

Talent to the rescue

Solutions for today's business dynamics and talent mobility

Increased talent mobility might seem like a nuisance. If managed well however, it can be a highly valuable source of resourcing flexibility in today's increasingly dynamic business environment



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Talent mobility can be turned into a strategic advantage

In search of the answer to today's business dynamics and talent mobility

Rethinking Leadership Availability

It is obvious that corporations need every bit of leadership talent that they can muster over the coming decades. The global financial and economic crisis has left the world with new challenges. Business dynamics were already on the rise before the crisis. Unfortunately it is also clear that we can no longer solely rely on traditional practices to meet this increased Leadership demand. Aging populations and increasing business dynamics put even more pressure on leadership talent availability, while at the same time, growing talent mobility creates a much more dynamic leadership supply market. It is unlikely therefore that we can tackle this challenge by simply doing even better what we are doing today. We have to fundamentally rethink how leadership availability can be secured going forward. This Topic Brief aims to contribute to this discussion by offering several perspectives on how talent mobility can be turned into a strategic advantage.

Introduction

RETHINK #1 THE BEST TALENT

Isn't talent mobility the *answer* instead of a nuisance in a world where outsourcing, partnering, joint venturing, licensing, offshoring and near shoring, pooling, and crowd sourcing rule? Talent mobility could deliver exactly the sort of leadership required to operate effectively in such a world.

RETHINK #2 CAREERS VS ASSIGNMENTS

If lifetime employment equates hiring talent for careers, shouldn't talent mobility equate to hiring people for specific assignments?

And if this is the case, shouldn't the ability to attract, select, on-board, capitalize-on, and exit leadership talent into assignments be a core capability going forward and a critical ingredient of Strategic Resource Management?

RETHINK #3 EXTENDED CAREERS

Talent shortage and aging populations means extended working lives and careers. Shouldn't we rebalance from getting there as quickly as possible to making sure we stay optimally productive for the entire extended journey?



Going forwards we will need more, and more specialized leadership

Dealing with business dynamics and business complexity`
Leadership (Talent) is Key but in short supply

Leadership at all levels in organizations is key to the sustainable success. It is leadership after all that shapes the corporation to stave off threats, to take advantage of opportunities, and that tackles the complexity of doing business. The last couple of decades have seen a spectacular rise of business dynamics and business complexity, fueling leadership needs in the process. Factors such as globalization, fragmenting value chains, changing demographics, and increasing importance of factors such as sustainability and social responsibility have not only created a wealth of business opportunities and threats, but have also made markets and business inherently more complex.

This obviously raises the leadership talent stakes. More, and more focused, leadership at all levels of the organization will be required to deal with these challenges. This creates a potential recipe for talent shortage. Aging populations, especially in the developed world, tends to shrink leadership talent availability even further. Clearly a cunning plan is required to resolve this. A plan that helps making sure that leadership talent is developed in an optimal way, that it can add value in the most effective and efficient way, and that it can do so over extended working lives. We need a plan that ensures leadership availability now and in the future.

Talent to the rescue

If it wasn't already challenging enough
Talent Mobility: a curse and a blessing

At first sight, increasing talent mobility seems to make all this worse. Leadership (talent) is already in short supply, and now it routinely moves from corporation to corporation. Negative sentiment is totally understandable. Your best employees with a strong hand in the future of your corporation - and in which you invested time, effort, and means - take their experience, expertise, and potential out of the door.

There is another way of looking at this however. Talent mobility can also be seen as a partial answer to many of today's strategic resource management challenges.

To understand this we need to look at leadership needs. Progressively growing business dynamics have not only *increased* our need for leadership, but has also made our need more volatile and more specific. This makes it even for the largest and most diverse corporations harder to meet all leadership (talent) needs in house, regardless of how sophisticated their leadership development programs and their leadership talent intake. The result is that the fit between internal supply and demand is compromised, not because the leadership talent is sub-standard, but because they do not have an optimal fit. Talent mobility can help resolve this. Talent mobility in principle allows for the leadership

talent pool to be expanded considerably for specific assignments or major initiatives by also considering external leadership talent.

Such an approach has a number of advantages. First of all, it creates immediate and specific leadership availability for the job at hand. More choice and more availability if leadership talent can be sourced both internally and externally. It also helps providing talent with more suitable professional challenges, as they don't have to be found inside the same corporation anymore. The latter has advantage for the leadership individual as well. The specific experience gained during the assignment can be capitalized on at other firms with a better fit allowing for more focused career development.

Despite the simplicity of the rationale of considering talent mobility as a solution, it is not that straightforward to embrace its implications. First of all, leadership talent often invokes strong proprietary feelings with a matching reluctance to let such talent go out the door. Secondly, and very importantly, externally sourced leadership for specific assignments will not be up and running instantly, but will require on-boarding before it can be an effective contributor. There are also negative connotations with employees leaving the firm - letting resources go out the door is after all primarily considered for "surplus" resources failing to make the cut.

What if?....

Talent Mobility is the Answer

Considering talent mobility as ingredient for effective strategic resource management has a number of profound implications. For example:

- Companies will have to structurally market and recruit into *assignments* as opposed to *careers*.
- Companies will have to raise their ability to attract, select, on-board, capitalize on, and exit assignment talent
- They have to do so while at the same time safeguarding corporate cultures, values, and ways of working
- Companies will have to build assignment based talent availability into their strategic resource management processes
- And last but not least: individual leadership (talent) will have to take full ownership for their own career management!

Leadership Development

The traditional approach

Leadership (talent) development is typically made up of a number of components. Its most important component is the succession of progressively more demanding professional challenges - especially a succession which is supported by a formal leadership development program. When shopping for a career (see figure 1) it is no wonder therefore that larger, blue chip, and international corporations are traditionally in high demand with aspiring leadership talent. They can provide both the right succession of challenging professional assignments and have the means and scale to support this with class leading leadership development.

Adding talent mobility to the equation

The Multi-Company Career

All this changes of course when leadership talent broadly adopts mobility to create even more interesting and effective successions of professional challenges across companies. Such successions can be more effective because a multi-company approach provides a more varied choice of assignments in potentially very different business settings. The multi-company approach also

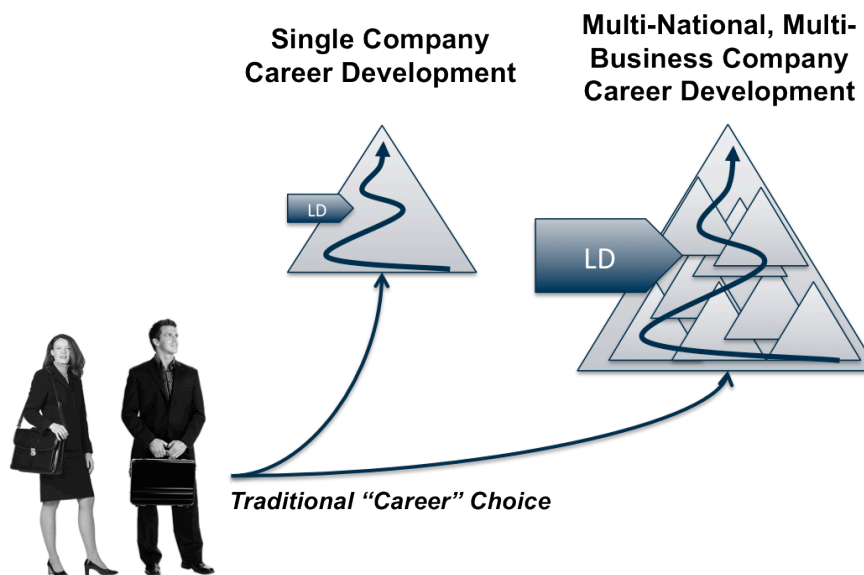


Figure 1: the traditional career choice

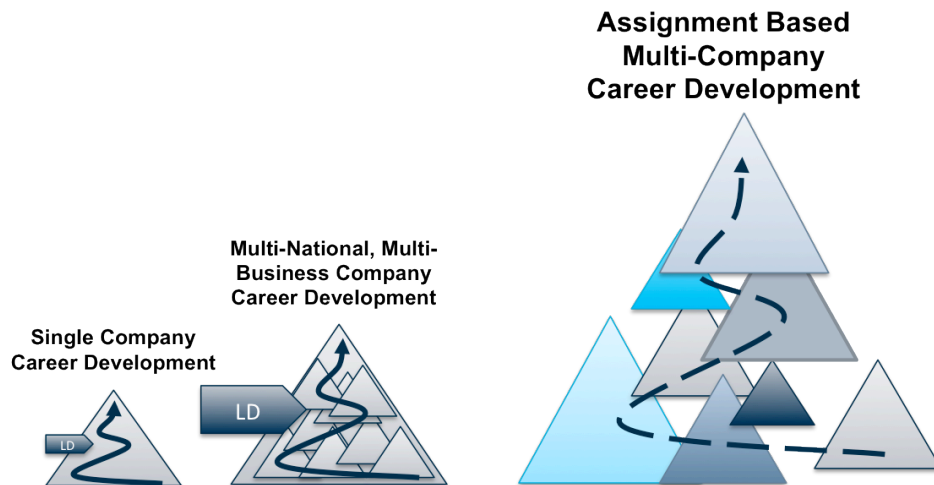


Figure 2: the multi-company career

provides leadership talent with first hand experience of truly different cultures, practices, and perspectives - a highly valuable treat in an increasingly connected business environment. This effectively creates a viable and increasingly commonplace 3rd career path option, that of the multi-company career. The fact that even the traditional bastions of life time careers - the blue chip multi-nationals - are increasingly capitalizing on talent mobility is a sign that this 3rd option is already in full use. See also figure 2.

A word of caution

Mobility and Corporate Identity

Although talent mobility can be more of an answer to strategic resource management challenges and leadership development than a nuisance, it is not a silver bullet eradicating everything unwanted from the leadership availability equation.

One of the most important downsides from a corporate perspective is the potential erosion of corporate identity, culture, values, and ways of working. Having more high calibre people entering and leaving the firm will put a premium on the corporation's ability to maintain its identity. Since assignment based hiring will represent a significant change in mindset for many companies, it is tempting to use the identity argument as a justification for sticking to traditional practices.

This however would short sell the company from a leadership talent perspective and it is clearly not the answer. What it does mean though, is that the identity argument makes a strong case for balancing both the career and assignment approaches to leadership development, and ensuring that safeguarding the corporations identity and cultural values receives the appropriate attention.

Leadership Development

The Career Life Line

One of the clear implications of multi-company careers is that individuals will have to take full responsibility for their own careers as they can no longer rely on the leadership development programs at the individual companies. Especially if assignments are included that come with very little leadership development program to begin with, such as start-ups for example.

It means that leadership talent will have to provide its own Career Life Line. They will have to make sure that the succession of assignments they pursue, helps develop them in a direction that allows them to take advantage of their strengths in the short term as well as ensuring they can continue to do so on the long term. The latter is especially important as talent shortage and aging populations forces longer careers.

This creates a need for external leadership development concepts that can support talent in making the right multi-company career decisions. Such concepts can act as the "career lifeline" that helps talent to contribute more effectively and for prolonged periods of time, and helps prevent them from lock-in in short term career success.

There are several ingredients to such a Multi Company Career Life Line that





Talent retention is often not the issue, it is talent attraction that needs serious attention

appear to make sense. Components that obviously represent common practice in well set up corporate Leadership Development programs:

- Leadership Assessments: creating periodical insight in the individuals drivers, capabilities, and development
- Leadership Coaching: helping Leadership Talent to become more effective individuals and help them make the right choices in terms of the succession of professional challenges
- Development Archive: some way of maintaining development records across companies
- Leadership Peer Community: providing a peer group across companies for peer counseling, peer advice, and networking
- Leadership Development Modules covering essential leadership development aspects

At this moment there is not a readily available multi-company equivalent of in house Leadership (Talent) Development programs. Instead, individual leadership talent seeks the multi-company career management support from alternative sources. The multiple Leadership Development Programs of the companies they work for provide the basis, albeit much more patchy than in lifetime career situations. In addition to that, individuals increasingly take advantage of for example business school alumni networks, professional social networking sites such as LinkedIn, Plaxo, and Xing in Europe, business clubs, and of course independent career coaches.

Leadership Development Leadership Availability

Even though far from perfect, the alternative sources for multi-company career management serve the

individual leadership talent at least partially. They do not provide much help to corporations however. As career management becomes more multi-company in nature, it effectively escapes the corporate realm. The result is that companies will know less about their future leadership than in the days of single company careers. It will also become harder to match leadership talent demand with supply as it will increasingly cross company boundaries and affects larger numbers of leadership talent.

This is therefore something that corporations have to address if they want to successfully stave off a talent squeeze in the future.

Corporations will have to rethink how they can ensure access to leadership talent now that more of them will have to come from outside the corporation and have to meet more specific leadership requirements.

This means that more parts of Leadership Development programs will be externalized, or at a minimum externally complemented. While doing so a number of objectives have to be met:

- Ability to pro-actively market "assignments" to the appropriate external leadership (talent) audience.
- Ability to reduce the hiring risk, especially when hiring for assignments. Somehow the information differences between internal promotions into assignments and





If formulating the perfect strategy accommodating all the complexity and fundamental shift going on is next to impossible today and will be harder tomorrow

external ones have to be evened out. This will have to come from a combination of improved information on assignment candidates and an improved ability to attract, select, and on-board leadership talent at all levels.

- Ability to facilitate individual leadership talent to address their specific leadership development needs regardless of when they enter and exit the corporation

Making it all work

Going forward from here

The simplest way of looking at the Leadership Development Challenge in a multi-company career environment is to think in terms of multi-company solutions. If leadership talent doesn't stay long enough with your firm to provide meaningful leadership development, then why not make sure they can get this externally? Several scenarios can be envisioned for how this could work.

One scenario can be that no real concerted action is taken. Individual Leadership Talent will continue to increase its use of alternative sources of development support from wherever they can get it. This obviously favors the most talented (documented) individuals as they play the growing transparency to their advantage. It is likely that selected corporations will start to play the same game. Those corporations with attractive and challenging assignments (not just the blue chip corporations!) can play the same hand and help create the transparency that will help guide the best talent to their assignments. Over time standards will emerge as to which assessments and which leadership development modules are seen as truly value adding. These are most likely to be preferentially used to reduce hiring risks and increase assignment choice.

Another scenario can be that corporations will actively work on developing multi-company career management and leadership development concepts. This is a much more pro-active approach to ensure access to the right leadership talent. The potential upside of such concepts is that the entire leadership talent pool will be better utilized both qualitatively and quantitatively. This effectively enlarges the total available talent pool in the process, which is beneficial for corporations, leadership talent, and even nations.

More work to do

Invitation

This topic brief is a status update on ongoing research. Although this research is far from completed, it has reached a point where it is clear that the topic deserves attention given its importance for future leadership talent availability. We invite you therefore to join us in this effort to turn growing talent mobility into a strategic advantage.



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