# Argyle Conversations

by ARGYLE EXECUTIVE FORUM℠

*featuring*

**Jon Leatherbury**
Global Director,
HR Service Delivery
Brady Corporation

&

**Steve Toomey**
Senior Vice President
BTS

*On March 7, 2011, Jon Leatherbury, global director, HR service delivery of Brady Corporation, and Steve Toomey, senior vice president of BTS, spoke about the evolution of talent management.*

## Jon Leatherbury

Jon Leatherbury is currently global director of HR service delivery for Brady Corporation where he is responsible for development of HR strategy and building a cost-effective, scalable HR process delivery model to support business growth.

Prior to joining Brady Corporation, Jon was vice president, talent management and organizational development for Fiserv where was responsible for working with executives to profitably grow the business through human capital and business process excellence. Prior to Fiserv, Jon was global director of leadership development at Hewitt Associates where he was responsible for the design and delivery of solutions that help build general management capability for Hewitt's global business. While at Hewitt Associates, Jon also served as director of human resources for Hewitt's midwest operations, as director of executive talent management and HR strategy for the HR outsourcing segment, and in various other consulting positions.

Jon has significant experience in working with executives to align business and talent strategies—hiring, developing, motivating, and retaining top talent to drive profitable growth. Jon is certified as a senior human resource professional (through the HR Certification Institute) and as a Six Sigma Black Belt (through the American Society for Quality).

Jon's work in the area of talent management and organizational development has been highlighted in *CLO Magazine*, *HR Executive Magazine*, *Quality Progress Magazine*, the *HR Development Journal*, and numerous conference presentations. Jon earned his master of science degree in human resources from Loyola University's Graduate School of Business, and also holds a bachelor of arts degree in psychology from Ripon College.

## Steve Toomey

Steve Toomey serves as senior vice president for BTS USA, Inc. His principle responsibilities include engagement generation, conceptualization and implementation, as well operational responsibilities for BTS USA's Midwest activities. Additionally, his account responsibilities have included managing client relationships in the biotech, energy, finance, professional services, consumer goods, and high technology sectors (principally telecommunication, semiconductor, software and computer industries). Specific client relationship responsibilities included managing the Accenture, Adobe, Applied Materials, Autodesk, Cisco Systems, DHL, Medtronic, Microsoft, Nortel Networks, Genentech, SBC Communications, Sun Microsystems, and Washington Mutual accounts.

Prior to BTS, Steve was an investment banker at Bankers Trust in the high-yield debt markets. Prior to receiving his MBA in finance from New York University's Leonard N. Stern School of Business, he worked as an account executive in the hospitality and computer industries, and built and operated a wholesale clothing business.

**STEVE TOOMEY: How is the role of talent management changing within organizations?**

JON LEATHERBURY: Looking back 10, 15 years ago, you didn't have a lot of organizations that were established in terms of looking at performance and evaluating talent across companies. Competencies were really starting to come into the work environment, and people were starting to understand them and wield their power. So 10, 15 years ago, just the, the concept of talent started to become a little more present. Today, we're generally seeing that talent management has matured a bit. When you scan large organizations, or even mid-sized organizations, you see things like consistent performance-management processes, pay-for-performance philosophies, consistent rating scales on evaluating performance, and competency frameworks. All these things have developed in the last 10 years as ways to help organizations get their arms around the concept of how to hire, attract and retain better talent.

Most organizations today have some kind of routine for evaluating performance and potential of their talent. Now, some companies stop there. Their routine becomes more of an annual activity versus a forcing function—forcing conversations around cost cutting, for example, or removing dead wood from the organization. What happens is that most companies get kind of stuck once they put in place that activity; it becomes a task that has to get accomplished every year. A big reason this happens is because it becomes more of a peer HR routine rather than a business routine.

"The talent acquisition function, development function, and training function are starting to blend together more and more. They are working more closely in order to drive business outcomes"

Companies that begin with the business strategy in mind put themselves in a far better position. They can have sharp, targeted conversations and routines. For example, if a company's strategic intention is to grow aggressively through new product development, that really helps shape a talent management agenda and routine. You begin to assess pools of talent for key skills necessary to execute on that strategic intent. You start getting into looking at competent innovation, implementation, execution excellence, and strategic thinking. You identify gaps in your talent. You begin to acquire talent from the outside to fill those gaps. You build talent internally. You move talent around. You really start to think more strategically around managing talent in a way that's a forcing function for innovation. When you put together your programs and interventions, you do so in a way that leads you to measure sales from new products, or time to market for new products. These are strong, hard-wired business metrics that link directly back to the business strategy as opposed to just having a common exercise that HR facilitates. This is the next wave of the evolution that I see coming.

Another trend that I've been seeing a lot is what I call blurring. The talent acquisition function, development function, and training function are starting to blend together more and more. They are working more closely in order to drive business outcomes. Historically, it was more about short cycle times for hiring or leadership development. Now it's starting to feel more integrated. We're also going to start seeing a lot more collaboration between product development, marketing and communications. As those functions come together to help shape the strategy, talent management builds on that. You use talent management routines as a way of creating common solutions that have business impact.

**You are touching on three important elements required to execute upon strategies: Alignment, Mindset and Capabilities. Do you see any one of these as being more or less difficult to accomplish?**

> "In terms of attracting, developing, rewarding and retaining talent, it's swung back to a growth mindset. This is going to cause people to really rethink things. How can we develop our leaders in a way that helps us execute on the opportunities presented by this new economic situation?"

That's a great question. In many ways, a very intelligent prescription or a well-designed reward program really helps drive alignment in terms of capabilities. Capability is a difficult thing to create, especially if you have some game-changing plan for your organization or if you're working through a very steep grill cycle. But for the most part, you can build it or you can buy it. Mindset is more challenging, because it really differs by individual. Success for one person might look a certain way, so when it has to look different moving forward, it's a big change. You really need to take time and work through this with each individual. How will this particular person benefit from this change in mindset? What will this person have to do in order to work through this change and receive the benefits? And finally comes moment of truth for the individual: Do I really want to sign up for that? It could take months for someone to work through those questions and arrive at a point of view around how they want their mindset to operate. So mindset is far more complicated to drive, because it's very individually focused.

**In what ways is the economy affecting decisions about leadership-development programs?**

The last few years were very difficult for most leadership-development professionals. We found ourselves moving out of leadership development and really working through organizational transformation, restructuring activities, job losses, and cost cutting. It's especially difficult to promote leadership involvement and advance leadership capabilities when you're cutting sales folks, minimizing investment, and reducing product development and client delivery services. I think strong companies maintained talent routines throughout that period, and they continued to developed leaders. They did it primarily through exposure routines—giving people opportunities to be exposed to other company executives, and new ideas and experiences. For example, being involved in helping reshape company strategy, or maybe taking on stretch assignments or coaching responsibilities. Over the last three years, many of the leadership development solutions that companies fell back on were individualized, with really good contextualization around what the business is looking for from talent.

Now the pendulum has swung back. We've seen very strong job growth for the last five months. Manufacturing activities are at the highest in the United States in the last seven years. Consumer confidence globally is at a three-year high, and we're seeing countries outside the U.S., like China, boasting very strong growth trajectories over the next three-to-five years. In terms of attracting, developing, rewarding and retaining talent, it's swung back to a growth mindset. This is going to cause people to really rethink things. How can we develop our leaders in a way that helps us execute on the opportunities presented by this new economic situation? Those strategies require looking differently at the skills and capabilities that are needed.

**What role is technology playing in all this?**

We rapidly moved from being dependent on classroom training to computer-based training to now where the focus is, which is on social media. For something like the development of a leadership-development program, we can reach out to social networking groups like LinkedIn or Facebook and crowd source for ideas. We can ask how others designed and developed programs that address business strategy. In the past, we were primarily developing these programs with internal ideas, or through outsourcing to a partner that would suggest best practices. Crowd sourcing is something that is really helping to shift how we as leadership development professionals work. The economic situation made things very tight at a lot of companies, and technology is a great driver of productivity. Especially for global companies, I think we'll see more leverage of the social learning environment in order to grow individual capabilities at a cheaper price point.

"This whole evolution of getting away from the classroom and moving toward more real-time interaction is going to be a big change for the profession"

It's very difficult to keep pace with technology right now. Virtual learning has clearly evolved away from basic web functions. It's now highly interactive and promotes real-time collaboration. You have things like coaching chat rooms, WebEx training centers, telepresence, and real-time problem-solving routines and mentoring. Technology has created a much shorter cycle for learning. Now learning is everywhere; it's all around us. This whole evolution of getting away from the classroom and moving toward more real-time interaction is going to be a big change for the profession. It's something with which we're going to have to continually keep pace with, especially as we see generational differences come into the workforce.

**Are there potential downsides to this shift away from face-to-face leadership development?**

There are many. There are true generational differences right now. For the first time, we have leaders in our organizations across four or five generations. When you move from a traditional sense of how leadership development happens to a really technology-enabled sense, there's going to be different levels of adoption. It's going to take time, patience and change management to work through this from a generational standpoint. The other challenge is that there is great value in creating face-to-face connections, especially if you're in organization that's working through a significant change. You lose a lot in terms of personal interaction and trust building when you're using technology, especially when you layer on the generational differences. Some leaders are going to be more ready, willing and able than others to allow the process to be technology enabled. It's very difficult to find a substitute for face-to-face connection. Another major challenge is that although there are great economies of scale in leveraging technology, we still battle things like time zones. When you're trying to use a technology-enabled process for a global enterprise, there are only a few hours of the day that work for everyone.

**What other trends do you see popping up in 2011 and beyond?**

I think the trend of blurring geographical lines for talent will continue and accelerate. There will be more of a focus on what the business is looking to accomplish. Searches for talent will be moving from just "how do we find talent?" to "how do we find talent around the globe that can accomplish what we're trying to do as a business?" It'll become more about engaging that talent where they're at versus requiring them to be geographically in a certain location. There are a lot of implications in this, such as managing virtually and developing cross-cultural competencies. Business professionals will have to understand what it really means to have a multi-cultural workforce.

"Searches for talent will be moving from just "how do we find talent?" to "how do we find talent around the globe that can accomplish what we're trying to do as a business?" It'll become more about engaging that talent where they're at versus requiring them to be geographically in a certain location"

Another trend of the future will be about managing your media reputation, and how well you engage in some of the social routines that are out there. We're already seeing recruiting organizations change how they work, by leveraging things like LinkedIn and Facebook to draw in talent and align them with the right opportunities. The web is also becoming a way to evaluate professionals, to get a gauge on their reputation and their brand. I think that's going to be an area that will continue to accelerate. It will magnify the need for professionals to make sure they're managing their brand socially. For the first time, we're seeing the individual brand become far more public. I don't think most people really understand the long-term implications of that.

**How can companies ensure that their talent-development efforts are ultimately affecting the bottom line?**

When you're trying to create a forcing function for an organization, typically it happens in a corporate mentality that's close to the strategy function and the CEO. But all the resources, commitment and mindshare required to imbed that into the organizational fabric come from the various lines of business. In order for talent to truly align with business objectives, we need the involvement of folks who are close to the line, to the revenue-generating operation. When there's not a strong connection between the corporate talent-management function and the line, you see a breakdown in execution. In the current environment, we can't underestimate the power of line managers in engaging their associates through individualized plans that are right for them. When it comes to retention, the individual line manager is in the best position to broker the employment deal with the associate. So the more you can work with line management to help them understand how to broker those deals, the better. You want managers to have the strongest, most productive relationships possible with their employees so that they broker deals that cause retention—and ultimately, and the best possible performance for customers. ■