

LeaderShift: The 7 Deadly Sins of Talent: Incrementalism

By *Bill Allen*

"When it comes to creating change, there are four approaches, three of which are fatally flawed and one of which holds the keys to the kingdom."

My boss Roger Enrico, the long-serving CEO of PepsiCo, caught my attention with these words. Lacking a smartphone (this was back in the 1990s), I dedicated what he said next to memory.

"Small changes to small things are a waste of time. Small changes to big things create confusion. Big changes to small things create an illusion of progress but don't create value. Big changes to big things, done well, create impact."

He wasn't only talking to me about managing people in my role as Senior Director of HR. He was telling me that the reason for creating any change in an organization must, ultimately, connect to value. The next three decades of my career were spent adapting Roger's wisdom to my work in the world of talent management and paying attention to how value got created and destroyed in various situations. Here are some of my key learnings.

TALENT DEVELOPMENT

When it comes to developing talent, we normally think in terms of making small, incremental changes. Create a customized plan for each high potential in the workforce. Move them gradually, over time, through a series of "step up" assignments that allow them to develop their ability to learn and adapt to new challenges. Stretch each person without leaving them feeling they are in over their head. Should they stumble or, worse, fail to deliver, anticipate how to support them in each role with appropriate learning or mentoring.

In this setup, people soon get the message that, no matter how talented they may be, the best they will ever be able to do is advance in small steps.

At Macy's, this was almost as if you got into a queue and had to wait your turn. Even if you had a lot of potential, your manager probably wouldn't take a chance on moving you quickly. Not only was this a miserable situation for the individuals involved. It became destructive to the organization: individuals who were truly great talents and could make a big impact on value would jump at opportunities to contribute elsewhere. To counteract this impending talent exodus, I would purposefully remind my peers in leadership meetings, "We may believe we're here because of our hard work, good looks, intense intelligence, or some inexplicable confluence of random events. But deep down, every one of us here knows that we are in this room because someone, at some point, took a chance on us."

TAKEAWAY: Develop talent in thoughtful—not necessarily incremental—ways. Be willing to take a chance on people. Find the best talent for the most important roles, set them up for success, and carefully track their progress and keep the challenge bar high.

PROCESS PERFECTIONISM

As I mentioned in my last article, making big changes to inconsequential processes or small tweaks to big company-wide ones—without really addressing the core issue that prompted the change—can actually destroy value. Perfectionism only makes this worse.

In one of my roles as CHRO, I inherited a situation in which untold amounts of talent, money, and, worst of all, time had been spent perfecting the ultimate solution—a book of "best practices" containing a carefully curated collection of reflections, assessments and self-development exercises for the company's leaders. Before my arrival, every executive in the organization had been presented with their own personalized copy, bound in dark forest green. Each page was exquisitely designed to delight the eye.

No one used it.

In fact, they would roll their eyes at the mere mention of this over-engineered solution. Many, many years later, my colleagues still groan at the thought of the now infamous "green book."

TAKEAWAY: Focus on identifying the core business issue and develop a practical solution that is simple, easy to understand, and highly impactful. Before producing even a rough version, ensure the leaders involved are on board and will own it.

CAPABILITY BUILDING

Roger Enrico's "big changes to big things" came to mean to me a set of critical talent assignments that generate a substantial positive change in a company's ability to deliver value. In practice, these "big changes" sometimes involved 20 or more roles; sometimes, just one.

Doing big-impact talent allocation well comes down to really understanding a few things: exactly where critical value is created in the organization; the work that must be done to create, capture and protect that value on an ongoing basis; and the fewest possible number of moves to get the right talent doing that work. (Full disclosure: this approach happens to be at the heart of the five-step methodology we use at CEO Works.)

Last summer, I talked with the CEO of a multinational industrial appliances manufacturer about what might be behind her European region's missed revenue targets. Her leadership team had suggested several reasons—from surging gas prices in Europe to China's move to curtail aluminum production.

Pointing the finger of blame at these externalities had done little to satisfy the CEO's curiosity. But a discussion about them gave us a clue as to the missed targets.

One role in this multinational was responsible for ensuring critical materials like aluminum arrived just in time at the company's manufacturing facilities around the world. The incumbent in this VP of Global Supply Chain role had been lured away by a headhunter early in 2021, and the role had remained unfilled ever since. That meant no one had been overseeing the company's supply forecasts and, consequently, shortages and stockouts of aluminum and other critical materials had disrupted production across the entire continent. Not only had this driven down the global bottom line. But with energy prices continuing to rise, no one knew whether there would be sufficient global capacity to meet the demand for aluminum and other essential materials this year. Obviously, putting the right talent in this VP role would be a big, discontinuous change with big impact.

TAKEAWAY: Today, disruption and complexity are at the highest level I have observed in my lifetime. When the world and the marketplace are changing faster than your organization, you should be worried. Focus on the source of value, the work that delivers that value, and the critical roles that do the work.

By focusing on the value, you are able to deliver "big changes to big things," even if they appear to be relatively small. Why is that? When you focus on value, it is, by definition, big and important to your organization.



Bill Allen is a personal mentor and CEO.Works Talent to Value certification coach to Joe Hunt.



Bill Allen, Senior Partner with CEO.works, has spent 20 years in CHRO roles with three listed companies (AP Moller-Maersk, Macy's Inc., Atlas Air Holdings). This fellow of the National Academy of Human Resources has lived nearly one third of his career outside the United States and counts his corporate "hometown" as PepsiCo.

Contact Bill Allen | bill.allen@ceoworks.com | www.ceoworks.com



Joe Hunt is a Managing Partner at Hunt Executive Search/The Hunt Group, a boutique executive search firm that provides human capital solutions to consumer goods, life sciences, and diversified industrial markets.

Contact Joe Hunt | 212.861.2680 | joehunt@huntgroup.com | www.huntgroup.com

About the Hunt Group

The Hunt Group is the leading human capital and private equity advisory specializing in consumer goods & services, healthcare, diversified industrial and related professional services markets. We apply our market mastery and expansive executive network to the human capital realm, working with multi-nationals, PE, private, and family-owned companies. We partner with investors throughout the deal cycle to help them Invest in, Grow and Exit their portfolio companies by appointing senior operating executives (CEOs and Direct Reports), Chairs and Outside Directors with Private Equity DNA. Our industry and functional vertical connections and engagement guarantee we're in the know, have broad insight and full access to the best talent in the marketplace. Our mission is to create and exponentially grow accretive value for all client stakeholders.

