

Building the organisation of the future

You must get a meaningful understanding of existing organisational capability for succession planning, organisational development and resourcing



Matthew Davis, Chartered FCIPD, Talent Management and People & Change team lead at Ramsey Hall



Given the continuing economic challenges, forward-thinking organisations are continuously seeking ways to improve productivity and performance by maximising their existing talent and ensuring their organisations are lean and efficient. This makes aligning people with organisational strategy a key factor for survival and future growth.

Many companies have implemented some form of operational improvement, be it leanness, Six Sigma or 'operational excellence'. However, how many companies have paid enough attention to their workforce? All too often, process improvements fail because existing staff are ill-equipped to maximise their return. The bench strength within the organisation needs to be clear up to five years ahead and the business must use robust and consistent processes throughout that time. Those who are unaligned to your business or unable to implement change pose a serious problem.

No organisation can claim to value its people resource unless it understands their capability and potential. Too often organisations of all sizes fail to have sufficient understanding of the people who work for them and the true future capability of those individuals. Others may think they know who is likely to be promoted, but have no data to back it up, or work from outdated succession plans that do not address the current and future demands of today's rapidly changing business world.

How often have you seen people being promoted beyond their competence? How many of your managers truly perform? Underperformance can cause tremendous issues with lean, 'operational excellence' and improvement projects, and it is often the case that the people expected to implement these initiatives may lack the skill, motivation and ability to succeed. Role duplication and redundant practices often accompany this, and organisations put themselves at a disadvantage by failing to address these issues around leadership and productivity. Doing this well should be the responsibility of the whole organisation, not just HR, and sponsorship from the top is the only path that leads to success.

Succession planning means looking ahead, and should begin with a thorough investigation into the current state

of the organisation. This is why we design competencies addressing current needs and future objectives, bearing in mind the organisational issues and challenges already faced by the business in its current structure, and whether that needs to change. The most important roles identified by this then need to be benchmarked against external comparators, and the individuals in those roles put through an assessment and development centre using trained observers and assessors, psychometrics, 360 degree feedback, competency interviews, and, ideally, business simulation exercises that measure real managerial judgement.

This is combined with the use of actual performance and appraisal data. In our experience, quality of internal information and documentation is often indifferent, or even poor, which makes this new data even more valuable. Once gathered, it can then be sense-checked by senior management and used to gain a better understanding of team dynamics and for talent pools with groupings such as 'high potential', 'potential with development needs', 'meets expectations', and 'below expectations'. We have found this approach to be particularly invaluable when conducting board or executive assessment. We can then supply you with an organisational gap analysis complementing the data, in order to give a true and robust picture of capability, potential and gaps.

Secondly, participants are provided with feedback, which is generally appreciated by candidates who too often will have never experienced anything quite like it. The feedback should be development-orientated and can include personal development planning of which the participant takes ownership. This is a powerful motivational tool as well as a cost-effective development activity.

Often we are asked to make further recommendations regarding organisational structures and cost reduction using the data as part of the process. Our approach invariably leads to improved performance through significant reductions in duplication, ineffective management and poor leadership. It also allows the organisation to develop clear career paths for high-performers. Although this process may seem time-consuming, ultimately, it will provide rapid payback for the organisation and its people.

For more information please visit www.ramseyhall.com or call 02380 236944