



Bucking conventional talent management wisdom

When it comes to talent management, Aviva is anything but conventional. Rather than focussing its talent strategy on a select few, the company has an inclusive approach that involves all employees. By **Arvinder S. Dhesi**, group talent management director, Aviva.



When I received the call from a UK headhunter in early 2006 telling me about an opportunity to design and implement a global talent management strategy at a major financial services company called Aviva, I was intrigued. At the time, I was the organisational and management development director for Mars Incorporated's businesses throughout the Americas. Having spent several years in the US, I wasn't yet familiar with the name 'Aviva'. When the researcher explained the

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heritage, size and scope of the business I was amazed. Aviva has a history going back to 1696. With its 59,000 employees and top 50 position in Fortune's Global 500 list, by comparison it made Mars feel like a small business.

Although I had spent ten years with Mars, I had started my career in retail banking in the UK. From my previous experience of the British financial services industry, I was expecting an organisation steeped in tradition and history. However, from my very first meeting with senior leaders at Aviva, I was amazed

that a company with a heritage spanning over three centuries could look and feel so forward thinking in its approach.

I joined Aviva because the company demonstrates a commitment and willingness to radically rethink its whole approach and has a healthy lack of fear of doing things differently to the pack. The business was already executing many aspects of talent management very well – particularly senior executive succession planning. But I was particularly attracted by the fact that Aviva does not sit on its laurels in satisfaction with the *status quo*. When it came to talent management, there were no sacred cows and the business had challenged itself to really live up to one of its core values – progressiveness, an unrelenting desire to create better ways.

Talent – is it scarce or abundant in your organisation?

From my experience, the biggest mistake organisations make in talent management is the seemingly relentless focus on a select few. Most companies believe and act as though ‘talent’ is a scarce commodity in their organisations and typically use the term to describe a tiny minority of their workforce.

This has been the conventional approach to talent management for several decades. Organisations have been on a quest to seek out and then test small numbers of future stars with little or no focus on the bulk of their employees.

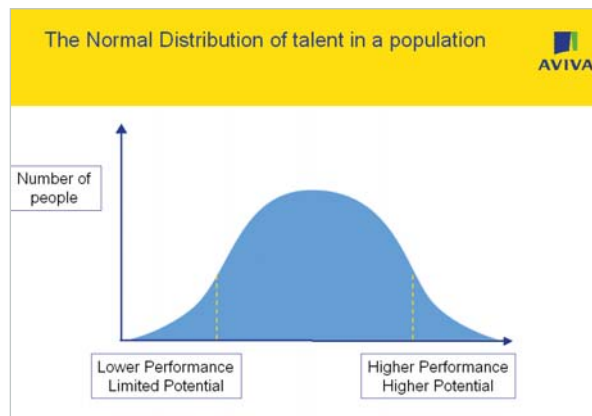


Figure 1

My own thinking has been influenced most by the work of Morgan McCall, professor of management and organisation at the University of Southern California’s Marshall School of Business. In his book, *High Flyers*, McCall challenges the deeply embedded myth of ‘The Right Stuff’. He uses the analogy of Tom Wolfe’s famous historical novel (about selecting astronauts for the early NASA space programmes) to describe how most organisations demonstrate a similar attitude to executive development. They assume that a tiny minority are made of the ‘right stuff’ (whatever the description of that happens to be) and, by implication, that the majority are therefore made of the ‘wrong stuff’. Organisations put huge amounts of effort into selecting and testing employees and not nearly enough into developing them.

McCall describes this as a “survival of the fittest” approach, which allows organisations to disregard, without guilt, the vast majority of their employees. The most common rationale for this is an economic one based on an

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understandable concern about getting the best possible return from limited developmental resources. But it highlights a pervading belief in the scarcity and exclusivity of talent.

While I have some appreciation for the logic underpinning the conventional approach, I do have deep concerns about the scarcity paradigm.

I was recently at a best practice sharing session where one HR director seemed extremely proud of the fact that she described just two or three per cent of her entire workforce as “talent”. I asked, “How does the other 97 per cent feel?” She didn’t know. I then asked her how she would feel when she saw the headline in the following morning’s *Financial Times*: “HR director of XYZ company admits 97 per cent of her employees are not talented”.

Crown princes and the great unwashed

The biggest disadvantage of the conventional approach (seeking out and focusing on the select few) has been to create a lasting perception among employees that there are just two categories of talent within the organisation.

The unintended message most companies give to their own workers is that unless you are one of the tiny minority of so-called “Hi-Pos” (typically between just 3-10 per cent of the brightest and best), you’re merely part of the faceless and nameless huddled masses making up the bulk of the business.

While the HiPos are typically made to feel like crown princes and princesses,

the vast bulk of the organisation is told in essence: “You’re mostly harmless. You’re generally good eggs doing a good job. Get on with it and don’t make too many demands.”

In taking this approach, organisations are fighting the war for talent on one front, and one front alone – that of identifying small numbers of future stars and focusing on them like a laser-beam with an array of intense development interventions.

However, the desire to accelerate the development of these individuals often has an effect opposite to the one intended.

I’ve come across far too many senior executives who tell me privately that the worse thing that ever happened to their careers was to be labelled a “Hi Po”. Frequently they are given one stretch assignment after another, often too soon in their personal and professional development and with inadequate support. It’s almost as though we deliberately place these

individuals on a pedestal then only to knock them down by stress-testing them to the point of destruction under seemingly constant critical scrutiny. The saddest thing is that when things do go wrong, there seem to be many observers waiting in the wings expressing how much they had always doubted the individual’s HiPo status from the start. I believe there is a better way.

In my last organisation we had noticed an unacceptably high rate of failure in newly promoted general managers. These individuals were typically high performing, ambitious and mobile, with excellent track records within their own functions. But the transition from functional leadership to horizontal leadership of a business is perhaps the most difficult and isolating. A recent research study conducted by Exeter University for the CIPD has coined the term “career glass cliff” to describe how some promotions can, at times, feel like a set-up for failure – where so-called high-flyers are



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placed into high risk positions and given tough challenges to solve in a short time.

Our experience indicated that a crucial issue for newly appointed managers was the loneliness of the role. The lack of an adequate support network had a huge impact on morale and self-confidence. In response to this, we designed and launched ‘General Manager School’ as a core programme within the curriculum of the in-house corporate university. The biggest benefit for participants came from building relationships of trust with other individuals in the same situation. The Aviva Leadership Academy plays a similar role. We bring together leaders from all over the world to learn together predominantly through dialogue and peer coaching in a spirit of community.

The vital many

At Aviva, we believe there will always be a need for a well-defined approach to genuine high potentials who have performed well consistently over time. However, we need to be fighting a “multi-front war for talent”. This involves softening the focus on the extremes of the bell curve and *increasing* it on the middle section, ‘The Vital Many’ (see *figure 2*).

I use an analogy from the world of television talent contests. Programmes like ‘Pop Idol’ and ‘X Factor’ beautifully illustrate the impact of rigorous selection and performance management practices.

In the opening rounds of these shows, on first

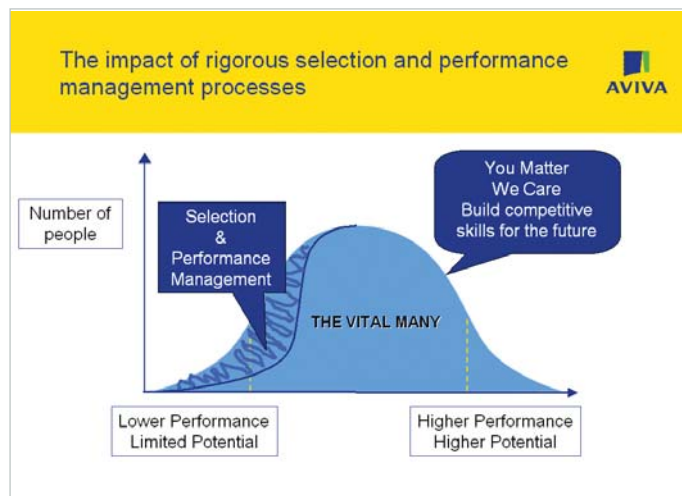


Figure 2

appearances you could almost believe that talent really is in short supply. This is because they are dealing with the unfiltered general public.

Anyone can show up and take part in the opening auditions – however deluded they may be about their own abilities. There are a few people with the obvious talent to make the grade into later rounds and a similar number at the other extreme of ability who make for great entertainment for the viewing public.

However, in later rounds (after each successive phase of selection and performance management) it gets harder and harder. By the final stages of the competition, it's clear that *all* of the remaining contestants are genuinely 'talented' to some degree. But they can still be rated on a continuum and matched to particular genres of music and targeted at particular audiences, age groups, etc.

As *figure 2* shows, within organisations (as opposed to the unfiltered general public) it's no longer a normal (bell-curve) distribution. If we are confident in our selection and performance management processes, we should also be confident in our assertion that all Aviva employees deserve to be managed actively as talent.

Our ambition is to harness and nurture the abundance of talent that we believe is dispersed throughout Aviva, and to create opportunities to allow this to emerge, flourish and shine. We believe that every employee should have the opportunity to give their best, feel valued and develop competitive skills for the future. By doing so, we aim to

bring to life the relationship between fulfilled, motivated staff and great service to our customers.

Inclusive does not mean identical

A common misrepresentation of the Aviva approach is that we're simply trying to treat everyone the same. This could not be further from the truth. On the contrary, it's the conventional approach to talent management (creating the perception of just two categories of talent) that is less differentiated.

In most organisations, once the HiPos have been identified and isolated, the rest of the workforce is subjected to a one-size fits all approach to their development. At Aviva, we believe passionately that what's right for one individual may be wrong for another. Hand in hand with our inclusive approach is a much greater degree of rigour in differentiating talent so that the "vital many" are not treated as a single generic group.

We work with a range of strategic partners in the implementation of our new approach, including Lominger (a Korn/Ferry company) and the Center for Creative Leadership. Founded by Bob Eichinger and Mike Lombardo, Lominger is a specialist talent management consultancy that produces a range of extremely practical tools based on robust research into the causes of career success and failure. This work began at the Center for Creative Leadership where Mike Lombardo and Morgan McCall were former colleagues.



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Aviva uses performance over time and learning agility (the capacity to adjust, adapt and be resourceful in the face of change) as the key predictive indicator of potential. Our aim is to be far more rigorous in the way we differentiate talent so that what we ask of each individual is matched to the unique blend of talents they bring.

Linking talent management with employee engagement

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In an environment of sustained low unemployment, low inflation and thankfully stable economic conditions, companies can no longer afford to take the majority of their employees for granted in this way.

Even if every single one of the identified HiPos were to fulfil their potential and stick with the organisation for the long term, I don't believe this could offset the cost of disengaging 80 per cent or more of the workforce.

At Aviva, we're trying to shift the way we view our employees – not as 'assets to be managed' but rather as 'investors' – adults with options, people who have chosen to invest their hopes, aspirations and dreams with the organisation for a while and who are reasonably expecting to get a return on

this investment in the form of personal growth and the opportunity to build skills.

Debasing the word 'talent'?

Some have accused us of debasing the word 'talent'. We believe the exact opposite. We're elevating the word to appreciate the talent of *all* our people. We're not trying to convince any other company that our approach is right and they are wrong. We are, however, setting out a progressive and different agenda for Aviva talent.

Talent matching vs talent evaluation

Too many talent management processes end with the categorisation of people. At Aviva, we are very clear that

putting names into boxes is just the start. The focus then shifts from talent evaluation to talent matching to ensure that the development actions are right for the particular needs of the individual. This includes those individuals who are deemed to be 'mismatched talent' in Aviva's parlance (people with lower performance over time and lower learning agility). Even for these individuals, the message is still a positive one.

For the category of mismatched talent, our message to the individual is that the current role is clearly not playing to their strengths. Another environment may be a better match for their talents and allow them to shine. One organisation's mismatched

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talent could be another organisation's star performer.

One year into this boldly different approach, we are extremely optimistic. The most positive indication that our new approach is having an effect is the huge amount of positive feedback we receive from ordinary employees who would previously have not been on the radar of group talent management. At Aviva, we're saying to these people – "You matter. We care. Aviva is a place you can continually build competitive skills for the future." ■

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