

# Take Care of Your Talent – Or Someone Else Will

## Begin with the End in Mind

By Amy Tan & Dr Uwe H Kaufmann

Your Lean Six Sigma initiative has taken off well, project teams led by Belts have done a nice work and results are in. Good job so far?! However, this is the rather easy part of your journey. The more difficult part is about retaining and accelerating the trained Black Belts and Green Belts (Belts).

Talking to both, Lean Six Sigma consultants as well as their clients, paints a surprisingly consistent picture: Nearly half of the companies who kick-off a Lean Six Sigma initiative lose some of their Belts shortly after certification. Another tendency is alarming: we are not talking about one or two Belts who resign at that point in time, a considerable 20 – 30% of the first batch of trainees may decide to leave.

So, what went wrong?

The answer to that question lies in the approaches companies choose to run their Lean Six Sigma initiative and human capital development. In some companies like Microsoft or General Electric, Lean Six Sigma education and development is part of the management development programme for their staff. Employees see such development as reward and potential for growth within the company. These companies have included Lean Six Sigma as one of the core programmes in their management and leadership development initiative, where staff undergoes action learning by carrying out real business projects with application of Lean Six Sigma tools & methodologies. For some companies, the most urgent driver to engage the Belts with the business operations agenda is process optimisation or streamlining. Companies fail to look beyond, i.e. career development opportunities for their Belts, or even to recognise some of them as their key talent pool who are potentially future leaders for their companies. Unfortunately, this reality hits at a time when demand exceeds supply.

General Electric's Management Development Programme includes a compulsory module about Lean Six Sigma. Without having a "Belt" no one has a chance to be promoted into the upper management in GE.

The pressing question, then, is how to retain our Belts, our talents, how to accelerate the process of nurturing and maturing leaders so that absence of talent is never an impediment to business goals. As with all change initiatives, it only has a chance when the top management sets the tone and invests time and energy so that the talent development is internalised by the entire organisation and truly shapes the company for the future<sup>①</sup>.

## Excellence in Talent Management

In most companies, the process and tools around identifying potential and accelerating the development of top leadership talent are facilitated by HR. In the best companies, however, strong sense of personal responsibility to spot, nurture and retain talent is deeply embedded in every leader's agenda, and is evident in how they spend their time. This stems from a per-

ception that the senior management sees talent as a strategic priority, and is a constant champion of those initiatives that drive it.

In this article, we list some ideas on excellence in talent management and on supporting strategy as well as steps for managing talent that truly supports the business.

## Step 1: Begin with the End in Mind– Your Current and Future Business Needs

Effective talent management delivers real competitive advantage when business goals and strategies are the starting point for determining the quality and quantity of the Black Belts or Green Belts you need. It is important to intertwine Belt requirements with the business needs – which means that business and Belt planning process need to happen in synch. The challenge organisations often wrestle with at this point is identifying and selecting the right people to become Belts. Here are two examples for consideration:

“We need a robust and systematic tool to select and train future leaders for our company. What I’ve read about Six Sigma so far was about focusing on customer requirements, managing and improving processes, changing the company’s culture, encouraging people and, last but not least, making money. This is exactly the job of our leaders. Therefore, we want to use Lean Six Sigma as part of the management development programme to select and develop the next generation of leaders”, the president of an Asian multi-national company responded when asked why he wanted to kick-off Lean Six Sigma<sup>2</sup>.

“We are a government regulatory agency. There have been consistently unpleasant feedback and complaints in newspapers by our customers about our service and process turn-around time. Who will be suitable to bring up our customers’ experience by optimising our processes?”, was the explanation of a director in a government agency on the question what they want to use Lean Six Sigma for.

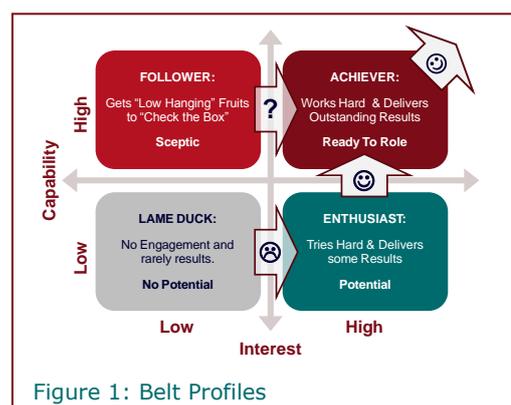
As strategic plans and forecasts are prepared for business units or functions, questions about leaders or talent need to be addressed: Who will execute each part of the plan? What skills do they need to possess? What skills do they need to develop to enable them to be successful?

This involves translating requirements into concrete descriptions of the type and quality of talent you need. This means determining critical success profiles for the role (Black Belt, Green Belt), sizing up both the quantity and quality of your leadership bench in relation to current and future business needs.

## Step 2: Selecting Belts – What Kind of Talent Does The Business Need?

Our experience over the last decade with Belts who succeed and those who could not make it has led us believe that the performance is linked to the following traits:

- ❑ **Personal Interest** in the programme is one of the most important factors. It is much easier to teach methodology and tools to people with the right mindset than making a disbeliever (typically low interest) a Lean Six Sigma evangelist (Figure 1).

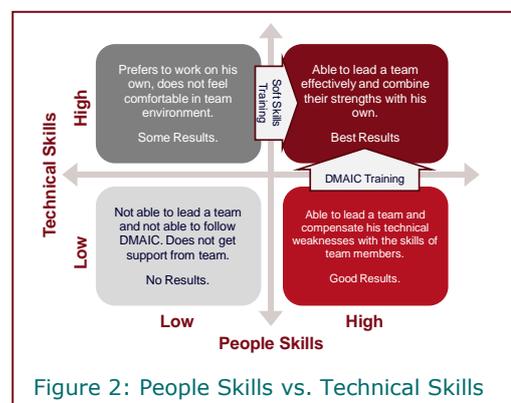


- ❑ **Organisational Knowledge And Business Acumen** provide focus for individual's energy and drive key business initiatives & priorities that will expand business, increase market share or improve profitability.
- ❑ **Competencies** are the broad challenge to which the Belts must step up, to drive successful execution of the strategic priorities (eg. driving change, generating ideas, controlling costs, developing others, etc).
- ❑ **Personal Attributes** – such as customer orientation, be it external or internal customers – is essential for succeeding in Lean Six Sigma and a major step from process improvement towards customer satisfaction. Self motivation and risk taking are other key personal attributes to ensure success in this role. People management skills comprise of a list of key strengths that are fundamentals to win.

Against the common belief, statistical knowledge is not a criterion for selecting your Belts. However, the capability to acquire new technical skills, to apply these skills successfully is an important prerequisite. More important is the aptitude to involve, motivate, coach and train people, to lead and manage teams towards delivering results and to communicate effectively with different levels in the organisation.

A Belt candidate with the right mindset and with the latter strong point will be able to overcome a technical weakness easily by building on the strength of his team members, whereas a technically competent candidate without "People Skills" will most likely fail (Figure 2). Hence, selecting Belts with less people skills needs special development steps in order to avoid frustration and ultimately resignation. Moreover, traditional Lean Six Sigma training focuses on building and enriching technical skills and is typically very weak in developing people skills. Adequate training and development measures need to be considered.

All these traits provide the foundation needed to drive subsequent steps in the talent management process, and other HR systems such as on-boarding and performance management<sup>®</sup>. Our experience is that such attributes are most essential to measure Lean Six Sigma Belt candidates' potential or potential derailleurs. At the same time they are critical for selecting staff into other critical jobs or assignments.



### Step 3: Developing the Potential of Belts

Consequently, talent management is not about putting the Belts through the Lean Six Sigma training and getting them to deliver a couple of business projects, but is about enhancing them to support organisational leadership capability on a broader scale. This important step acts as screening mechanism for those most likely to become tomorrow's leaders, providing a basis for a flexible pool, which individual – for any number of good reasons – move in and out of as years go by.

Many common mistakes companies have made at developing the Belts include:

- ❑ Selection without subsequent diagnosis of additional development needs
- ❑ Focus on current performance alone
- ❑ Inconsistent assessment criteria
- ❑ Only focus on strengths (no consideration of leadership potential derailleurs)

We see three components as key to optimising the potential of Belts:

### a) Evaluating Current Performance

Assessing the effectiveness of Belt's performance and behaviour in their current role should be done before evaluating potential. We believe that sustained high performance in the current role is a pre-requisite for potential.

It is important for the managers to define clear performance expectations and measures; commit time to managing performance by observing, coaching and giving feedback; and balancing consideration of results with behaviours.

### b) Identifying Leadership Potential

Determining individuals with the most growth promise is often done superficially. Uncover the hidden potential of the individual by leveraging on the individual's strength, providing space and confidence for the individual to grow. The behaviours of such individuals are:

- taking best advantage of and
- responding positively to differential development opportunities,
- supporting the organisation's values, as well as
- being able to apply what is learned productively within the organisation.

If you can identify the potential effectively, you can focus your investment on these individuals who will generate the highest ROI in terms of their ability to grow quickly and broadly.

Tanya used to be a team leader responsible for renewal of policies in an insurance company. The senior management team wanted to use Lean Six Sigma for improving the relatively low renewal rate. Because Tanya was the only person in sight who knew the process good enough she was hesitantly selected to become a Green Belt and "to fix the renewal rate problem".

It was an uphill task for her as she was a rank & file manager without any prior management or leadership development. However, Tanya has the key personal traits, her desire to learn and developing others. This and her hard work with her team – Lean Six Sigma work was additional work for her – had made her a successful individual in the organisation.

She delivered excellent business results; the management team was amazed by her hidden leadership qualities and business understanding. Tanya was promoted twice within four years subsequent to her excellent performance.

Today, Tanya is one of the members in the senior management team of that company.

### c) Creating Opportunities For Acceleration

Once you have screened for leadership potential amongst the Belts you have developed, those meeting criteria are admitted to the "talent pool", or more accurately – target for rapid development – an "acceleration pool". The beauty of such a pool is that it provides flexibility and eventually greater organisational self-sufficiency for current and future talent needs. The pool becomes the first in mind when high-value roles need to be filled and special assignments emerge.

Senior Management supported by HR take personal ownership of the "talent pool", i.e. demanding realistic assessment of readiness and focused development for pool members as well as keeping regular and thoughtful communication with the pool. Communication should be clear that being part of this pool is an opportunity but not a guarantee of promotion.

## Step 4: Assessing the Readiness of Belts for Leadership Transitions

How do you minimise the risk of promotions when the pace of business means that you often need to test people in untried roles with new responsibilities? Using Lean Six Sigma projects provide assessment information of your potential leaders and hence helps in the selection decisions. Additionally, the following approaches may be considered:

### a) Individual Readiness

There are many assessment tools available, which have different strengths and need to be applied appropriately to help you and other stakeholders make better talent decisions. Tools such as Performance Feedback, Personality Inventories, etc.

COE's approach to assessment using 360 Degree Survey (360ELP<sup>®</sup>) complement with coaching/mentoring, focus on others' perceptions of performance in a current role is a powerful diagnostic for development.

### b) Organisational Readiness or "Talent Pulse-Rate"

Increasingly, decisions about strategic direction and organisational structure (or restructuring), mean decisions about talent. Which talent 'you want on the bus' (Jim Collins: Good to Great) impacts not only your ability to execute but also your stakeholders' confidence in that ability, which can amount to the same thing. A thorough review or audit of what you've got and how far it's likely to be able to take you in your chosen direction – the Talent Pulse Rate<sup>®</sup> brings visible assurance to stakeholders. It provides a solid basis for decisions on restructuring, talent redeployment and development, whatever might ensure decisions around placement.

## Step 5: Developing and Driving Performance

After the assessment, it is essential that the participant is given thoughtful feedback and has the opportunity to buy-in and agree on development priorities that focus on individual growth areas or strengths that match what the business needs of its leaders, their own role requirements, personal goals, aspirations and objectives.

Besides undertaking real business projects that require using Lean Six Sigma methodologies, development can be in the context of a new job assignment, or in structured training for fundamental leadership skills.

Executive Development will likely be more individualised, where action learning can meet the needs. Figure 3 shows COE's perspective on the set of Process Excellence Leader Competencies. There are four roles process excellence leaders will grow into over time: Business Advocate, Process Excellence Expert, Integrator and Change Agent. However, this cannot be achieved by doing one project and leading a team to successful completion.

In any context, though you need rigor in how development is executed. Effective development requires a blend of activities including mentoring<sup>®</sup>, classroom learning, coaching<sup>®</sup>, action learning, etc.



Figure 3: Process Excellence Leader Competency Model

## Conclusion

Belt selection is a critical step in ensuring a Lean Six Sigma initiative contributes to the business as intended. Belts are your talent pool, who has proven to be able to perform in their job and whom you would like to see growing in your organisation. They need to have interest – or you need to enkindle this interest respectively. They need to have some basic people skills and they need to be open for discovering new ways of looking at problems. All these requirements are basics for leaders.

Use Lean Six Sigma to develop your next generation of leaders – and communicate this carefully. If someone fails to deliver, give him/her another chance. If this person fails again, you know that he/she may be in the wrong place at the wrong time.

## About the Authors

**Dr Uwe H Kaufmann** is the Singapore-based Managing Director of Centre for Organisational Effectiveness Pte Ltd, a business advisory company focusing on the Asian Market. He has extensive experience in implementing process and organisation improvements and change for various industries. He specialises in Lean Six Sigma and Innovation as well as Strategy Implementation and Change Leadership. Uwe is a German national. He can be reached at [Uwe.Kaufmann@COE-Partners.com](mailto:Uwe.Kaufmann@COE-Partners.com).

**Amy Tan** is a Director with Centre for Organisational Effectiveness (COE), based in Singapore. She has more than 20 years of experience in Human Capital Management & Development. Her expertise has been in HR Strategy Review & Planning, Competency Modelling, Change Leadership Development, Talent Management, Performance Management and Organisational Development. Amy's career experiences were with companies such as AT&T, SGS-Thomson Microelectronics, Aon Asia, Nokia and Ministry of Manpower. Amy is also a Lean Six Sigma Black Belt.

Currently, Amy is HR consultant for Singapore 2010 Youth Olympic Games Organising Committee. She can be reached at [Amy.Tan@COE-Partners.com](mailto:Amy.Tan@COE-Partners.com).

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