

A Future Rooted in Development

How we helped a client move beyond filling gaps to securing their future.

Opportunity

Falling off the Talent Cliff

The days of the “company man” are gone. Turnover is up, and tenure is down with most employees changing jobs every 2.5 years. A lot of factors have affected this shift in the employer-employee relationship, but at the center of it is an expanded definition of compensation that goes beyond salary, healthcare and retirement. The new addition? Learning and development. Without clear opportunities to learn and develop, a company has little hope of retaining top talent.

Forward-thinking organizations have adapted to this shift, implementing robust professional development programs. The tech industry, in particular, has capitalized on this with companies like Google, Apple and Microsoft becoming magnets for growth-minded employees. Other companies have been slower to respond and now find themselves scrambling to attract and retain the talent they want, and need, to be successful.

The CHRO at one of our clients was well aware of this challenge when they came to EDC for help. Like many of their competitors, they were struggling to attract and retain leaders who could balance operational discipline, financial acumen and the ability to inspire teams. This problem was exacerbated by an upcoming talent cliff — almost 40% of their key executives were slated to retire in the next five years.

While their competitors had been filling their talent pipeline, this company had not. The leaders were on their way out, and their company had no plan or process to replace them. More significantly, they did not have a long-term strategy for growing leaders so that they wouldn't face the same problem again down the road.

With all of these factors to consider, we had our work cut out for us.

Approach

Leadership Development as a Business Capability

Prior to our engagement, the CEO and executive team had encouraged the CHRO to create a new leadership development program. But once we were brought in, we challenged them to expand their view. They needed to stop looking at leadership development as a short-term solution and start seeing it as an organizational capability they could develop. The first step toward that? A narrative that answered four key questions:

- What type of leadership do we need now and in the future given all that is changing in our business?
- What capabilities should we prioritize given our strategy?
- Which groups of people should we invest in?
- How do we accelerate the development of our people so that talent becomes an additional competitive advantage for us.

Through a careful review of their business strategy, interviews with the executive team and discussions with high-potential talent, we answered the above questions and created a simple, compelling narrative. The client was able to link external trends like advanced data analytics, AI innovations and greater global competition to the specific capabilities they needed in their leaders. For this company to remain competitive, they needed inclusive leaders with a global mindset who could develop vision, lead change, manage performance and build talent. What they did not need was more pension-seekers who had built careers trying to not rock the boat. The boat was already rocking.

Our next step was to look at the current roster of leaders already in place. Did they have the right skills? If not, where did they need leaders with those skills? The short answer was “everywhere.” The company was about to

have a short-term talent shortage, so the strategy needed to set the organization up for success in the short and long-term. They needed to attract top leaders now, but they also needed to grow them from the inside.

To do that, they would need to start developing would-be leaders — high potentials — before they were in leadership roles. In addition, they needed to improve their cross-training capabilities so their leaders wouldn't become one-dimensional thinkers. Finally, they needed to keep managers, directors and top executives up to speed on industry trends and innovations.

With the problem defined, it was time to start solving it. First, we helped them design a data-based assessment process to objectively identify high-potential talent quickly and accurately. Next, we recommended a formal job rotation program to round out their leadership pipeline since few leaders had multidisciplinary experience. We also introduced them to thought leaders who could introduce their senior team to new ideas. Finally, we helped them develop an emerging leaders' program that would develop their future leaders faster.

Outcome

From Liability to Opportunity

The company is now in the midst of implementing each of these recommendations. The CHRO feels confident that the strategy is comprehensive and that building an "integrated capability" will not only deal with their immediate talent crisis but also set them up for long-term success.

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