

YOUR TOP PERFORMERS ARE YOUR BLUEPRINT FOR BEATING THE COMPETITION

by Herb Greenberg and Patrick Sweeney



When the leaders at SAP unveiled the company's innovative vision for the year 2010, they knew that to accomplish their goals, they had to accelerate the development of their current top performers and redouble their efforts to identify people who had the potential to become their next top performers.

According to Paul Orleman, director of top talent management for SAP, the company, which had been renowned for innovative technology since its founding in 1972, was now intent on also becoming known for developing great talent.

But how does one of the world's largest companies become an incubator for finding and keeping top talent? Particularly when its key competitors, with very deep pockets, are doing everything they can to pirate that talent away?

SAP is taking a five-tiered approach to building upon its innovative and competitive culture, which includes:

1. Assessing the strengths and growth opportunities of the organization's top talent;
2. Developing growth plans for each of those key individuals. "This starts with understanding the individual goals of each of these highly talented people, and letting them know the leadership of the company is committed to their futures," Orleman explained. "Our philosophy of high-potential development includes having them work on real strategic issues that are vital to them and to our organization."
3. Recognizing the gaps that exist between the current level of talent in the organization and the organization's future needs;
4. Looking deeper inside the organization—to recognize future leadership that can be developed. As Orleman said, "Talent development is building the skills of the entire workforce for current and future success;" and
5. Hiring new individuals who will have the potential to flourish in SAP's culture.

This commitment to finding, developing and retaining top talent took on a whole new meaning in 2004 when SAP decided to create software solutions for small and mid-size companies. SAP was changing the playing field of software development for everyone. As a result, their prospects and clients were changing. So, their employees would have to change as well. What new skill sets would be needed to achieve these ambitious goals? How

would these new products be developed? Marketed? Sold? The implications were enormous. Many things would change. Most importantly, how their employees would now work with their clients. Did they have the talent and skill sets internally to succeed in this new arena? In the time line they had in mind? How would they develop the talent they had? And attract new top performers?

One step, according to Orleman, was to administer in-depth personality profiles to the current high-potential employees, to gain objective insights into each of these individual's—and the organization's—strengths. "We wanted to build upon those strengths," he said. "So, we wanted to be as clear and accurate as possible about exactly what those strengths were. And we recognized, of course, that we could not objectively evaluate ourselves. So, we turned to outside experts in this area."

Without revealing trade secrets, it was established that SAP's most talented individuals are all extremely bright, very independent thinkers, with a strong goal orientation. They are adept at thinking on their feet, don't get mired in details, and are very comfortable taking initiative. While you might expect top performers in a software development company to be rules-driven, they were the exact opposite. Certainly there are many individuals inside of the organization who maintain policies and procedures. But to continually create innovative solutions, top performers at SAP need to be independent thinkers.

And, as a result, these top performers have helped to define SAP's unique culture—which is action-oriented, highly competitive and driven by quality.

And therein lies the solution and the challenge.

To remain innovative and to keep its competitive edge, it is vital for SAP to find and develop individuals who share these qualities, who can thrive in this unique culture, and who have the potential to be top performers and future leaders of the organization.

A Culture That Remains Constant

How does a company create a culture that has remained constant for more than a century? Particularly when it started as a small foundry and machine shop business and has grown into a world leader in resort hotels and championship golf courses, premier furniture, engines and power systems, and kitchen and bath products?



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Michael Grubich
Kohler, Director of Talent Development & Diversity

From modest beginnings, Kohler Co. has come to stand for integrity, understated elegance, craftsmanship, and the highest consistent standards around the world.

"Kohler has a results-orientation, with a drive for innovation and continuous improvement. Another constant in our culture is that we are gracious and trusting," explained Michael Grubich, Kohler's director of talent development and diversity.

Gracious. Now there's a word that you don't often hear in business circles.

"But gracious is at the heart of who we are. Contributing to a higher level of gracious living for those who are touched by our products and services is the starting place for our approach to each other and to our clients," he said. "As the marketplace evolves, the dynamics of our organization change. We continue to grow at an accelerated speed, and

we have a solid foundation that we look for in the talent we hire and develop. There are certain traits, characteristics, and competencies that we seek in the individuals we hire and subsequently develop. These are the qualities that drive our organization, and have since the beginning. So we continue to look for those qualities in promising individuals. And that becomes vital and complicated as we grow in different parts of the world."

One of the key challenges is to identify and develop talent that can help transform the company from what was once an American-based, multinational company into a world-class global organization. As Kohler acquires other businesses, enters new markets, introduces new products, opens new plants, and is introduced to new customers around the world, one of the primary goals is to identify and develop top performers who cannot just succeed today, but will help lead the company in a world that is constantly changing.

How can Grubich tell if an applicant or employee in the United States or in China has the potential to be a top performer? And possibly a leader?

Everyone takes an in-depth personality profile to determine his or her strengths, motivations, and areas that need to be developed. Then top performers also receive 360-degree evaluations, where they learn how their behaviors are perceived by their peers, direct reports and those to whom they report. Those who are identified as having leadership potential are introduced to cross-functional experiences, and then provided with the chance to manage opportunities in different businesses and, possibly, different parts of the world.

"We are looking for individuals who are driven for results, innovative, have extremely high standards of performance and are continuously looking for ways to improve. Those are our constants," he said.

And can they achieve results, while also being gracious?

Graciousness is interpreted and expressed in Kohler's culture by how employees pay attention to quality, while, at the same time, are very concerned for others. The premise is that if they work closely and collaboratively with others on their team, then they will also come through for their clients in that same genuinely caring way.

"To attain even higher levels of performance, and to continually win in the marketplace requires that we constantly uncover and

develop top talent,” Grubich said. And this becomes even more complex as Kohler enters new and emerging markets. “We need to identify people who can lead in a world that is still being created,” Grubich added. “To do that, we look at whether someone has the intellectual, creative, technical and emotional capacity to keep growing. How well do they know themselves? How do they work with others? Analyze situations, solve problems, shape strategies? How do they develop global teams, build trust, and inspire others? And are they interested in continually improving themselves?”

Having core values that have driven the company for more than a century and identifying and developing top performers who embody those values is how Kohler keeps at least one step ahead of the competition—in a world that is ever-changing.

Being A Speedboat

A company’s culture is central to its success, regardless of whether the firm is global, like SAP and Kohler, just starting up, or anywhere in between.

Lee Keddie, general manager at HKX, Inc., a leading supplier of auxiliary hydraulic kits for excavators in Monroe, Washington, described his company as “a speed boat, not a freighter. We’re an emergency room, not a doctor’s office. We’re a sprinter, not a marathoner.”

Being clear about how and where you excel is the key to succeeding, according to Keddie. “Wal-Mart and Nordstrom are arguably in similar businesses, but they live in completely different worlds. And, as a result, they don’t really compete with each other,” he said. “In much the same way, it is important that we are clear about our strategy. Only then can we hire and develop top performers who will excel here.”

He added, “Responsiveness is a key piece for us. We work very closely and continually come through for our clients—and for each

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other. Other key drivers are: innovation, quality, integrity, and value.”

To help identify individuals who could thrive in this environment, Keddie turned to a consulting firm to develop a profile of his current top performers. He discovered his star employees shared several core qualities, which became his model for hiring individuals who possessed similar strengths.

They were intrigued by new ideas and had high abstract reasoning ability, which helped them to be continually innovative. They were also empathetic, which helped them understand the clients’ needs. And they have a high level of self-structure, decisiveness and urgency, which contributed to their being very responsive.

“This benchmark clarifies what we need to succeed,” he said. “Our corporate culture is always a work in progress. But to contribute in a meaningful way here, it is extremely important to understand our strategy, our sweet spot. Because that’s what drives our company. We are constantly measuring how we are doing—and continually improving.”

Keddie added that during a hiring interview of a potential top performer, he will bring out the company’s roadmap. “And the ones who light up are the ones who are most interested in becoming part of our culture, which is based on measurement—and always getting better.”

Whatever the analogy—whether a sprinter, a speed boat, or an emergency room—the top performers at HKX, Inc. are clear about what distinguishes them from their competitors. And they also know the qualities that will be possessed by the next top performer who is hired and becomes part of this innovative, dynamic, responsive culture.

Clearly-Defined Culture

When the leadership team of your company has clearly defined its strategic goals and corporate culture, then your company becomes a magnet for attracting individuals who share your values and have the potential to be your next top performers.

Defining your culture—at its best—starts with assessing the distinguishing qualities of your organization’s current top talent. Then a consulting firm can help you to measure the gaps between the best and the rest in your company. Ultimately, your top performers will become your model for identifying individuals—inside and outside of the company—who have the potential to contribute in real and meaningful ways. They are the ones who will keep your competition at least one step behind you. ■

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