than the solution to talent management. In a scenario, for example, of political gamesmanship that inhibits the open exchange of views, other manoeuvres may be needed before a talent review can be implemented.

**Ground rules of engagement** encourage a disciplined approach. These will reflect the organisation's culture and operating style (level of challenge, formality, rigour, etc) but are likely to be variations of:

**Do your homework.** Participants need time to understand the process and the expectations of their role, before, during and after the event. Burdensome preparation is best avoided, but some analysis and reflection will be required in advance of the review.

**"We" works better than "me".** Typically a review draws on the experiences and insight of each participant's peers and additional contributors, e.g. talent management consultants. A defensive attitude about individual work areas or about people is not going to trigger a constructive debate. Similarly a protective stance that holds on to talent within the work area may be expedient in the short-term. It is also likely to lose critical people in the longer-term.

**Evidence is better than opinion.** When discussing people, their current and future contribution, the facts keep the debate objective. Grounded and practical examples of individual accomplishments, impact on the business and feedback from informed stakeholders beat hearsay and speculation.

**Keep to the point.** There is no shortage of opportunities to go off on a tangent and discuss any number of other issues. And of course, connections need to be made to other organisational events. But discipline is needed to maintain a focus on the agenda.

## Tactic 6: Build maturity of debate

---

**Humility and curiosity out trump confident certainty.** If evaluating today's contribution and performance can be problematic, then predicting who will perform tomorrow will be even more troublesome. A climate of humility in talent reviews will encourage more robust evaluations and judgements and avoid the problem of mistaking confidence for accuracy.

**Follow up on commitments.** The actions that flow from a talent review will vary depending on the purpose and positioning of the event. But typically there is agreement that each participant should meet the individuals who have been reviewed within a month of the meeting. This accountability also acts as an important discipline in the types of evaluations that are made as part of the review.

“*All the best talent management tools, templates, assessment models, and career plans in the world are only as effective as the people executing them.*”

**Allan Church & Janine  
Waclawski**

## Tactic 6: Build maturity of debate

### Are we ready to have a conversation about talent?

What is the maturity of the organisation and readiness to have different types of conversations about talent?

There is the conversation within the top management team, and with their direct reports; the conversation between line managers within their business area and with peers in other parts of the organisation, and between line managers and their people.

How well placed is the organisation to have these types of conversations?<sup>12</sup>

“*The real value is in the quality of the conversation... frameworks often create so much process that the process becomes the end game - rather than a facilitator for great conversations.*”

**Penny de Valk**

### Importance and urgency

Do the players see the review as significant now to them personally? Or is the activity positioned as a corporate ritual for compliance to a legacy process?

### Cooperation vs competitiveness

Are the players keen to work together as part of a collective enterprise? Or do they look to protect their personal and functional interests?

### Time and space

Do the players have sufficient opportunity to reflect and think? Or is the organisation caught up in the kind of busy-ness that results in rushed preparation and vague debate?

### Emotional tone

Where are the players in the spectrum of fear to anxiety to confidence to arrogance and complacency? Does the emotional tone create the right kind of mood music for productive talent conversations?

## Tactic 7: Avoid silo thinking

---

Imagine a scenario:

*“Two members of a criminal gang are arrested and imprisoned. Each prisoner is in solitary confinement with no means of speaking to or exchanging messages with the other.*

*The police admit they don't have enough evidence to convict the pair on the principal charge. They plan to sentence both to one year in prison on a lesser charge. Simultaneously the police offer each prisoner a Faustian bargain. If one prisoner testifies against his partner, he will go free while the partner will get three years in prison on the main charge.*

*Oh yes there is a catch....if both prisoners testify against each other, both will be sentenced to two years in jail.”*

This is the “Prisoner’s Dilemma, a theme played out in many organisations in the conversation about talent.

Imagine you are a Divisional Head in an organisation, responsible for running a significant business activity. The CEO approaches you to discuss the organisation’s plans for talent management over the forthcoming year and is looking for your support. She wants you to cooperate in a planned initiative. This asks you accept emerging managers from other business units into your Division to give them broader organisational experience.

And in order to develop further your best talent you will be asked to release some of your people to other business areas, providing them with new challenges to prepare them for future roles.

Furthermore it is planned to launch a corporate wide business education programme for senior executives and you are asked to contribute £250,000 from your budget.

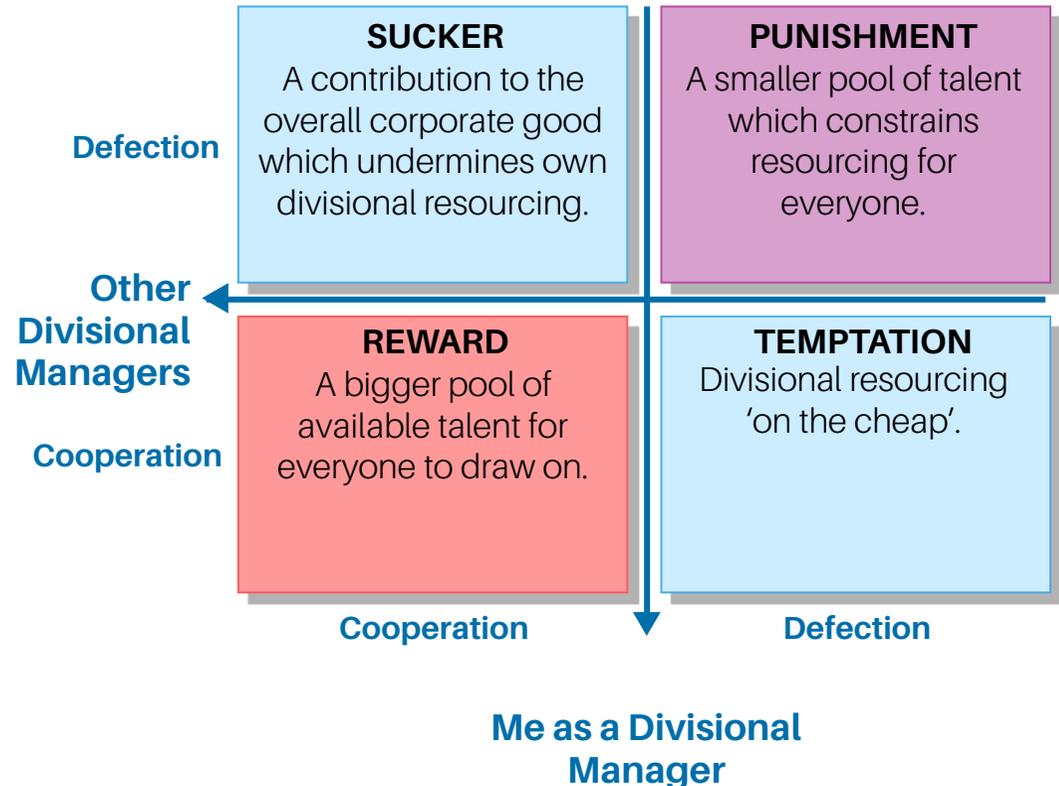
## Tactic 7: Avoid silo thinking

In the language of “game theory” you have to decide to cooperate or defect.

**Cooperate** means signing up to the implications of the proposed initiative. In **defection** you hold on to your best people and refuse to accept any managers from other Divisions. Where you have vacancies you cannot fill from within your Division you recruit from outside. After all, you are sceptical of the “talent” your Divisional colleagues recommend. Defection also means holding back funding for the corporate business education programme.

In deciding your course of action you are doing so in the context that the other Divisional Heads are also deliberating whether to cooperate or defect. This is game theory in organisational action.

In any event you decide to cooperate, but the other Divisional Heads defect. The outcome for you is “Sucker”. You end up as a net loser. You lose some of your best people and find that you have accepted the “problem children” from other Divisions. You also find yourself having to make up the funding shortfall in the business education programme since your Divisional colleagues refused to contribute to its cost.



## Tactic 7: Avoid silo thinking

The following year the CEO agrees that things have not gone well but is still looking for your support for the second year of this initiative. This time you decide to defect.

The organisational pay off if your Divisional colleagues continue to defect is "Punishment": a smaller pool of talent which constrains everyone's resourcing options for the future and everyone loses.

The desired organisational outcome of course is Reward. If all Divisional Heads cooperate, everyone wins through the creation of a bigger pool of corporate talent.

Why then don't organisations achieve the Reward outcome more often?

### Is this a dilemma which can be resolved?

Firstly, **does the dilemma matter?** In a corporate scenario in which business units are run as autonomous, stand alone activities, and where the skill sets and technical know-how create very different resourcing requirements, there is no dilemma. Those business units which are successful in attracting talent, from within or outside, continue to flourish. Those units, unable to recruit, retain or optimise talent will struggle to survive.

Here the organisation allows a "free trade area of talent" to operate. Profitable activities are backed and invested in further. Those which don't perform are allowed to "wither on the vine".

For other organisations, although different businesses and functional units need to stand on their own two feet, demonstrating their ongoing contribution to overall corporate performance, there is a recognition of the gains to be made from organisational cooperation. After all if there isn't a financial benefit from the sharing and pooling of technology, knowledge and expertise it is difficult to identify the rationale for the organisation.

Where there is a need for coordinated resourcing and development effort across different work areas, departments and divisions, **what specific "sticks" can be used to deter defection? What specific "carrots" can be used to encourage cooperation?**

## Tactic 7: Avoid silo thinking

Two approaches seem to work: the tactics of interpersonal trust and a shift in measurement and recognition.

Firstly, **interpersonal trust and influence** need to be established between the CEO and his or her team and across the team. One CEO outlined his vision of succession, saying to each of his Divisional Directors, *“My personal commitment is that if you have to lose one of your key people to another business, I’ll ensure you get an equally capable replacement.”*

Here succession management operates within an operating culture of mutual respect and support across the management team. One Divisional Director’s gain is not another’s loss. Without this culture being established and maintained, the Prisoner’s Dilemma will continue as senior executives look to protect their immediate interests, suspicious of the intentions of their colleagues.

“*Show me the incentive and I will show you the outcome.*”

**Charlie Munger**

**What gets measured gets managed.** The second successful response to the resolution of the Prisoner’s Dilemma has involved establishing metrics to link organisational resourcing targets for talent management and cross-functional movement to executive performance and reward<sup>13</sup>.

If senior executives responsible for running major business units are recognised and rewarded exclusively for their unit’s annual financial performance, it is easy to see why they would focus on maximising their own unit’s short-term interests and ignore everything else.

The personal Reward pay-off however becomes the organisational Punishment outcome in the longer-term. But if the executive role also incorporates contribution to corporate stewardship then performance should be evaluated against broader measures of commitment to the organisation’s overall and longer-term well-being. The strategy is to balance the short-term interests of each Divisional Director with the overall needs of the organisation.

## Tactic 7: Avoid silo thinking

---

The days of the “talent management chess master” have largely disappeared. There was a time in corporate history when an influential individual, armed with a “black book”<sup>14</sup> of names, reviewed the pieces and determined those moves to plan proactively the careers of key individuals.

This was the approach taken by one global pharmaceutical firm which applied a “two-plus-two-plus-two” formula for its senior positions to ensure that potential successors gain experience in two business units, two functional areas and two countries.

This might be useful as a road map of career progression to operate effectively at senior levels when the destination is known. In a world of business uncertainty and change, when the rules of corporate chess keep shifting, and professionals and executives see themselves as more than pawns, the model of centralised talent control and coordination to resolve the “Prisoner’s Dilemma” looks increasingly unrealistic.

“ *The word “silo” does not just refer to a physical structure or organization. It can also be a state of mind. Silos exist in structures. But they exist in our minds and social groups too.* ”

**Gillian Tett, *The Silo Effect*<sup>15</sup>**

## Tactic 8: Attend to the nuts and bolts

“*In theory, the philosophy of talent is nearly effortless. In practice, it's a lot of roll-up-your-sleeves and prepare to get your hands dirty as we battle leaking talent pipelines, faulty information systems and less-than-cooperative colleagues and line managers.*”

**Kevin Wilde**

An effective talent management game plan is a strategically aligned game plan<sup>16</sup>.

Vertically, talent management priorities flow from the strategic logic of the firm's business strategy.

Horizontally, the range of talent management practices (everything from acquisition to Board level succession) is connected and joined up through aligned processes, information flows and technology.

And no organisation wants half-baked and disjointed talent management practices which are out of synch with the business and pull the organisation in different directions. This is obvious. What is less obvious however is the tension between strategic alignment and organisational alignment.

A talent management game plan that is strategically aligned has the virtue of coherent consistency. But this approach comes with a price. Strategic alignment requires extensive coupling to integrate multiple streams of activity, and this complex coupling is vulnerable to change. A shift in one practice has a knock on effect on other practices with the potential of negative unintended consequences. This may be “fragile” talent management<sup>17</sup>.

Strategic alignment provides clarity of purpose and coherence of effort. In stable markets with known competitors and well defined customers, this philosophy is sensible. Alternatively, strategically aligned talent management underpins an inflexible

## Tactic 8: Attend to the nuts and bolts

bureaucracy that lacks speed in responding to business events. Here organisations loathe to abandon an expensive talent management infrastructure maintain legacy systems and processes that lack agility in adapting to a new and different set of challenges.

A shrewd approach to talent management therefore weighs up the pros and cons of strategic alignment to find the optimal balance between tight fit and loose flexibility<sup>18</sup>.

A strategic approach to talent management also identifies the points of most leverage<sup>19</sup>. This is to highlight those pivotal activities where focus and concentration of effort is likely to have most impact. The argument is that talent reviews can represent a high impact activity with strategic leverage; here greater improvement provides significant organisational gain.

This is attention to the detail of talent events<sup>20</sup> - in preparation, management and in the follow through. This is not the detail of bulky briefing papers, complicated templates or windy guidelines. *"If good design is as little design as possible"* this is detail as the focus on the audience of stakeholders, participants and individuals.

“*What happens after a review, not the review itself, determines value.*”

**Ben Dowell**

In **preparation**, detail provides:

- crisp communication with relevant positioning and an outline of expectations
- a clear schedule of key deadlines and time-scales that is coordinated with other key organisational events
- clarity of user friendly processes for role analysis and talent evaluation
- accessible support that is responsiveness to queries

In **event management**, a nuts and bolts strategy addresses:

- the physical and social environment conducive to a constructive conversation
- a credible, engaging and well prepared facilitator
- an agenda that balances speed with quality of dialogue
- well presented overviews and profiles that balance simplicity with additional complexity where required

**After the event**, this is attention to:

- prompt circulation of minutes to summarise key actions, commitments and accountabilities
- scheduled follow up meetings with the individuals being reviewed to facilitate career development conversations
- consolidation of data to summarise key metrics in performance, retention and progression
- evaluation of participant feedback for insight into future improvements

## Tactic 9: Keep refreshing to revitalise

---

“*To think creatively, we must be able to look afresh at what we normally take for granted.*”

**George Keller**

The talent review has become an embedded process within the organisation's way of doing things. Feedback from participants is now positive. Managers see the reviews as a useful mechanism to “stop and think”; **stop** to reflect on their business priorities and plans, and **think** about the implications for people and their development.

The talent dashboard is registering improvements across key metrics of resourcing health. And engagement survey statistics indicate that employees are feeling more valued and that their career development is of importance to the organisation.

So far, so good.

The risk at this stage is that familiarity becomes ritualisation, and that participants - comfortable with the process, frameworks and technology - begin to go through the motions. And what was once a series of energising conversations that created purpose and momentum becomes a tired set of discussions.

We are not advocating a strategy of “fixing what isn't broken”, particularly when a fix can create a new set of problems with negative unintended consequences. But because business life moves on, and overcoming one set of challenges invariably opens up a different set of challenges, the talent review process needs to be repositioned to update frameworks, analysis and logistics.

# Conclusions

In “Making The Talent Review Work” Bersin Associates highlighted three recurring problems:

**1. Lack of accountability.** This is the issue of the wrong people in the room discussing the wrong set of issues, the problem of those in the room lacking authority, or simply managers not following through on the commitments that are made as part of the talent review debate.

**2. Transparency of information.** In this scenario the talent review is an exercise in judgement, but disconnected from the consequences of these judgements. The activity is a talking shop. This fails to put in place the measures that would make a practical difference.

This problem is reinforced by the continuation of the terminology of performance-potential mapping. Which sensible line manager would want to inform a high performing team member that the talent review has concluded that they are low potential? And without feedback to individuals it is difficult to see how recommendations from a talent review can be translated into proactive development.

**3. Lack of a process driven approach.** Here the criticism is that the once-a-year talent reviews struggle to gain organisational traction because of a lack of rigour in information flows and what information is captured, how it is captured and then translated into meaningful talent intelligence to inform business decision making. The effort of preparing for a talent review is not matched by the actions that flow from this activity, with the implication that executives are wasting their time.

*“The vast majority of organizations agreed that senior executives and managers are held accountable for achieving business results (88% and 87%, respectively).”*

*However, this focus on results does not extend to the workforce capability development needed to support organizational priorities.*

*Only 10% of organizations consistently hold senior executives accountable for developing their direct reports, and just 7% do so with managers.*

**The State of Talent Management:  
Today’s Challenges, Tomorrow’s  
Opportunities**

# Conclusions

---

The Bersin summary was written ten years ago.

The argument that “talent management is broken”<sup>21</sup> is overplayed, often to the point of absurdity. But it is clear that many organisations continue to face major challenges in work force planning, shifting skill sets and gaps in expertise, retention and succession coverage.

A well designed and implemented talent review process can not compensate for fundamental business failings and deep-seated flaws in organisational philosophy, policy and practice.

And until the field of talent management loses its obsession with the paraphernalia of conventional best practice to shift to optimal fit and find an approach that reflects the distinctive challenges and maturity of a given organisation, the talent review runs the risk of irrelevance.

Nonetheless, for talent management professionals the talent review can be a high leverage activity with the potential to connect strategy and people and improve the quality of decision making in resourcing and development.

But it is an activity better implemented with excellence or not deployed at all.

“90% of thinking ignores context. Which is why most thinking doesn't work.”

**Dave Trott**

# About AM Azure

---

Established in 1994, we work with a broad portfolio of clients - in the UK and internationally - in the design and implementation of services in management assessment, development and career management; online leadership tool kits, 360° feedback; performance management and talent and succession management.

If you are interested in our approach to talent management, our consulting expertise, assessment tools and on line systems:

call us: [44 \(0\) 1608 654007](tel:44201608654007)

email: [officesupport@amazureconsulting.com](mailto:officesupport@amazureconsulting.com)

## We:

- summarise complexity to provide solutions that are pragmatic and build and maintain momentum for our clients.
- help trouble-shoot the messy organisational problems to see the key issues, identify options and put in place actionable plans that make progress.
- cut to the chase to focus on the distinctive challenges of our clients. We enjoy the innovation that results from our clients with ideas and we help translate them into practical applications.
- draw on an extensive research base, library of resource and range of tool kits, and up-to-date thinking to help design and implement practical solutions quickly.



# Notes

1. Ironically Google abandoned its own Big Data experiment in promotion decision making;

<http://uk.businessinsider.com/google-promotion-equation-2014-11>

2. In our last analysis of a data set of performance and potential evaluations from over 50 firms, the correlation was around the .7 mark. There are no nine boxes. Instead there is a massive halo effect of the right people, now and in future. See also, "Is the Nine Box Grid All About Being In The Top Right", Roffey Park, <http://www.roffeypark.com/wp-content/uploads/2/Nine-Box-Grid-Exec-Summary.pdf> 93% of employees fall into 4 boxes of the 9 box grid.

3. The problem with best practice; "Best practice' is damaging talent management"; <http://www.hrmagazine.co.uk/article-details/best-practice-is-damaging-talent-management-says-kpmg>

4. "The predictive stall in selection. Why - and is there anything we can do about it?" Assessment & Development Matters Vol 5 No 4 Winter 2013. Reasons to mistrust the validity coefficient and why we need more transparency in displaying Predictor-Outcome effects; <http://janhove.github.io/teaching/2016/11/21/what-correlations-look-like>

5. In SuperForecasters, Philip Tetlock makes the point that predictive accuracy is improved when forecasts are accompanied with a statement of confidence in the prediction. <https://www.farnamstreetblog.com/2015/12/ten-commandments-for-superforecasters/>

6. Is Your Success Framework Succeeding; <http://www.amazureconsulting.com/wp-content/uploads/2017/11/Success-Models-Connections-Context.pdf>

7. <https://www.linkedin.com/pulse/corporate-talent-management-dead-josh-berzin>

8. For example, Tamra Chandler "How Performance Management Is Killing Performance - And What to Do About It"

9. Our own approach is to develop dedicated stand alone on line applications to help managers prepare for talent reviews and career conversations.

10. "The best talent management software is the one that best fits your company's needs." <http://searchhrsoftware.techtarget.com/feature/See-what-the-best-talent-management-software-is-for-you>

11. Dan McCarthy - <http://www.greatleadershipbydan.com/2010/10/10-dysfunctional-characters-at-talent.html> - outlines typical bad behavioural types:

**The used car saleswoman:** overly positive, exaggerated claims about her people

**The defence attorney:** "I object"! Each possible fault is torn apart and disputed

**Your Grandmother:** everybody's just wonderful, and nobody could possibly have any weaknesses

**The toe tapper:** has better things to do than to sit around and talk about people

**The wimp:** couldn't take a stand if his life depended on it

**The invisible man:** sits there and doesn't say a thing, unless called on. Once his turn is over, he disappears again

**The meanie:** doesn't just offer constructive feedback; she goes for the jugular. She'll spread gossip and lie to make her point

**The storyteller:** has at least one, sometimes more, long-winded yarn about every employee

**The process engineer:** loves to take a simple and easy process and make it more complicated; gets so wrapped up in trying to make the process perfect she can't see the forest from the trees

**Jessica Simpson:** just can't seem to understand the difference between current and future performance, and keeps getting the two mixed up

# Notes

---

12. How to Hold Effective Talent Conversations;  
<https://www.forbes.com/sites/ccl/2011/08/29/how-to-hold-effective-talent-conversations/>

13. Succession management and executive compensation;  
<https://talentguard.com/executive-compensation-succession-planning/>

14. What is it with talent management and black books? "He kept what he called 'Fred's black book', for executives who had displeased him. He liked to say that if your name was written in the book in pencil, you were on the borderline. If it was written in ink, you were well and truly \*\*\*\*\*' Iain Martin on former RBS CEO Fred Goodwin.

15. The Silo Effect; <https://imeetcentral.com/the-silo-effect-puts-your-business-to-the-test>

16. For example; "Talent Strategy That Drives Business Strategy";  
[http://static.kornferry.com/media/sidebar\\_downloads/KFTalentStrategyWhitepaper.pdf](http://static.kornferry.com/media/sidebar_downloads/KFTalentStrategyWhitepaper.pdf)

17. "Talent management as snakes and ladders; Anti-fragile in a world of uncertainty"; <http://www.amazureconsulting.com/wp-content/uploads/2016/07/TalentManagementAsSnakesAndLadders-AntiFragileInAWorldOfUncertainty.pdf>

18. "Strategic Human Resource Management", Catherine Truss, David Mankin, Clare Kelliher

19. Strategic leverage. For example, Richard Rumelt's "Good Strategy, Bad Strategy"; <https://thenextwavefutures.wordpress.com/2013/12/15/good-and-bad-strategy/>

20. "Moments of Impact"; an excellent resource for strategic conversations;  
<http://www.stepupleader.com/moments-of-impact/>

21. The chutzpah of firms who point to an appalling state of affairs in talent management. "We're heading to hell in a handcart" might make for effective marketing; it's hardly a resounding endorsement of the impact of the efforts of these firms over the last few decades.