

A Practitioner's Perspective... it's more than Leadership Development...

Simon Day



An ever changing world...



Strategic Talent Management

off the mark.com by Mark Parisi

WHILE IT MAY, INDEED, BE TRUE THAT YOU "HAVE STRONG LEADERSHIP QUALITIES," "ARE CREATIVE AND ENTERPRISING," AND "FIND JOY IN HARD WORK," I'M AFRAID I NEED MORE THAN THE FORTUNES FROM YOUR COOKIES TO GO BY...



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Succession **impacts** share price

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M&S slashes dividend as succession plan suffers setback

Chief executive warns of a deterioration in margins

By James Thompson

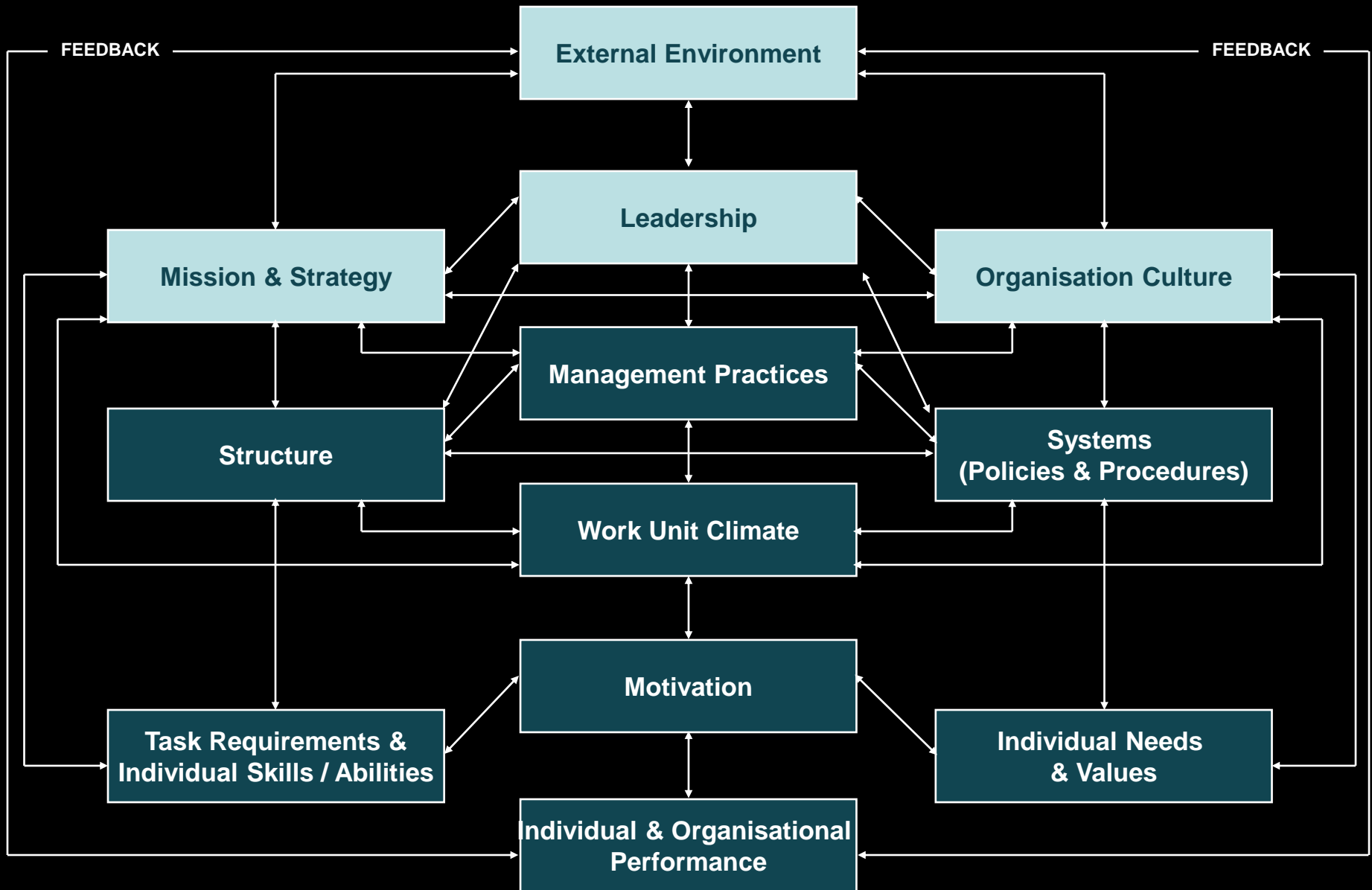
Wednesday, 20 May 2009

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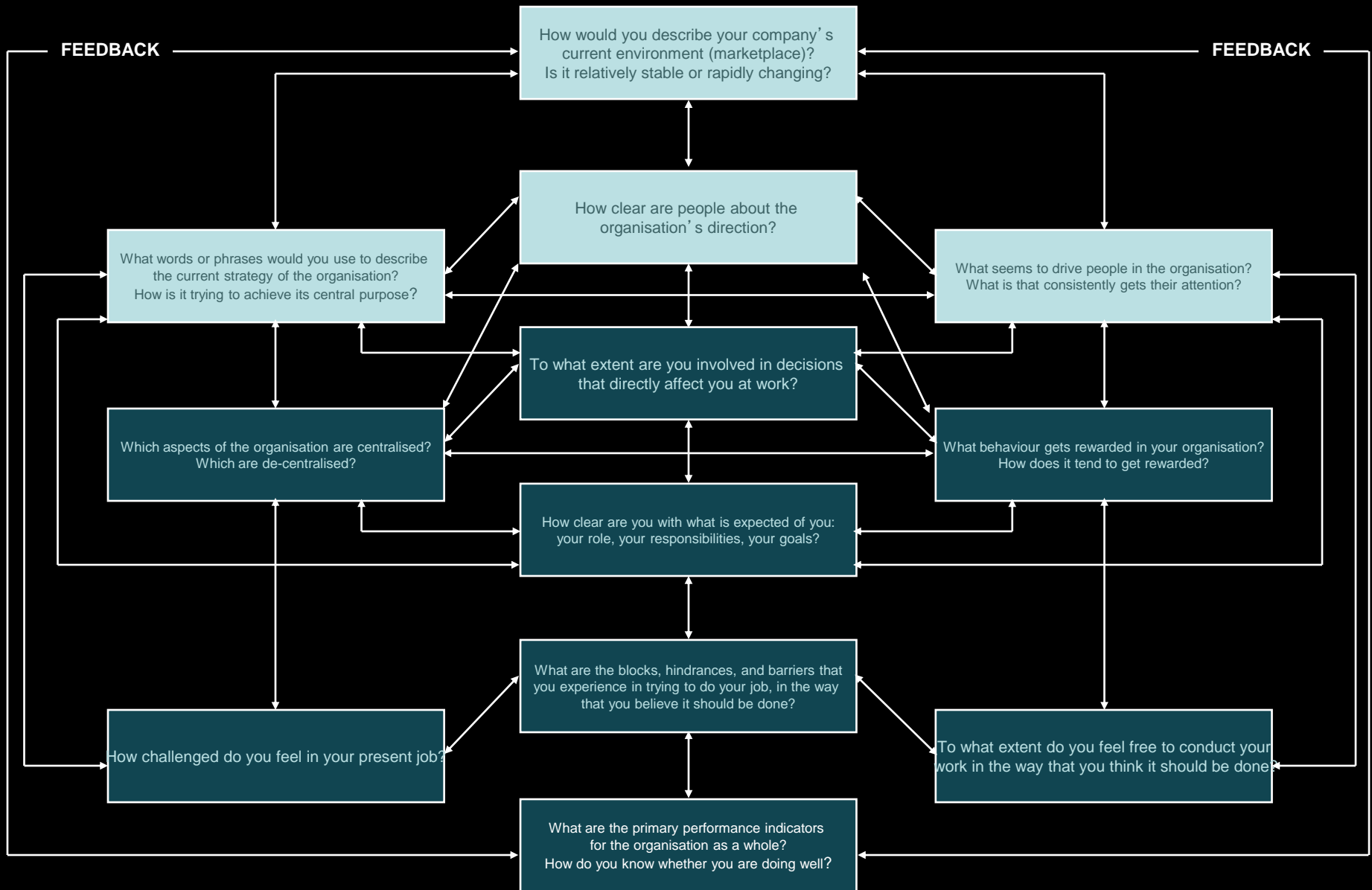
The task of finding a chief executive to succeed Sir Stuart Rose at Marks and Spencer became even more difficult yesterday as a leading candidate resigned and the retailer posted a 40 per cent slump in profits and risked the ire of its private shareholders by slashing its dividend for the first time in nearly a decade.

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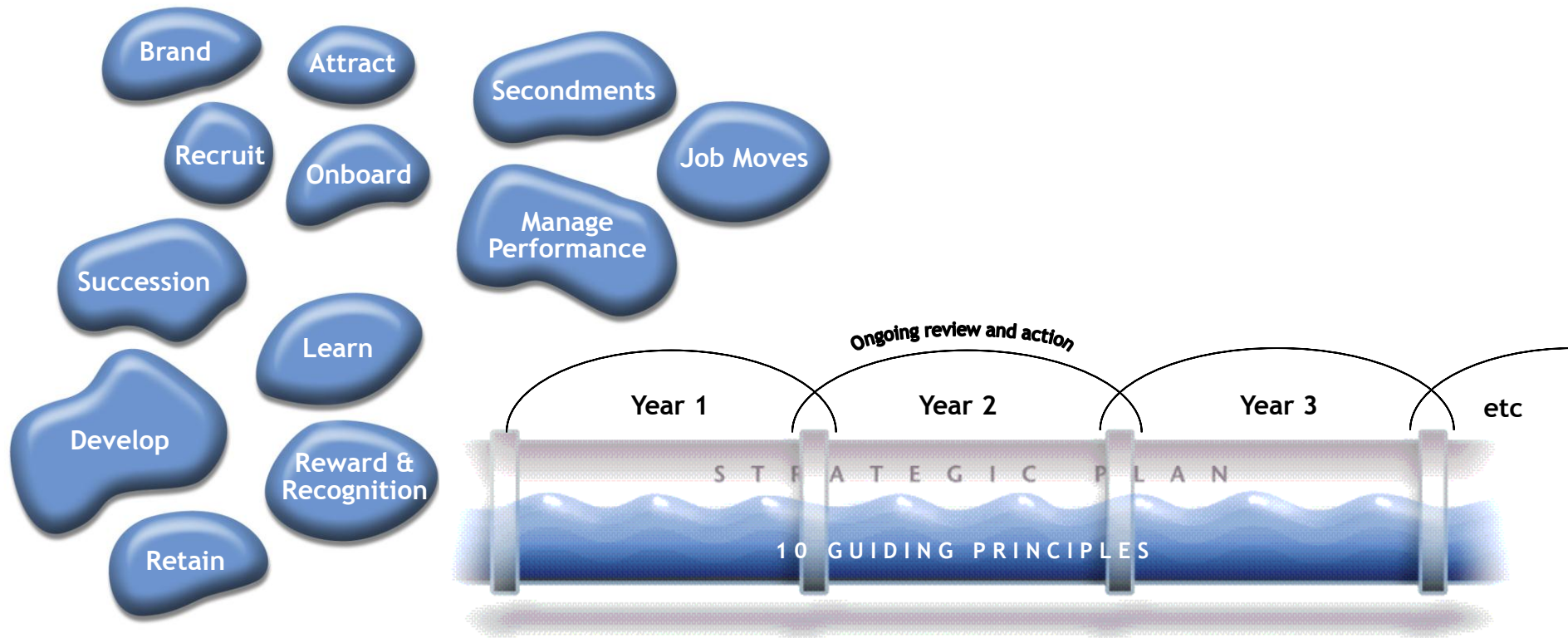
The Burke-Litwin Model – Organisational Performance & Change



The Burke-Litwin Model – Organisational Performance & Change

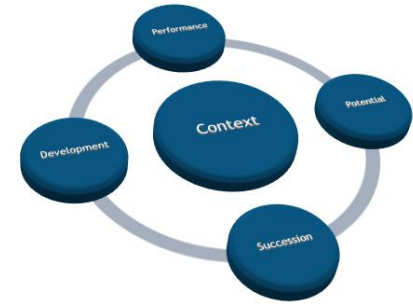


LEADER-OWNED PEOPLE PROCESSES ENABLED BY HR



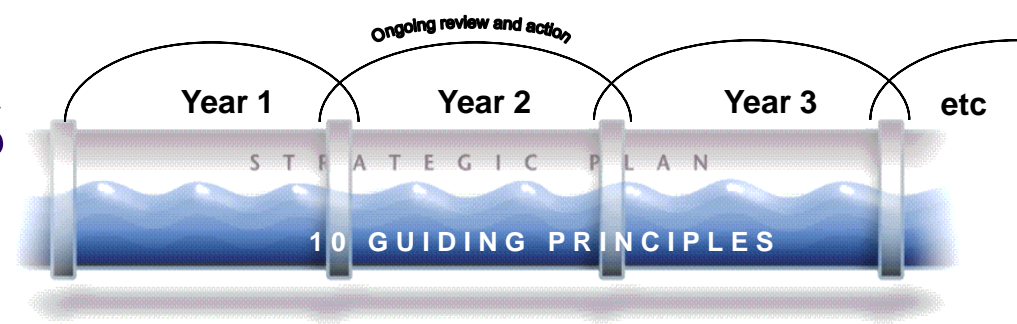
FOUR KEY LEVERAGE POINTS

TALENT MANAGEMENT



	SIMPLE DEFINITION	BUSINESS EQUIVALENT
Performance	Results delivered	Share price / company value
Potential	View of work that could be done in the future	Estimated future share price
Succession	Filling vacant jobs quickly and with confidence	Sustainability of business model
Development	Managed growth	Managed business growth

TEN CORE PRINCIPLES IN SUMMARY



Talent management is about the **sustainable** success of the business, and at the core of every leader's job.

10 Guiding Principles:

1. Every job must be **necessary** and **add** appropriate value
2. The key is to make **everyone** a full performer
3. Full performance is about both the what **and** the how
4. Performance needs to be demonstrated **year after year**
5. There is no potential **without** performance
6. **Everyone** must keep adding value to the business
7. Today's top performers are **not** necessarily tomorrow's
8. Everyone must develop **every year** just to keep up
9. The primary role of a leader is to **enable the success** of those who report to them
10. A succession legacy is a **leader's** critical responsibility

THE END GAME

IT'S ALL ABOUT ...

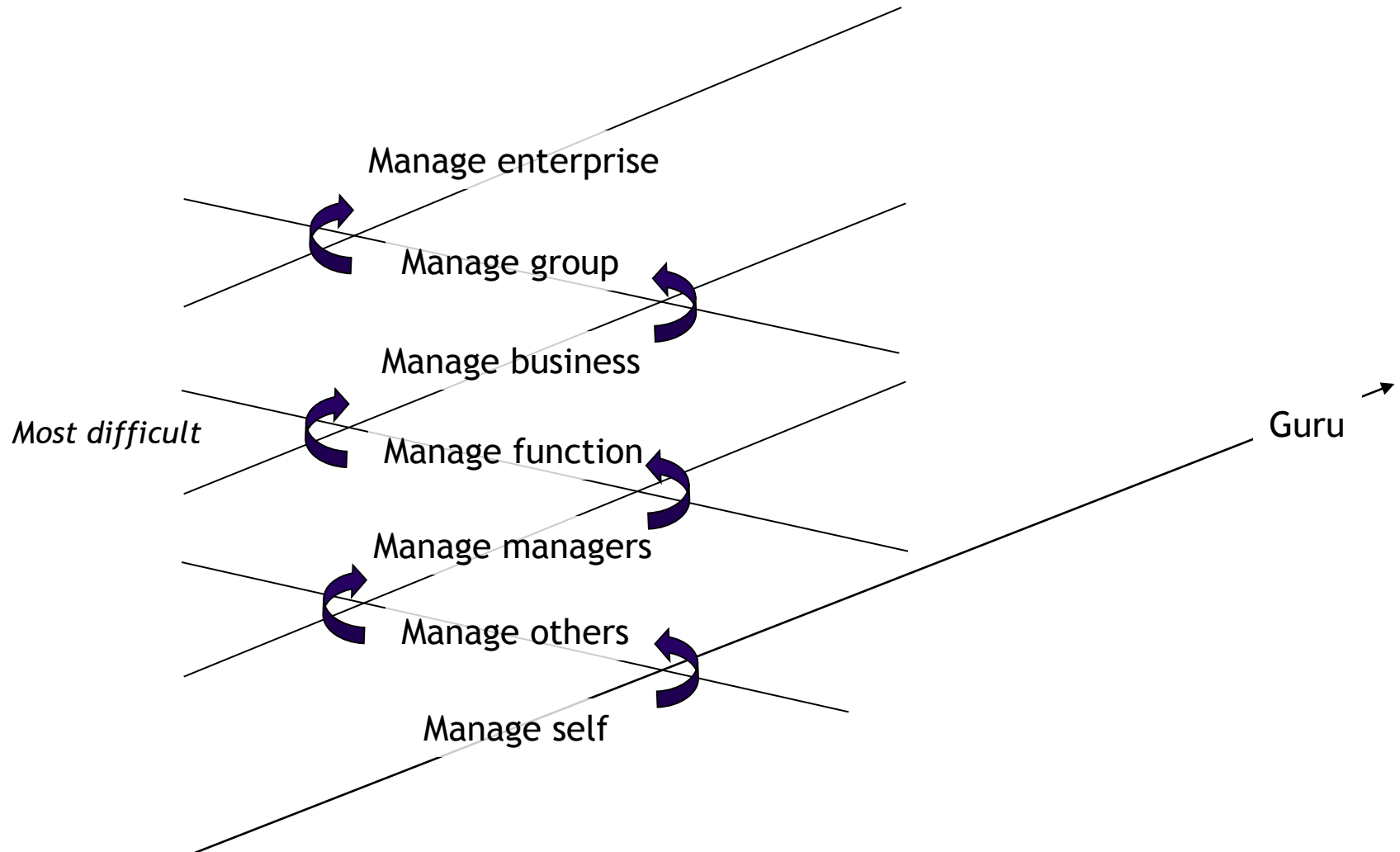
Strategic Talent Management exists to **satisfy the business end game**, which can be stated as:

*To add value for customers, shareholders,
and employees, now and in the future
no matter how much their needs change.*



Leadership Pipeline

LEADERSHIP PIPELINE





SLAY

PERFORMANCE

FULL PERFORMANCE

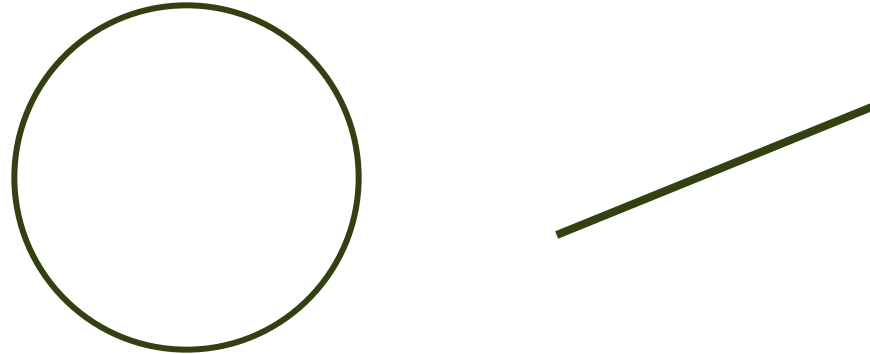
- Based on globally consistent patterns of the work leaders do, there are 5 generic categories that define **full** performance
- Full performance could also be described as a well-rounded, complete or holistic leader

Category	Definition
Operating/Financial Results	Execution. <i>Targets, KPIs, deliverables</i>
Management	Processes. <i>Plans, prioritisation, delegation</i>
Leadership	People. <i>Vision, performance, development</i>
Relationships	Networks. <i>Internal, external</i>
Growth/Innovation	New stuff. <i>Methods, products, systems</i>

- At different layers in the organisation, different results are delivered. The categories are consistent regardless of layer.

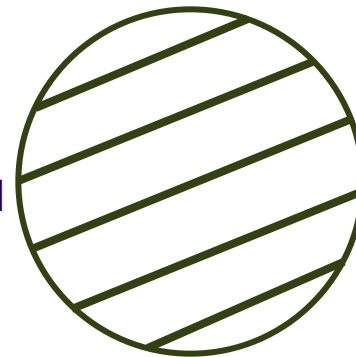
A MODEL FOR MAPPING PERFORMANCE

- Consider the following pictures:



- Everything inside the circle represents a job. Everything outside the circle is someone else's job. Using a line to represent one part of the job fully done:

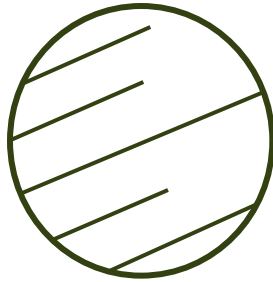
- A fully performing individual would look like this:
This is the ultimate objective of a performance-based business



FOUR PERFORMANCE STATES

Not Yet Full Performance:

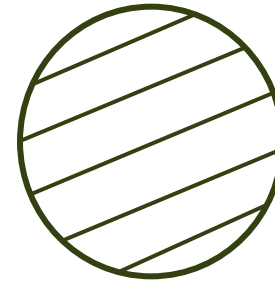
Some but not all job responsibilities performed effectively.



Most common condition. This is a business problem. Development focuses on performance gaps. Not really appropriate to discuss future positions until full performance is demonstrated.

Full Performance:

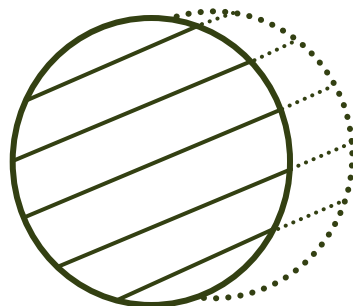
All requirements fully met.



This is the desired end state for everyone. Before any movement takes place a test of capacity is needed. Should get the chance to do additional work outside normal accountabilities. If extra work can be done and the assigned work doesn't slip they have the potential to move.

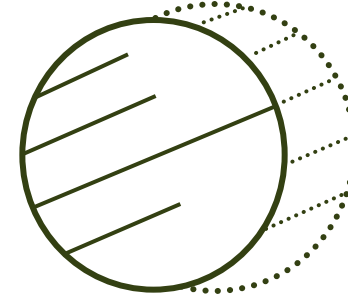
Exceptional Performance:

Unstable condition. Needs to move now! If not moved will either go to another company or stop working so hard. This is a business opportunity.



Inappropriate Performance:

Important or interesting portions of the job getting done. Less glamorous, less interesting or new parts not getting done. Time being spent on activities or outcomes not assigned.



Must stop performing unassigned work first. Development focus is on the performance gaps.

EVIDENCE-BASED JUDGMENTS

Category	Evidence-based Examples	vs Statement-based Examples
Operating/ Financial Results	Project was delivered 2 weeks early and £23K under budget	KPIs met
Management	Adapted resource plan when 2 team members were absent due to volcanic ash for 10 days without impact on timelines	Overcame obstacles
Leadership	Direct reports state that 1:1 coaching is taking place and adding value	Is having regular 1:1's
Relationships	Feedback from key stakeholders highly favourable, particularly around conflict management	Good relationships with stakeholders
Growth/ Innovation	New product added £250K revenue within 3 months of launch	Launched new product

ASSESSING PERFORMANCE

EXERCISE

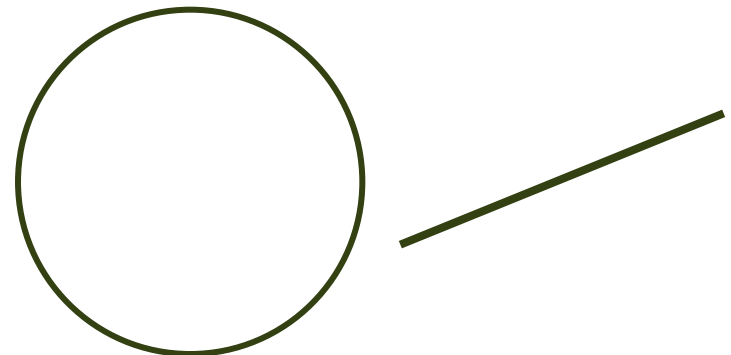
1. Draw the circle for two of your direct reports. Choose:
 - A top performer
 - A below average performer

Label the “lines” as appropriate.

2. List the reasons that the lines are short.
 - List reasons that are your contribution
 - List reasons that are the person’s contribution

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This reflection exercise is complemented by the Development section later

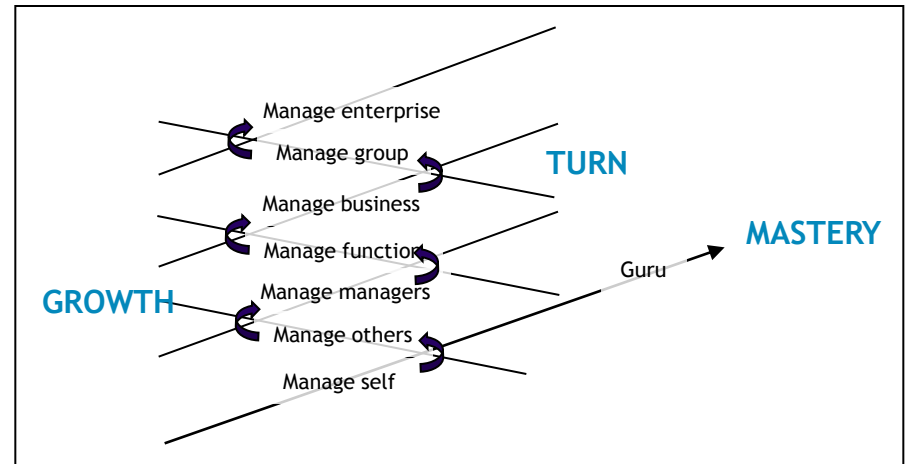
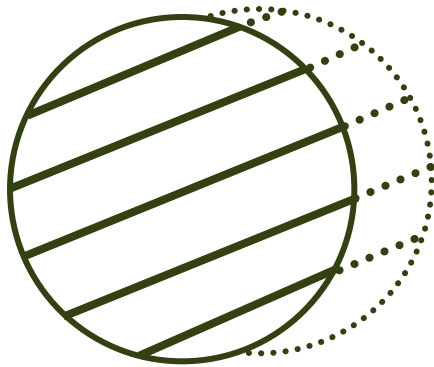




POTENTIAL

A MODEL FOR MAPPING POTENTIAL

- Consider the following picture:



- This represents someone delivering fully in their current with evidence they are doing more and better work than required
- Potential is the work a person can do in the future. The evidence is in the work they are doing now.
- Potential is not the objective. It is a transition state requiring action

MARKERS OF POTENTIAL



Filter 1: High performance

Filter 2: Leadership traits

- ✓ Hunger for knowledge and a willingness to learn
- ✓ Regular and frequent attempts to add value through innovation
 - ✓ Willingness to tackle tougher and tougher challenges
 - ✓ Put team results ahead of their own
- ✓ Open to ideas and improvements suggested by others
 - ✓ Anticipates and avoids obstacles
 - ✓ Develops talent

Filter 3: Stretch capacity

- ✓ Ambitious career aspirations
- ✓ Solid business/commercial acumen
- ✓ Strong relationships across the business
- ✓ Led delivery of additional work in current role



DERAILERS OF POTENTIAL



Filter 1: High performance

Filter 2: Leadership traits

- × Status is more important than contribution
- × Does the work rather than leads the people
- × Short term results are unsustainable or unrepeatable
 - × Resists productivity improvements or change
- × Ignores boss, doesn't prepare for meetings with boss
 - × Not interested in business issues outside own area
 - × Not interested in development
 - × Uses a lot of manager's time
 - × Repeats the same mistakes
 - × Changes jobs too quickly
 - × Can't set priorities

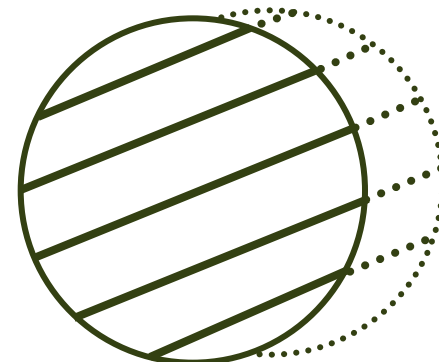


ASSESSING POTENTIAL

EXERCISE

1. Consider someone in your team who could be promoted within the next 12 months[^]
2. Draw the circle diagram for them
 - Use their current job performance
 - Think of performance across all the categories
 - Then add stretch lines if/where they were delivering better and more
 - Ask yourself: “what is the evidence?”
 - Be objective and honest (be HR!)
3. What do you notice?
 - [^] Or someone who is a successor for your role

Category	Definition
Operating/ Financial Results	Execution. Targets, KPIs, deliverables
Management	Processes. Plans, prioritisation, delegation
Leadership	People. Vision, performance, development
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Growth/ Innovation	New stuff. Methods, products, systems



This reflection exercise is complemented by the Development section later



SUCCESSION

ASSESSING SUCCESSORS

EXERCISE

1. Sketch the org chart for your team.
2. List the successor/s you have currently identified for each role.
3. Calculate the current **succession benchstrength** for your team

Succession Benchstrength:

1:1:2 - Role:RN:LT

- For each role there should be one ready now (RN) and two long term (LT) successors
- **RN:** count how many ready now successors. Divide this by the total number of roles.
- **LT:** count how many roles have no less than 2 long term successors. Divide this by the total number of roles.
- **Green zone:** at least 70% for RN and/or LT successors and/or two LT successors
- **Yellow zone** is 40-69%.
- **Red zone** is below 40%.

SO WHAT?



Don't be irreplaceable. If you can't be replaced, you can't be easily promoted

TALENT REVIEWS

KNOWING WE HAVE THE PEOPLE FOR THE PLAN

STAGE	KEY QUESTIONS
1. Business Plan	What is the impact of the current business plan on resources?
2. Structure	For the positions at one level below Exec (<i>and so on</i>), what are any changes planned or contemplated in the next year?
3. Performance Evaluation	What is the evaluation of the current performance of those individuals who report directly below that level (<i>and so on</i>)?
4. Promotability Forecast	What are the job requirements for the roles one level below Exec (<i>and so on</i>)? Who is predicted to be a candidate for each position? Look 5 years ahead
5. Forward Plan	What is the nature and timing of moves, if any, for individuals in the positions reporting to one level below Exec? Look 3 years ahead.
6. Individual Development Plan	What is the nature and timing of specific developmental actions for each person reporting to one level below Exec (<i>and so on</i>)? What is the nature and timing of specific developmental actions for other individuals who appear on the Promotability Forecast and Forward Plan?
7. Quarterly Action Schedule	What specific actions are to be taken each quarter of the year in relation to the above?

A flock of birds, possibly terns, is captured in flight against a bright blue sky with wispy white clouds. One bird is positioned in the upper left corner, while a larger group of about ten birds forms a loose V-formation in the lower half of the frame. The word "DEVELOPMENT" is centered in the middle of the image in a white, sans-serif font.

DEVELOPMENT

WHAT WE KNOW ABOUT DEVELOPING LEADERS



Think about a critical learning experience. An experience that significantly grew your skills, knowledge and ability. Describe it.

- The best development **solves business problems** and makes people better (as a by-product)
- **Accountability drives** development not programs or training plans
- Most development **happens on the job** not in a classroom
- The **boss is never neutral** delegation has the biggest impact on development

Developing people is real business work
Good leaders do this constantly with their people

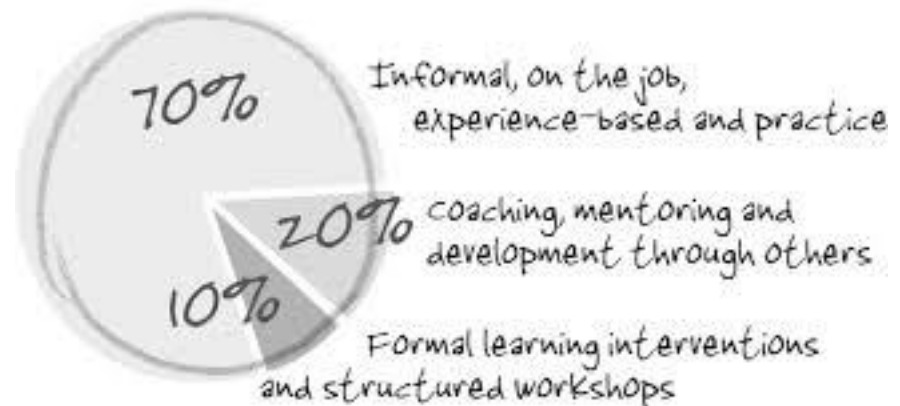
MANAGED GROWTH

Development serves two purposes, to:

1. **Improve performance** in current position, or
2. **Preparation** for next position

“Is there anything we can and should be doing to help improve performance in the current position or to prepare the individual in time for the next anticipated move?”

- You need to know data on **both** to make development meaningful and value-add
- Three key types of development:
 - On the job
 - Manager coaching
 - Training



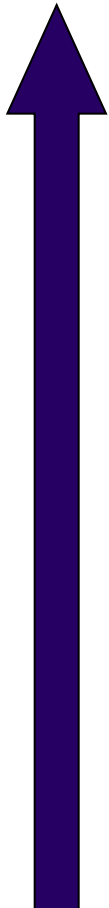
DEVELOPMENT NEEDS - DEGREES OF DIFFICULTY

<div> Easiest to Change  Most Difficult to Change </div>	I. Knowledge (Doesn't <u>Know</u> Something)		
	<ul style="list-style-type: none"> Doesn't yet know the basis of business functions (e.g. Marketing, Manufacturing, Engineering) other than own Unsure of how to use corporate people effectively, e.g. doesn't understand their roles or abilities 	<ul style="list-style-type: none"> Lacks awareness of the business strategy Doesn't yet know the company culture Doesn't yet know how to "work the system"; doesn't know how to get corporate approval for plans or projects' doesn't yet know who to talk to 	<ul style="list-style-type: none"> Doesn't yet know how to obtain financing internally or externally Doesn't yet know how the business makes money, has not yet learned the business economies
	II. Skill (Can't Yet <u>Do</u> or <u>Apply</u> Something)		
	<ul style="list-style-type: none"> Can't yet apply knowledge (e.g. items listed above) Can't yet make or deliver effective presentations Can't yet manage a budget 	<ul style="list-style-type: none"> Can't set priorities yet Can't manage time well now Not an efficient delegator Can't interview or evaluate job candidates 	<ul style="list-style-type: none"> Can't handle conflict well now Can't run an effective meeting currently Doesn't listen accurately at this point Can't yet write clearly
	III. Attitude (Doesn't <u>Agree</u> with Something)		
	<ul style="list-style-type: none"> Doesn't believe the world/company is political Doesn't think he/she has any weaknesses Believes management is incompetent Thinks it's acceptable to go outside policy 	<ul style="list-style-type: none"> Thinks it's acceptable to tell others about private conversations Doesn't think team playing is the best approach Doesn't agree with company policies 	<ul style="list-style-type: none"> Doesn't agree with the business strategy Doesn't believe the right career opportunities are available Does just enough not to avoid consequences; passive resistance
	IV. Personal Trait (Can't <u>Be</u> Something)		
	<ul style="list-style-type: none"> Can't manage emotion well Lacks confidence Lacks motivated / doesn't show initiative Lacks flexibility / adaptability 	<ul style="list-style-type: none"> Doesn't work well with others currently Lacks ability to deal with complexity Isn't tough enough with people issues 	<ul style="list-style-type: none"> Lacks creativity Finds conceptual thinking difficult Can't deal well with ambiguity

DEVELOPMENT CONTINUUM

Development must have a business return. All of the options below add value. The order of the options can impact the return.

Highest
business
return



- Full job change focused on development needs
- Job restructuring/growth based on development needs
- Secondment based on development needs
- Mini P&L assignments or projects
- Cross functional project leadership or assignment
- New on-the-job responsibilities (e.g. preparing proposals, giving presentations, committee leadership, budgets)
- Focused line manager coaching
- Internal leadership development programme
- Working with a senior/Exec mentor
- Formal external education programmes
- 360 degree feedback and development planning
- Motivated self development
- Seminars and conferences

Lowest
business
return

DEVELOPMENT OPTIONS ON THE JOB or SPECIAL ASSIGNMENT

Examples:

- Take responsibility for (customer, project, product, department) as of _____
- Fill in for sales and marketing director during _____
- Assume responsibility for operating plan preparation starting _____
- Complete 6 month international secondment to _____ in _____ role
- Launch (product, business, system, process) by _____
- Attend 5-year planning meetings starting _____
- Grow revenue stream by _____ % by _____
- Align department KPIs from number of targets to quality/value of targets

- Regardless of the type of assignment, it is more important to ensure that:
 - It is relevant to a specific and defined development need, and
 - When it is given, it is accompanied by adequate amounts of management direction, interim support and feedback (avoidance of “sink or swim” situations)
- Reality Check Questions
 - In what way will the work assignment help to improve performance or prepare the individual for their next move?
 - What do I expect them to learn or gain as a result of it?
 - Is there a different or additional kind of assignment that might be more effective?

DEVELOPMENT OPTIONS

MANAGER COACHING

Manager coaching, however, has shown itself to be an equally effective but more direct form of development in areas where the manager is:

- Providing specific direction, interim support and feedback during new or difficult work assignments
- Providing feedback on specific performance areas that need improvement
- Covering sensitive areas where tactful and / or direct input is necessary, i.e., career discussions, interpersonal challenges
- Covering any areas where work assignments or education courses are either not available or are available, but need local reinforcement or clarification in order to be meaningful

Examples:

- Interpersonal relations
- Work methods
- Project management
- Management techniques
- Career discussions
- Technical skills
- Employee relations
- Personal characteristics/traits that get in the way of full performance

DEVELOPMENT OPTIONS

EDUCATION COURSES AND SEMINARS

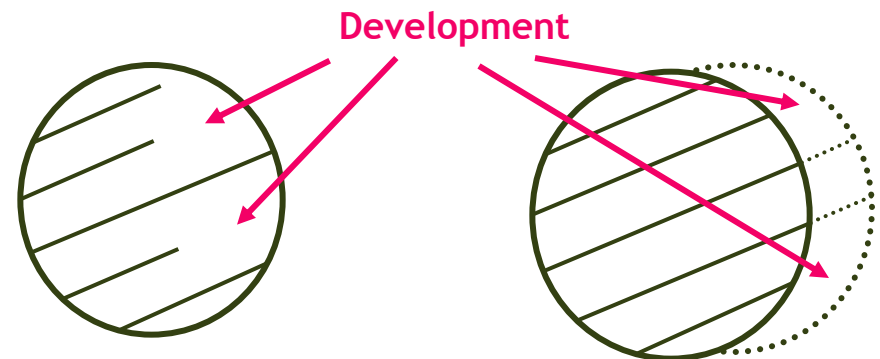
- These forms of **external** development are warranted for any areas where work assignments or coaching might be too limited to provide a complete or thorough understanding of what is to be learned.
- **Educational courses** are intended to provide frameworks or big picture approaches without necessarily teaching specific techniques or skills. Typically these types of courses will only be effective if there are opportunities and expectations for immediate or ongoing application back on the job.
- Depending on design, **short-term seminars** are generally more effective for tailored development. They tend to focus on specific skills or techniques rather than broad or general approaches and can be more effectively matched to individual needs. The better ones encourage application of what is being taught to actual work projects both during and after attendance.
- Neither of the above types of programs are likely to be effective unless management coaching and expectations for application **complement** them.

JUDGING DEVELOPMENT

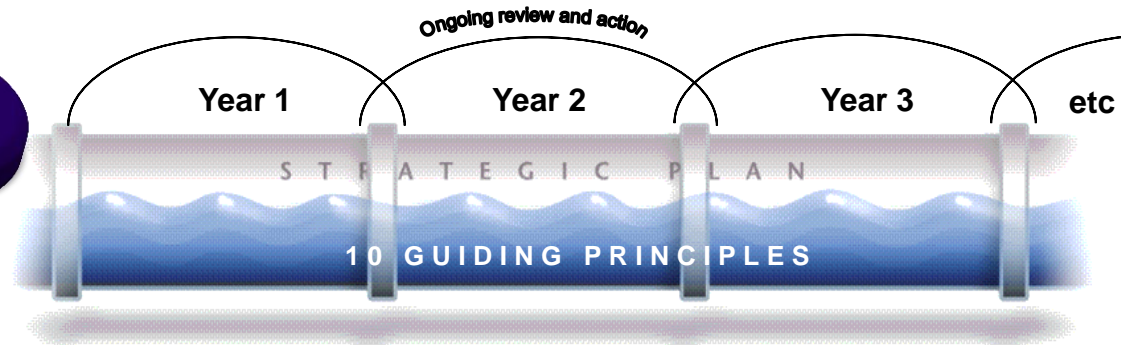
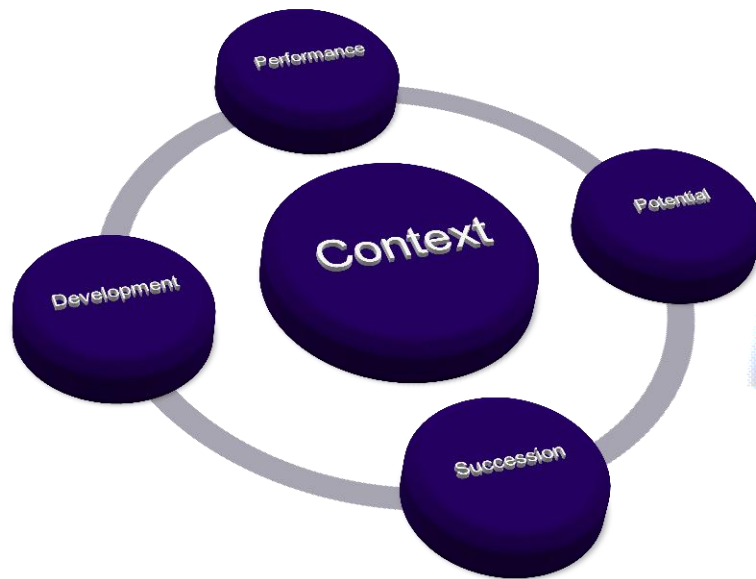
EXERCISE

1. Consider one of the successors from the previous exercise
2. Start by drawing their “as is” performance circle
3. Identify on which categories they are not yet:
 - delivering full performance, or
 - are not yet delivering more or better
4. Define the development need/s and your recommended development action/s

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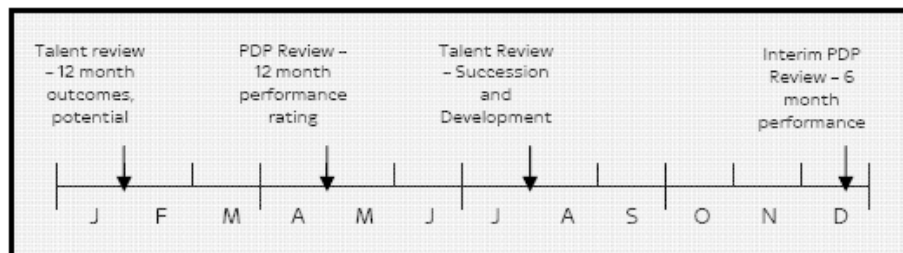
Leadership Pipeline Guide

	Individual Contributor (including Experts contributing at all levels)	Manager of Others	Manager of Managers	Function Manager	Business Manager	Enterprise Manager
Purpose	Product delivery	Enabling product delivery	Productivity	Competitive Advantage	Profit	Portfolio
Area	Section	Section / Division	Division / Department	Function (most senior role in Business)	Whole Business with P&L	Group of Businesses / Whole Organisation
Time Horizon	Short term	1 year	1-3 years	3-6 years	6 years minimum	6-10 years
Direct reports	No direct reports or one direct report	Has a minimum of two direct reports	Has Managers of Others	Typically has Managers of Managers reporting to them	Typically has Function Managers reporting to them	Typically has Business Managers reporting to them
Example roles	IT/Engineer/HR/Finance/Marketing	Manager	Manager / Senior Manager / Head of Department	Director	Director / Line Executives	CEO; Corporate Executives
Scope of Work	<ul style="list-style-type: none"> Has expertise or tertiary qualifications Technical/professional/operational work Accomplishes work without frequent supervision Relationship building for own results <p>Individual Contributor-Experts are typically those individuals who have no (or one) direct report and who are employed at any level in the organisation for their specialist advice and expertise. Many of them are found in corporate functions.</p>	<ul style="list-style-type: none"> Hires new staff and recommends dismissal of under-performing staff Budget responsibility Performance management accountability Has 1-on-1 meetings, including career discussions Defines and assigns work for the team Scope to recognise and reward team members Sets priorities Applies resources 	<ul style="list-style-type: none"> No individual tasks Runs the operation Pure management Holds managers accountable for managerial work Coaches managers to be managers Busts silos - connects unit to other units "State of the art" awareness - trends, data, technology Considers strategic issues Deploys resources 	<ul style="list-style-type: none"> First level of strategy Best practices Manages across multiple areas (some unfamiliar) Makes trade-off decisions around profit, competitive advantage and strategy Whole of business understanding Relationships across divisions Teams up with other GMs to achieve business objectives Reviews plans and proposals Does <u>not</u> problem solve Geographic spread means 1-on-1 meetings with reports may not be face-to-face. "State of the art" awareness - industry trends, social/economic climate, technology, politics 	<ul style="list-style-type: none"> Short term and long term bottom line focus (revenue + costs) Integrates business functions Asks: will this make money? New business models Competitive analysis Highly complex thinking Self-directed development Schedules time to reflect and analyse (less doing, more thinking) Actively utilises HR, finance and legal support 	<ul style="list-style-type: none"> Values the success of more than one business Selects the correct mix of businesses Evaluates strategy for capital allocation and deployment Portfolio strategy Connects businesses together across the corporation Ceremonial activities 60% of time spent on organisation- and people-related work (strategy, organisation, performance, development and succession) Invisible/intangible - generous attention to risk and uncertainty Balance governments, industries, communities

Notes:

- The Leadership Pipeline does not include team members - typically identified as hourly or rostered employees. An individual contributor typically has tertiary qualifications and is expected to self manage their work.
- The transition from team member to team leader/supervisor is not formally included in the leadership pipeline because a) it is a subset of the transition to Manager of Others, b) team leaders frequently lack the decision making authority on selection and rewards, and c) team leaders typically focus on technical or professional matters (getting a project or program of work completed) and aren't tested in more general management areas
- In the full Leadership Pipeline model, there is a Group Manager layer between Business and Enterprise Manager. This layer reflects roles that manage multiple businesses. In non-global organisations, this layer may not exist.
- Corporate leadership layers are often differentiated from business leadership layers by their focus on enterprise-wide problems and solutions. Corporate layers are often similar, but not the same, as the business layers described above.

Putting it all together...



	Performance	Potential	Succession	Development
Definition	Results delivered	Work that could be done in the future	Filling vacant jobs quickly and confidently	Managed growth
Key question	What results has the individual delivered in the past year?	What's the evidence that they could do more?	What is their likely next job move/s?	What exposures, experience, knowledge or skills will improve their performance (TODAY) or prepare them for their next move (FUTURE)?
Considerations	<ul style="list-style-type: none"> Focus on evidence of results not activity and the pattern of results over time Seek multiple perspectives Consider all aspects of the role, not just KPIs (e.g. leadership, relationships, growth/innovation) Consider the "how" of the results (behaviour) What obstacles were overcome in the delivery? Consider the context, remembering that achievers get things done regardless 	<ul style="list-style-type: none"> There is <u>no</u> potential without performance People being considered for leadership roles must demonstrate leadership skills Look for them currently doing better or more than required Look for a excess capacity (e.g. community involvement) and/or a balanced life 	<ul style="list-style-type: none"> Start with the requirements of the future role/s, then the person Consider if their career path is: <ol style="list-style-type: none"> specialised/expert (mastery); same level, more responsibility (growth), next level (turn) What are their aspirations? Think about roles that offer them a breadth of experience in the business 	<ul style="list-style-type: none"> Good leaders constantly develop their people The best development solves business problems Most actual development happens on the job Consider data on current performance and future move/s Knowledge and skills are the easiest to develop; attitude and personality are harder Consider: new role, job growth, secondment, project, new responsibilities first
Warning Signs	People in leadership roles doing the work rather than leading; excuses for not delivering; inconsistency of results	Ignoring attitude and personality derailleurs; overly driven by ambition or status; halo or horn effect	Promoting the most knowledgeable or experienced person; mapping a "straight up" career path only; holding someone in a role too long	Relying on courses or conferences; not linking development clearly to business need/performance/ next move



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