



BOARDROOM STRATEGY

MIKE DESJARDINS

Stocking your arsenal to win the war for talent

A 1997 McKinsey and Company survey coined the phrase “the war for talent.” It forecast a two-decade demographically fuelled net reduction in talent in the workforce due to baby boomers retiring.

The recent recession slowed that war, as boomers planning to retire saw their RRSPs, investments and pensions take a massive hit. As these investments begin to recover to pre-September 2008 levels, it’s again becoming attractive for boomers to consider retirement or early retirement.

There can be as much as a 10- to 15-year experience gap between retiring leaders and high potentials

The challenge for human resources VPs in medium to large organizations is managing the variance between eligibility to retire and the desire to retire.

Because boomers range in age from 55 to 65, it’s difficult to know when they want to take retirement. Helping drive that unpredictability is the larger disincentive to announce retirement plans too early.

Many boomers have seen their friends and colleagues announce a pending retirement only to be moved aside from key projects and strategic objectives, leading to the feeling that they’ve been “put out to pasture” when they still have years left before they plan to depart.

There are fewer Gen-Xers than boomers. So there’s a gap in experience that seemingly requires Gen-Xers and HR to plan for and fast-track their development.

Left to their own devices, Gen-Xers would have the experience they need to take on key leadership roles in 10 to 15 years. But, considering they will need those skills in the next three to seven years, that’s far too long to wait.

CEOs we work with say that one of the the biggest challenges they face in reaching their long-term strategic objectives is having enough talented people ready to take on key leadership roles.

This is where succession planning steps in. It focuses on fast-tracking the development of high-potential leaders within the organization to replace the senior leaders who are retiring and to build talent for the future roles that will be added to the organization as it grows.

Here are some key considerations for your succession plan:

Be clear about what success looks like. Develop KSAs (knowledge, skills and abilities) for each of the senior roles and a set of leadership competencies for each of an organization’s leadership levels.

Have multiple candidates for all senior roles. Because this is a war for talent, the “one” candidate you have marked for a role might be attracted out of the organization. The ideal candidate might also turn out to be unable or uninterested in fulfilling the role when it needs to be filled. By identifying and developing multiple candidates, you reduce your risk.

Provide balanced feedback. By instituting a 360-degree assessment process, leaders can receive feedback from their bosses, peers and direct reports. That helps to highlight strengths that can be leveraged, weaknesses that can be shored-up and blind spots they need to be aware of.

Understand the difference between performance and promote-ability. Using a talent matrix with performance on one axis and promote-ability on the other, chart your high potentials. You might find that individuals who are stellar performers in their current role would be best left in place versus promoting someone who would suffer in a role requiring a different set of skills and greater responsibility.

There’s no time for on-the-job experience. There can be as much as a 10- to 15-year experience gap between retiring leaders and high potentials. With an average of three to seven years for most boomers to retire, there isn’t time for on-the-job experience to close the gap. High potential leaders need to have clearly defined roadmaps for their development (special projects, interim

roles, secondment, experientially based leadership development, books) and involvement in a formal leadership development program. This approach will tackle the three major gaps most Gen-Xers have in their skill set: company, competitive and industry knowledge, internal and external

relationships and overall leadership experience.

Engage leaders in the plan. High-potential leaders will want to be actively engaged in helping determine their career path. Involve and engage them in a discussion of the areas they need to improve to be able to take on their next leadership role.

Involve human resources. The HR team will be critical in helping shape the tools required to assess and support an organization’s high-potential leaders.

Involve them in discussions around leadership development, performance management and assessments so they can guide you and your high-potential leaders in the direction of key resources and tools.

Succession planning has become a key part of the strategic process of any growing organization today. CEOs know that having the right talented people in place allows them to pursue aggressive growth strategies that competitors might not be able to replicate as

they scramble to put the people in place to meet the flow of leaders out of the organization. ■

Mike Desjardins is the CEO at VIRTUS (www.virtusinc.com), an organizational development-consulting firm with expertise in strategic planning and implementation, leadership development, change management and succession planning for medium to large organizations. He regularly blogs at www.mikedesjardins.com.

YOUR BENEFIT PLAN SHOULD BE AS UNIQUE AS YOUR COMPANY'S IDENTITY.

It's your employees that make up the identity of your company. At TRG, we understand that no two companies or employees are alike. Their individual qualities, needs and goals make that identity unique. By rewarding and retaining your employees with a flexible and comprehensive benefits plan, you're actually safeguarding the character and identity of the company itself.

If you are looking for employee benefits or a retirement program specifically suited to you and your people, give us a call. Together we can build a program that's sure to leave a distinct and lasting impression. For more information visit TRGGROUP.COM

TRG
GROUP BENEFITS