



IT Talent Management

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By

Heather A. Smith
James D. McKeen

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Introduction

This meeting of the CIO Brief was the fourth of four this year that focused on innovation and IT. A guiding theme throughout these sessions has been how to create a sustainable innovation process. In the three previous sessions, IT executives discussed their approaches to innovation with IT, described the challenges and opportunities they face in bringing innovation to their organizations, explored different ways to generate and evaluate innovative ideas, and discussed innovation design and development. In this session, three IT executives were invited to describe their approaches to ensuring that organizations have the best IT talent for their future needs. Gordon Shields, a Partner with Deloitte Canada, set the context for innovation within IT talent management; Judy Dinn, Vice President of Cards, Payments and ATM Technology for RBC, presented some lessons learned in developing IT leaders; and Janine Lang, Senior Manager with Deloitte Canada, described how to develop an IT leadership competency model for the future.

The Importance of IT Talent Management

A survey of CIO Brief members before this meeting showed that IT talent management is a high priority item for all and in the top three for a large majority. However, most do not have a comprehensive strategy for developing talent. More than half of the members believe that IT staff will need different skills to deliver on an innovation agenda and that their organizations need better skills in this area. Key innovation skills include: leadership; architectural competencies; engaging with business and vendors; and program management. In addition, members noted that talent management not only includes developing employees but also leveraging many other sources of talent, such as vendors and outsourcers. “The right partner can have a positive impact,” said one member. “And the ability to use different sources appropriately and manage them well can be mutually beneficial.”

Gordon explained that many IT leaders are struggling to find people with the right skill sets and leadership qualities to support their businesses. “This challenge is compounded by the rising expectations of business and what it considers success,” he said. It’s not always possible to “spend your way to success”. Instead, what’s critical is identifying the potential stars, arranging them in the right roles, and being precise about the competencies required to be successful.

IT talent management practices vary widely across organizations. “Most plans are tactical,” said Gordon, “but what’s really needed are solid medium and long term plans to attract and build talent.” IT talent management is a very large topic so the rest of this session focused on the development of strong IT leaders. Developing a winning leadership team involves two steps:

1. **Identifying the Right People.** IT leaders need to be able to quickly determine which people have the right qualities and dispositions to develop into the IT leaders of the future. This assessment should be based on their fit with the organization and their potential. Passion is a quality that is often sought in high potential people and includes commitment, questioning, and connecting behaviors. “It’s rare to find all three in people,” said Gordon, “but the combination of these behaviors can be very valuable.”
2. **Identifying the Right Skills.** A leader should crisply define the skills and competencies required for each position. “Too often IT leaders focus on technical competencies, rather than innate behaviors,” Gordon said. For example, the ability to learn quickly and detail orientation are essential for any leader.

Lessons Learned in Talent Management

Judy Dinn then discussed what she has learned about talent management during the course of her varied career as an IT Strategy Consultant, Program Manager, Software Sales leader, and Financial Services Executive. She began with a quote from Sir Ken Robinson, a well-known leader in the development of innovation and human resources:

“Very many people go through their whole lives having no real sense of what their talents may be, or if they have any to speak of.”

Judy added that very little, if any, management training is provided to those taking Computer Systems degrees, which are a main educational route into IT. In addition, although there’s a lot written about talent management, there are very few who know this field well. Yet every manager is required to manage and develop talent, so much of what IT leaders learn, they discover on the job. Recently, with big changes occurring in IT, there has been increased focus on this part of the IT leader’s role and what new skills their employees will need. The best way to

address the IT talent management challenge is to “be clear about expectations, communicate frankly, and be disciplined in your approach,” she said. Four lessons she has learned are:

1. **Your poor performer is someone else’s star.** This applies in reverse as well and results from different leaders having different expectations of their employees. “Performance is a dangerous and subjective topic, so clear communication of expectations is essential,” said Judy.
2. **Give the gift of confidence.** Confident people are more apt to realize their potential. Unfortunately, many people doubt their potential and it’s a leader’s job to help identify it and build confidence. This can often be done by offering people opportunities that help them extend their skills in small ways and which eventually lead them and others to recognize their abilities. However, even with encouragement, Judy warned that not all people want to take these opportunities because they are quite satisfied with their current positions.
3. **Not everyone wants to be “talent managed”.** Judy described a situation where she tried very hard to develop a group of people she had been appointed to lead. She tried courses, opportunities and encouragement to no avail. They remained unmotivated. Finally, she had to let them go, which was what they had wanted all along. “These people had no intention of being talent managed,” Judy concluded. “A good talent manager will identify these types of people early and save themselves a great deal of frustration.”
4. **It’s their choice.** “When I start a new job my first responsibility is to explain to my staff what the company and my boss expect, without judgement,” said Judy. Next, she communicates how group and individual performance will be measured. Then, she leaves it up to individuals to choose how they will respond. “These types of frank conversations are especially important for people who are interested in promotion so they will know what I and the organization are looking for,” she stated.

Discussion

Can you give us an example of a performance expectation? “Many of these are dictated by the organization”, said Judy. For example, companies often expect an 80-85% employee satisfaction rating in order to get a bonus. “Productivity” is still difficult to measure, she agreed. “You really can’t measure productivity but you can measure outcomes,” she said. “If you insist on using an algorithm, it’s likely to be counterproductive as people will work to that measure. I try to measure both for outcomes and for perceptions of outcome (for example, customer satisfaction).

How can you best retain talent? “Stars want to rise and if you have no role for them, you should encourage them to go elsewhere,” said Judy. However, many will choose to stay if you tell them frankly that they have the potential for more but that there’s no position for them yet. Just acknowledging that they have potential and a choice is very powerful.

What is the best way to handle dealing with someone who has the potential to do more but lacks confidence? In assessing someone’s potential it is important to look beyond their current competencies and see what other skills they have. However, you can’t push people in a direction they don’t want to go. Many people are afraid of failure or choose a lesser position to keep a better work-life balance. A good way to bring someone like this along is to give them small extra jobs that help them build their skills and competencies (and confidence) without them realizing they are being developed for another role.

What skills do you look for on your team? The most important skills are those that the boss wants, said Judy. It’s important to know your mandate and then identify the skills you need to carry it out. Often, the business doesn’t know what it’s looking for so a leader needs to figure out what roles it wants IT to play. Unfortunately, if you ask a group of executives this question, they will be all over the map – from IT as a cost centre to IT as a strategic partner. In the past, CIOs looked for excellent delivery skills; today, they want thought leadership and innovation abilities. The best way to determine what’s needed is to understand the business’ strategies and translate them into capabilities. Then, an IT leader should look for how these skills and attitudes fit with their people and develop them where needed. Wherever possible, a leader should make his/her expectations clear and give people a chance – about a year – to deliver.

How can you identify the right people? Different CIO Brief members had different approaches to this challenge. One company looks for a good cultural fit and the ability to work with others and only then at technical skills. Another uses a 9-box grid that ranks people as high, medium, or low for both performance and potential. However, instead of using it for what has happened in the past, it looks at new skills where IT needs to grow and move forward. In addition, it has moved to behavior-based interviews, looking at fit, attitude, behaviors, and skills. “We’ve had much better results with this method,” said the member. In general, there’s more demand for well-rounded people, particularly in business analyst roles. “Good business analysts and project managers are the most difficult people to find because of the soft skills they need,” said another member. Others suggested that the best business analysts are already in the organization, possibly in non-IT roles, and that they can best be grown through cross-training, rather than hiring from outside. For vendor management roles however, it can be good to hire people with vendor experience since they know how these companies work from the inside.

Next Generation IT Leader Competencies

Janine Lang next outlined a competency model to help IT leaders think about how best to develop leadership skills in the next generation. Traditionally, IT has been seen as a cost centre and a service provider, so leadership skills have been focused inwardly on how best to operate technology efficiently and use technology to achieve business goals. The challenge for the next generation of IT leaders is to become more outward-focused, said Janine. They need to be able to offer timely information and advice to the business on key strategic decisions and become strategic business partners and strategic enablers. “It’s not that business doesn’t want traditional IT competencies,” said Janine, “it’s that its *leaders* must raise the bar on their competencies to encompass these two new roles” (see box).

Strategic business partner competencies:

- Critical thinking
- Forward looking
- Analysis
- Decision support
- A holistic perspective
- Strategic agility.

Strategic enabler competencies:

- Collaboration and a proactive approach
- Change and conflict management expertise
- Agility and intellectual capacity
- Strong leadership and business partnering.

Successful IT leaders need three sets of competencies:

1. **Technical.** These focus on a particular job or function and involve the application of specific knowledge, skills, and abilities, e.g., programming, testing. Today, these are considered “table stakes”.
2. **Leadership.** These are the competencies that are needed for a leader to be successful in an organization, e.g., inspiring others, leading change. These help a CIO work well with staff, clients, and vendors.
3. **Professional.** These are competencies that may cut across levels of the organization with various degrees of mastery (e.g., critical thinking, communications). These are what are often described as “soft skills”.

Competency models are helpful because they define specifically the knowledge, skills, and abilities needed for performance in a particular role or function. “Too often, leaders make ‘gut feel’ decisions,” said Janine. “Very few organizations have strong talent management strategies that will help them recruit and develop the right talent.”

She then described three leadership competencies and seven professional competencies that have been identified by organizations as those needed by the next generation of IT leaders:

Leadership Competencies

1. **Decision-making.** This is the use of process and business knowledge to tackle problems as they arise and to understand the business role in an issue. It also includes the development of a range of options for the business or IT colleagues, and the formulation of clear recommendations that lead to an effective decision.
2. **Change Leadership.** This is the ability to work across teams and through business partners to ensure that change is managed effectively and colleagues are led through the change process from awareness to buy-in. It includes the ability to adeptly manage and enable a change to release its value.
3. **People and Team Development.** This is the ability to lead and develop people, whether within a team or a direct reporting relationship, or through virtual project management. It includes the ability to focus on individual and team strengths and share best practices across a department or division.

Professional Competencies

1. **Client Orientation.** This competency develops pro-active, highly effective relationships with clients, including a clear commitment to issue resolution for clients, engaging other departments and divisions where appropriate, and ensuring clarity of how IT and its contribution fit into the business model.
2. **Business Acumen.** This is the ability to leverage multiple sources of knowledge from across departments, markets, competitors, other benchmark organizations, and the industry as a whole, to drive decision-making internally. It includes awareness of business challenges and profit drivers.
3. **Strategic or Holistic Thinking.** This is the ability to view the big picture and think and act broadly across the IT issues facing the business. It includes a clear understanding of all business drivers and how to use them to influence an agenda.
4. **Analytics.** This competency incorporates excellent analytic skills, demonstrated strength in understanding complex data, and the ability to interpret and present to different audiences. It also includes the ability to identify themes or issues from data that the business will need to be aware of.

5. **Advisory Skills.** This is the ability to advise the business through IT knowledge and expertise and give advice and guidance to shape the direction of outcomes.
6. **Relationship Management.** This is the ability to develop strong working relationships with the business and across the IT function and work closely with line managers and business partners to enable value to be driven for both parties.
7. **Communication and Influence.** This competency involves effectively engaging with business partners and obtaining buy-in by winning hearts and minds and presenting information in a way that influences opinion, drives solutions, and ultimately delivers value.

Each organization should develop their own IT leadership competency model, said Janine. She recommended that CIOs define the key competencies they need and rank them as “Developing”, “Established”, or “Role Model” to highlight gaps and strengths. Leaders should then choose two or three gaps and focus on these. “There’s a lot of variability possible in competency models,” said Janine. “It’s important how they are constructed and that employees and partners buy-in to the vision. The key thing to understand is that expectations of IT leaders are changing and that CIOs need to be thoughtful and deliberate about developing new competencies in the next generation.”



Concept

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