Harvard Business Review
www.hbr.org

Moves that develop a leader.

Making Mobility Matter

by Haig R. Nalbantian and Richard A. Guzzo

Included with this full-text *Harvard Business Review* article:

Reprint R0903F

About Mercer

Mercer is the leading global provider of consulting, outsourcing and investment services, with more than 25,000 clients worldwide. Mercer consultants help clients design and manage health, retirement and other benefits and optimize human capital. The firm also provides customized administration, technology and total benefit outsourcing solutions. Mercer's investment services include global leadership in investment consulting and multimanager investment management.

Mercer's global network of more than 18,000 employees, based in over 40 countries, ensures integrated, worldwide solutions. Our consultants work with clients to develop solutions that address global and country-specific challenges and opportunities. Mercer is experienced in assisting both major and growing midsize companies.

The company is a wholly owned subsidiary of Marsh & McLennan Companies, Inc., which lists its stock (ticker symbol: MMC) on the New York, Chicago and London stock exchanges.

About the authors

Haig R. Nalbantian and Richard A. Guzzo, PhD, are worldwide partners with Mercer. They are part of the firm's human capital business, specializing in workforce sciences, and are co-authors (with Jay Doherty and Dave Kieffer) of *Play To Your Strengths: Managing Your Internal Labor Markets for Lasting Competitive Advantage* (The McGraw-Hill Companies, Inc., 2004).

Haig R. Nalbantian (New York)
+1 212 345 5317
haig.nalbantian@mercer.com

Richard A. Guzzo (Washington, DC)
+1 202 331 3695
rick.guzzo@mercer.com

Making Mobility Matter

The Idea in Brief

Rotating up-and-coming leaders through functions and units can sharpen their general management skills. Mobility can also spawn unexpected problems.

For example, if managers change assignments too quickly, they don't learn from decisions they made in previous roles. Core operations suffer. Frequent relocations can also be expensive.

To get the most from managerial mobility, ensure it supports your company's priorities.

Ask:

- **What kind?** Different types of moves suit different developmental needs. For instance, switching business units develops managers' corporate-level leadership skills.
- **For whom?** Will you support mobility only for select high-potentials? Or for anyone interested?
- **How much?** How long should managers stay in each position? What percentage of talent should move in a given year? How many moves will give managers the desired knowledge?

The Idea in Practice

CRAFTING A MOBILITY STRATEGY

To extract maximum value from mobility, ask:

What kind of mobility? Match moves to your company's developmental needs. For example:

- To broaden managers' global business knowledge, have them move internationally without changing position or business group.
- To build managers' ability to lead a particular business unit, have them change functions within that unit.

Mobility for whom? Consider two types of mobility:

- Sponsored mobility: Design mobile assignments only for high-potentials. This works best if you can identify *and* retain managers once they've experienced several rotations.
- Contest mobility: Open internal transfers to all managers competing for promotion. Consider this approach if you're confident its competitive nature won't undercut co-operation among candidates.

In large companies, a formal sponsored-mobility approach can coexist with a less-formal contest-mobility program.

How much mobility? Ask:

- How much time in each position is needed to gain the benefits? (Your answer suggests how many moves a managers should make during any career interval.)
- How many international moves will impart the cultural wisdom a manager needs to lead a global firm?
- How many business units does a candidate for corporate leadership require exposure to?

GATHERING DATA FOR MOBILITY DECISIONS

Once you've answered these questions, determine what (if any) changes would improve your current mobility approach. Use this process:

1. Describe your current state. What role does mobility now play in your enterprise? Find out how many moves of each type managers are making, how long people have stayed in each position, and what these rotations cost. Break out the facts by business line, geography, and workforce segment.

▶ Example:
When Corning performed this analysis, it realized it had less mobility than it thought. It increased mobility rates *between* divisions while preserving high rates *within* divisions, to develop more leaders with broad experience.

2. Assess the impact. Gauge the positive and negative consequences of your current mobility approach—for individual managers *and* your company.

▶ Example:
A media company paid high salaries and offered high mobility to graduates of elite business schools. Then it discovered they didn't perform any better than other employees. And they were 25% more likely to leave.

3. Model future states. Play out scenarios that might result from specific changes to your mobility approach. For instance, use simulations to gauge possible outcomes if you increased lateral mobility among your middle managers or restricted mobility to reduce costs.

Moves that develop a leader.

Making Mobility Matter

by Haig R. Nalbantian and Richard A. Guzzo

Best-practice thinking in leadership development embraces mobility for managers: Rotate your up-and-comers through various functions and units and you'll give them a chance to round out their skills and prepare for general management.

It's a simple model—deceptively so. Mobility as a leadership development strategy can go wrong in many ways. It can disrupt operations and undermine accountability because people may not be around to enjoy or suffer the outcomes of their decisions. Additionally, those who stay put may feel demoralized—if they're stuck in the same job too long, continuing in that position starts to seem like a failure. Mobility can also become an unduly expensive proposition, especially when moves involve international assignments or frequent relocations. And it can become an end in itself, causing other strategic and operational aims to get lost in the fervor to help people chase new experiences.

Take, for example, a large consumer products company we'll call ProductCo. In the 1990s, it adopted a model of leadership development that strongly emphasized internal mobility for high-potential and high-performing employees—a global group consisting of several thousand managers, engineers, and other professionals. (All this in a company that had historically placed a premium on hiring solid, motivated young managers and professionals who worked their way up the ladder, learning the company's operations and getting to know its customers from the perspective of a given business or function.) The move toward mobility, designed by a preeminent management guru of the day, was championed by ProductCo's acclaimed CEO. The aim was to groom managers over time so that the company would have a ready pool of talent to fill senior leadership positions down the line.

As the new model took hold, managers and other professionals were moved so quickly—every 16 months, more or less—that they couldn't see any significant project through to the end. The single-minded pursuit of breadth destabilized core processes (design,

Haig R. Nalbantian (haig.nalbantian@mercer.com) is a principal and a worldwide partner as well as the director of global research and commercialization at the consulting firm Mercer in New York. He is also a founding member of Mercer's Workforce Sciences group. **Richard A. Guzzo** (rick.guzzo@mercer.com), based in Washington, DC, is also a principal and a worldwide partner at Mercer and leads the Workforce Sciences group.

production, marketing) and prevented the development of deep technical expertise. Accountability also suffered as managers constantly overrode their predecessors' decisions and then moved on before having to live through the fallout of their own. All these unintended consequences contributed to an implosion of quality that cost the company more than $1 billion annually, according to internal auditors. Other factors played a role in that loss, but in a review of its management practices, ProductCo clearly identified excessive mobility as one of the prime causes.

Mobility is a legitimate tool that can benefit both the manager and the workplace—but only when the right facts guide decisions about the frequency and nature of moves, in an equation that's different in every enterprise. In this article, we look at companies that have rotated employees' roles too often or too rarely. We also offer a framework for solving the mobility equation in a way that's just right for your organization.

Mobility Run Amok

We worked with the senior team at ProductCo to analyze its mobility practices once its own auditors had uncovered a problem. Many factors were contributing to the mess.

The company's mobility program was fueled by grassroots talent committees consisting of HR professionals and line managers; those committees matched internal candidates with vacancies. They were very deliberate in identifying high potentials and high performers so that when an opening was announced, they could quickly produce a candidate—whether an engineer for a new product launch team or a marketing manager with strong execution skills.

But again, the "best practice" leadership program cost the company dearly. Our analysis of ProductCo's workforce data showed that job shifts and production structure were fundamentally misaligned. New product launches typically took three to five years from inception to market delivery, but the managers who made decisions about product design or production were on the job for only 15 to 18 months; they were long gone when their decisions were finally tested in the marketplace. Meanwhile, the company developed a large cadre of general managers who simply had no place to go—the opportunities for upward movement were limited, and people found it hard to leave the organization because ProductCo offered generous compensation and benefits. The company was essentially grooming thousands of leaders for very few top jobs.

The mobility program was also undercut by a talent culture strongly oriented toward building from within rather than buying from outside. Interruptions caused by one job shift cascaded throughout the organization, as leaders moved around to fill newly opened positions. A few strategic outside hires could have limited the degree of churn. But management held firmly to the belief that outsiders could not match the productivity of homegrown talent.

These problems were compounded by an extremely hierarchical rewards system. The best way to move up in the organization was to make a few sideways moves first, and pay hikes for advancement dwarfed rewards for current performance. Staying too long in one job became a barrier to fast promotions later, so people often sought moves whether or not they would benefit the company. The talent committees, in turn, saw it as their mandate to move people around; they came to view themselves more as agents for employees than as advocates for the company.

Finally, the product launch teams that imported talent reaped immediate benefits without paying any of the costs these moves imposed on the teams from which that talent was drawn. In light of such perverse incentives, is there any wonder that mobility became excessive?

Faced with evidence of the damage done by its myopia and poorly aligned mobility practices, ProductCo decided to tame its program with a time-in-position requirement (our data analysis predicted that this restriction would not lead to higher turnover) and stronger financial incentives for successful performance in place. Managers and other professionals now stay in their jobs long enough to see a project through; the appropriate amount of time for any given assignment is defined according to the project and the employee's developmental needs. These changes also give people time to develop more depth of knowledge.

Mobility Derailed

If ProductCo has demonstrated excessive, dysfunctional mobility, ProfessionalCo (a large global professional-services firm we also worked with) has shown that management practices can thwart mobility, even when it is a critical part of an organization's strategy for growth.

ProfessionalCo, the leader in its field, holds a reputation for quality and depth, especially in its largest and oldest service segments. But the market for these bread-and-butter segments has for a while been quite mature and, in some geographies, declining. In response, ProfessionalCo began selling solutions several years ago rather than just products and services, to protect against the commoditization of its offerings and strengthen customer relationships. Initially, this was done informally, based on a hunch as much as on data.

Our early analysis of ProfessionalCo's performance data was encouraging: Revenue growth increased significantly when clients had access to teams spanning multiple business lines. It seemed that the hunch was borne out. So the company made a big push to institute more formal programs to bring people out of their silos and develop new cross-segment offerings. Success with this strategy would require a strong cadre of generalists—professionals with broad business knowledge and exposure to each of the segments. Education and orientation programs and the creation of cross-segment innovation teams would be a start, but hands-on experience in multiple business segments would also be essential. In other words, the firm would need to increase the mobility of selected professionals across business and geographic lines.

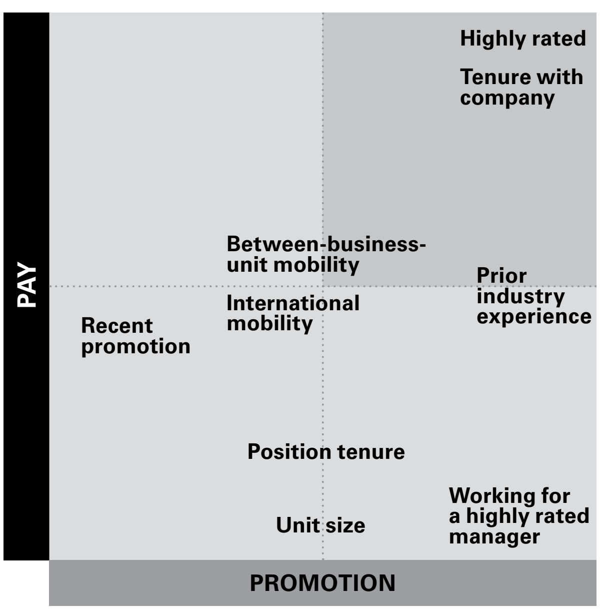
ProfessionalCo vigorously promoted the value of cross-segment initiatives and highlighted opportunities to move across businesses and locations. Yet mobility rates remained remarkably low. Moves that did materialize tended to be geographically driven, reflecting preference for a location rather than support of company goals.

Why? Once again, we found the answer by looking at the firm's own data. The "soft" messages—breadth is valued, cross-segment cooperation is encouraged—weren't in accord with the "hard" messages delivered through rewards. Switching jobs—especially moving to a new unit, function, or location—was a risk, and it went unrewarded. No advantage (whether measured by year-to-year pay hikes or likelihood of promotion) accrued to people who moved laterally. Managers may in some instances have experienced an initial spike in pay to facilitate the change, but the value of the raise petered out. From a career perspective, employees who rotated roles enjoyed no long-term benefits. Mobility was officially encouraged but effectively discouraged. (See the exhibit "What Actually Gets Rewarded at ProfessionalCo.")

Consequently, the ability of the company to shift its strategy to selling solutions was dangerously slowed. Its failure to recognize how the mobility equation would play out undermined results. Complaints rolled in from the field about resistance to working across segments. Salespeople would try to put together a proposal but couldn't get the different service lines to collaborate. The silos remained firm. In short, ProfessionalCo was losing sales opportunities and failing to meet growth objectives as well as goals for expanding its offerings.

What Actually Gets Rewarded at ProfessionalCo

Our analysis of one global professional-services firm showed that managers who changed roles (moving either overseas or from one unit to another) were not rewarded with salary increases or improved chances for future promotions. This reality undermined the company's values of breadth and cross-segment cooperation.



Mobility Done Well

Though mobility is not a development panacea, it can be very effective when it's well managed and a strategic fit. Look at Marriott International, which operates or franchises approximately 3,000 lodging properties in more than 70 countries under a variety of brands. Its scale and reach give it ample opportunity to use internal mobility as a leadership development device, and it does that well. Managers know that their development will come primarily through the sequence and nature of assignments. New managerial hires "come in knowing they're going to pack their bag," says executive vice president of global human resources David A. Rodriguez.

People experience mobility at two levels. Within-property moves involve transfers from one job or function to another, such as from banquets to sales. More consequential are out-of-property moves, typically transfers from smaller to larger properties, which can involve a change in geography, function, or brand—or some combination of the three. Such a high volume of churn could be a source of chaos; for Marriott, though, it is a source of stability and high performance.

Mobility acts as a retention device at Marriott. With the company, we conducted an analysis of what we call its internal labor market—its system of matching people to jobs, pricing those jobs, and motivating employees—and used statistical modeling to identify the drivers of retention among its managers. We found that people become significantly more likely to stay at Marriott as the number of jobs they have performed there increases. And those who have made an out-of-property move in the past year are significantly more likely to stay with the company than those who have not, despite the potentially disruptive consequences of the move. So Marriott has a pool of ready-to-perform leaders who can step into new positions as needed. This is, in part, a self-selecting group: Mobility is attractive to candidates who are predisposed to thrive in the Marriott system. Once they're in, mobility develops their knowledge and skills and increases their motivation to perform effectively. Over time it cultivates an emotional attachment that's critical to the success of the enterprise.

Marriott has also analyzed mobility's impact on performance. Vacancies created by managers' departures and the associated temporary turbulence could wreak havoc on a property's numbers. However, the company found no negative impact. That is, it reaps the developmental gains of mobility without incurring business losses. The model works well even though managerial mobility is not at the company's sole discretion. Market forces often dictate the moves. Business needs, for example, may mandate that a manager of a highly profitable property move to a struggling one, potentially placing the vacated property's profitability at risk.

The Mobility Equation

The challenge in developing a mobility strategy is to make sure it fits your company's context. This will require getting answers to three essential questions:

- What kind of mobility?
- Mobility for whom?
- How much mobility?

The answers will vary in light of company-specific facts; we'll look at the questions first and then describe our approach for collecting such facts.

What kind of mobility? Different types of moves serve different developmental needs. Without changing position, function, or business group, for instance, an employee can move internationally for the purpose of broadening cross-cultural skills and global business knowledge. Changing functions within a business unit can help build the capability to one day lead that unit, while switching business units can help develop corporate-level leadership capabilities.

Solving for this variable in the mobility equation entails careful consideration of the objectives to be met. In some cases, those objectives may be dictated by a change in business strategy. For instance, the health care services company UnitedHealth Group is making a strategic shift toward greater organic growth. That entails, among other efforts, developing more talent internally through between-business mobility, says Lori Sweere, executive vice president of human capital. In other cases, an organization's assessment of its talent pipeline might reveal, for example, a lack of a specific capability, such as knowledge of global markets or technical expertise. Geographic mobility may be the solution to meeting the former need, whereas a change of function may serve the latter.

Mobility for whom? Should you adopt a sponsored-mobility approach, in which investments are directed toward a chosen few, such as high-potential leadership candidates? Or should you adopt a contest-mobility approach, in which opportunities for internal transfer are open to the many who are competing for promotions?

The answer depends on several contextual factors. Sponsored mobility works best when the company has sound processes for identifying high potentials and retaining those who have been through several rotations. This is where Marriott shines. Contest mobility can be highly motivating, but the competitive nature of the process can undercut cooperation among candidates. These two approaches are not mutually exclusive. In large companies, an orchestrated sponsored-mobility approach may coexist with a less-controlled contest-mobility program.

Another factor to consider: Which managerial levels are eligible for the program? Early-career moves can help build familiarity and capabilities and may also weed out the unfit. Midcareer mobility, by contrast, should be guided by specific career paths and targeted positions.

The question of *whom* may apply not just to individuals or management levels but to entire segments of the workforce. Consider the case of one large global natural-resources company. Its CEO believes that a premier global company needs leaders who have run operations across diverse locations, so it adopted a global mobility program, open to much of its leadership talent. The opportunity to move across business segments and geographic locations became a core part of a reward system that emphasized career advancement over current pay as an inducement for joining and staying with the company and performing well.

This worked for many parts of the business. But eventually the retail organization began to chafe under the system, which limited its ability to attract and retain the right kind of talent. Retail needed top-notch marketing, sales, and merchandizing professionals—depth was much more of a priority than breadth. It needed people of extraordinary creativity and experience who could lead and differentiate the company in retail markets, which, in stark contrast to the markets served by the "producer" parts of the business, were local, highly competitive, and subject to very low margins. People who excelled in retail weren't usually interested in the general management career path; they were more concerned with refining their trade and building reputations in their field. So the company found that it had to buy talent from the outside, and had to do so quickly, despite its build-from-within mentality. The parent organization was simply ill equipped to serve retail's talent needs. The proper answer to the question of *whom* in the enterprise would differ depending on whether you were looking at retail or production. In retail, the best approach was to invest more in recruiting and pay-for-performance than in internal mobility.

How much mobility? ProductCo clearly suffered from too much mobility too fast, while ProfessionalCo had too little. How much time in a position is needed to gain the benefits of an internal move, and thus how many moves should a developing leader make during any career interval? What percentage of talent should be moving in any given year? Will one international move impart the cultural breadth and sensitivity a manager needs to lead a global firm? Does a candidate for corporate leadership require exposure to all business segments?

Many leadership development experts think that a person needs to stay in a position at least two years to really learn from the experience and to prepare for the next assignment. Having a solid fix on which areas of the enterprise require the developmental benefits of mobility will help determine how much mobility is right overall. The solution will be contextual and will involve some trade-offs. With the right kinds of analysis, the business can see the likely impact of mobility on retention, on promotions over time, and on operational efficiency. (The sidebar "Customizing Mobility in Your Organization" outlines a process for identifying potential outcomes and making decisions.)

Gathering Company-Specific Facts

Unknowns too often dominate the practice of managing mobility for leadership development. This need not be the case. Companies have more relevant data available to them than they seem to realize they do. Much of this information resides in human resources systems, but financial and business performance data also should shape the decisions companies make about mobility. The facts can be brought to bear on those decisions in three ways: describing the organization's current state of mobility, assessing impact, and modeling future states.

Describing the current state. Companies should begin by understanding exactly what role mobility plays in the enterprise. Most of them can pull from their own databases information such as the number of moves of each type, how long people stayed in each position, and the estimated costs of rotation, and map out the pathways of internal mobility. Breaking out the facts by business line, geography, workforce segment, and so forth provides further insight and a common point of reference for all those involved in setting internal mobility policies.

One tool we use to illustrate the status quo is a descriptive display of internal moves, such as the one in the exhibit "The Mobility Matrix." When Corning put together a similar matrix for this purpose, it was surprised at the low levels of mobility. The discovery prompted Corning to increase mobility rates between divisions while preserving high rates within divisions, in order to develop more leaders across the corporation with a broad base of experience.

Assessing impact. Mobility has consequences, positive and negative, for individuals and the enterprise. For individuals, it can affect retention, career advancement, pay growth, commitment, and social networks, among other things. At Marriott, as we noted, mobility has a strongly favorable impact on the retention of managerial talent. Another company we worked with, a diversified media

Customizing Mobility in Your Organization

The consequences of a mobility program greatly depend on the organization's other practices and circumstances, such as hiring policies, turnover, and reward systems. Ignoring the relationships between these factors can lead to unintended costs. It is therefore vital to look at internal mobility holistically, assessing many practices and conditions simultaneously while measuring what drives them and how they interact with one another. In so doing, you can better understand the dynamic forces that shape the organization's personnel and use this insight, as necessary, to redesign processes to produce outcomes more consistent with your business needs. That is the idea behind what we call internal labor market (ILM) analysis.

Briefly, ILM analysis starts with the recognition that organizations operate a form of labor market, one that seeks to match people to jobs, price those jobs, develop people, and motivate them to perform. You can easily put together a simple map with information from your HR database. We often create a picture that arrays employees by career level, using data from over a couple of years, to show head count as well as promotions, lateral moves, turnover, and so forth. Such a map also shows you where you have leadership bottlenecks—where, for instance, you have a large number of well-groomed managers competing for very few senior positions.

You can then apply a set of interrelated statistical models to the running record of HR information systems and payroll data. These models establish causal links between specific workforce management practices and critical workforce events and behaviors. Core ILM models include analyses of the drivers of mobility, promotion, retention, performance, pay levels, and growth.

The independent variables used to explain these events fall into three basic categories: individual factors (employee demographics, experience, pay and performance histories), organizational factors (business unit, size of group, supervisor's characteristics), and market factors (local unemployment rates, company market share, customer demographics). Statistical methods vary according to whether the model focuses on continuous variables (such as pay, pay growth, or performance ratings) or discrete variables (such as promotion or turnover likelihood). A model used to test what predicts the likelihood of turnover in an organization might resemble the equation below.

Marriott used precisely this type of model to determine that lateral moves were helpful in averting turnover among managers. In conjunction with the results of models that explained the likelihood of promotion among the management ranks, the data offered a clear picture of the beneficial impact of planned mobility at the company. (For further information on ILM modeling, see *Play to Your Strengths*, by Haig R. Nalbantian, Richard A. Guzzo, Dave Kieffer, and Jay Doherty.)

$$P(TurnoverNextYear) = \frac{1}{1 + \exp\left[-\left(\beta_0 + \beta_1 Age + \beta_2 OrganizationTenure + \beta_3 PerformanceRating + \ldots + \beta_n LateralMoveLast2Years + \varepsilon\right)\right]}$$

and information services company we'll call MultiCo, had the opposite experience. It was bringing in recruits from top-tier business schools and placing them on a special leadership track that emphasized mobility. But even though it was paying top dollar and giving them special treatment, these high potentials showed no "premium" in performance and were 25% more likely than their less pedigreed counterparts to leave the company. MultiCo's culture was very command-and-control, and it may be that such high-caliber people expected to have more latitude in their work; certainly their marketability was better than average. Whatever the explanation, MultiCo was losing those investments in general management capability.

Assessing mobility's impact on business results is often quite straightforward. ProductCo started from known business results—quality problems—and worked with us to trace their origins and find the negative effects of excessive internal mobility. We helped Marriott use a set of statistical models to establish causal links between its management practices and workforce events and behaviors.

Modeling future states. Capturing the facts about mobility and its current impact on individuals and business performance can help the enterprise look into the future in a more informed way. Statistical models built to assess mobility's impact can become devices for playing out scenarios. For instance: "What if we increased the rate of lateral mobility among our middle managers? How many more of the better ones would we expect to retain over the next five years, and what would that do to our leadership pipeline?" Or: "What if we restricted the rate of mobility to reduce costs? How would that affect business results?" Any number of such questions can be addressed with a thorough analysis of mobility dynamics.

• • •

Although mobility is an intuitively attractive choice for developing leaders, there are other ways to build a leadership bench with key managerial skills. You can buy breadth by hiring midcareer managers who bring experience from other positions and employers—in other words, by cherry-picking talent from rival firms. That tactic reaps the benefits of mobility

The Mobility Matrix

At one global manufacturer and distributor, most employees didn't change business units. For instance, fewer than 2% of employees moved from Unit A to any of the other units. Headquarters was the only part of the company that exported any appreciable amount of talent—and nearly all of that went to Unit A. Such low rates of this type of internal mobility contributed to a dearth of leadership-ready candidates in the organization.

...landed in these units

Employees from these units...	Unit A	Unit B	Unit C	Unit D	HQ	Number of employees
Unit A	**98.4%**	0.8%	0.1%	0.1%	0.7%	1,821
Unit B	2.2%	**96.1%**	0.1%	0.3%	1.2%	2,825
Unit C	0.0%	0.2%	**99.5%**	0.0%	0.3%	1,275
Unit D	0.3%	0.7%	0.0%	**99.1%**	0.0%	753
HQ	30.8%	0.4%	1.7%	0.0%	**67.1%**	240

Movement of active salaried employees among business units

didn't change units

The Catcher Hypothesis

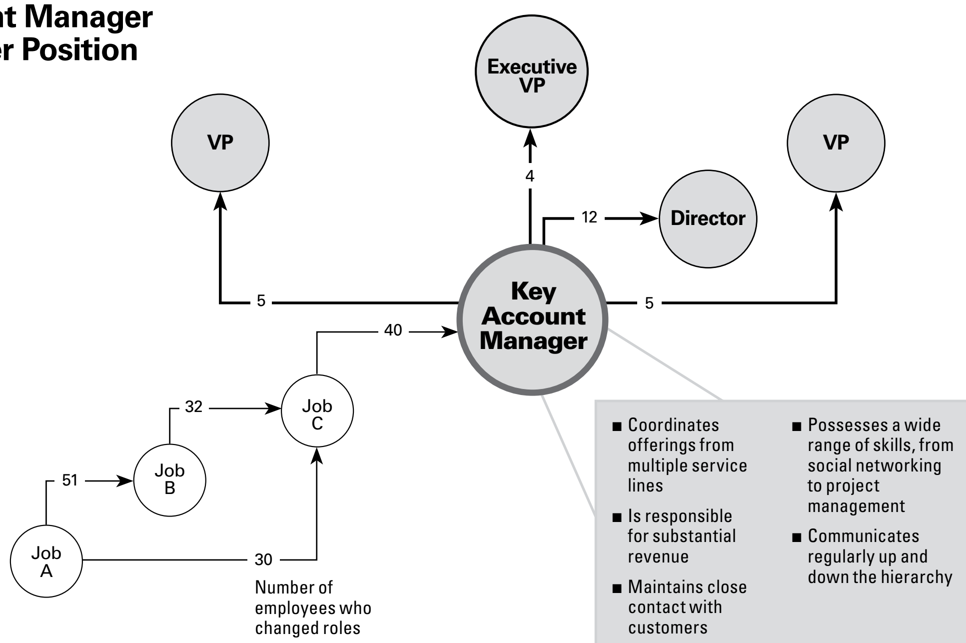
What if a company could develop the breadth of skill required of its future leaders by placing them in just one position rather than moving them through a variety of jobs? Doing so could save the company a lot of mobility-related expenses and avoid other unwanted complications. We call this prospect the catcher hypothesis.

The role of the catcher in professional baseball illustrates the power of a single position to develop leaders. There are 30 major-league baseball teams operating in North America. Each team has one distinct on-field leader, the field manager. Traditionally, almost all the managers have played baseball professionally. Among the 30 managers at the start of 2008, a disproportionate number of them—12, to be specific—had played as catchers. Considering that on a typical 25-man team only two or three members are catchers, and that catching is only one of nine positions on the baseball field, the fact that 12 out of 30 managers are ex-catchers is no fluke. Indeed, the probability that 12 out of 30 are ex-catchers by chance is less than one in 1,000.

What is it about the catcher position that makes it a launching pad for future leaders? Perhaps it is the perspective: Catchers are the only ones who face all their teammates. They are also always closest to the opponent at the start of the action. Complementing their unique perspective on the game are the demanding cognitive skills honed by the position, such as the ability to keep track of many things at once (pitch selection, opponents' base running, teammates' defensive alignment, and so forth) while making decisions quickly. The position is instructive in the art of balancing the roles of cheerleader and taskmaster, as when dealing with an underachieving pitcher. It could be, of course, that players who are destined to become managers gravitate to the catcher position. True as this may be, we believe that it is no less true that the position itself—far more than any other position—develops the leader.

Although there are relatively few "catcher" positions in most organizations, reviewing the history of career moves and promotions at a company can illuminate the patterns of movement and identify positions that most reliably prepare individuals for greater leadership roles—even if the jobs aren't explicitly designed to do so. The chart here shows a typical development pattern, in which the key account manager job turns out to be a catcher position. That job is a gateway to the executive ranks, according to this company's history. Why? We'd suggest that it has to do with touching many service lines, having responsibility for a substantial amount of revenue, and requiring a range of skills from social networking to project management. The job also entails frequent exchanges with those in positions both up and down the hierarchy. The manager doesn't have to rotate through a variety of positions to develop all these abilities. Like a catcher, he sees the whole game playing out in front of him.

Key Account Manager as a Catcher Position



programs yet seeks to short-circuit the costs and risks. Formal training—delivered by the employer or by outside agents such as university executive education programs—can develop diverse skills. (Training can also complement internal mobility.) People in the military, for example, typically acquire leadership skills by rotating through a variety of assignments intermixed with opportunities for formal training and education.

Marriott shows us the potential value of mobility as a leadership development practice. But ProductCo shows us the potential destruction. Mobility is a useful tool, but only in the right context and in conjunction with other leadership development methods. You don't have to guess where to put your leadership development dollars: Use the information you have to get a clear view of what works, and build a program tailored to your particular business circumstances.

Reprint R0903F
To order, see the next page

Further Reading

ARTICLES

Building Your Leadership Bench
HBR Article Collection
July 2007
Product no. 2281

Nothing is more crucial to a company's performance than cultivation of its future leaders. So why do so many companies have skimpy leadership benches? Some firms' leadership development programs overrely on competency models that identify generic traits ("vision," "direction," "energy"). Executives then try to cultivate next-generation leaders who fit the model. Result? Vanilla leaders who aren't equipped to manage their firm's unique challenges. Other enterprises don't realize that great leadership at the top starts in the middle—where promising managers acquire the skills they need to succeed in more senior roles. Neglecting development of midlevel managers, they have shallow pools of candidates for strategically vital jobs. This HBR Article Collection gives you the road map and tools you need to avoid these dangerous mistakes—and build a strong leadership bench in your company.

Winning the Race for Talent in Emerging Markets
by Douglas A. Ready, Linda A. Hill, and Jay A. Conger
Harvard Business Review
November 2008
Product no. R0811C

"This war for talent is like nothing we've ever seen before," write the authors, who have spent decades studying talent management and leadership development. Recently they interviewed executives at more than 20 global companies to identify strategies for attracting talent in developing economies—where, they learned, brand, opportunity, purpose, and culture play out in particular ways. A desirable *brand* affiliation in conjunction with inspirational leadership appeals to eager young high-potentials. *Opportunity* should imply an accelerated career track—or at least a fast-paced acquisition of skills and experience. *Purpose* ought to benefit a job candidate's home country and express the value of global citizenship. A company's *culture* should be meritocratic, value both individual and team accomplishments, and follow through on promises implied in recruitment. The authors claim that emerging markets pose special challenges for foreign multinationals. For instance, talent strategies that work at home will probably need extensive tailoring to succeed in the developing world, and an overreliance on fluency in English may impede spotting talent. It's critical to develop a core of local talent and to embrace and leverage diversity. In the talent race, a local company that creates genuine opportunities and exhibits the desired cultural conditions will often win out over a Western multinational offering higher pay.

Additional Mercer resources

To learn more about Mercer's human capital consulting capabilities and services, and to access our extensive thought leadership in the areas of human capital management and workforce strategy, please visit the following pages on our website:

Human Capital Perspective *newsletter* – An online global newsletter that addresses effective human capital management in today's competitive global marketplace.
www.mercer.com/hcperspective

Executive talent management – Our strategic approach to identifying and nurturing leaders and ensuring that requirements, processes and solutions are tightly linked to business imperatives.
www.mercer.com/executivetalent

Human capital dashboards – A tool for capturing critical workforce facts and bringing them together in a way that provides powerful insights to guide human capital decisions.
www.mercer.com/humancapitaldashboard

Pay equity and rewards fairness – Our consulting and analytical tools that help organizations determine the fairness of their rewards programs and mitigate compensation risks.
www.mercer.com/rewardsfairness

Say/do analysis – Mercer's innovative approach to augmenting traditional methods of employee sensing with measures of observable actions for a more complete perspective.
www.mercer.com/saydo

Workforce analytics and metrics – Our proven approach to ensuring that human capital and business strategies are aligned and that workforce investments drive better business outcomes.
www.mercer.com/workforceanalytics

Workforce planning – Our strategic approach to finding the right quantity, quality and location of critical talent – at the right cost – to drive business success over time.
www.mercer.com/workforceplanning

Haig R. Nalbantian and Richard A. Guzzo also are co-authors, along with Dave Kieffer and Jay Doherty, of Mercer's book, "*Play To Your Strengths: Managing Your Internal Labor Markets for Lasting Competitive Advantage*" (The McGraw-Hill Companies, Inc., 2004). For more information, visit www.mercer.com/lastingadvantage.