

EXECUTIVE INSIGHT

Build a Talent Culture that Promotes Leadership Growth

Attract and Retain High-potential Leaders to Attain Business Success

WHAT WE THINK

Every organization has a Talent Culture, whether explicitly documented or subliminal in nature.

The finest companies recognize Talent Culture as a competitive advantage and leverage it to attract, retain, and promote leaders with the highest potential to drive business success.

A journey of a thousand miles may begin with a single step, but careful attention to each subsequent step is what ultimately leads to the destination. This is certainly true of building executive talent—where countless daily decisions regarding individual executives' careers combine to shape the total quality of leadership, which in turn, ultimately determines the strength of the organization.

Ask employees a few pointed questions about leadership development in their company and you will quickly begin to uncover its Talent Culture. This deep-rooted combination of history, behaviors, and beliefs ultimately shapes the composition of the organization's senior team by influencing who is hired and promoted, who exits (voluntarily or involuntarily), and who moves through the talent pipeline most quickly. By tradition, it determines what investments in people are made and where, and which combination of executive traits and experiences are valued most.

The critical measure that identifies a positive Talent Culture is its ability

to create an environment that best identifies and leverages the highest-potential talent (internal or external) for the company.

The finest companies purposefully define their Talent Culture, clearly communicate its components across the enterprise, and use it to transparently shape decisions, influence behavior, and communicate expectations.

Common Talent Culture Pitfalls

Companies that do not proactively manage the talent process risk a culture that evolves into one of eight negative scenarios that can directly contradict talent management best practices and interfere with the organization's ability to build a high-performing leadership team.

1. **Reactive Culture** Despite the vast popularity and sense of importance placed on high-potential talent, many organizations fail to spend the time required to make high-quality people decisions. The result is decisions driven by short-term necessity and critical events rather than long-term,

holistic talent planning. These cultures are easily identified by the reactive scramble that accompanies leadership transitions.

2. Narrow-Focus Culture

Organizations can overvalue certain leadership characteristics at the expense of needed capabilities. A relationship culture may emphasize collaboration and downplay courage and decisiveness. A bottom-line culture may weigh results so heavily they create extensive churn in the executive ranks. A narrow focus generates a lopsided group of leaders who lack diverse approaches and make similar mistakes.

3. **Homegrown Culture** Internal promotions show the organization is serious about developing its people. While this can create stability, strong company values, and committed employees, it can also limit opportunities to introduce fresh thinking. These cultures may reward loyalty and tenure over potential. When they do go outside, new hires find it

difficult to integrate successfully into the tightly closed system.

4. **Shiny-Object Culture** In contrast to internal growth, this culture has a strong tendency to believe all the best talent exists outside the organization. These companies are quick to look externally, which communicates to internal talent that they are undervalued and may have to look elsewhere for advancement.
5. **Black-Box Culture** In these organizations, leadership announcements send ripples of surprise that can result in distraction and disappointment. Talent discussions happen in tight privacy with little to no feedback coming out of the meetings. Even the highest-potential employees can feel unsure about the possibilities of advancement. Well-placed leaders can end up frustrated with misaligned promotion expectations.
6. **Long-Memory Culture** Talent decisions are frequently influenced by long-past events that have little relevance to current performance. These discussions ignore a leader's capabilities and celebrate and promote leaders with a steady and predictable path over those

who have learned from failure.

The result is leaders who are untested in the highest-pressure environments inherent at the most senior levels.

7. **Inflexible Culture** The climb to the C-suite can follow diverse and unpredictable paths. Some of the most successful executives were shaped by unique backgrounds and challenging detours that improved their capability, mindset, and leadership philosophy. Despite this, many organizations adhere to rigid career paths and narrowly defined options that limit the ability of leaders to be creative in building their skillsets.
8. **Low-Risk Culture** Most successful senior executives will, at times, step outside the obvious path and take career risks. This clearly requires courage on the leader's part; but equally important is the organization's willingness to share the potential pitfalls. Risk and the prospect of failure are unavoidable. Organizations that look and wait for "perfect" talent often move too slowly and miss opportunities to uncover and accelerate highly capable leaders.

The Bottom Line

As the war for talent persists, organizations with a Talent Culture that promotes the right behaviors and decisions will enjoy a discernible advantage over their industry counterparts. If any of the negative scenarios above resemble your organization, diagnose your current Talent Culture to fully understand your starting point and uncover your risk areas:

- Define the kind of culture your company needs.
- Discover the implicit forces influencing your people decisions today. Ask these critical questions:
 - Who succeeds here? Who fails? Who gets promoted?
 - What is rewarded at this company? What is valued? What is discouraged?
 - What do you hire for? Why?
 - What are the unwritten rules for succeeding in our company?
 - What gets in the way of an executive's ability to grow here?

Once you process this information, you can begin to proactively shape a Talent Culture that best positions your organization for success over the long-term.

About RHR International

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Our international reach includes Australia, Austria, Brazil, Canada, China, France, Germany, India, Italy, Japan, Singapore, Spain, Switzerland, and the United Kingdom.

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