



GO Global Organization  
Design Society



Readings in Global Organization Design  
2005 Conference Proceedings

## Global Talent Management

by Donald V. Fowke FCMC

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# Global Talent Management

Donald V. Fowke FCMC



the New  
**Management**<sup>TM</sup>  
Network



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This report describes a talent management, succession planning system that provides the structure and discipline within which managers – from front-line to CEO – can make the judgments, take the decisions and initiate the actions needed to supply the talent needed for growth. The system integrates Global Organization Design principles of structure and development into a web-based, user-friendly support for best management practices.

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# Global Talent Management<sup>1</sup>

CEO: "I need to know where my business unit heads are coming from seven years from now."

HR: We have a new CEO. And this was the first thing he put to me. It was serious, because he came with a very ambitious mandate to grow the company. I'm happy to report I could give him pretty good answers because our Global Talent Management System puts them at my fingertips. The next day I gave him *Exhibit 1*, and we spent an hour talking about the developmental experiences needed to prepare the most promising candidates. What he was looking for, of course, were managers who would be, or would become, capable at stratum V, were motivated, and who we could assure had the necessary skilled knowledge and experience to run a business unit.<sup>2</sup>

He could have very good confidence in the data, because it represents judgments by each candidate's manager and manager-once-removed, the boss's boss so to speak, as you can see in *Exhibit II*

That was not always the case. When we started with Talent Management five years ago we relied heavily on expert interviews by our consultants to assess current potential capability. This got us started in a practical way, and as our managers worked with ideas of distinct strata for managerial work, they got to be pretty good at distinguishing, for example, between somebody capable at stratum III high or stratum IV low. You can see in *Exhibit II* how these judgments are recorded in our system.

We know that high potential talent needs to be identified early. Men and women who will be business leaders at Stratum V and above need to make the turn from front line manager at stratum II to manager of managers at stratum III before age 27. And they need to be able to assume general management roles before age 43.

---

"...capable at stratum V, motivated, with the skilled knowledge and experience to run a business unit."



# EXHIBIT I

## Owen Chemicals

### Forecast Executive Talent 2005 – 2017

	2005	2009	2013	2017
7.3				
7.2			1	
7.1		1		1
6.3	1		1	2
6.2		1	1	1
6.1	1	1	2	4
5.3		2	1	6
5.2	3	1	10	8
5.1	7	9	6	6
4.3	11	16	14	13
4.2	16	10	10	6
4.1	7	4	2	2
	<b>46</b>	<b>45</b>	<b>48</b>	<b>49</b>

## Chief Officers, Group VPs

### 2005 Top Executives

Morton Frederick	Stratum	6.3
Harvey Shirley		6.1

### 2017 Top Executives

Harvey Shirley	Stratum	6.3
Reynolds Robert		6.3
Carlyle Terry		6.2
Stacey Francis		6.1
Barber Lloyd		6.1
Tremblay Alain		6.1
Herbert Albert		6.1

### 2009 Top Executives

Morton Frederick	Stratum	7.1
Harvey Shirley		6.2
Reynolds Robert		6.1

### 2013 Top Executives

Morton Frederick	Stratum	7.2
Harvey Shirley		6.3
Reynolds Robert		6.2
Carlyle Terry		6.1
Stacey Francis		6.1

## Business Unit or Equivalent

### 2005 V Capable:

#### Business Unit President or Equivalent

Lavery	Kenneth	Stratum	5.2
Gagnon	Lisanne		5.2
Carlyle	Terry		5.2
Fortier	Dennis		5.1
Cameron	Angeline		5.1
Chan	Ian		5.1
Voight	David		5.1
Robertson	John		5.1
Kilburn	Dale		5.1
Morton	Marion		5.1

### 2009 V Capable:

#### Business Unit President or Equivalent

Lavery	Kenneth	Stratum	5.3
Carlyle	Terry		5.3
Cameron	Angeline		5.2
Robertson	John		5.1
Kilburn	Dale		5.1
Burton	Lesley		5.1
Garland	Eric		5.1
MacDonald	Sarah		5.1
Briant	Andre		5.1
Darryl	Daniel		5.1
Arbuthnot	Dianne		5.1
Pratt	Pauline		5.1

### 2013 V Capable:

#### Business Unit President or Equivalent

Lavery	Kenneth	Stratum	5.3
Cameron	Angeline		5.2
Robertson	John		5.2
Kilburn	Dale		5.2
Burton	Lesley		5.2
Garland	Eric		5.2
Macdonald	Sarah		5.2
Briant	Andre		5.2
Darryl	Daniel		5.2
Arbuthnot	Dianne		5.2
Clarkson	Rick		5.2
Pratt	Pauline		5.1
McMillan	Timothy		5.1
Carson	Victoria		5.1
Chanson	Theresa		5.1
DuBarry	Dianne		5.1
McCusker	Herb		5.1

### 2017 V Capable:

#### Business Unit President or Equivalent

Lavery	Kenneth	Stratum	5.3
Cameron	Angeline		5.3
Burton	Lesley		5.3
Garland	Eric		5.3
MacDonald	Sarah		5.3
Clarkson	Rick		5.3
Robertson	John		5.2
Kilburn	Dale		5.2
Briant	Andre		5.2
Darryl	Daniel		5.2
Arbuthnot	Dianne		5.2
Pratt	Pauline		5.2
Jean	Dianne		5.2
Rilkoff	Mike		5.2
McMillan	Timothy		5.1
Bradford	Terrance		5.1
Standish	Richard		5.1
Giguere	Mark		5.1
Woodbury	David		5.1
Carrier	Damien		5.1

## Vice-President: "Our young engineers are getting into middle management without basic skills in people-management."

HR: The literature about developing leaders is clear about the importance of managing "turns". Making a turn is moving from one managerial stratum to the next. Stephen Drotter, for example, distinguishes among "mastery potential", the ability to do better at the same level of work, "growth potential", the ability to do bigger jobs at the same level in the near term, and "turn potential", the ability to move to a higher stratum in three to five years.<sup>3</sup>

We have a lot of engineers in our company, and when they come in they are doing technical work. Engineers aren't necessarily the best people-people. But many of our senior managers come from engineering backgrounds, and the really critical thing is getting them the necessary skilled knowledge and experience in managing people. That is why we make such a point of having managers routinely assess subordinate skills in the managerial practices, as you can see in *Exhibit III*. So when our system alerts, as it does in *Exhibit II*, that an individual is coming up on an important turn, we pay close attention to his or her ratings on the managerial practices. We've learned that these skills need to become second nature, and the best time to get it right is before the turn from stratum II to stratum III. For a young engineer doing a first supervisory job at level II, we need their immediate superior at level III to coach intensively on the managerial practices. And we insist that their manager-once-removed at level IV make sure those skills are developed before we move them on. You get what you inspect, not what you expect.

"...these skills need to become second nature... before the turn from front-line to manager of managers."

### EXHIBIT II

**Employee Horsepower**

Name: Donald Vernon  
 Title: Director of Systems Implementation  
 Access level: III  
 Job id: [ ]

Employee ID: [ ]  
 Gender: Male  
 Record ID: 10025

Personal Profile | **Horsepower** | Personal Style | Skilled Knowledge & Experience | Demonstrated Effectiveness | Career History | Commitment and Notes | Future Predicted Applied Capability | Summary: Developmental Recommendation

Hay Point: [ ]

**Current Potential Capability**

To sort click the sort button beside the Score

Manager Estimate	IV	Low	2/21/05
MoR Estimate	III	High	2/21/05
Interview Opinion	III	High	2/21/05
Current Potential	IV	Low	2/22/05

**Current Applied Capability**

II	High	2/21/05
----	------	---------

**Current Role** III Medium 2/21/2005

Created By/Date: Don Fowkes 2/21/2005 Modified By/Date: Don Fowkes 3/16/2005

**Calculate Potential Value**

Current Potential at Today's Date: 4.1 2/22/2005

Projected Cap in 3 years: 4.1

Current Potential Note: Has current cognitive capability for parallel processing such as for general management, for parallel processing multiple interacting processes in a two to five year time frame, pacing them in relation to one another in resourcing and in time, making trade-offs between tasks in order to maintain progress along the composite route to the goal. Will do best in a role with a time span of discretion of up to 3 years


General Manager: "We need bosses, and boss's bosses, to come to a meeting of the minds about what young managers and professionals need to develop fully. It's tough when everybody is moving around the way they do."

"We do this on the fly through our Talent Management System, which is now web-based and therefore accessible from anywhere in the world."

HR: One of the principles of Global Organization Design is that the manager-once-removed is key to the development of leadership talent. We found this perhaps the hardest thing we had to learn to do as a company. At very senior levels, the manager-once-removed scope can feel overwhelming. A group vice-president, for example, may have as many as seven business units reporting to him. His subordinates once removed could easily number 40 or 50 stratum IV or high stratum III managers.

We have had "gearing sessions", where we got our corporate executives and business unit presidents in the same room to review the talent. I know this is the way Jack Welch insisted on doing it at General Electric. To the degree we have been successful with this, it has improved our executives' understanding of what we are measuring, such as current potential capability as opposed to how it is being applied right now, and what that long term potential might be, etc. I'd consistently recommend we do more of it.

### EXHIBIT III

List View										New	Find	Go Last	Back	Forward	Go First	Print	Reports	Admin	Quit				
<b>Employee Skilled Knowledge &amp; Experience</b>											Employee ID	<input type="text"/>	Gender	<input type="text" value="Male"/>	Record ID	<input type="text" value="10025"/>							
Name	<input type="text" value="Donald"/>	<input type="text" value="Vernon"/>	Title	<input type="text" value="Director of Systems Implementation"/>	Mill	<input type="text"/>	Phone	<input type="text"/>	Ext		<input type="text"/>												
Access level	<input type="text" value="III"/>	Job id	<input type="text"/>	Flag	<input type="checkbox"/>																		
Personal Profile	Horsepower	Personal Style	Skilled Knowledge & Experience	Demonstrated Effectiveness	Career History	Commitment and Notes	Future Predicted Applied Capability	Summary : Developmental Recommendation															
Professional Qualification	<input type="text" value="MCSE"/>	Degree	<input type="text" value="Commerce"/>	University	<input type="text" value="U of Saskatchewan"/>	Graduation Year	<input type="text" value="1987"/>	Other Degree	<input type="text"/>	Other University	<input type="text"/>	Other Graduation year	<input type="text"/>	Other Training	<input type="text"/>	Bilingual	<input type="text"/>	Trades	<input type="text"/>				
<b>Management System Training</b>										<b>Managerial Skills</b>	Setting Context	<input type="text" value="3"/>	2/21/2005										
One Day Intro	<input type="text"/>	Values Training	<input type="text"/>	Recruiting	<input type="text" value="2"/>	2/21/2005																	
Three Day Intro	<input type="text"/>	Site Impact Training	<input type="text"/>	Team Development	<input type="text" value="4"/>	2/21/2005																	
Created By/Date	<input type="text" value="Don Fowkes"/>	2/21/2005	Modified By/Date	<input type="text" value="Don Fowkes"/>	3/16/2005																		
Assign Tasks	<input type="text" value="3"/>	2/21/2005	Coach Subordinates	<input type="text" value="4"/>	2/22/2005	Evaluate Performance	<input type="text" value="2"/>	2/21/2005	Develop Subordinates	<input type="text" value="2"/>	2/21/2005	Recommend Deselection	<input type="text" value="1"/>	2/21/2005	Assess Potential of SoR	<input type="text" value="2"/>	2/21/2005	Mentor SoR	<input type="text" value="3"/>	2/21/2005	Career Development of SoR	<input type="text" value="2"/>	2/21/2005

But practically speaking, our executives are too much on the move internationally to be able to do enough of this. We have learned to do this on the fly through our Talent Management System, which is now web-based and therefore accessible from anywhere in the world. Or for those who like to work on long international or cross country flights, we make a disk-based version of their talent pool available to them.

The key to this, of course, is having all the information available in the same place in electronic form, as in *Exhibit IV*. No more papers or forms that they need to lug around, which of course they won't do. So the Talent Management System has historical effectiveness appraisal data so that both managers and managers once removed can see how individuals have done in each job they've had with the company. This is important, because track record is a very good predictor, and we need to balance our sense of potential with measures of actual performance. The file also contains information on work history in previous employment, which is helpful in forming an opinion of what gaps need to be filled, as in *Exhibit V*.

Overall, we want the managers and managers once removed to agree on something we call "future predicted applied capability". What this means is a considered opinion, taking into account all of the data, including forecasts of mature potential capability. In other words, we

## EXHIBIT IV

The screenshot shows a web-based interface for a Talent Management System. At the top is a navigation bar with buttons for List View, New, Find, Go Last, Back, Forward, Go First, Print, Reports, Admin, and Quit. Below this is the main content area, which is divided into several sections.

**Employee Profile:** The title is "Employee Demonstrated Effectiveness". The employee's name is Donald Vernon, Title is Director of Systems Implementation, and Record ID is 10025. Other fields include Name (First-M-Last), Mill, Phone, Ext, Access level (III), and Job id. There is a photo of the employee and a checkbox for "Flag".

**Navigation Tabs:** Personal Profile, Horsepower, Personal Style, Skilled Knowledge & Experience, **Demonstrated Effectiveness**, Career History, Commitment and Notes, Future Predicted Applied Capability, and Summary: Developmental Recommendation.

**Demonstrated Effective Appraisal Table:**


Year	Title/Role	Current Role	Achieve Plan	Output of Subord	Build Team	MoR	TIRR	Collat. a.c	Career dev.	Link to File
2004	Director Systems Impl.	U III Med	4	High		4	4	4	4	
2003	Director Systems Impl.	U III Med	4	3	2	4	4	4	4	
2002	Senior Project Mgr.	U III Low	4	3	2	4	4	4	4	
2002	Senior Project Mgr.	U III Low	4	3	2	4	4	4	4	
2001	Group Leader	U II High	II	3	2	n/a	4	4	3	
2000	Group Leader	U II High	4	3	2	n/a	4	4	3+	
1999	Group Leader	U II Med.	4	4	2	n/a	4	4	4	
1998	Group Leader	U II Low	4	4	3	n/a	3	4	4	
1997	Group Leader	U II Low	4	4	3	n/a	3	4	4	

At the bottom of the interface, there is a metadata section: Created By/Date: Don Fowkes, 2/21/2005; Modified By/Date: Don Fowkes, 3/17/2005.






# EXHIBIT VI

<span>List View</span> <span>New</span> <span>Find</span> <span>Go Last</span> <span>Back</span> <span>Forward</span> <span>Go First</span> <span>Print</span> <span>Reports</span> <span>Admin</span> <span>Quit</span>									
<b>Employee</b> <span style="color: red;">Future Predicted Applied Capability</span>									
Name First-M-Last: <input type="text" value="Donald"/> <input type="text" value="Vernon"/>								Employee ID: <input type="text"/>	
Title: <input type="text" value="Director of Systems Implementation"/>						<input checked="" type="checkbox"/>		Gender: <input type="text" value="Male"/>	
Mill: <input type="text"/>						<input checked="" type="checkbox"/>		Record ID: <input type="text" value="10025"/>	
Phone: <input type="text"/> Ext: <input type="text"/>						<input checked="" type="checkbox"/>		<input type="checkbox"/> Flag	
Access level: <input type="text" value="III"/>		Job id: <input type="text"/>							
Personal Profile	Horsepower	Personal Style	Skilled Knowledge & Experience	Demonstrated Effectiveness	Career History	Commitment and Notes	Future Predicted Applied Capability		Summary: Developmental Recommendation
Current Potential: <input type="text" value="4.1"/>		<input type="text" value="2/22/2005"/>		<input checked="" type="checkbox"/> <b>High Potential</b>		Mature Potential: <input type="text"/>			
Current Applied Capability: <input type="text" value="II"/> <input type="text" value="High"/>		<input type="text" value="2/21/2005"/>		Will attain cognitive capability for unified direct action to drive a business unit or as senior individual contributor to provide strategic support to Level VI or VII business managers. Will be able to operate with a time span of discretion of 5 to 10 years.					
Current Role: <input type="text" value="III"/> <input type="text" value="Medium"/>		<input type="text" value="2/21/2005"/>							
Mature Potential Capability: <input type="text" value="V"/>		<input type="text" value="2/21/2005"/>							
						Future Predicted Applied Capability: <input type="text" value="V"/> <input type="text" value="Medium"/>		<input type="text" value="3/16/2005"/>	
						Agreed: <input type="text" value="Barber"/>		<input type="text" value="Lavery"/>	
						Mentor:		Manager last name:	
Created By/Date: <input type="text" value="Don Fowkes"/>		<input type="text" value="2/21/2005"/>		Modified By/Date: <input type="text" value="Don Fowkes"/>		<input type="text" value="3/16/2005"/>			

# EXHIBIT VII

<span>List View</span> <span>New</span> <span>Find</span> <span>Go Last</span> <span>Back</span> <span>Forward</span> <span>Go First</span> <span>Print</span> <span>Reports</span> <span>Admin</span> <span>Quit</span>									
<b>Employee</b> <span style="color: red;">Career Development Plan</span>									
Name First-M-Last: <input type="text" value="Donald"/> <input type="text" value="Vernon"/>								Employee ID: <input type="text"/>	
Title: <input type="text" value="Director of Systems Implementation"/>						<input checked="" type="checkbox"/>		Gender: <input type="text" value="Male"/>	
Mill: <input type="text"/>						<input checked="" type="checkbox"/>		Record ID: <input type="text" value="10025"/>	
Phone: <input type="text"/> Ext: <input type="text"/>						<input checked="" type="checkbox"/>		<input type="checkbox"/> Flag	
Access level: <input type="text" value="III"/>		Job id: <input type="text"/>							
Personal Profile	Horsepower	Personal Style	Skilled Knowledge & Experience	Demonstrated Effectiveness	Career History	Commitment and Notes	Future Predicted Applied Capability		Summary: Developmental Recommendation
Program Type: <input type="text" value="People Management"/>		<input type="text" value="www.mitsloan.mit.edu/execed/"/>		Website:		<input type="text" value="www.mitsloan.mit.edu/execed/"/>			
Time Frame: <input type="text" value="Immediate"/>		<input type="text" value="2 days"/>		Duration:		<input type="text" value="2 days"/>			
Institution: <input type="text" value="MIT Sloan"/>		<input type="text" value="\$2,600. US\$"/>		Tuition:		<input type="text" value="\$2,600. US\$"/>			
Suggested Program: <input type="text" value="Managing Technical Skills"/>									
Objective: <input type="text" value="Improve people skills"/>		<input type="text" value="MIT People Management program"/>		Action Plan:		<input type="text" value="Fall 2005"/>		Target Date:	
<input type="text" value="International assignment"/>		<input type="text" value="MoR to watch for opportunity in 2006"/>		<input type="text" value="Research options, discuss at next development session in 2006"/>		<input type="text" value="Before 2208"/>		<input type="text" value="Enrol in MBA 2007"/>	
<input type="text" value="Executive MBA"/>		<input type="text" value="development session in 2006"/>							
Mentor: <input type="text" value="Barber"/>		<input type="text" value="Lavery"/>		Manager last name:		<input type="text" value="Lavery"/>			
Objective: <input type="text" value="Improve people skills"/>		<input type="text" value="6/1/2005"/>		Manager Date:		<input type="text" value="6/1/2005"/>			
Created By/Date: <input type="text" value="Don Fowkes"/>		<input type="text" value="2/21/2005"/>		Modified By/Date: <input type="text" value="Don Fowkes"/>		<input type="text" value="3/17/2005"/>			

High flyer: “You know, career visibility is important. I need to know that how I’m doing and what I want to do is on the screen of the powers that be. If not, I’ll go someplace where I’m seen.”

---

“...the individual knows that the manager-once-removed is looking out for him...and the system keeps people from getting lost and overlooked.”

HR: One of the really important HR jobs here is keeping the Global Talent Management System files up-to-date and the processes moving. At corporate headquarters we are accountable for managers in stratum IV roles and higher, which means plant managers and equivalents in other functional areas. We rely on business unit HR to handle stratum I to III. Their work is very important because they are the source of the talent stream we count on for the future.

We have a profile for each individual updated each year, like that in *Exhibit VIII*. This snapshot is produced from our system, and is a good summary. It makes for a talking point with the manager-once-removed. Managers-once-removed try to touch base, however briefly, with every subordinate-once-removed during the year. They tend to do this as they move around the company in the normal course of business, or maybe at annual offsite meetings.

For high potential talent, managers once removed and managers sit down together with the individual for a good discussion. This ensures that good feedback is given from their immediate boss, and the boss’s boss has first-hand exposure to the individual, and the individual can be assured that the manager-once-removed is looking out for him, and considering options in other divisions or units that may fit with the development plan.

Individuals keep their file up-to-date, with courses they take, etc., and importantly with the first draft they make of their developmental plan. And individuals need to take initiative in making the things that are in the plan happen, to the degree that they have the authority to do so. Superiors and HR need to open the way for other things.

Overall this system keeps people from getting lost and overlooked, and we have a good track record of keeping the talent we want and need to support our future growth.

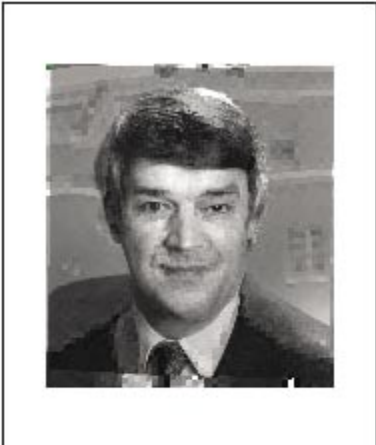


# EXHIBIT VIII

dfmain.fp5

OnePageR... Preview Print Back

Records: 2 Unsorted



**Donald Vernon**  
Title Director of Systems Implementation  
Function Information Technology

**Skilled Knowledge & Experience**  
Degree Commerce  
Other Degree  
Professional MCSE

**Values Managerial Work** High  
**Style Enneagram** 5

The Thinker – Perceptive, autonomous, concept-oriented, focused on understanding things completely and accumulating knowledge while maintaining personal privacy.

**PAEI Profile PaEi**  
The Producer: – The ability and energy to focus on a task and follow through relentlessly on its completion.  
Entrepreneur: The ability to think outside of the box, to find creative new ways of approaching the job and to stick with a new idea in the face of resistance.

**Horsepower**  
Current Potential Capability IV Low Mature Potential Capability V  
Has current cognitive capability for parallel processing such as for general management, for parallel processing multiple interacting processes in a two to five year time frame, pacing them in relation to one another in resourcing and in time, making trade-offs between tasks in order to maintain progress along the composite route to the goal. Will do best in a role with a time span of discretion of up to 3 years.

**Developmental Summary**  
Donald Vernon is an accomplished systems engineer with good technical experience in defining requirements of system networks and operating systems. As a manager he has overseen projects where new hardware has been acquired, new software systems implemented and optimal results achieved. He has a good track record with client relations. Since his appointment as Director, his inexperience with recruiting, coaching and developing subordinates has become evident. He has good natural people skills but needs training in people management. He has potential to advance to senior management levels but will need broadening. A people management program at MIT is recommended for the short term. He should be encouraged to take an executive MBA for the longer term. He needs coaching in the development of people and would benefit from assignments that give him international experience.

Mar 17, 2005

100 Browse

VP HR: "Our tendency in appointments has been to grab the closest warm body and get on with it. To have managers consider a broader group, including people they don't know, they need a simple way of getting the information, which should include track record, judgments on potential, and developmental needs."

---

"Our better HR managers take their laptops into the boss's office and run through a series of options."

HR: This has maybe been the toughest thing to implement. It requires managers to be willing to bend their urgent priorities a bit to get a solution that is better for the company as a whole. The key has been for HR managers to develop computer skills and spend the time sifting through the files so that an array of alternative candidates comes up. Having lead time with retirements or known moves allows us to make use of emerging vacancies to take staffing actions that are better for the people in the system and best for the company. Our better HR managers take their laptops into the boss's office, plug it in to the on-line system, project it onto the wall, and run through a series of options.




# EXHIBIT IX

### Employee Personal Profile

Name: Donald [ ] Vernon [ ]  
 Compensation: Director of Systems Implementation [ ]  
 Phone: [ ] Ext: [ ]  
 Access level: III Job id: [ ] Flag:

Employee ID: [ ]  
 Gender: Male [ ]  
 Record ID: 10025 [ ]



			D1	D2	D3	S1	S2	S3
<b>Total</b>		High	\$144,351	\$150,018	\$155,907	\$162,028	\$168,389	\$175,000
<b>Direct</b>	<b>III</b>	Med	\$114,571	\$119,069	\$123,744	\$128,602	\$133,651	\$138,898
<b>Comp.</b>		Low	\$90,935	\$94,505	\$98,215	\$102,071	\$106,079	\$110,243
		High	\$115,480	\$120,014	\$124,726	\$129,622	\$134,711	\$140,000
<b>Salary</b>	<b>III</b>	Med	\$91,657	\$95,255	\$98,995	\$102,881	\$106,920	\$111,118
		Low	\$72,748	\$75,604	\$78,572	\$81,657	\$84,863	\$88,194
<b>STIP</b>		High	\$28,870	\$30,004	\$31,181	\$32,406	\$33,678	\$35,000
<b>(bonus)</b>	<b>III</b>	Med	\$22,914	\$23,814	\$24,749	\$25,720	\$26,730	\$27,780
		Low	\$18,187	\$18,901	\$19,643	\$20,414	\$21,216	\$22,049

	Salary	STIP	LTIP	Total Cash Comp.
<b>2004</b>	\$ 111,110	\$ 27,778		\$ 138,888
<b>2003</b>	\$ 85,000	\$ 21,250		\$ 106,250
<b>2002</b>	\$ 65,000	\$ 16,250		\$ 81,250
<b>2001</b>	\$ 40,000	\$ 10,000		\$ 50,000
<b>2000</b>	\$ 38,000	\$ 9,500		\$ 47,500
<b>1999</b>	\$ 36,000	\$ 9,000		\$ 45,000
<b>1998</b>	\$ 35,000	\$ 8,750		\$ 43,750
<b>1997</b>	\$ 35,000	\$ 8,750		\$ 43,750

COO: “I’ve got accountability for nine direct reports. And I’ve got manager-once-removed accountability for 47 others. I can’t stay on top of this unless I’ve got all the information at my fingertips when I need it, including salary and incentive options.”

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“...we have a living, evolving system...structure and discipline within which managers... initiate the actions needed to build our inventory of talent.”

HR: It will be clear we had the COO’s concerns in mind when we put the system together the way we did.<sup>4</sup> As a matter of fact, we are still working with an awkward interface with the payroll system, but we are gradually getting to full integration.

Most recently we have implemented a compensation module, based on “felt fair” pay structures. Now managers can make salary adjustments, and short- and long-term incentive recommendations right in system, in the full context of all the information about individuals, as indicated in *Exhibit IX*.

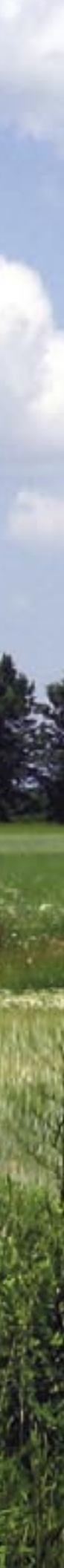
Overall, we have a living, evolving system that provides the structure and discipline within which managers – from front-line managers to CEOs – can make the judgments, take the decisions and initiate the actions needed to build our inventory of talent, globally.

<sup>1</sup> Don Fowke is a management consultant with the New Management Network ([www.new-management-network.com](http://www.new-management-network.com)). In the spirit of the report by Maurice Dutrisac, Don Fowke, Herb Koplowitz and Ken Shepard entitled *Global Organization Design*, Toronto, March 2005, the present report uses the voice of the Director of Human Resources and Organization Development of the fictitious “Owen Chemicals” to tell a composite story of implementation of the Global Talent Management System.

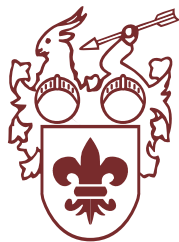
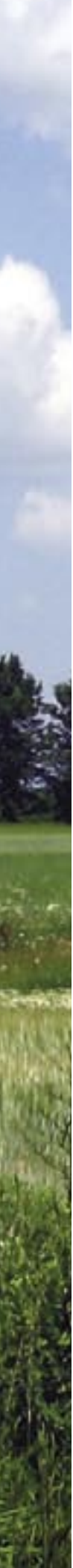
<sup>2</sup> The concepts of strata and developmental path used are inspired by Kathryn Cason and Elliott Jaques, *Human Capability*, Cason Hall Publishers, Gloucester MA, 1994.

<sup>3</sup> Ram Charan, Stephen Drotter, James Noel, *The Leadership Pipeline: How to Build the Leadership Powered Company*, Jossey-Bass, San Francisco, 2001.

<sup>4</sup> The Global Talent Management System is implemented in Filemaker Pro by Claris.







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## OUR PURPOSE

The Global Organization Design Society is a not-for-profit corporation registered in Ontario, Canada to promote the following objective:

The establishment and operation of a world-wide society of academics, business users and consultants interested in science-based management to improve organizational effectiveness for the purposes of:

Promoting among existing users increased awareness, understanding and skilled knowledge in applying concepts of Levels of Work Complexity, Levels of Human Capability, Accountability, and other concepts included in Requisite Organization and/or Stratified Systems Theory.

Promoting among potential users of the methods, appreciation of the variety of uses and benefits of science-based management, and access to resources.

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