

HR DIRECTIONS

Building Leadership Capability:

How the Suitability Model Simplifies the Way We Think About Talent

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Let's start by burying a myth.

There is no perfect candidate for any job, especially for a leadership role vital to the future success of your company amid global competition. Yet our priority in human resources is to lead our organization in finding and selecting the right talent for these key roles – individuals who will succeed and thrive as leaders and employees for the organization.

Sometimes in finding the right match, luck has too much to do with that hire. We've all been burned once or twice after thinking we've found the perfect candidate whose background checks all the right boxes. Then only to find out, six months later, that person wasn't a perfect match after all.

These mistakes are costly. According to a study by the Society for Human Resources Management (SHRM), it could cost up to five times a bad hire's annual salary. SHRM also found that the higher the person's position and the longer they remain in that position, the more it will cost to replace him or her. Not to mention the cost to the company of poor decisions made by the individual in question.

Over the years, I've learned to trust my instincts about candidates, even when I am the last hold-out on the hiring team. I've drawn from the rigorous research by psychologist Dr. Elliott Jaques, who proved that

selecting the right people isn't as hard as we think. The real mystery is why more organizations haven't adopted his *Suitability Model*, a proven framework that simplifies the leadership talent dilemma.

Developed by Jaques and further advanced by his colleagues and contemporaries, the Suitability Model offers a simple, yet comprehensive, approach to assessing employees in current roles, as well as selecting and placing candidates into new roles at all levels in the organization. It improves the accuracy when assessing talent for current needs and succession planning, and it's been implemented in large companies throughout the world. His work is so highly regarded, the United States Army has used the model to predict, with uncanny accuracy, who is destined to become a five-star general based on the subject's ability to process the complex elements critical in the role of master strategist.

This chapter introduces you to the Suitability Model and its four components, which will guide you in acquiring, assessing, developing, and keeping talented workers and leaders. Your company will be able to:

- Identify and hire internal and external candidates ideally suited to your immediate needs and your future strategic requirements.
- Better assess talent and match talent to key roles – any role, at any level.
- Retain valued employees who might otherwise be lost through a series of flawed assumptions.
- Create a succession plan with talented individuals identified as most likely to thrive given the opportunity to develop their leadership skills.
- Accurately identify an employee's weaknesses, determine whether those weaknesses warrant remedial action or cannot be addressed, and create a plan to keep the employee and their colleagues functioning at optimal levels.
- Coach employees in their career management and development plans.
- Explain to employees why they were not selected to receive a promotion.
- Confidently create a pipeline of candidates for upper management leadership and defend hiring decisions that might go against the prevailing opinion of a work team.
- Develop an overall staffing strategy that will meet immediate performance requirements and position your company for the future.

In addition to exquisitely simplifying the entire talent management process, Jaques' breakthrough findings cast a fresh light on the ultimate efficacy (or lack thereof) of the conventional competency model, one that has been cherished within most corporations. So, before diving into the Suitability Model and its four components, let's put the conventional competency model in its rightful place.

The Limitations of Your Current Competency Model

For decades, competencies have been developed and fine-tuned with the goal of identifying the skills and knowledge that are essential for the performance of any given job. Professional groups developed their own competencies for career-long performance. SHRM, for instance, has a relatively modest list of nine competencies for the entire HR profession. But when companies turn their focus to the competent performance of each job, they can spend hundreds of thousands of dollars codifying the multiple duties of each role within their ranks. Page after page of competencies reduces the effectiveness and relevance of employee assessment and performance review. Much of the language used in the current competency assessments is meaningless and superficial. Moreover, it doesn't explain why people all too-often fail even though they check all or most of the competency boxes.

Over time, competency models began to drive the performance management process, rather than support it. Managers are burdened with the obligation of assessing each direct report according to the rigid delineation

of the job's competency set, one that has been divided and subdivided into minute judgment calls (does the employee *always, almost always, sometimes, rarely, never* demonstrate proficiency in the myriad competencies identified as essential to the job?). The competency assessment has taken over, causing HR and managers to lose sight of what's really important: Identifying, hiring, and developing talented leaders for today's business and reaching strategic goals in the future.

The primary flaw here is that the competency is limited in its ability to explain why some people succeed and others fail. Plus it almost always overlooks the person's capability to manage the complexity requirements of the role, i.e., Information Processing Complexity (IPC), which we will discuss later in this chapter, and whether the candidate accepts the role requirements of the job at hand.

Granted, it's difficult to abandon a system that has drawn so much investment in time, money, and research. Set aside your organization's attachment to the system for just a moment, and consider these questions:

- How effective is your current competency model in predicting who will succeed in bigger, more complex roles and who will stall or be asked to leave the company?
- How often do you make costly mistakes in filling senior management roles?
- How useful is your competency model in helping employees understand why they're moving up ... or not?
- Are you losing an unacceptable number of talented, valuable employees who would have remained with your company if they had a clear understanding of their career path?

It might make sense, at first blush, that if you find employees who have the skills, knowledge, and experience necessary to do a job, and meet certain behavioral competencies, all you need to do is find them a workspace and assign them their employee ID and password. The assumption is that they'll be off and running, performing at a high level.

Yet, it doesn't take long for that first blush to fade. We soon recognize that an employee's performance is impacted by the totality of who they are, not just the sum of the parts on their resume.

This is where the standard competency skills model leaves you empty-handed. Every time. When was the last time you had to terminate an employee because he or she lacked skills, knowledge, or experience? It is most often about something else.

The Suitability Model helps you identify and organize all those elements before it's too late.

The Suitability Model Simplified

There is a universe of considerations that go into how successful an employee is at any given job, and how successful the employee will be in more demanding roles as you consider them for more promotions. As taught to me by Ken Wright, President, Ken Wright and Associates Ltd., Nancy Lee, President, Requisite Organization Associates, Inc., and Mark Van Clieaf, Managing Director, Organizational Capital Partners, the Suitability Model organizes all those elements into four components that are applicable to individual contributors and leaders alike: 1) Skills, knowledge, experience and education; 2) information processing capability; 3) temperament; 4) accepts the role requirements.

With these components as your guide, you can reasonably assess your talent, help your employees assess themselves, and create a pipeline of well-chosen candidates with high potential for your succession planning.

You will be able to explain, using a common language, why someone has stalled, been asked to leave the company, or continues to be promoted.

Skills, knowledge, experience, and education

The first element of the Suitability Model is the one that is easiest to understand, primarily because it is easy to describe and recognize: Skills, knowledge, experience, and education (SKEE). Here we match what the employee brings to the table regarding their background.

This element too often carries an inappropriate amount of importance when matching a candidate to an opportunity for advancement. There is a tendency for people to think that the perfect candidate for the assignment must have the exact skills, knowledge, experience, and education that have been defined for the job. These are often the skills that get candidates the job offer at the outset. But they aren't the skills that will guarantee their success at the job. (I can't think of a single instance in my career when someone was terminated because they didn't have the skills required to do a job.)

The other three elements of the model, in particular these next two, explain more about the individual's career path and that person's chances for success: Why that person gets promoted and at what point does the person stall or is asked to leave the company. These elements, when considered carefully, take the emotion and mystery out of any staffing decision and increase trust, as well as transparency, throughout the organization. They prevent reputation damaging assumptions, minimize the emotion around staffing decisions, and help you keep high-value talent.

Information processing capability

A person's capacity to manage the level of complexity in a job is described as their Information Processing Capability (IPC). While every other element in the Suitability Model can be improved through additional education and developmental opportunities if the employee is willing to address them, IPC is a given. No amount of coaching, training, or experience will bring an employee beyond their "maximum height" or level of processing capability. However IPC does grow over time for everyone, just at different rates.

This helps us understand why some people struggle beyond their top level of capability. Traditionally, we assume that once employees have mastered their current jobs they are ready to be promoted to the next level. They deserve the promotion. It's only fair.

Soon, however, it becomes obvious that they have been promoted one too many times. It's not that they're lazy, stupid, unreliable, or undisciplined. They are simply in over their heads. Their work has taken on a level of complexity that has exceeded their ability to manage, and they could be making decisions that cost millions of dollars in investment, labor, and potentially shareholder value.

Consider the executive managing one plant, one manufacturing facility, or one department. There is a level of complexity to that role. If that leader is promoted to a job managing ten plants, ten facilities, or a number of divisions, the scope and scale of the complexity has jumped considerably. And it's incumbent on those making the hiring decisions to match a person's information processing capacity to that increased challenge. Can the person conceptualize what needs to be done to make that larger operation succeed now and in ten or twenty years in the future? It requires a different mental model and level of thinking to manage complexity, as well as more strategic decisions with consequences and impacts years into the future. Managers and those charged with hiring decisions can assess current information processing capacity by reviewing an employee or prospective employee's past work and its level of complexity. For example, has the employee demonstrated his or her capacity to manage effectively increasing complexity?

Transferring the principles behind the IPC component to your own business, you can probably think of several highly placed and valuable employees who hit their ceiling through no fault of their own. Corporate culture places such a high premium on the upward trajectory of a career path that when employees are promoted beyond their capability, they are loathe to take a step in reverse, even when they find themselves floundering. It can be perceived as a humiliating demotion to return to an earlier role. If you want to keep these stellar individuals, your understanding of the information processing capability component will guide

you in their placement and can help you identify if that might be the problem hindering their performance in a new role. Such analysis also helps you rectify matters before an inappropriate role match leads to a career-ending failure or losses to the company.

In contrast, people who demonstrate a high level of information complexity can handle the higher degree of thinking required to synthesize all the paths and alternatives available in any scenario, project, or problem. They come back with suggestions that are often better than what even their managers might have conceived originally. People with high levels of information processing capability see things that nobody else sees because they're processing input at extraordinary levels. They can see connections that no one else can and discover complex patterns of variables, scenarios, and circumstances, bringing options that only they can add to the strategic discussion. They can also anticipate downstream consequences further out in the future.

Temperament

The third component is Temperament. Is there any behavior that is getting in the way of the employee's ability to be effective in their role? Jaques described this as a negative *temperament* or *T*. With very few exceptions, there are no absolutes in temperament that are universally wrong, regardless of the role. But even your outstanding employees could be sabotaging themselves because of some aspect of their nature that hinders their ability to do the job. It's not always a negative behavior. It could just as easily be a positive behavior that when overplayed, limits effectiveness in a particular role.

For instance, there was a director on my team who had masterful relationship-building skills, and she worked to create harmony in her team. She moved through the ranks smoothly, until she pursued a vice president position she was confident she was ready to fill. It was a natural step up, one that she had earned. There was more prestige, increased salary, a bigger office, and an impressive title.

We gave that promotion to someone else. She was terribly disappointed. And who could blame her? To her credit, the director came to me for an explanation. She set her emotions aside and allowed me to fully describe the particular temperament the role required: A ruthless negotiator, someone who could drive a hard bargain and not blink, while also accepting the criticism of those who disagree with such an approach. This could potentially create a lot of conflict. That wasn't her temperament, and she knew it.

Did she really want that position, even if it was the natural next step up for her in her career? Most certainly not. She left the meeting relieved to know that the person who didn't promote her to that role knew her well enough to know that her temperament would doom her to failure. And she trusted me to wait until a more suitable opportunity came along, which it did.

Or consider the example of a brilliant manager who had all of the skills and information processing ability to be a successful leader, but he was volatile and bullied people. Through coaching, he was able to see how his behavior was problematic for his success and the success of his team. When he improved his approach to working with people, he rose to become a top executive in his function.

Temperament is something that is coachable, only provided that the employee is willing and open to change. A hair-trigger temper, for instance, could make a leader impossible to work for, no matter how brilliant. But there would come a time when their star power doesn't overcome the fact that no one wants to work with them. As Toni Lynn Chinoy, President, Harlan-Evans, Inc., says, their behavior becomes a distraction to their value and contributions. If they are willing to be coached to manage that element of their temperament, they might stand a shot at shining in another role.

Accepts the role requirements

Finally, there is the component of accepting the requirements of the role. Are there reasons – personal or otherwise – that would cause a person to not want a particular assignment? What naturally comes to mind, of course, is whether the employee believes in the mission of the company, department, team, and the particular assignment. But it can also be more personal than that. Family circumstances, for example, might prevent someone from taking a role that requires extensive travel.

This can play out in other scenarios, too. Some people, for instance, are great individual contributors and their success suggests they should be promoted to where they are managing people. What if they don't want to manage and develop others? What if they thrive as individual contributors who want to be left alone to do what they do best? Should they be invited to leave the company because they're not leadership material and are showing resistance to development? Or should they be left to do the work they were initially hired for and that they love?

When employers and employees get their wires crossed around accepting role requirements, companies risk losing valuable talent. Traditionally, high-value employees who demonstrate disinterest in advancing in their profession are often left feeling less valued or pressured to leave the company.

By following the Suitability Model and understanding how role requirements play into an employee's interest in available opportunities, the answer may often be *yes*. One exceptional leader in my company, for instance, was ready for the next step – a relocation to Hong Kong. Her reply: “No thanks.”

So a few months later, we offered her the opportunity to open a business unit in another part of the United States. Her reply again: “No thanks.”

In any other company, two strikes and the employee would be out. But because I had been applying the Suitability Model, I decided to meet with her to learn more about why she turned down two highly valuable opportunities.

The answer was readily revealed: She had two children whose lives she didn't want to disrupt with either a major move or the long absences necessary for her to perform her duties and a husband who was well established at a local company. We absolutely wanted to keep her, no question about that. But we also needed her to recommit to her development so that she could be a relatively reliable member of our succession planning pipeline. We agreed that we would continue her developmental activities in her current role through the next three years' time, seeing her through this sensitive period in her children's lives. In the meantime, we also upgraded her current responsibilities to leverage her capacity for more complexity.

The Rockwell Automation Story

Throughout the world, human resources professionals are constantly searching for the best way to define and identify leadership potential in a complex environment. In my years studying the work by Jaques and others, the Suitability Model is the one construct that sustains its utility and relevance, no matter the circumstances.

Rockwell Automation, a 113-year-old company built on innovation and customer focus, is the world's largest company dedicated to industrial automation and information, with customers in more than eighty countries.

When I assumed the role of senior vice president of human resources at Rockwell Automation in 2007, the company was undergoing a radical transformation. At that time, one third of our global workforce was relatively new to the company.

There were three HR initiatives in play (creating strategic clarity, designing a culture of inclusion, and building leadership capability). And HR's greatest opportunity for influence centered on leadership. The mission was to create a culture in which people could do their best work and build their best futures. Yet the company's performance management system, in its current state, was not helping us achieve the mission.

The existing process centered on a very complex and cumbersome organizational competency model that was customized for most jobs in the company worldwide. Each job was coded with the competencies, along with a large number of behavioral anchor scores that measured whether the employee was demonstrating them. By the time the manager finished assessing each employee on their goals, there would be pages and pages of competency measures. With that onerous complexity, the manager was serving the performance management system, rather than the system serving the manager and his or her needs.

Additionally, there was a lack of substantive conversations about leadership and what kinds of leaders the company needed. Our leadership assessment capability was lacking. We weren't able to clearly and succinctly articulate what it means to be successful in the organization, or what we look for when assessing people for senior leadership capability.

The time was right to start over. One of our key tasks was to create a clear description of what Rockwell Automation needed in its leaders that would serve the transforming company into the future, and help us fill a pipeline with qualified individuals who would be well-prepared candidates for leadership positions.

Introducing the Suitability Model

I saw an opportunity to bring the Suitability Model to life in a way that would move us toward our mission, provide clarity to help make decisions about leadership and enable us to determine the best candidates for long term succession planning.

The first step was to work with the senior leadership team to develop an understanding of what we mean when we talk about leadership and who we think has the potential to become a vice president or senior vice president. Using the Suitability Model, we were able to begin creating clarity, and we were on our way.

In 2009, we created the Leadership Capability Advisory Council, made up of high-potential senior leaders with the vision to define leadership capability. Looking at our existing process and our history with competencies, how do we help people understand what we're looking for based on the four components of the Suitability Model? It was a process. While the leaders still relied on some of the language of the competency criteria, they were open to embedding it into a framework that supported the suitability criteria.

As the leaders became more familiar and fluent with the Suitability Model, they could see how it could be applied to jobs throughout the company, not just the senior leadership positions. Additionally, because of its elegance in simplifying conversations around performance and potential, we are using the Suitability Model as a tool for individual career coaching.

In 2010, after introducing the four elements of the model to the larger group of top company leaders worldwide, our next challenge was deciding how to use it in a dedicated, organized way. While developing the succession planning process, we built tools to guide understanding of the Suitability Model.

An assessment guide was designed to help leaders understand the four components of the Suitability Model, with a special focus on the complexity of their leadership roles in the company.

The *User's Guide for the Suitability Criteria* was then created to supplement the assessment guide to help managers determine whether those reporting directly to them are underemployed, over-employed, or properly engaged with the company. It's a meaningful way to look at talent and assess capabilities for roles, once again illustrating how the unwieldy language of the competencies doesn't help us define what drives career success within Rockwell Automation.

The result? Now that the framework has been in place for several years, we are finding that our senior leaders are providing truly useful feedback on who is likely to be a great candidate for future senior leadership roles as well as better clarifying how to develop future leaders.

When we started looking at high performers through the lens of the suitability criteria, honest conversations followed. All of us are more aware that we have different levels of information processing ability, different temperaments, and different reasons why we and our employees accept or reject roles based on role requirements. The emotion is taken out of the discussion, and the conversations are more productive, realistic, meaningful, and strategic.

Another important result is the ability to help people understand how leadership decisions are made. We have a formalized framework to explain why they're not being promoted despite their skills and experience, why they are being accelerated in one track instead of another based on their information processing capacity,

or how temperament issues are impacting their promotions. Such clarity can help guide further development for some and enable retention of talent through increased understanding of leadership role requirements.

We completed the first phase of the work involved in rolling out the Suitability Model to all people managers and our global HR team. Managers across the globe received training and tools to help them understand and integrate the model into their everyday work. The next steps include transitioning to the use of and language of suitability within all our performance, selection, and development tools. Our global HR team continues to support their managers in using suitability to help assess employees in their current roles and for ongoing coaching and feedback, as we involve them in the change management process.

As we look to adapting the model throughout more talent management processes at Rockwell Automation, we understand that the next phase will be an evolution. Is there still an attachment to our original competency model? Yes, in some parts of the world especially. But we find that more and more, as our managers and employees fully understand the Suitability Model, they come to value it as an insightful tool to assess the match between an employee and a particular role.

There is an increasing receptivity to the Suitability Model because it's intuitive, it's what good managers are doing already, and it's applicable throughout the cultures represented in our company's more than eighty countries. We believe the model will move us closer to our mission of creating a culture in which people can do their best work and build their best futures at Rockwell Automation. We also believe the model will better enable us to select our future leaders who will make wise decisions on behalf of our shareholders leading to long-term health and well-being of our company.

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