

Talent management as snakes and ladders

Anti-fragile in a world of uncertainty

The greatest danger in times of turbulence is not the turbulence - it is to act with yesterday's logic.

Peter Drucker



The organisational challenge

We are told we now live on Planet VUCA, a world of Volatility, Unpredictability, Complexity and Ambiguity. "This environment will be the norm for the foreseeable future."

As investor Warren Buffett comments: "You know, people talk about this being an uncertain time. You know, all time is uncertain. It was uncertain on October 18th, 1987, you just didn't know it." Was there ever a period in which organisations didn't have to grapple with the uncertainty of the arrival of new technology, and markets of intense competition and changing customer preferences?

But there is good reason to accept that the pace and change of business disruption is increasing, not least because of the breath-taking velocity of technological innovation. And there is now a familiar story line.

The organisations that will succeed in future will come to terms with this reality, and understand how to compete in an environment of business uncertainty and change. These winners will possess a combination of resilience and responsiveness, based on a clear headed view of risk and a shift in operating approach and a different leadership mind set.

The losers, overwhelmed by the scale and complexity of the challenge, will continue to look for the kind of stability that can only result in misguided strategic decisions.

Is organisational resilience a solution to VUCA? Or, are our assumptions about resilience and risk management now part of the problem? Does much current talent management practice, paradoxically, make organisations more not less vulnerable to change? What are the practical implications for talent management in facing the challenges of uncertainty and change?

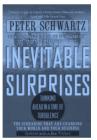
We highlight how a shift in talent management thinking can build Anti Fragile organisations through:

- 1. a rethink about risk within succession
- hard thinking about simplicity rather than the complexity of doing
- 3. not worrying too much about strategic alignment but avoiding obvious disconnects
- 4. the flexibility of loose models rather than detailed frameworks
- 5. dealing with today's performance rather than the long-term prediction of potential
- 6. a mistrust of highly centralised leadership and a preference for distributed leadership
- 7. the pragmatic deployment of flexible technology rather than dependency on integrated systems
- 8. real conversations that talk with candour about the real issues

Resilience in a world of uncertainty and turbulence

Call it the resilience gap. The world is becoming turbulent faster than organizations are becoming resilient.

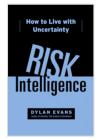
Gary Hamel & Lisa Valikangas



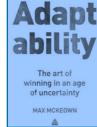


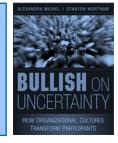












Faced with increasing levels of uncertainty - about the economic environment, the dynamics of the global market, and the velocity of technological change - organisations have turned to the concept of resilience to help gain a better insight into the dynamics of organisational success.

If the decline in corporate longevity indicates that sustained organisational success is an increasingly formidable challenge, what can be learnt from resilience? Resilience after all offers protection from the stresses and shocks of the environment, and provides the "bounce back" factor to recover from the inevitable slings and arrows of the market-place.

How might this help organisations put in place the structures and systems to future-proof their business?

Organisational resilience

At one level, organisational resilience is about what happens when bad things happen to a firm. Here the goal is to design the processes that allow organisations to respond to adversity and the systems that will mitigate the potential damage. This is resilience as risk management, contingency planning and crisis response management to resolve those threats with the potential for financial exposure or reputational damage.

At another level, resilience is more than fortitude to cope with the tough stuff. Resilience is also responsiveness to spot emerging risks and opportunities, identify quickly what is and isn't working, and the agility to shift resources rapidly to redirect energy towards new challenges and priorities.

Organisational resilience then becomes a key dynamic in a firm's commitment to renew itself when it identifies signs of strategic exhaustion, and recognises when it needs to reposition itself for a changing market place.

This is the standard script. Build the organisational systems to cope with adversity and keep the corporate show on the road, and establish structures that will identify potential risks and opportunities when a fundamental shift in thinking about strategic priorities is required.

It's a good story, except as contrararian investor and philosopher, Nassim Taleb argues, it's also a fundamentally flawed account of the dynamics now shaping future corporate survival and success.

In "Anti Fragile: How to Live In A World We Don't Understand", Taleb suggests that the only important game in town is uncertainty, and until we come to terms with this fundamental, we will struggle to make sense of events. Competing in a world of uncertainty requires a shift in the leadership mind set and a radically different approach to organisational design and culture. And the conventional response - build resilience - is now part of the problem, making organisations more, not less vulnerable to the turbulence of the market place.

Nassim Taleb: why anti fragile beats resilience in a turbulent world

Taleb makes a distinction between:

Fragile systems that break easily. Organisations with key vulnerabilities will be exposed quickly in the market place and simply disappear.

Resilient systems that are designed to withstand shocks and stresses. These he argues are based on structures and processes that, in maintaining stability and control, in fact make organisations less robust, and more likely to fail over the long-term.

Anti fragile systems that become stronger with adversity. He describes the organisations that have "made peace" with uncertainty, and built a business model around this reality.

When you send a package by mail you write 'fragile' on it. The opposite would read 'please mishandle.' In other words, the package gains from mishandling, which is a crucial distinction from mere robustness.

Nassim Taleb

In particular, systems and organisations become anti-fragile when we:

- accept the limitations of prediction and our inability to define the strategic future
- recognise the realities of organisational change, and how organisations evolve, adapt and improve
- come to terms with failure, and see it as part of successful evolution
- rethink leadership to ensure reward is aligned to the consequences of success and failure



Accepting the limitations of prediction

Attempts to predict future change are not only impossible, they are fool hardy. Gary Hamel suggests: "the future is less unknowable than it is unthinkable". Taleb argues this is strategic hubris.

Looking for great foresight from the strategic gurus won't help organisations get better at predicting the future, judging from the dismal track record of the experts in their forecasting attempts¹.

And Taleb is not suggesting that the future will be substantially different in most respects to the present. The futurologists' projections of a radically different world, from both the optimists and the doomsayers, have been consistently wrong.

Taleb's argument is that it is the "black swans" ² - events outside the realm of our expectations with extreme impact - that are unpredictable. The only credible response is to build robustness against the negative Black Swans that occur and to be in a position to exploit the positive ones.

Instead of accommodating this uncomfortable fact, we prefer to take business refuge within the certainty and conviction of a detailed strategic plan. This blue print for future success may be reassuring, but it is largely illusory. It provides a narrative of organisational optimism; it also is a storyline that typically ends in tragedy. Even worse, these master plans close down options, locking organisations into an inflexibility that makes them less responsive and robust.

The trick is not to spend time trying to get better at predicting this world, or making it more predictable, for both of these strategies are bound to fail. Nevertheless, this does not mean that we need to submit to being at the whim of fortune.

Nassim Taleb



Recognising the realities of organisational change

Opportunistic change, through the experimentation of messy trial and error will out trump any complex top down programme of change.

Systems don't become anti fragile through the typical enterprise in change management. Organisational programmes initiated from the top around a compelling leadership vision and supported by a complex array of project management methodology have been tried, and been a remarkable failure³. The exhortations of the change management industry for yet more sophisticated planning or bigger communications campaign can only make change efforts less, not more successful.

Robust organisations do change as they evolve to take advantage of new opportunities and exit out of unproductive activities. But this is change as organisational tinkering, a combination of exploring new possibilities and rapid feedback systems to keep adapting and improvising. It isn't a top down leadership vision supported by change consultants to implement the solution.

Fragile firms, to paraphrase Oliver Burkeman⁴, are like cooks who worry about having all the right ingredients in their pantry to follow the recipe for the perfect meal. Anti fragile organisations, on the other hand, don't see themselves as "high end chefs, concocting a vision of a dish and then hunting for the perfect ingredients. They behave more like ordinary, time-pressed home cooks, checking what is in the fridge and the cupboards, then figuring out on the fly, what they can make and how". This is organisational change as an evolving exercise in experimentation, versatility and improvisation.

When you are fragile you depend on things following the exact planned course, with as little deviation is possible.

Nassim Taleb

Coming to terms with failure

Small mistakes can make a system more robust while large ones can destroy it.

If resilience is alert to problems, looking to minimise deviations and error, anti fragility is open to mistakes and accepting of error. This is not organisational life as the fragility of ineptitude and carelessness or ethical violation. It is a different approach to failure. Anti fragile firms know that "the big mistake is trying too hard to avoid shocks". They recognise the hazard of long periods of stability which allow risks to accumulate, until there is a major disaster.

This is the maturity to accept that the denial of the small business mistakes and minor organisational pains might provide the short-term comfort of regularity and predictability, but simply make the impact of larger problems more severe when they happen.

There is an incredible beauty to mistakes, because embedded in each mistake is a puzzle, and a gem.

Ray Dalio, CEO Bridgwater

Tim Harford in "Adapt: Why Success Always Starts With Failure", points out that "the more complex and elusive our problems are, the more effective trial and error becomes relative to the alternatives." But genuine trial requires an acceptance of error.

Harford outlines the Palchinsky principles of adaptability:

- 1. search out new ideas, and try new things
- when trying something new, do it on a scale that is survivable
- 3. seek out feedback, and learn from your mistakes as you go along

Anti fragile organisations know there is nothing to fear from truth, and everything to lose from falsehoods and deception. Honest mistakes, undertaken in search of improvement, are fundamental to the experimentation that generates innovation and improvement. But failure requires a culture of openness and "radical transparency"⁵ to accept its occurrence and assess the reasons and implications.

Ensuring reward is aligned to the consequences of success and failure

If our executives know they can walk away rewarded by failure, what kind of leadership can we expect?

Organisations led by executives without genuine "skin in the game" are vulnerable.

Executives are pushed toward managing expectations more so than real performance. To do this they end up leading inauthentic lives and doing work devoid of meaning, which is bad for their companies and themselves.

Roger Martin

In "Fixing the Game", Roger Martin⁶ identifies executive compensation as a key factor in organisational fragility and the dynamic of a more fundamental business malaise. Stock options, for example, initially viewed as aligning executive performance with shareholder returns, have in fact created a "huge upside of reward with no real downside for weak performance" for executives. This is leadership without "skin in the game" which gains personally only from the benefits of organisational risk, and walks away from the negative consequences⁷.

Martin argues executive rewards are now linked to the expectations market and the trading of shares based on future organisational performance. This is not the real market in which products are created and sold, revenue is generated and profits are made. And because it's easier to manage expectations of future earnings than improve performance in the real world, executives are now incentivised to focus on short-term expectations. And then get out quickly.

For the long-term investor, the delivery of higher short-run earnings seems to destroy long-term economic value⁸. And unsurprisingly, the era of stock options has seen an increased incidence in large-scale accounting fraud.

When there is only an upside for risk, leaders are more likely to make the decisions for personal gain that are organisationally damaging. Organisations build anti-fragility when the consequences of success and failure are aligned with leadership rewards and incentives.

Talent management, succession management and resilience

Talent management, or at least the component of succession planning, is intended to address organisational risk. This is the analysis of critical roles, listings of successors and high potential candidates, and the review of the strength in depth of the pipeline of emerging talent to pinpoint resourcing exposure and pressure points.

At best this is an important discipline within corporate governance to highlight current and emerging organisational risks. Typically, however, it is an exercise in impression management for stakeholders, a highly politicised game within the leadership ranks, and an activity largely detached from mainstream decision making.

For most executives, succession planning is the annual event in the calendar in which templates are distributed, boxes are checked and submitted to disappear into the "black hole" of the corporate centre. Here, succession management isn't a realistic assessment of risk and resilience; it is a paper shuffling formality and ritual.

Or as David Clutterbuck in "The Talent Wave" puts it: "organisations cling on to existing methods of talent management and succession planning, mistaking mechanistic routines for systematic approaches. The result is a plethora of charts and plans that give a veneer of being in control, yet are obsolete before they are completed, and based on false premises both about the nature of talent and succession planning, and about the individuals in the process."

Although 97% of organisations engage in formal succession planning processes, only 7% of C level executives feel the process is working effectively to produce the talent they need for the future.

Jay Conger & Doug Ready



Strategic talent management and organisational success

In recent years strategic talent management has promised a more business driven approach in which priorities and practices are aligned around the organisation's long-term goals. But as John Boudreau⁹ points out, adding the word strategic to talent management does not make it a genuinely strategic enterprise. He notes that the majority of talent management strategies are based on fairly broad generic goals, reflecting aims that may be important, but pretty much apply to any organisation, and based on a very similar bundle of activities.

A good talent management strategy pinpoints: "where does our talent need to be to be better than our competitors for us to win?" Therefore it is a puzzle why very different organisations - with their distinctive past legacy, their own current challenges, and a variety of aspirations for the future - end up with talent management responses that are virtually identical.

In our recent review of the research¹⁰ identifying the business impact of "best practice talent management", we found no evidence that this response has improved the odds of future organisational success.

What then should be the talent management response if we accept Taleb's shift from resilience to anti-fragility? We shouldn't anticipate any detailed prescriptions (quite the opposite). But what are the guiding principles for talent management that engages with the realities of uncertainty?

Compare the human resources strategies of two competitors, and it is frequently hard to tell which strategy goes with which company.

John Boudreau



How to shift how we think about talent management

We suggest eight themes for anti fragile talent management:

- 1. a rethink about risk within succession
- 2. hard thinking about simplicity rather than the complexity of doing
- 3. not worrying too much about strategic alignment but avoiding obvious disconnects
- 4. the flexibility of loose models rather than detailed frameworks
- 5. dealing with today's performance rather than the long-term prediction of potential
- 6. a mistrust of highly centralised leadership and a preference for distributed leadership
- 7. the pragmatic deployment of flexible technology rather than dependency on integrated systems
- 8. real conversations that talk with candour about the real issues

Cultivating anti fragility enables us to minimize the potential harm from negative Black Swans while capturing the benefits of positive ones. It is all about developing a productive and flexible relationship with volatility.

Nassim Taleb

A rethink about risk within succession

Risk, the story runs, is a bad thing. Risk is "the probability and magnitude of a loss, disaster or other undesirable event." Or put more simply, risk is the recognition that "something bad could happen." And of course bad things do happen. And any firm without early warning systems to spot emerging trouble, or the courage and resolve to address the problems is organisationally fragile. The first step toward anti fragility consists in first "protecting yourself from extreme harm".

Risk, reframed is also "being smart about taking chances". Anti fragility sees the opportunities of uncertainty and risk. This is the strategy of taking small risks to keep open to the potential of the unexpected and the possibilities of the positive "black swans".

If fragile organisations seek to maintain the status quo by asking "where is the downside?", anti fragile companies also view risk as having an upside to seize opportunities.

Fragile organisations provide work-force analytics to identify the dynamics of talent demand and supply and spot any pressure points. They also track the classic indices of succession coverage and exposure in their assessment of corporate risk.

This of course is good governance to pinpoint organisational vulnerabilities within key groups or strategically critical roles. The challenge is ensuring that this process is a meaningful activity, one that is directed at the future rather than the maintenance of the quo within current organisational structures.



A rethink about risk within succession

Anti fragile firms take a different perspective to succession management to incorporate a broader range of issues within talent management, including:

- how much versatility do we possess within our professional and executive ranks?
- how easily can we redeploy people within a different organisational design when we restructure?
- does our culture encourage risk taking about individuals and their progression, or are we reliant on the listings of the "usual suspects"?
- are our reward systems sending out the right signals about performance and progression?
- how easily can we acquire different types of talent into our business?

No doubt the classic succession plan will continue to be a feature of corporate life, not least to meet stakeholder expectations of conventional risk assessment. But anti fragile talent management also asks a different set of questions to identify organisational robustness in navigating the changes that exploit the upside of risk.



Anti fragility is the combination of aggressiveness plus paranoia.



Nassim Taleb

Hard thinking about simplicity rather than the complexity of doing

Complexity is inevitable. Stocked super market shelves, planes that fly on time, and successful hospital operations all require elaborate sophistication to synchronise an array of diverse activities. But there is good and bad complexity.

Good complexity is the elegant integration of people and systems within coordinated structures to create value. Bad complexity provides camouflage to hide for organisations that don't understand their key strategic priorities, customers and operating processes. This is complexity as a reluctance to address the business fundamentals. Alternatively, complexity is a deliberate smoke screen to conceal those activities which border on the reckless or the unethical.

Bad complexity makes organisations fragile. Organisations enhance anti fragility when they embark on a ruthless drive on complexity to:

- keep the messy stuff manageable
- kill those projects that are more about political posturing than business value
- streamline processes that have allowed the organisational clutter to build
- make it a constant priority to communicate clearly their priorities at every level

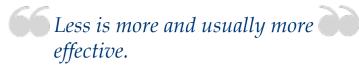
It is tempting to "do" talent management - any permutation of "best in class" initiatives and programmes. It is tougher to "think" talent management and to work through:

What operating model will reflect the interplay of our strategy, structure and culture?

What are the implications and options given the dynamics of talent demand and supply for our business?

What is the distinctive scope and positioning of talent management within our business?

Firms that understand anti fragility are wary of best practice, sceptical of the new solution and cautious about the fashionable fad. It is talent management as tough thinking about what is right for our business given its strategy, structure and culture, not the busy doing to implement the practices of the fragile.



Nassim Taleb

Less strategic alignment but avoiding obvious disconnects

We are told that talent management must be strategic, with a clear read across between the challenges facing the organisation and priorities and practices within resourcing and development. It must also be integrated across the range of its different processes, everything from the recruitment of front line employees to board level succession.

This is talent management as a jigsaw puzzle, and the need to inter-connect all the elements to see the "big strategic picture" on the corporate box. But it's a strategic alignment most commonly observed in the process maps of conference presentations than in the hurly burly of real life talent management.

In a world of uncertainty and change, talent management is becoming less like a jigsaw puzzle and more like the game of Snakes and Ladders. There is no big picture awaiting the last piece of the jigsaw before it all connects and works. Instead talent management is a series of messy manoeuvres in which some activities work and can be built on for ongoing improvements, and others fail and fall by the wayside. The trick is to have the processes in place for rapid feedback to work out what isn't and working and to keep changing the mix.

We should steer well clear of the "one thing" talent management obsessives who have a pre-packaged solution to sell and implement. Here they forget that no one thing is consistently a good thing; there is always a downside in any specific context, and that one thing may be a highly damaging activity in a different context.

And it helps if we "join up the dots" across the spectrum of talent management practice. We need a game plan that reflects the distinctives of our organisation and represents a coherent philosophy that prioritises key practices.

But we should be sceptical of the elegant schemata that plays well in consultancy project plans, but is some distance from organisational reality. Organisational survival and success depends less on the talent management strategic blue print of "ready, aim, aim, aim" and more on the mind-set that is "ready, fire, aim".

The flexibility of loose models rather than detailed frameworks

The more specific a competency framework becomes the less likely it is to be relevant in a few years' time.

David Clutterbuck



There is an industry now dedicated to the complexification of talent management. In avoiding the fundamental issues, it generates new problems that in turn require another layer of complex solutions.

Genuinely strategic talent management that makes a business difference is difficult. The difficulty lies in identifying the specific priorities and practices with most organisational leverage, and the utilisation of simple processes that can be adapted and changed quickly. It isn't the difficulty of mastering a talent management bureaucracy of detailed role profiles, complicated competency frameworks or cumbersome procedures.

Neither is this an argument for the kind of loose processes that are confusing and chaotic. Discipline and rigour in talent management are key, and much easier to implement within simple systems.

Complex talent management systems take time to design, implement and embed. And by the time they are utilised, they provide a sophisticated solution to an old set of problems. Anti fragile firms instead create simple frameworks and streamlined tools and processes - built around a few key questions - that can be adapted and updated quickly to respond to changing organisational priorities.

Today's performance rather than the long-term prediction of potential

It's tempting to assume that our business future will be secured by the brilliance of the leadership we can attract and retain to help navigate through the white waters of business turbulence. And it's also tempting to believe that there is a handful of people with the right stuff who can make this future happen. Here, our talent management efforts focus on those exceptional individuals who can safeguard the success of our organisations.

Organisations have tried the "best and brightest" strategy in talent management, and invested huge amounts of energy in the attraction and assessment of the beautiful who tick the conventional boxes of first class education, career experience and psychometric test scores.

The occupational psychologists continue to claim the arrival of a new assessment to improve our ability to spot the "good ones". Armed with this stunning predictive power firms are told we can identify and develop their future business stars.

The fragile needs to be very predictive in its approach, and conversely predictive systems cause fragility.

Nassim Taleb

Today's performance rather than the long-term prediction of potential

We've had several decades of this approach, and it's alarming to note that over this time scale:

- there has been no improvement in the base rates of successful executive appointments
- rather than improving the predictive power of assessment; the validity of some established methodologies is in decline¹¹

This is to be expected on Planet VUCA.

As Groysberg¹² has pointed out, we've chased the stars, looking to attract and recruit those with the right stuff, and we have over-estimated the extent to which the right stuff of the stars is in fact all that transferable. Performance it seems is much more contextual than we first thought, and hinges in large part on the systems, culture and relationships within which the performer operates.

This isn't to abandon the use of objective assessment method as a useful perspective in spotting unusual or neglected talent. But it is to question the quest for the "right stuff". And it's also to point out the futility of attempting long-term prediction when - in turbulent uncertainty - it's not obvious what we're trying to predict.

Talent management within fragile organisations looks for the comforting predictability of knowing who has potential tomorrow, looking for greater predictive power through better assessment. Talent management in anti fragile firms accepts Taleb's advice: "be very short term in order to properly capture the long term." It is more concerned that today's performers are in fact performing, performance is building organisational agility and versatility, and structures are in place to reward the right type of performance.

Distributed leadership rather than highly centralised leadership

Most organisations follow a well established operating model: a powerful corporate core staffed by big heavy hitters who call the organisational shots. This is Head Office planning, coordinating and monitoring activity throughout the enterprise, underpinned by standard operating procedures that provide consistency and standardisation.

And it is a model that has provided remarkable gains in cost efficiency, at least in the short-term and within relatively stable markets. It is, as Tim Harford, notes now "a dangerously misleading view" for new realities. The top team strategic picture becomes a "self deluding propaganda poster, the unified team retreats into groupthink, and the chain of command becomes a hierarchy of waste baskets, perfectly evolved to prevent feedback reaching from the top." And it is not an organisational design that is robust for the long-term in a world of change and complexity.

An organisation that is constructed around the personal heroics of the pioneering visionary or the versatile turnaround leader will achieve column inches in media profiles for its stunningly brilliant leadership. It won't attain sustainable success for the long-term¹³. A dependency on a handful of leaders at the top is a trajectory to vulnerability and fragility.

Anti fragile firms know that what works in reality is an organisation that is "far more unsightly, chaotic and rebellious altogether" ¹⁴. Talent management goes beyond the assessment of the senior executive population to look at capability at all organisational structures of accountability to ensure leadership discretion is recognised at all levels.

I prefer to invest in organisations that any idiot can run; because sooner or later, any idiot probably is going to run it.

Warren Buffett

The pragmatic deployment of flexible technology

Fragile organisations dislike messy disorder and fragmented processes. Fragile organisations look for the reassurance of the stability and control of complex coordinated and joined up systems. Talent management professionals within fragile firms want a big and integrated solution to the challenge of managing talent intelligence. They buy the promise of the talent technology vendors with the appeal of managing the full employee cycle within a complete suite of tightly coupled modules.

It's not an approach that will excite anti fragile firms. They suspect that by the time the system has been designed and implemented it will be the wrong solution to a new set of organisational problems. And their scepticism is confirmed by the studies that indicate the limited gains that have been realised through the investment in HR technology. When for example Janet Marler and Sandra Fisher¹⁵ analysed 40 reports issued between 1999 and 2011, they found no empirical evidence that HR systems had helped give companies any strategic edge.

Technology keeps evolving, and next week may see the arrival of a cost effective, highly flexible system that can adapt easily to the changing challenges organisations face. But an anti-fragile organisation doesn't plan around this hope. Instead they are adept at tailoring and tinkering to find ways of applying the tactics of "make do" to draw on "fit for purpose" applications.

This is talent management as a strategy of improvisation to back the inexpensive and low-scale and implement ad hoc solutions to today's problems rather than bet big on the cumbersome and complex.

Most HR IT applications in the talent and succession planning space are costly and focused on the transactional aspects of people, but woefully short on the strategic information required to support talent optimization.

Charlie Bishop

Real conversations that talk with candour about the real issues

There is an unwritten rule of: "let's all be civil and polite here and not embarrass each other with demanding questions"....Demand candour and open dialogue from senior executives during talent discussions.

Patrick Dailey & Charlie Bishop



A few decades ago, organisations introduced the performance-potential nine box grid in the attempt to be more systematic in the review and planning of their talent. Designed as a quick audit of current and anticipated future performance, it has outlived its usefulness as a tool for talent management on Planet VUCA.

Apart from the obvious difficulties in summarising the diversity of employee experience, knowledge and skills, motivations and career aspirations into a single index of potential, nine box plotting has now become a dynamic of secretive bad faith to drive out honest dialogue¹⁶. For example, which sane manager would contemplate a career conversation with team members that informs their best people they have been evaluated as low potential?

Here talent management is held back by a terminology that makes it difficult to have authentic conversations about performance, career progression and personal development. Caught up in worrying about explaining a concept like potential, managers avoid the issues.

The alternative to this problem isn't the replacement of management judgement with a "black box" of assessment. It is to provide managers with a framework and language and tools that facilitate truthful and authentic conversations¹⁷.

This is talent management to adopt "radical transparency" which creates its own discipline and accountabilities for the discussion of the organisation's current and emerging talent.

Conclusions

Some organisations can largely ignore the world view of Taleb and the argument for anti fragility. Protected by a stable environment or near monopoly status, strategic life continues to be regular and predictable. And the talent management agenda is relatively straightforward.

For the majority of organisations who do face business turbulence and disruption, uncertainty is more than another complicating factor to organisational survival. It is the fundamental reality that will underpin their long term success. How firms "make peace" with this uncertainty has enormous implications for strategic decision making, the process of organisational change, the mistakes of trial and error experimentation, and leadership and how its performance is rewarded.

For anti fragile organisations the talent management enterprise is a messy game of Snakes and Ladders rather than the construction of a jigsaw puzzle. This is not talent management as a half baked game plan or haphazard set of processes. It is to follow Warren Buffett advice: "there's a whole bunch of things I don't know a thing about. I just stay away from those. I stay within what I call my circle of competence."

Anti fragile talent management practice doesn't worry too much about what is unpredictable or uncontrollable. It introduces and implements simple but robust processes based on a honest dialogue about the issues to address today's realities, and adapts and improvises to tackle the emerging challenges of tomorrow.

We don't just want to survive uncertainty, to just about make it...we want to have the last word.

Nassim Taleb

References

- Dan Gardner "Future Babble: Why Expert Predictions Fail and Why We Believe Them Anyway"; Nate Silver "The Signal and the Noise: Why So Many Predictions Fail-but Some Don't"
- Nassim Taleb: "A small number of Black Swans explains almost everything in our world, from the success of ideas and religions, to the dynamics of historical events, to elements of our own personal lives."
- Scott Keller and Carolyn Aiken "The Inconvenient Truth About Change Management", McKinsey report; Colin Price and Emily Lawson: "It stands to reason that change programs now should be more successful than those of more than a decade ago...the facts suggest otherwise." The Psychology of Change Management, The McKinsey Quarterly 2003
- Oliver Burkeman "The Antidote" and his observation based on Saras Sarsvathy's research on entrepreneurs, "How Great Entrepreneurs Think"; http://www.inc.com/magazine/20110201/how-great-entrepreneurs-think.html
- An example of radical transparency; Ray Dalio's principles; http://www.bwater.com/Uploads/FileManager/Principles/Bridgewater-Associates-Ray-Dalio-Principles.pdf
- 6. Roger Martin "Fixing The Game"; http://rogerlmartin.com/library/books/fixing-the-game/
- An investment banker: "Risk produces profits, profits lead to a higher share price, and executive pay was linked to that. It was so easy to manipulate the share price; simply take some more risk."; http://www.guardian.co.uk/commentisfree/2013/apr/05/bank-delusion-greed-hbos-fail
- 8. Graham, John R., Harvey, Campbell R. and Rajgopal, Shivaram, Value Destruction and Financial Reporting Decisions (September 6, 2006)

- 9. http://ceo.usc.edu/pdf/Boudreau HR Posts.pdf
- Why Best Practice Talent Management is Failing; and What To About It; http://www.amazureconsulting.com/files/1/21827571/TalentManagement-BestFitBeatsBestPracticeSummary.pdf
- 11. Fairy Tales and Facts; http://www.amazureconsulting.com/files/1/39199746/FairyTalesFacts http://www.amazureconsulting.com/files/1/39199746/FairyTalesFacts http://www.amazureconsulting.com/files/1/39199746/FairyTalesFacts https://www.amazureconsulting.com/files/1/39199746/FairyTalesFacts https://www.amazureconsulting.com/files/1/39199746/FairyTalesFacts
- Boris Groysberg "Chasing Stars: The Myth of Talent and the Portability of Performance". See also The management secrets of Barcelona Football Club; http://www.economist.com/node/18709691
- 13. See for example Michael Mauboussin and "The Success Equation"; http://www.forbes.com/sites/davidshaywitz/2012/11/04/good-luck-why-the-years-best-business-book-says-youll-probably-need-it/
- 14. Tim Harford in Adapt" uses the example of the US military in Iraq as an example of how decentralised leadership out trumped centralised command and control.
- Janet Marler & Sandra Fisher, 2013, "An evidence-based review of e-HRM and strategic human resource management", Human Resource Management Review
- Professor Adrian Furnham observes the problem: "The nine-box category system is crude and clumsy" and suggests an alternative grid;
 http://www.thesundaytimes.co.uk/sto/public/Appointments/article11
 30957.ece
- 17. Talent Management as Career Conversations;
 http://www.amazureconsulting.com/files/1/17771403/TalentManagementCareerConversations.pdf