

## How to hire and promote for potential

The need to reimagine how we attract talent, retain talent and build succession plans is key to the success of any organisation, says Olivia O'Loughlin, regional director for Armstrong Craven's EMEA region. She discusses how companies can do this with Siân Harrington, editorial director of The People Space



*Siân Harrington:* Thank you for joining me today, Olivia. I'm looking forward to our conversation. So we're going to be looking at how organisations can hire and promote for potential rather than relying on existing skills. And I think with talent pools shrinking and such difficulty getting hold of people at the moment, and some roles are really in high demand, this is becoming more and more of a pressing issue. Is it a strategy you are seeing your clients adopting and how important do you think it is in today's market?

*Olivia O'Loughlin:* If we look at the World Economic Forum, quite recently they said that 35% of the skills that are considered important in businesses will no longer be around in five years.

So, we're already tackling that. The need to literally reimagine how we attract talent, retain talent, and build succession plans is key to the success of any organisation, not just those that we represent at Armstrong Craven but pretty much all companies to be fair, which absolutely ignites that debate – the debate for potential versus experience. It rings true for so many organisations.

## **Benefits of hiring and promoting for potential**

*Siân Harrington:* What are the benefits then that you see for taking this approach of both hiring and promoting for potential? Why do people need to do it? I touched on a couple of things at the beginning, but what else are you seeing as benefits for taking this approach?

*Olivia O'Loughlin:* Researchers, academics, business leaders alike have all agreed time and time again that hiring for potential absolutely is more important than solely hiring for experience.

So, it's not one against the other, but absolutely that 'versus' definitely comes into play in terms of the weighting. So, a clear one is improving diversity. All of our clients at Armstrong Craven, pre or post May 2020, have absolutely been looking at increasing diversity. It's part of their strategic goals.

It really is ensuring that their business is, and represents, the diverse communities that they serve. And I really do believe that hiring for all, promoting on potential absolutely will positively impact that representation for all.

The second point I was going to mention was increasing agility and innovation. So, as we said earlier, the world is changing rapidly, faster perhaps in the world of work than we have ever seen in many years. Perhaps not all, but many years for sure. Having talent that can adapt at pace, bring in new ideas, realign with current needs will absolutely bring that competitive edge that all companies are looking to gain.

And the third point I wanted to mention was helping align your talent strategy to business objectives. Now, if we look at some of the stats that came out from the Census Bureau of Labor for the US, 95% of hiring today is still solely based on replacement or filling existing positions. But what if we change that? What if we looked at potential against capabilities and needs that the clients and organisations need for the future? And knowing what your business needs tomorrow is critical, and I believe that hiring and promoting on potential can absolutely support that.

## How do you start hiring and promoting for potential?

*Siân Harrington:* I think that's a really important point and funnily enough, I was just speaking to Josh Bersin yesterday about this same thing of plugging the existing gap rather than thinking about what you're trying to do. So, it's a really vital point, I think. So where do you actually start here? What approach should you take, what data should you be looking at? What would you be advising?

*Olivia O'Loughlin:* Well, there's no easy answer, to be honest. There's no one size fits all. The golden nugget. There are different golden nuggets to be very honest. So what's high potential for one organisation won't be for another. But firstly, review the capabilities that exist. So, what exists within your organisation? Know your gaps.

The next question has got to be, do I buy, borrow or grow internally that talent? Where am I going to plug the gaps from, as it were? And many organisations, I'm going to say 'action' the gaps, as it were, but too late. They wait until those roles, places **or** gaps, are vacant and then they look to the external market. But I think it's important that organisations look both internally and externally to ensure that they have the very best of both talent cohorts. I think companies still today bypass that or bring the external market too late into that equation. I think it's really important part to achieving those strategic goals that they set up.

*Siân Harrington:* So true indeed. So, what do you offer at Armstrong Craven that can help people here?

*Olivia O'Loughlin:* There are several ways that we have supported our clients over the years in this area. And the point around bringing that external market lens is absolutely critical. It's critical that it happens much earlier on in the conversation around succession planning, around hiring, and around future needs of the organisation.

It can be in different ways. So, it can be providing a benchmark to the external market. So, providing the insights, market insights, talent insights, to ensure you're aware of the ecosystem that you are working in. So, internal talent versus external talent. And truly having a view on what is best in market, but also understanding what your competitors are doing. What competitive advantage have they got from a talent perspective that perhaps you will need to acquire or build to achieve those future goals as well. And, of course, we provide a lot of succession planning and talent pipelining to be able to bring those candidates then into your processes as well.

## **What does this look like in practice?**

*Siân Harrington:* I think it is surprising, but that data and insight element that you are very strong on isn't something that everyone does. So, we're going to need it more and more. Could you give me a practical example of how you've worked with somebody in this way?

*Olivia O'Loughlin:* Well, I can give you an example. It was, I mean we've been doing this for many years now, but an example that comes to mind and one that I like to reflect on sometimes was earlier on in my career. I was working with a VP of HR for one of the top 10 pharmaceutical companies. He was looking at building a succession bench of candidates for his exec team at the time. Internally they felt that they had and knew everybody. It was all okay but he wanted to challenge that status quo, and see what else exists out there. We came back and presented our findings.

So, the findings include the data and the insights that we always provide at Armstrong Craven. So talent hubs, representation of diversity, some feedback against employer branding, how attractive or not, etc, but of course the candidates themselves. Now, he sat down and looked over at me and said, thank you very much for that, Olivia, and great work by you and your team, but interestingly, we only know three people on that list.

So, this is someone who's pretty well networked, spent his entire career, as did his team, in that area. And I thought, shucks, my heart sank. And I thought right, now what do we do? But thankfully, very quickly he said, it's fantastic because we rely far too much on succession planning or hiring for today's role based on status quo, based on hiring mini me. So, people who have had similar career paths, people who have same ways of thinking, who have the same backgrounds. But really looking at the future and understanding what does the business need going forward rather than looking at what does the role require today. And that was a great learning for me, hearing it directly from the client many years ago. But it really rang home and really well brought the message home for me. To really understand is key and organisations can't do it solely looking internally. You have to have that external lens.

## **Skills organisations need today**

*Siân Harrington:* And as you said earlier, by having so many people that are outside the traditional network that they use, you are going to get not only that diversity but importantly that diversity of thinking, that innovation, that seeing things in a different way. And the bias as well that is inherent in most of us

human beings, being able to bypass that bias is a huge advantage of working in this way too. So what types of skills are you finding organisations are focusing on now more than they needed to do in the past?

*Olivia O'Loughlin:* There are, of course, the typical ones that we all see – the data, the digital, the tech; what are the future roles of tomorrow. I started by saying there are certain roles and skills that probably won't exist in a few years' time. So clearly there's an eye and a focus on them. But again I'm going back to not one size fits all.

For every organisation this will look slightly differently. There's absolutely a demand for certain combined job, families, roles, skillsets, capabilities that all companies are looking at. But I think if we look at the post pandemic world, I think the point on leadership and leadership capability shifting is definitely something that we've observed at Armstrong Craven with our clients, and of course outside of those specific clients too.

So, a shift in the capability that they're looking for in those leadership profiles. We've developed a tool which is called the Leadership Risk tool, which is a plug and play tool which is available for our clients and outside of that client pool. But to really look and understand quite rapidly where the gaps are - so where are the gaps based against what exists versus where the organisation is going? And I think definitely something that is of interest is making sure the strategic workforce planning - the view on the future - is absolutely linked as part of a talent team but includes talent acquisition rather than waiting until time-to-hire, as it were.

We've partnered with a new partner at Armstrong Craven. They're called Intelligent Boardroom. Intelligent Boardroom is an enterprise platform. It allows a leader to make people-forward decisions. So absolutely looking at the future, what the organisation will need. It's really looking at the existing leadership team and looking at the complexity of the future strategy to be executed. So, looking at gaps from that perspective, which I think is a really exciting way of looking at things for the future as well, which many of our clients are talking about. And if I'm very honest, without mentioning anybody, I'm not sure everybody has it perfectly aligned. So yes, lots more to come, I'm sure, on that topic in the next few years.

*Siân Harrington:* And do you find that there's a bit more focus on what we used to call the softer skills of leadership?

*Olivia O'Loughlin:* Absolutely. And that comes into potential almost, as it were. So, the capability, the leadership frameworks that used to exist, again, it's that shift in mindset around the caring leadership. I know some top four consultancies have quoted it as being the 'getting intimate with your talents' and really understanding the people, not just the person in a role. So, humans are not just the job profile. They absolutely come with those softer skills, the behaviours, the characters that fit within cultures, but that can drive changing culture as needed as well. So yes, absolutely.

### **Three steps to start hiring for and promoting for potential**

*Siân Harrington:* So I'll put you on the spot here now. What are the first three steps you think HR and talent leaders need to take if they want to start hiring for and promoting for potential?

*Olivia O'Loughlin:* I think the first one has to be align the talent objectives with strategy. What is high potential, what is potential for in your organisation? Really understanding that, defining that, building those personas to ensure you know what that means for your organisation today, but also in the future, I think has got to be definitely a step and possibly the first step, to be fair.

And know your gaps. Know against those personas, against those areas that you're looking to build. Where are the gaps internally in the organisation? Know your cohort really well.

And for me in my role and my understanding in working particularly in that external market and gaining the external market lens is make sure you have an eye both internally and externally. Bringing that high potential talent absolutely exists internally but it also exists externally. And making sure you have the very best of both worlds surely has got to be a great way of delivering competitive advantage to your organisation.

*Siân Harrington:* Thank you so much. We've whistled through this subject, but in a very clear and concise way. So, I really appreciate your time today in addressing it. And, as mentioned, there's a number of different tools that Armstrong Craven has that people can play around with and use to help them to do this. So, thank you very much.

*Olivia O'Loughlin:* Thank you so very much. A pleasure talking with you.

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