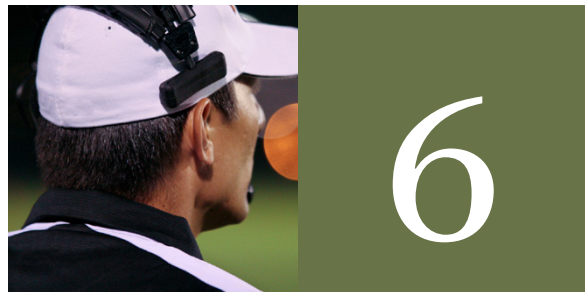
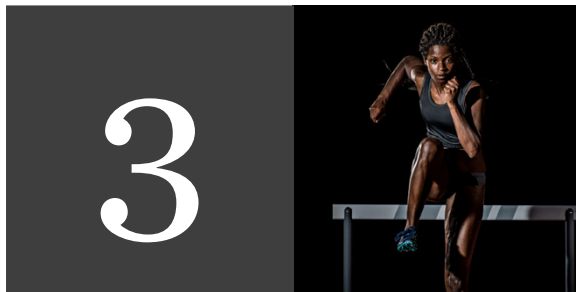
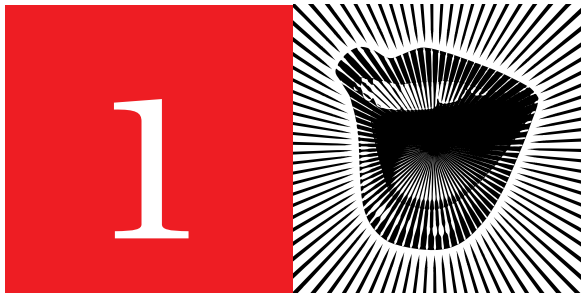


Becoming a Talent6 Leader

The 6 Differentiators of Talent-building Leaders



Becoming a Talent6 Leader



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Why do some companies always seem to have more than their fair share of talent?

Why do these same companies seem to build better talent faster? Delivering brilliant financial results through an abundance of high quality talent is a coveted yet seemingly, for many companies, unachievable goal.

Despite years of effort and billions of dollars invested, companies struggle to produce the quality and depth of talent they need to sustain strong revenue and earnings growth.

We know this because we've spent years working in and with the world's largest and most complex organizations. Many have positive intentions and have made significant investments in talent-build-

ing with little to show for it.

Our experience is that companies stumble in this effort because they haven't answered the fundamental question: What should leaders do to build talent quality and depth?

Answering this question means moving from simply exhorting leaders to coach, set good goals and build successors, to enforcing a specific, practical model to guide (and evaluate) leaders on the exact activities that create success.

Through our experience, research and interviews with high performing leaders, we have identified the six factors that we believe differentiate leaders who build great talent.

The Talent6

Let's start by clarifying what the Talent6 is not. It is not a general leadership model.

There are hundreds of (largely identical) leadership models available that describe what someone should do to be a good corporate citizen.

Talent building is different. Those who engage in the tough business of objectively evaluating and routinely "topgrading"¹ and "muscle-building"² their direct reports might not be the most broadly popular leaders. They will be popular, however, among high performers, high potentials and others who aspire to that level of achievement. They will also be the ones who disproportionately contribute to the organization's success.³

As the Talent6 title implies, we believe there are six elements that differentiate talent-building leaders. We are confident there is a strong, positive relationship between these

elements and a company's talent quality and depth.



A key finding from the most thorough and rigorous research on talent is that high performing companies have a shared talent mindset.⁴

Their executive team believes that higher quality talent delivers superior results. They have a consistent company approach to managing talent and managers are clearly accountable to execute that approach.

At the company level, this is operationalized through a [Talent Philosophy](#). At the individual level, that mindset means a leader truly believes that superior quality talent delivers superior results and they actively spread this belief.

One may think that all leaders believe this. They don't, and the apparent willingness of many companies to operate with, at-best, median quality talent confirms that this is a relatively uncommon perception.

At a practical level, this means that managers make finding and growing great talent the core of their business agenda. They speak up,

down and across the organization about talent and the importance of having superior talent.

Talent is a standing agenda topic at their monthly meetings or quarterly calls. They encourage their peers to share this mindset and they hold their team accountable for the talent-building behaviors we describe below.

Talent Evangelists ensure that talent discussions frequently occur on not only their team, but their boss's leadership team. The "Evangelist" ensures she knows all the talent on her team and her peer's teams at a deep level.

She sets the standard that talent should favorably compare to the 80th percentile of all talent similarly compensated in marketplace. And, if it does not, drives herself and her peers to upgrade the organization's talent.



A senior investment banker starkly summarized his talent management approach by telling us that he was an "active investor" when it came to talent.

He said that he reviewed his portfolio every day and made choices about where to increase and decrease his investment. He was clear that if an investment existed in his portfolio,

that was an affirmative statement about that investment.

No investment was there by chance and none lasted if its projected ROI didn't well surpass its risk over time. Active Investors exhibit two distinguishing leadership behaviors that average leaders don't:

- They have a "nose" for talent and can articulate what it takes for talent to move "far & fast" in their organization. They can quickly and accurately predict who is high performing and high potential talent.
- They make timely and sometimes hard resource allocation decisions by investing substantially more in high potential talent, based on reliable data.

That active investment approach may seem cold or calculated, but it's how your organization manages every other company asset. They don't keep production equipment because it's been around for 20 years and they have warm feelings towards it. They don't allocate their marketing budget evenly across all campaigns to be "fair."

Leaders who manage talent well are Active Investors who regularly review their portfolio and consciously make decisions to invest more in some assets (provide experiences, exposure, assignments), divest others (move talent to lower roles, terminate talent) and hold the remainder constant (not change the level of investment).

3



Talent Accelerator

The talent accelerating manager builds better talent faster than other leaders inside and outside your company.

She understands that talent grows fastest using big, challenging assignments and meaningful experiences.

Because of this, her highest potential talent are in roles where their capabilities are tested and stretched on a daily basis. She's made clear what she expects them to learn in their roles and that successful completion of the experience is measured both by performance and learning.

She ensures her best talent is always being actively “produced” (see the [Talent Production Line](#)⁵). Talent Accelerators are willing to take bets on talent. She will put leaders in roles a year before they're ready. Ambitious leaders want to work for her because they know they'll get “bonus years” of development during their time with her.

A hallmark of Talent Accelerators is that they monitor how long high potentials remain in their roles. They ensure they're there long enough for growth and learning to occur but move them before the role becomes less

challenging. This aggressive development approach requires her to understand her talent's capabilities, potential, derailers and goals. She can integrate this knowledge to identify the right experiences and right support to create engaging, challenging, productive development.

Talent Accelerators produce more talent than their peers and are net exporters of great talent to the organization.



4

Performance Driver

These leaders “worship” performance and set top quintile performance as the expected standard for their talent.

Potential is important but development without commensurate performance is worth nothing to the Talent⁶ leader. Performance Drivers ensure that their direct reports are performing at the “top quintile” of performance for their compensation level as compared to their peers globally. He is not shy about communicating that 80th percentile performance is the expected performance standard.

His direct reports achieve that performance because he helps them set a few, big challenging goals, stretching their performance to lev-

els they didn't realize they could achieve. Last year's stellar accomplishments become the baseline for the next year. He is relentless in raising the performance bar every cycle and regularly recalibrates his team against that higher bar. And, if his people don't perform, he will make timely decisions to acquire, move or remove leaders.



This leader is on a 24x7 hunt for talent.

As a Talent Scout, the Talent6 leader constantly scans their own organizations and others for superior talent. They meet with the company's highest potential leaders across departments and geographies to get to know them and to calibrate them against their current team.

They are transparent with those leaders about their intentions, their management style and the opportunities that might exist in the future. They use talent reviews as a chance to learn about their peers' direct reports and to assess their peers' ability to spot potential.

The Talent Scout forms strong relationships with the top executive search firms in their

function. They ask those firms to introduce them to the highest potential talent they've identified in recent searches. They have coffee or a meal with those leaders to get to know them at a personal and operational level.

They regularly attend external conferences or gatherings for their function with a specific agenda of meeting and assessing the talent there. Through these activities they create a formally tracked "external bench" and they actively manage relationships with the leaders on that bench.

Talent Scouts have a pipeline of talent available internally and externally so they seldom have "empty seats". They move with speed and easily fill open roles with high quality talent.



Blunt, direct, candid – select your favorite adjective.

The Transparent Coach knows that fast, accurate and honest direction accelerates development by reducing the cycle time for learning. Their team members hear from them daily or weekly with clear messages about what's working well, what's not and what they could do differently. They may use

feedforward or feedback but they ensure that the messages are received.

They see their teams' improvement as a journey, not a destination, and they make sure that journey never ends. After a team member has achieved their current development goal, they identify and coach on the next one. They are optimistic and encouraging with their direct reports about their ability to improve and they set clear expectations that they will.

Their team doesn't always like what they hear but they recognize – either today or over time – the precious value of what they've received.

Taking Action

These capabilities may seem aspirational but they can be learned by every leader in any company. The starting point is to introduce the Talent6 model to your leaders and give them an opportunity to practice and get feedback on these behaviors. We recommend doing that in a properly structured development course where they can learn, role play and

develop an individual and team action plan.

Even more important – leaders must be held accountable to engage in these behaviors. We believe the best way to achieve that is to incorporate this model into talent reviews when leader quality is evaluated.

A leader's relative strength on each of the Talent6 elements provides valuable insights to their ability to support the organization's growth. Leaders should understand that the pace of their career progress will vary depending on their capabilities in these areas.

The Talent6 defines a clear standard for how leaders must manage talent to ensure an organization has more than their fair share of the highest quality talent. Getting there requires effort, practice and reinforcing that those behaviors are essential for a leader's success.

More importantly it requires the executive team to genuinely believe that better quality talent delivers better business results. If they do, there's no other choice than to compel your managers to build the capabilities that build great talent.

1. Smart, Bradford D. *Topgrading: How leading companies win by hiring, coaching, and keeping the best people*. Penguin, 2005. (The core concept of Topgrading is "proactively hiring and promoting only the most talented people available, while sensitively but aggressively removing chronic underperformers.")
2. Pearson, Andrall E. "Muscle-build the organization." *Harvard Business Review* 65, no. 4 (1987): 49-55. (The core concept of Muscle-Building is a relentless focus on continually upgrading an organization's quality and depth of talent.)
3. Kaplan, Steven N., Mark M. Klebanov, and Morten Sorensen. "Which CEO characteristics and abilities matter?." *The Journal of Finance* 67, no. 3 (2012): 973-1007.
4. Michaels, Ed, Helen Handfield-Jones, and Beth Axelrod. *The war for talent*. Harvard Business Press, 2001.
5. Effron, Marc, "Creating a Talent Production Line," September 2012. Accessible at <https://talentstrategygroup.com/creating-a-talent-production-line-2/>

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