

Survival in A World of Radical Talent Management

By John Boudreau

Appeared in CFO Magazine, December 2011

The book “Deep Survival: Who Lives, Who Dies and Why” by Laurence Gonzales, is a parable for leadership in uncertain times.

On page 76, the book notes the story of William Huskisson, a member of Parliament for Liverpool, who was attending the opening of the Liverpool & Manchester Railway on September 15, 1830, which featured the *Rocket*, the fastest train at the time. Huskisson was run over by the *Rocket* while crossing the tracks. The oncoming train was clearly visible, but he misgauged the speed, having never experienced anything traveling that fast. “Man’s reflexes failed him in the midst of powers faster than the horse and the ox”. Huskisson unconsciously consulted his mental model to rate risk and reward. He then estimated (again outside of consciousness) that he could cross the tracks in time. But his mental model was rendered useless by a change in the environment brought about by a radical invention.

The point is that survival often depends on knowing when to recognize when fundamental assumptions need to change. Might we be seeing approaching locomotives in talent management?

In an earlier column, I noted Pepsico’s shake-up of its traditional thinking about pivotal talent, that led the CEO to hire the head of the World Health Organization, David Yach, to create a “Good for You” culture. When strategy changes, the survivors must recognize when pivotal talent goes well beyond the existing set of jobs, capabilities and leadership competencies.

IBM’s “locomotive” was not a massively new model, but a seeing talent through a model from another discipline. IBM reframed its talent management system as a supply chain and found it could pay off a \$100 million investment and drastically improve talent utilization rates. Utilization rates and resource flows are standard concepts in operations management, but when applied to talent management, they changed the conversation. It became very obvious where leaders, with all good intentions, were actually hoarding talent. Leaders now could not ignore it if they were holding onto their best talent for the good of their region or unit, at the expense of preparing talent needed elsewhere. Employees could also clearly see what talents, skills and capabilities were becoming “hot” prospects. Unlike the past, where leaders and employees often made decisions about careers with less data, now employees approach leaders with questions like, “I see that systems integration capabilities are in great demand. How are you going to help me get the experience I need to compete for those opportunities?” For leaders accustomed to a traditional system of predictable career paths, and career information largely in the hands of supervisors, this was the equivalent of a locomotive.

What if we change the entire idea that the boundary of the organization constrains talent planning? In our book, “Transformative HR,” my colleague Ravin Jesuthasan and I wrote about the Malaysian government ministry called Khazanah Nasional (<http://www.khazanah.com.my/>). Khazanah Nasional is the investment holding arm of the Government of Malaysia and is empowered as the Government’s strategic investor in new industries and markets. The quality of Malaysian leadership is obviously vital to the success of such investments. So, Khazanah created a system through which organizations in Malaysia create cross-industry and cross-organization leadership opportunities. For example, if an organization doesn’t have a consumer goods division, it can send one of its leaders to an organization that does, and receive in return one of their leaders to work in the first organization’s state-of-the-art R&D function. The Khazanah case reveals the formidable challenges and opportunities in such a cross-organization leadership system, and a significant factor in its success is changing the mindset of Malaysian leaders to see the organization boundary itself as permeable, in the interest of building stronger leaders for the future of the country and its economy.

One lesson from “Deep Survival” is that those who survive may be the ones that best understand the limits of their experience, and when their paradigm must change, or risk being hit by the oncoming locomotive. In the same way, organizations might do well to consider what today seem to be “radical” talent approaches, that may be the key to thriving and surviving in a future world of permeable boundaries and shifting leadership requirements.

###