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Success Stories

## A Rapid Talent Pool Evaluation

by E. Forrest Christian

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# A Rapid Talent Pool Evaluation

Bob Smith had a problem. The firm he worked for, a major medical products company, had recently merged with another giant in the industry. The new global company had corporate information technology (IT) staff located in two cities, one in the eastern United States and the other in the UK.

As Vice President for Corporate Information Technology, Bob had to quickly merge the two IT organizations. He had already selected the director-level managers who would report to him. He now had to get them to quickly evaluate a pool of over 100 IT staffers and give the staffers new job assignments.

Linda Sydney had been working as an internal organization development consultant to Bob. She knew about Elliott Jaques' Requisite Organization (RO) and believed, if RO principles were used to create the new IT organization, the company could have a smoothly functioning organization going forward. In the present situation, the RO approach could begin with personnel evaluation involving a gearing process.

"Let me use Glenn Mehlretter to do some talent gearing," she asked Bob, "and I promise that you'll get 10-20% better selections." Bob listened to her points and agreed to bring in Mehlretter as an outside consultant.

Glenn and Linda would help guide the directors through the evaluation and selection process. The directors' roles in corporate IT were at Level 4. This process would include all staff at Levels 2 and 3 reporting to the directors.

Glenn observed, "We know that we can improve a manager's accuracy in judging individual potential to do work by leading them through a certain thinking process. Gearing is based on the fact that the human person is much better at comparing two things than judging a single thing."

This drove the way that Glenn and Linda created their work process. They interviewed the directors and led each through three initial steps about his or her own organization to:

1. Design a hierarchy of the roles from most to least complex, comparing the existing roles because they were familiar to the directors.
2. Compare the people to the roles, judging the level of role that matched the current potential of each individual.
3. Judge, as a cross-check, whether the individuals placed at each level really demonstrated similar capability.

Glenn and Linda interviewed thirteen directors to evaluate the pool of 132 staffers. They started by interviewing all the managers who had already been selected as directors. During the interviews they anchored each director's hierarchy of roles to the level of work in the role, using time-span measurements and descriptions of work. This let them compare the judgments of the directors across the organization. They then asked each director if there were other staffers in the IT organization whose capability they felt comfortable judging. (These additional judgments were added to the data pool.)

Unfortunately, a number of managers had already left the merged company, leaving many in the pool with no one qualified to judge their potential. Glenn and Linda interviewed managers who had not been selected as directors to fill these gaps.

“We've found that almost across the board, 35% of people are capable above or below their role,” Mehlretter noted. “Another 35% are in roles either too far below their boss' role, or equal or above their boss' role.” Resolving these discrepancies at the start would enable the new IT organization to benefit from a more requisite structure.

Data on capability was collected for 86 of the 132, of which 39 had more than one judgment collected about them. In 85% of these multiple-judgment cases, the judgments agreed, meaning that this process resulted in consistent ratings across raters. The judgments could be compared across the organization.

Following the data collection interviews, Linda facilitated the meeting in which Bob, the VP for Corporate IT, and his IT Directors were to assign people to roles. It was quickly apparent to the Directors that they had a shortage of people capable of working at Level 3. To fill these gaps, they would have to hire from outside, which they were reluctant to do. They, however, saw the gaps as small misfits that might not be optimal but could still be manageable. They asked Glenn what he thought.

“Well,” he said, “you could do that. Just remember that if you take someone who is only capable of doing Level 2 work and give them a Level 3 role, they will still only be able to do Level 2 work. If you are their boss, you will have to do all their Level 3 work, in addition to whatever Level 4 work you have.”

The Directors decided they did not want to do that work. But they decided anyway to assign several of the existing people even though they were not big enough for the roles.

When the selection process was completed Bob was pleased, “Yes, that's at least 10-20% better than we would have had otherwise.”

This success reinforced the power of this tool when merging two companies under a demand for rapid action. By getting the Directors to make the initial judgments in talent gearing, it reduced the risk of a large, second-round organizational change or staff reduction that so often follows the initial integration.

While a large, second-round change was avoided, there was one sad note. Within a year each of those people who were not big enough for the roles they were assigned had either quit or been let go.

*(Names have been changed for reasons of confidentiality.)*

Casewriter: E. Forrest Christian

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

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

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

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

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