

Forward thinking

By creating a 'succession pool' of existing talented staff, the Economist Group not only increased their motivation, but improved staff retention rates. *Simon Kent reports*

The business

The Economist Group is a high-quality business media company with a global workforce of 1,000 and an annual turnover of £200m. Well known for its weekly magazine, the group publishes books and other magazines including *CFO* and *European Life*. The international Economist Intelligence Unit delivers country, industry and management research and analysis to business clients around the world.

The challenge

The Economist's overall mission is to develop intelligent media which is valued by its high-end audience. According to HR director, Paul McHale, this was the starting point for HR's work in addressing the way in which talent is identified, managed and retained within the organisation. The issue of retention and succession was also raised by the retirement of the Economist's long-serving publisher.

Learning points for HR

"I spent a lot of time going through this with the senior team and linking it to the business strategy," says McHale. "That has been very important to this project because it means I haven't been pushed back and I've taken people with me."

By taking the time and care to manage communications correctly between manager and employee, there have been no adverse reactions when individuals have not been selected for the succession pool. "There are some people who have specialist roles and they can't really go any further than they are and they recognise that," says McHale. "For others, they might not be in the pool now but they could be in the future. That's still very motivational and our managers now have a language which says this is an achievable outcome."

Traditionally, the media is not an area where bureaucracy or management processes are tolerated. When it comes to talent management it is accepted that there are 'star' performers, but these people are rarely acknowledged by organisations, let alone developed and nurtured. Against this background McHale, together with his training and development manager and three regional HR managers, set out to establish a succession pool which would develop high-fliers in the organisation ensuring the company always had the talent it required for the future.

"We made it explicit that there were 25 positions key to delivering the corporate strategy for this business," says McHale. "They are the people we should make sure we're supporting and training and the people for whom we should be developing succession plans."

Department managers were invited to nominate top performers from their own business units for a succession pool of employees capable of taking on these key positions in the future. These individuals underwent a rigorous assessment process including 360-degree appraisal from 12 colleagues and attending a day-long assessment centre. These exercises and the resulting analysis were carried out in conjunction with business psychologists Kaisen.

"There's something about the creative spark that resists anything you could call standardisation," says Kaisen's Marjorie Knight, "But, as business psychologists, we have to say 'people are people'. So with the right tools and the right information we can predict how someone will perform in a future role. Ultimately, this wasn't about putting people into boxes, but about liberating their potential."

Having undergone this assessment process, each individual received comprehensive feedback, regardless of whether they were placed in the succession pool. This



approach means all employees have a clear idea of what they can achieve with the organisation and how they can take the next step forward. A separate training budget has been set aside for members of the succession pool, although a member's development plan could involve undertaking an international assignment to get experience rather than following a specific training initiative.

The outcome

The Economist Group has created a succession pool of 35 people. While these employees do not directly match the 25 key positions of the organisation – they are treated as the kind of roles they could achieve rather than specific future jobs – McHale is confident that the company could immediately replace its top team if necessary.

"Getting into the pool is hugely motivational," he says, "But more than that we can now answer the question, 'What do you need to do to get on round here?'"

The information gained from studying the competencies of the organisation's

high-fliers has also fed into the recruitment process. When the organisation takes on a new person it can now consider what kind of role this individual may have in the future rather than only what they will do immediately. PT

EMPLOYEE PERSPECTIVE

"The Economist is very good at recognising what people have done in the company," says Linda Foster, finance director of the Economist Intelligence Unit. "But the succession pool is a something a bit extra."

Foster found the one-day assessment process challenging and informative in terms of understanding her own working style, but claims the initiative has had little impact on motivation – simply because the people who were placed in the pool were already extremely motivated in their work and career.

"The pool lets you know that the company values you and is prepared to invest in you," she says. "You can see you have a long-term future and so you're more likely to stay."