



A plain English talent agenda for your transition

By Ajit Kambil

TRANSITIONS are a good time to frame and initiate a talent agenda, and can signal visible commitment to your staff, your peers, and the board that you want to develop talent and establish an organization that can effectively execute your priorities. Nearly every executive who goes through our transition labs chooses a talent agenda among the top five priorities. While human resources should be vital to helping you with your talent, our transition lab participants often report this function as weak in their company. The purpose of this essay is to help transitioning executives frame their talent agenda in “plain English” and make a clear ask of the human resources function.

In previous essays we explored how to assess and develop talent at the individual and team levels. This essay lays out lessons learned from our transition labs on a more comprehensive talent agenda most incoming business

leaders have to execute. I generally find there are five pillars that can be part of their talent agenda. These are:

1. Getting the right people in the right seats
2. Building high-performing teams
3. Developing talent into a stable and sustainable organization
4. Modernizing and transforming the organization
5. Nurturing and growing the next generation of leaders

Each of these five elements is discussed below.

Getting the right people in the right seats

One of the first tasks of incoming leaders is to ensure that the right people are in the right seats, as the wrong staff can cost incoming leaders both significant time and credibility if not addressed in the first six months to a year. This can require support from HR in four distinctive areas:

1. **Access to prior staff performance reviews.** This can include access to prior goal statements and performance reviews or 360-degree assessments of individuals and how they perform and relate to other teams. Many incoming executives note that internally available information often does not deliver sufficient useful insight into individual performance and capabilities. To address this information deficit, incoming executives often have to assign tasks and observe performance over three to six months and assess if they have the right people in the right seats.
2. **Improving performance management.** If previous reviews do not provide strong insight, one of the talent agenda imperatives will be to improve the performance management processes in place. While there is an ongoing debate in organizations on the design of performance review systems (see HBR and the Economist²) the key is to have one in place that documents the details of commitments made and results delivered by staff. It should also ideally document areas where staff need to improve in skills, behaviors, and delivery of projects. Without such information, the incoming executive is often delayed in evaluating and documenting poor performance, and it becomes difficult to build the case to exit unproductive members. Moreover, the company may become vulnerable to lawsuits.
3. **Exiting poor performers and recruiting upgraded talent.** In helping with this executive agenda, HR can provide supportive processes for counseling or exiting poor performers. Even more importantly, HR can support the framing of job descriptions and make available the right recruiters within or outside the company to source critical talent.

4. **Support for flexible compensation models.** New senior executives (for example, CFOs or CIOs) often require specialized skills and talent on their team. For example, it could be a critical tax director, FP&A director, or cyber-security specialist. Yet, existing compensation models, especially those tied to the number of reports managed may be ineffective in attracting specialized talent. As a senior executive, it's important to determine what compensation models are vital to hiring critical talent—and equally important to have an HR department willing to flex the models to your needs. This may require the use of outside experts to do a compensation study for specialists to justify their recruitment.

Building high performance teams

Incoming executives sometimes inherit disengaged or dysfunctional leadership teams, which they will have to rebuild. HR support can be helpful in four key areas:

1. **Diagnosing employee engagement and team capabilities.** The starting point to improve a team is to diagnose its current state and performance. As engaged employees generally deliver higher levels of personal performance than unengaged employees, at a minimum, it is important to measure the level of employee engagement. Many organizations run annual employee engagement surveys. Beyond engagement, a more granular assessment of team capabilities and behaviors can be useful. In a previous essay we covered a modified GRPI model as a means of assessing the team.¹ Ideally the HR organization will provide useful tools to incoming executives to assess team capabilities and engagement.
2. **Overcoming silos and creating “teams of teams.”** Many teams may have individuals or subgroups that demonstrate silo behaviors not contributing to overall team and organization success. If so, as a new leader, it may be necessary to undertake team-building events that require leadership team members and their staff to engage across siloes, and establish communication processes across the team. Tactics such as rotating and embedding staff in new roles across silos will likely require HR support.

3. **Overcoming cultural dysfunctions in the team.**

Sometimes the impediment to team performance is cultural. For example, when prior leaders have been too controlling, staff members are sometimes unwilling to take ownership of decisions, and resort to “delegating up.” Re-empowering them requires diagnosing the prevailing beliefs that lead to “delegating up” and then changing the prevailing context and beliefs to encourage staff to take ownership. Effective HR support should help with culture change, including the need to sometimes recruit talent who manifest desirable beliefs and behaviors.

4. **Executing clear communication strategies.** Transitioning leaders should frame a clear strategy and cadence for communicating to their team and organization. Sometimes a chief of staff or an internal communications resource may be available to help with town halls and communications. Often, the HR business partner may be the main de facto resource available to support communications. As you consider how to use HR, the communication skills of the HR support person assigned to you may be a critical capability to leverage.

Building a higher performance team and organization can require changes along multiple dimensions—from improving engagement to establishing collective team goals and creating a communications strategy that creates transparency and aligns the organization to a common mission. Strong HR support can be vital to this.

Developing talent into a stable and sustainable organization

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want to see a strong finance organization with a deep bench, one that is stable and sustainable if key people depart. I find most CxOs want to build a stable and sustainable organization that has low turnover and is able to manage effectively through the departure of key talent. There are generally four components where HR can play a critical role to develop talent:

1. **Sourcing and delivery of training programs.** HR can play a critical role in sourcing and delivering training programs to develop key staff and ensure a strong pipeline of talent in your organization. Training can vary from more generalized project management, communications, and leadership skills to more specialized functional training that may be provided by in-house experts or third parties. In addition to traditional models of learning—it is important to also have experiential learning to develop staff. This may include rotation programs across functional areas and business units, so that staff build skills across their organization and bring broader skills to their jobs. Rotation programs also enhance connectivity across teams.
2. **Sourcing and providing coaches.** Often, an incoming executive finds a staff member with the desired functional skills has a communication or behavioral issue that impedes success. This can require coaching or other guiding conversations to remedy. Knowing which coaches have effectively done this for the company is helpful in assessing their capacity to support this likely need in the future.
3. **Succession planning for critical staff.** All organizations have some level of turnover as people retire and other staff leave for better opportunities. The key is to ensure a strong pipeline, ready now and ready later, to be able to meet succession needs for

planned retirements and departure of critical staff. As an incoming executive, it is important to gauge the level of HR support for succession planning and any risks to the functioning of your organization if key talent leaves.

4. **Progression planning beyond succession planning.**

I often say a succession plan is most useful when the “horse has left the barn.” It is more important to keep the best horses and talent on your team. Our research on finance talent shows a top reason for departure is the lack of progression or opportunities for progression. So challenge your direct reports and HR to develop an overall “progression plan,” one that takes high-potential talent and grows their capabilities and responsibilities in a way that is most likely to retain them within the company. Even if this means exporting your talent to other parts of your company outside your organization—having a strong bench across the company creates future opportunities to fill gaps more easily in the future. Progression planning is one of the most valuable ways in which HR can help executives, yet too often, little or no attention is paid to constructing meaningful career development opportunities for key individuals. Lower turnover should simply mean a more stable and sustainable organization.

Transitions are a great time to reset the talent agenda and visibly invest in development programs that signal real commitment to growing people and improving the organization. This can be energizing and motivating to your staff.

Modernizing or transforming the organization

A fourth leg of the talent agenda is to modernize or transform the organization to meet changing business needs, service models, and workforce demographics. Here again, an effective HR department can greatly assist an incoming executive in six key areas:

1. **Elevate or add critical missing capabilities.**

Incoming CxOs may have to redraw the lines of the organization reporting to them and elevate roles growing in importance. For example, CFOs may find no separate financial planning and analysis capability in the organization and may need to create one that directly reports to them. Similarly, they may have to

elevate other capabilities, such as tax, in the organization. Having a forward-looking HR organization that can benchmark and outline comparative organizational models might be an ideal, but having one would make an executive’s transition much easier.

2. **Leverage offshore and extended enterprise capabilities to improve service delivery.**

Today, many companies increasingly outsource work to other companies and even individuals. While outsourcing and offshoring can reduce costs, they also bring new risks. These include the loss of critical knowledge, disjointed career and development paths for on-shore versus off-shore employees, and the challenges of managing workflow through widely different organizations. HR can play a critical role in facilitating these new organization models as well as, more critically, manage career development and other risks that arise from these models.

3. **Creating more inclusive and diverse organizations.**

As many global executives understand, a diverse workforce is often a source of competitive advantage. To attain competitive diversity, though, requires programs that are effective at increasing inclusion and engagement of diverse employees. HR can play a vital role in tailoring these programs to the needs of your organization.

4. **Attracting and managing a multi-generational workforce.**

Whether we are talking about Generation X, Generation Y, Baby Boomers, or the soon-to-retire veteran employees, each brings different experiences and attitudes to the workforce. And at a time when critical skill sets are increasingly difficult to secure and retain, incoming leaders should have a clear view of how to attract, develop, and retain people of diverse ages and ask what HR can do to help manage multiple generations effectively.

5. **Managing a global workforce.**

Today workforces are becoming increasingly global. Should you implement standardized skill requirements and training worldwide or adapt for different regions—North America, Asia, Europe, the Middle East, and Africa? In addition, how do you identify critical players on a global basis and how will HR help you fill those roles if someone resigns tomorrow?

6. **Leveraging technology and creating policies to support new models of work.** New information technologies enable new models of work, including those that allow staff members to work remotely from home or other work settings. HR can play a critical role in helping design and enable remote work in organizations as well as other policies that help incoming managers cost-effectively recruit and retain the talent they want.

Ideally HR will play a key role in helping you formulate and execute change management strategies as you transform your organization along the six dimensions discussed above.

Nurture the next generation of leaders

The fifth pillar of a talent agenda is to nurture and develop the next generation of leaders who can look ahead, set an agenda, and help the organization navigate from the present to a better future. Generally, HR can help in four areas of leadership development:

1. **Setting expectations of leadership.** HR can play a key role in clarifying the expectations for leaders in your organizations. What are the important traits, values, and behaviors they must demonstrate? This may include traits like perseverance to get things done, mastery of specific expertise, values such as integrity, and behaviors such as developing staff.
2. **Exposing executives to different leadership models.** One of the ways of developing leaders is to expose them to different models and contexts for leadership. Often, leaders learn from exposure to both positive and negative role models of leadership, which help them choose what they want to do and not do. Indeed, the case study method in business schools exemplifies the opportunity to role play and learn through exposure to different contexts and leadership styles.
3. **Sponsoring opportunities for leadership experience.** Beyond exposure, experiential learning is very powerful. It enables executives to develop their own tacit knowledge and expertise in context—it shifts from theory and exposure to learning by action

and having to respond to the consequences of their individual choices. When we examined the career journeys of multiple women CFOs, we found experiential learning particularly salient in advancing their careers.³ What was important was having “a great boss” and a sponsor who put the individual through a learning-by-doing experience versus just a mentor. Every executive needs to decide who they are going to sponsor and for what during their career. HR should be able to help.

4. **Improving leadership expertise.** The leadership expertise required of an executive can vary with context. While the talent agenda outlined in this essay is fairly generalizable—it is particularly salient for transitioning executives. For example, the tools to diagnose a team may be less important after you have a well-functioning team in place. A strong HR organization will be able to identify executive programs, coaches, and training resources that help leaders get the expertise they need when they need it.

Partnering with HR

Given the importance of talent issues to most incoming executives, it is imperative to frame an effective partnership with HR. Yet only about a quarter of the executives who go through my transition labs feel they have an effective HR business partner.

As a starting point, reach out and try to establish an early and close partnership with the CHRO seeking support, and have them assign a highly talented staff member as an HR business partner to assist you. Make the HR partner a member of your leadership team with clear asks across all five pillars of the talent agenda. The CHRO and HR may have a totally different model of the talent agenda, so it is important to clarify your asks of them and quickly determine where HR does not have capabilities to support your agenda. You might have to rely on your own team to execute a significant part of your talent agenda. For example, as a CFO you may have to use your own direct reports to create the training and rotation programs to develop staff or undertake a task-force project on how technology and mobility may permit work-from-home strategies.

If, as an incoming CxO, you find HR unable to substantively support your talent agenda, it's likely many of your peers are grappling with the same challenges. To

compete on talent, you may need to collectively support upgrading HR capabilities in the company.

The takeaway: Nearly all incoming executives have to engage and execute a talent agenda. Based on our transition labs we have identified five pillars of a talent agenda for transitioning executives: getting the right people in the right seats; improving teams; developing talent for a stable organization; modernizing the organization; and

nurturing leadership. All of these pillars are vital to most executives who want to build an organization capable of executing their vision, and provide an opportunity to partner with HR for execution. The first three pillars may be more urgent during the transition but starting early across all five pillars can position an executive to demonstrate true leadership—by leaving a legacy of creating a great organization.

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Endnotes

1. Schumpeter column, "The measure of a man: Reports of the death of performance management are exaggerated," *Economist*, February 20, 2016, <http://www.economist.com/news/21693151-employers-are-modifying-not-abolishing-them-performance-reviews-not-dead-yet>.
2. Ajit Kambil, *Executive transitions: Drivers of team performance*, Deloitte University Press, October 7, 2015, <http://dupress.com/articles/executive-transitions-team-performance/?coll=15069>.
3. Ajit Kambil, "Developing the next generation of leaders," *Journal of Business Strategy*, vol. 31 issue 2, pp. 43–45, 2010.



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