Do you know where your talent is?

Things were stressful in the Operations Department. A key manager had recently left the company and the Director, Bob, hadn't had time to recruit his replacement. Bob thought there were people in his own department, or in others, who might welcome the chance of a promotion, but he wasn't sure and the last time he'd tried to hire from another department he was accused of poaching their talent. He supposed he'd just have to wait until HR could find someone for the job.

What's it like in your company when a key employee leaves? Do you know right now who could fill that spot? Are managers aware of talent in other departments? And if it exists, is it OK to "poach" that talent? Who is accountable for keeping track of talent, matching it with what's needed, and helping people develop their careers?

Here's how the same story might play out in a different world:

Bob smiled as he hung up the phone. His manager, the VP Operations, had told him that Sandra from Marketing was ready for a promotion and was well suited to the work in Operations—and Bob agreed. Because his manager met with other VPs on a quarterly basis to discuss the talent two levels down, they were easily able to identify who might be ready for a promotion, when, and where they could fill a need. Bob thought back to the days when it was considered poaching to approach an employee from another department. These days, under the guidance of the VP team, it was considered making the best use of available talent and providing employees with rewarding work.

In the first example, there is little communication within the company regarding talent, and Bob lacks an employee search process that allows him to use his initiative. The second example describes a process where the VPs take accountability for the talent pool of employees two levels down—let's call them skip-level employees. In this situation the senior management team is aware of available talent and can better match people to jobs. When everyone understands how the talent pool process works, and when it's clear who's accountable for it, accusations of poaching disappear.

Equal team members, equal treatment

Not being aware of talent within the company is only one problem a manager might experience when trying to fill roles. Consider this scenario:

Bob was feeling nervous. He'd just heard about the rumours that he and one of his managers, Jill, were having an affair and he knew he'd have to do something to dispel them. The truth was he saw Jill as a high-flier and wanted her to be able to take over his own job if he moved on, so he'd been sending her on developmental courses and giving her special assignments. It seemed to be taking longer than he expected to bring her up to the right level, however. Meanwhile the other managers saw it as favouritism and were complaining that they had to step in and take over her regular work. Bob had been able to ignore these comments as "general whining," but the rumour of an affair meant his own career could be on the line and he'd have to deal with it.

When a manager is saddled with all the responsibility of effectively running the department while looking out for people's careers, inevitably there is a conflict of interest. Effectively running the department means focusing on results, maintaining an effective team, and retaining the people who know their work and do it well. It is therefore not in a manager's best interest to distract people from their current jobs for career development opportunities. Also as a manager, Bob has to treat all his direct reports fairly and with equality, otherwise it undermines the trust, loyalty and commitment of the team.

Bob is trying to do what he thinks is right, but he's missing something. How can he be sure Jill has the capability to do his job? Is Jill the best person for this role? Bob's manager (Jill's skip-level manager) knows what's needed to do Bob's job and, with help from his or her peers, can do a better job of identifying succession candidates across the company. And if skip-level managers were made accountable for employees' career development, Bob's manager could be Jill's mentor and work with her on developmental opportunities without it being seen as favouritism. Further, Bob's manager can assign additional resources to help Bob fill the gap while Jill is working on other things.

Placing accountability for the talent pool with the skip-level manager alleviates the manager's conflict of interest and provides a wider view of what talent is available in which areas of the company.

Let's look at the story in the "ideal" world:

Bob was looking forward to his new position in IT. He had a lot to do before his last day, but, one thing he didn't have to worry about was who was going to replace him. Ever since Bob had mentioned to his own manager that he thought Jill could do his job, his manager had been working with Jill to develop her skills and bring her up to speed, and had even procured some temporary help to fill Jill's old job—someone who would probably now become permanent. The rest of the department knew Jill would be taking over and seemed to be pleased at the choice.

In this scenario, Bob has made a recommendation to his manager, who has acted on it. The rest of the department is clear about what's going on and can understand why Jill is getting the extra attention. There is higher trust and less "general whining."

Career self-management

Some companies have adopted the notion that people can and should manage their own careers. While there is nothing wrong with valuing initiative and trusting that individuals will always do their best regarding their own development, people need the guidance of someone who has a greater overall view of the company they are in, and perhaps of the outside world.

This isn't the manager: it's the skip-level manager. Let's look at why.

The manager/direct report relationship is important in our society. Individual satisfaction, self-esteem, and ability to earn a living depend on it. So do the organizations and institutions that provide goods and services. For many people, having a good relationship with a manager who looks out for their interest is a real bonus. But a manager can only look out so far. In any company, there are discrete levels of work (see *Sidebar 1: Levels of work*, and each level of work requires a different information processing capability (see *Sidebar 3: information processing capability*). An effective company fills roles with people who have the right information processing capability for the level of work. Put simply, a manager is too close to provide more than coaching and skill development for his or her direct reports. The longer-term view required for effective talent pool and career development comes from the skip-level manager.

A three-tier solution

A three-tier management structure (made up of a team of employees, a manager, and a skip-level manager) ensures people are developed to meet future staffing demands, that individuals reach their full potential and have rewarding jobs. Of course, nearly every company is made up of people who have managers and skip-level managers, but the role of the skip-level manager is rarely made clear. Consider this scenario:

Bob was seething. He'd just found out that Julie had gone to see Jean, his own manager, to discuss a career opportunity. He didn't know why Julie kept going over his head like that, and was doubly irritated that Jean had been assigning work to Julie without his knowledge. "That's why Julie wasn't able to deliver the results I needed on that project," he thought.

Meanwhile, Joe was panicking. He'd just heard that his skip-level manager wanted to see him tomorrow. The only reason he could think of was that he was getting fired.

If the role of the skip-level manager isn't made clear, there will be a lack of trust: an employee approaching his or her skip-level manager directly will be seen as going above the manager—a career-ending move in many com-

panies; while a skip-level manager approaching an employee directly will be seen as interfering in the manager's work or, as in Joe's case, may fill that employee with dread.

When three-tier management is working well, people are clear about what to expect from their managers versus their skip-level managers. Everyone understands it is perfectly acceptable for employees to talk to their skip-level managers about their careers. To properly monitor talent, managers need to know their skip-level employees' capabilities and career interests. This doesn't mean leaving the manager out entirely, however: the skip-level manager needs to consult the direct manager, and to let the direct manager know about the employees' development plans. (If you're reeling in shock at the thought of getting to know your 100+ skip-level employees, it's important to remember this doesn't mean having one-on-one meetings with all of them within every year. Sidebar 4 provides some ideas on how a skip-level manager can achieve this, but what's most important is to have a plan and not just leave it to chance.)

It is *not* acceptable, however, for skip-level managers to assign work directly to skip-level employees, or for employees to approach their skip-level manager for coaching, context, performance feedback, or resources. If the skip-level manager provides this, it undermines the direct manager's trust and authority. Instead, the skip-level manager needs to ensure the manager is doing these things, and doing them well.

A three-tier management system, therefore, makes it clear who employees should turn to for coaching and who for career development, and promotes effective talent pool development and succession planning. There are other advantages:

> *There was unrest in the Operations department. People had just found out through the grapevine that similar jobs in Marketing received higher pay than in Operations. Amid comments of "Oh, those Marketing types—they have such big egos, they think they run the company," there is talk of people leaving en masse for a new hi-tech company across the street. On a more personal level, Joe has just found out that his manager awarded him only a 2% merit award. He is bewildered: he's worked hard for the last year and has met all his targets. He believes his award should be at least 5% but his manager won't even discuss it with him.*

In an effective company, the skip-level manager ensures equitable treatment and equal opportunity for skip-level employees. This means meeting with other skip-level managers on a regular basis to discuss and agree on levels of work, placement of roles within the work levels, and the placement of employees in pay bands. It also means ensuring equitable treatment and equal opportunities for skip-level employees: in Joe's case, this gives him an appeal mechanism when he feels he has been unfairly treated.

Putting skip-level management in place

Many organizations claim they have skip-level reviews and therefore have a three-tier management structure in place. In fact, the role of skip-level manager is often missing or misunderstood. It's missing if the skip-level manager role is not filled with someone whose capability level is two steps above that of the employee. (What differentiates those levels, and how you would know, is the subject of another article.) If the skip level manager's capability is not high enough, or even if it is too high, employees will not be able to get the career guidance they need and the talent pool will suffer. The role is misunderstood if it's not made abundantly clear what the manager has the right and accountability to do and what the skip-level manager has the right and accountability to do.

To effectively implement three-tier management, an organization's leader needs to issue a policy statement—a declaration that this is "the way things are done around here." The statement should articulate the accountabilities of managers and skip-level managers so people are

clear about who has the accountability and authority to do what to whom. However, declaring it so is not enough. Skip-level managers will probably need training on holding effective mentoring conversations. There must be processes to ensure employees have adequate access to their skip-level manager (see *Sidebar 4: how to meet MoR accountabilities*). Failure to properly equip and support skip-level managers is like putting someone in a cricket uniform and expecting them to play the game without even explaining the rules! And the best way to ensure it actually happens is to include a component in regular performance reviews that measures skip-level managers on how well they carry out their skip-level accountabilities: ensure there are

rewards for doing it well, and consequences for doing it poorly.

If the talent pool is not managed at the right level, employee development stagnates, key staff leave, and succession planning grinds to a halt. When people are appropriately matched to roles, and when a three-tier management system is in place and working well it gains the employee trust and commitment that are vital for operational excellence and individual satisfaction. Successful companies fill managerial roles with people who have adequate potential and skilled knowledge, and provide them with reasonable career development opportunities. If you ignore your talent, like your health, it will go away.

Sidebar 1: Levels of work

	Work level	Typical roles	Longest assignment	Primary focus
Corporate strategic worldwide	7	CEO	20 years +	Managing and guiding an enterprise to a future state, setting corporate strategy according to an overarching vision.
	6	E VP COO	10-20 years	Managing multiple businesses, and positioning them to build wealth in a worldwide environment.
General man-agement	5	Business Unit President / SVP	5-10 years	Managing a full P&L business unit, or a unified system within a larger corporate setting. Developing the business model, making long-range policy decisions that affect culture, markets, products, channels, and pricing.
	4	General Manager or VP	2-5 years	Managing multiple teams, processes, and functions. Developing new customers, channels, markets, products, policies, and technology within a new or existing business model.
Operations	3	Director	1-2 years	Managing multiple teams and processes. Identifying sequential pathways to accomplish goals and developing, sustaining, or improving cross-functional work processes.
	2	Manager	3 months - 1 year	Managing and strengthening a departmental team. Managing and improving existing processes and services.
	1	Front line	up to 3 months	Managing self and communicating/collaborating in a team environment. Delivering quality and customer service.

Sidebar 2: Manager and skip-level manager accountabilities

Managers are accountable for
- The outputs of direct reports
- The result or impact of direct reports' behaviour
- Building and sustaining an effective team capable of producing required outputs

In addition, skip-level managers are accountable for
- Ensuring direct reports are exercising sound managerial practices
- Establishing skip-level employee work levels and placement in compensation bands
- Succession planning for roles one level down
- Assessing and developing the talent pool

Sidebar 3: information processing capability

Information processing capability refers to the way individuals approach work and organize information to solve problems. It is a complex area, and this article cannot explain it in detail. However, there are four types of information processing capability, which a qualified expert can identify in the speech patterns of someone engaged in discussion. Briefly, the four types are as follows:

Someone using this form of information processing:	indicates an ability to
declarative	overcome immediate obstacles
cumulative	diagnose emerging problems
serial	prepare for potential problems by planning alternatives
parallel	prepare for potential problems along several different but connected courses of action, making tradeoffs to maintain overall progress

Sidebar 4: how to meet MoR accountabilities

What	How	Company/HR support required
Ensure direct reports are exercising sound managerial practices	• Hold regular feedback meetings and performance reviews. Monitor to ensure equitable treatment of skip-level employees • Be available for appeals. Communicate to managers that it is acceptable for skip-level employees to appeal.	• Communicate processes • Ensure feedback meetings and performance reviews take place • Equip[1] managers to perform equitable performance reviews, and provide support
Establish skip-level role work levels and placement in compensation bands	• Understand levels of work, discuss with managers and peers • Attend regular (at least annual) meetings with other skip-level managers to discuss levels of work and placement of roles	• Ensure appropriate meetings take place

Plan succession for roles one level down	• Get to know skip-level employees:
	   - Ask your direct reports to identify talent on their teams
	   - Find opportunities to walk around and talk to skip-level employees
	   - Invite yourself to your direct reports' team meetings
	   - Watch your skip-level employees when they give presentations (encourage your direct reports to put their team members in front of you)
	   - Meet with high-potential skip-level employees one-on-one
	   - Plan to know something about all of your skip-level employees within 3 years
		• Implement a succession planning process within the organization, requiring regular input from skip-level managers
		 • Communicate that skip-level managers will be looking for opportunities to connect with skip-level employees
		 • Equip employees for participation in career development discussions

Assess and develop talent pool two levels down	• Work with manager to identify talent, meet with high-potential people to provide mentoring • Be available as a mentor for all skip-level employees as required • Inform skip-level employees of assessed potential. Provide advice, resources, opportunity for development to all who require it	• Ensure development plans for all employees • Communicate that skip-level managers provide mentoring and career development • Ensure appropriate feedback meetings take place • Equip skip-level managers for mentoring
Provide context for three-tier teamwork	• Hold episodic meetings with manager and skip-level employees as a group to explain significant changes within the company, or if a manager is new in role	

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[1] Equip = provide skills training, resources, and materials to support the process