

Mining for Hidden Human Potential

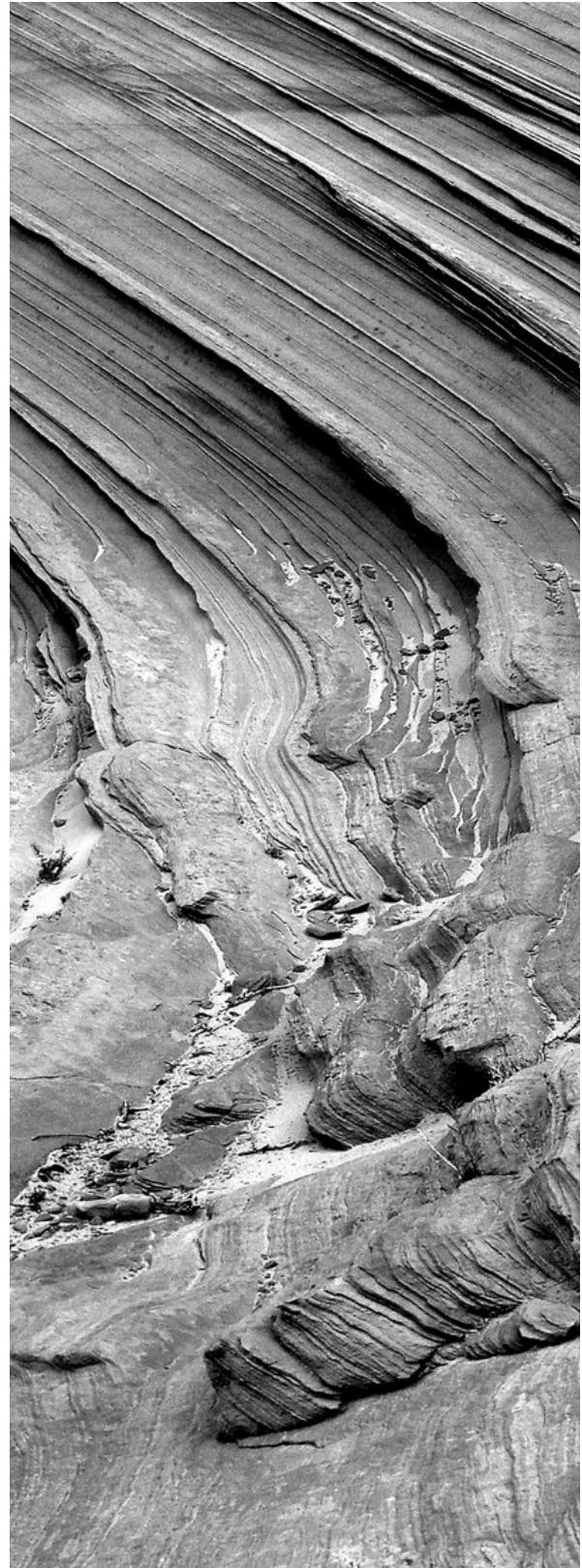


In Our View

The mining industry has long known the importance and value of good geology and sound prospecting. It understands how operating performance is inevitably linked to the location of the ore body and the “grade” of the ore being mined. It occurs to us, the same thinking, skill and science need to be used by every organization in order to do a better job of “prospecting” for the hidden talent locked deep in the reservoirs of their human capital mines.

Simply put, managing and measuring the current performance of people is no longer the number one organizational best practice when it comes to workforce management. They certainly should not be the primary focus that dominates the human capital management process from a time and cost point of view. Performance Management, while undoubtedly important, has shifted to becoming nothing more than table stakes in the rapidly changing competitive equation.

The great organizations of tomorrow know what the mining industry has known for hundreds of years. Prospecting and accurately evaluating potential are critical to long-term success. As a result, they pay fierce attention to their “life of mine” plan. Even while they are busy producing for today, they are equally fixated on finding the new, high yielding ore bodies for the future that lie hidden beneath the surface. So it should be, in the search for talent.



The Mystique of Performance

Maybe it's just us, but we have observed that while Managers and Employees can disagree on many things, they often share the same view when it comes to the Performance Management process. They don't like it. They think it is forced. They believe it is too time consuming and bureaucratic. They do not see how it serves to actually improve performance.

On the other hand, talk to an Employee (or a Manager, or an Executive for that matter) about their future, then, all of a sudden you have a more alert conversation. Reflect for a moment, on where you spend your private thinking time and what occupies your intimate conversations. Is it talking about your job performance, or is it about your future plans, your professional dreams, your personal desires and finding the perfect job outside of your current confines?



I think we know the answer.

It seems to us, putting so much organizational effort into a process that is, at its best, “retrospective” in nature, no longer makes sense in a world where uncertainty reigns and where the conditions for success are changing daily. Performance Management is only valuable when it is balanced by an equal emphasis on what really matters – the future!

To put a fine point on things, we believe most organizations are being negligent when it comes to their responsibility to the future. Performance matters – we are not arguing that point, it is obvious. It's just that there is an even more important consideration which receives far too little emphasis – the managing of Potential.

The Allure of Potential

I don't actually know the number, but I sure would like to know how much money organizations are spending each year on Head Hunters and Recruitment Firms.

Think about it. The very organizations that have done such a poor job identifying and developing their own talent actually go outside and pay good money to identify able bodied candidates, outsiders, who then get added into a pool that we know, by definition, is not being properly developed. It's lunacy!

Now, we are not against people making money because there is a legitimate demand to fill. We are just against those who create the demand by not paying enough attention to the alternatives and not doing a better job of nurturing the talent within.

Our argument is as follows:

Talent matters – more than ever before

Managing talent – can and must be improve

Future potential – is harder to judge than performance

Past performance – is not an accurate predictor of future ability

The ROI equation has shifted – because the world has changed dramatically

We feel the future competitive success of any organization will have more to do with their ability to identify and manage the hidden potential which lies within, than it will in managing performance or recruiting from outside.



The Cost of Ignorance

Let us ask a few simple questions to help illustrate our point.

How many hours of driving school does the average teenager need before they get a licence to take your car onto the road?

How many hours of flying time does a pilot need before they are fully licensed to fly an Airbus or 767?

How many hours of exams does your average Lawyer or Accountant have to sit before they are given a license to practice?

Now, let's ask another question.

How many hours of Talent Management training does your typical mid-level Manager or Executive have before they are “licensed” to manage people and determine their potential?

OK – we know. It's not the same.

In organisational life we learn “on the job” and it comes with “practice”.

Well, it's time to change that view and develop a level of consciousness and sophistication that befits the times in which we live. It would be hard to estimate (and impossible to imagine) the cost of mismanagement and the waste of potential we have seen over time. All of this due to a lack of awareness of the importance and value of properly managing human potential and a lack of willingness to invest the same time in managing potential as we do in managing performance.

It's time to get it right.



The Value of Foresight

In most organizations, the annual Business Planning process takes hundreds of hours, countless meetings, and dozens and dozens of people. It uses complex spreadsheets, detailed analysis and sophisticated forecasts to identify scenarios of the future. It then commits to budgets and allocates capital accordingly.

Contrast that against the time spent on the annual Human Potential Plan. Not the Board-mandated succession plan, but the evaluation of potential plan. Not the review of the VPs and above, but the evaluation of the level below.

Let's just suggest the ratio is not 1:1. In fact, chances are, most of the time you currently spend on Human Capital issues is split between Performance Reviews and "firefighting" – those last minute drills about filling holes and who is going to get that job in Sales or Operations now that Sally or Sam is gone.

Be frank with yourself:

- How much time do you spend on forecasting your future people needs?
- How rigorous is your analysis of changing conditions?
- How scientific is your process of evaluation?

I am reminded of the oft quoted phrase about why Wayne Gretzky was such a great hockey player. You know, the one about him always skating to where the puck would be, not to where it was.

It's the same in the game of Human Capital. Foresight gives you the edge.



Cloistered Mindset

We have tried to make the case the cost of poor Human Capital management is both “real”, in terms of the cash outlay (Head Hunters fees, etc.) and “hidden”, in terms of the lost opportunity cost and waste of potential. The lack of rigorous systems and scientific processes is one reason for this, but the other reason is basic human frailty.

We all have biases we need to counteract, based on our sensory perceptions.

Sight - We often fail to look forward to anticipate what tomorrow’s needs will be and admit they might be radically different from today’s. As a result, we don’t change the formula for success when we should.

Smell - We don’t trust our intuition when we witness a singular act of brilliance on the part of an employee and fail to notice the aroma of potential success. Similarly, we are not always sensitive enough to the toxic odour of those with limited potential.

Hearing - We are incredibly tone deaf. We only hear what we want to hear and are not open to the range of possible alternatives. We get stuck in a sound groove where the only possible value can lie in what we have heard before, not in the new or novel.

Taste - We all have our preferences. Some like it hot. Some don’t. We can all allow that preference to distort our view of people, but more importantly our view of their future potential.

Touch - We all like to think management is logic and proven science when, as Henry Mintzberg has said, it is actually equal parts art and craft. As such, the artist knows the subtleties that come with a fine touch.



Generational Changes

There are two books we believe do the best job of outlining the important changes and natural impacts occurring through the generational shifts which have happened over time and which we are in the midst of once again.

The first is by the 85 year old American business guru, Warren Bennis:

“Geeks & Geezers – Eras, Values & Defining Moments”

The second is by the 33 year old Australian writer, Peter Sheahan:

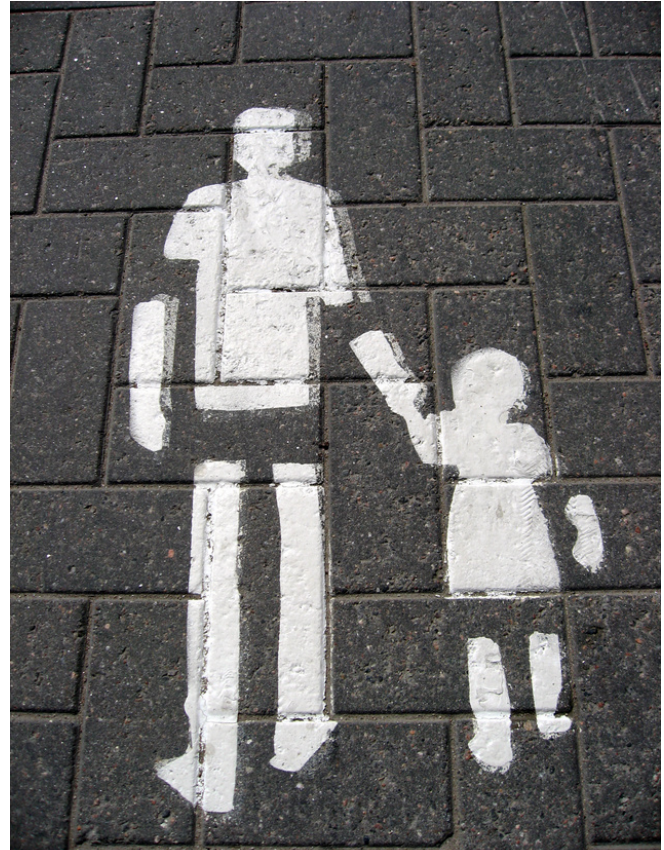
“Generation Y – Thriving & Surviving”

They both come to essentially the same conclusion.

- We are all products of the era in which we were born.
- We are shaped by the social mores of those particular times.
- We are all subject to the unrelenting forces of youthful rebellion.
- We all witness shifts at the fringe that become mainstream over time.

The implication is simple. An organization must spend quality time understanding the underlying social and generational changes and connecting those changes to their business model and their future talent requirements. If not, they will likely find themselves at a disadvantage when the bell rings for the next round of the global fight for relevance and economic prosperity.

It's a choice.



The Shifting Value Proposition

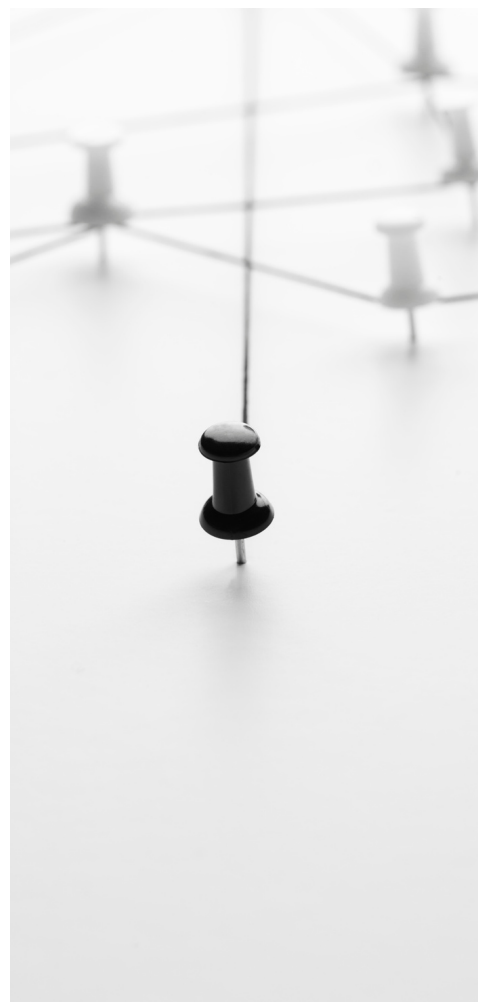
A little earlier, we talked about the Behavioural Leverage Points as they apply to the talent we will need to seek out in the future. How about the Leadership Attributes we will need in order to be able to identify and manage that potential?

We believe they are equally worth examining and are very likely quite different from the ones we use today. In fact, if you think about it for a moment – just exactly what are the qualities, attributes and/or competencies you currently require of your people managers when it comes to Talent Management?

- Do you have attributes specific to the domain of Talent Identification?
- Are they as well understood and practiced as others – say Customer Centricity?
- Do they reside in the HR Department or are they business line embedded?

Here is our take on what the Manager/Leader of the future will need to have:

- A rich, varied and extensive “Experience Repertoire”.
- Broad, rather than deep, cognitive thinking abilities.
- Exploration (rather than an Exploitation) mindset and orientation.
- Talent Magnet ability – the capacity to attract talented people into their orbit.



In addition, it will be non-negotiable for these new leaders to demonstrate genuine tolerance, willing acceptance and a total appreciation of diversity. They must be the warriors in the next big diversity battle – Diversity 3.0 – the war for diversity of opinion and style.

Steps to Take - Actions to Consider

As we look forward to the next 10 years, with all of the social, technological and global unpredictability and challenges we will face, the one thing we can definitely predict is that great talent will matter. Accurately identifying and then releasing that talent will become an even greater imperative in order to succeed and win in the marketplace.

It's time to refresh our views, improve our understanding and renew our priorities.

Organizations are going to have to shift their focus forward and place more time, care and attention on the issue of "Identifying Potential", and not just "Managing Performance".

Here are some suggestions for the steps you can take.

Lean Forward

Living in the moment will not work when both the rate of change and the levels of chaos are on the rise. It's time to pause and do a better job of getting your best thinkers together to project how the universe will unfold for your organization.

Rebalance the Equation

Decide where you want your people managers to spend their time. Refocus them on the potential side of the equation and make them responsible for identifying future talent by introducing hard metrics of accountability.

Invest in Better Geology

There is no point going blindly into prospecting, so face the fact you will need to introduce some better discipline and you will have to make some hard calls in terms of where you will drill your first test holes.



Avoid the Temptation to Cheat

We all do it. We get lazy. We look for the shortcuts. Don't do this when it comes to the potential game. Put hard disciplines in place. Make it an organizational priority. Stick to it.

Lift the Dialogue

The quality of conversation and deliberation about Talent Management issues in general is pretty poor. The senior leadership team needs to lead in this regard by ensuring the dialogue about talent is as high as it can be.

Introduce Some Science

It is likely you already use some fairly refined tools to project and allocate your capital investment priorities. Why should it be any different when it comes to your Human Capital? It shouldn't be. Implement more rigour.

Reward the Talent Champions

The best solution to the whole talent attraction equation is to have people who are very good at it. Make sure you know who the "talent magnets" really are and ensure you profile them for all to see – and learn.



