

Unsung Heroes

They may not be "rising stars," but so-called pivotal employees still have the ability to make -- or break -- your business.

By Julie Cook Ramirez

Arriving at Morgan Stanley in the spring of 2006, Shamus O'Rourke spent his first few weeks getting acclimated to the investment bank and trying to recruit finance professionals from the competition. Less than 60 days later, he took over the position of complex manager for the bank's Fairfield County, Conn., district (or "complex"), which includes six branch offices spread throughout that wealthy New York suburb. He's been on the job ever since.

While O'Rourke's role may lack the glamour and excitement associated with New York-based Morgan Stanley's top Wall Street positions, it is key nonetheless. According to Jim Carbonaro, the firm's vice president of professional development, "everything that happens in that complex is the responsibility of the complex manager."

From revenue growth and compliance to talent management, complex managers are tasked with some pretty heavy duties. Their ability to handle those duties can literally make or break this segment of the bank's business.

"I've seen many instances in which we have a weak situation in a complex and the manager gets replaced and, within a very short period of time, the situation turns around [thanks to] the new manager," says Carbonaro. "Vice versa, a good, productive, happy complex can literally be destroyed by someone who's not a good manager. If that's not pivotal, I don't know what is."

That term – pivotal – is increasingly cropping up in the business vernacular, as a growing number of organizations have come to recognize there are certain people scattered throughout the workforce who have a major impact on the ultimate success or failure of the enterprise.

"If these people got hit by a bus tomorrow, the organization would be in a world of hurt because nobody could easily step into their place," says Patrick Hopp, a psychologist and executive consultant at TalentQuest, an Atlanta-based consulting firm.

New York-based PricewaterhouseCoopers' Saratoga Institute recently issued a [white paper on the subject of pivotal employees](#), defining this group as "segments of the workforce that are expected to create value and determine the success of the company."

However, these employees are not necessarily managers, supervisors or "rising stars," according to the paper. In fact, the Saratoga Institute draws a sharp distinction between its definition of pivots and so-called "high-potentials."

Often, pivots are employees whose roles in the company are important because of their unique set of skills, knowledge or experience, not their rank. For a pharmaceutical company, a research scientist may be considered a pivotal employee, while a restaurant chain may classify its chefs as pivotal and a technology firm would label its system architects as such.

"Pivotal employees don't necessarily have the potential to move into higher-level positions, but they perform roles and occupy jobs that are highly critical to the success of the business," says Warren Cinnick, the director of Saratoga's people and change practice.

Some organizations cringe at the term "pivotal" because they feel it implies some workers are more valuable or important than others, according to Ilene Gochman, practice director for organization effectiveness in the Chicago office of Watson Wyatt Worldwide.

"A lot of human resource and line managers have the orientation that they need to treat everybody the same – that's the biggest barrier there is," says Gochman. "Obviously, you can't get all new furniture for these folks and for nobody else, but there are plenty of other things you can do around working arrangements, training and development, and so on, that could be highly personalized."

Others see the new attention on pivotal employees as an outgrowth of the focus on high-potential employees. But while high-potentials frequently envision themselves someday occupying the C-suite, pivotal employees may not be looking for much advancement at all. In fact, they may be quite content staying where they are.

"One of the biggest mistakes that we make in HR is assuming that everybody wants growth," says Beth Carvin, president and CEO of Nobscot Corp., a Kailua, Hi.-based HR software firm. "Many employees love the work that they do and they don't want to grow. They just want to be treated in a manner that is consistent with the contributions they're making to the organization."

Therein lies a big part of the problem when it comes to engaging these critical workers, says Edith Onderick-Harvey, president of Change Dynamics Consulting in Andover, Mass. Simply put, "organizations often aren't sure what to do with pivotal employees," she says.

Promotion? No Thanks

Unlike high-potentials, who may yearn for more visibility or power, pivots may actually be "repelled by power," says Cinnick. That means HR needs to take an unorthodox approach to engaging them, looking beyond promotions and raises to other strategies.

"When you move from the discussion of high-potentials to a discussion of pivots, you definitely need to pick up a new toolkit of ways to capture their hearts and minds," says Cinnick. "You have to look at new ways to reward these folks that allow them to stay engaged in what they are passionate about – the work that they do in their field of expertise – and allow them to continue contributing strongly in that way."

For Novi, Mich.-based Trinity Health, that's meant making it OK to say "no" to promotions, says Debra Canales, the company's chief human resource officer. The nation's 10th largest health system, Trinity Health employs more than 45,000 full-time associates at hundreds of facilities worldwide.

Within that workforce are thousands of "critical jobs," ranging from CFO to nurse. While some employees are sure to be looking for promotional opportunities, others prefer to continue playing a pivotal role right where they are – and that's OK, says Canales, even if they've already tried a promotion on for size.

"There was an old mental model that if you couldn't move into a different job every three to five years, then you weren't successful in an organization," she says. "We've taken the approach that success doesn't mean someone has to necessarily move up. It's safe to declare, 'I was a great nurse. I appreciate the promotion to nursing manager, but I'm finding it's just not for me. I want to go back to extending care individually to patients.' "

Onderick-Harvey agrees that some organizations are shifting from the old approach – that the only way for individuals to grow in their career is by moving into the management ranks – to one that permits pivotal employees to continue contributing significant value to the organization indefinitely, right where they are, if they desire.

A number of her clients have begun employing a "parallel ladder" approach, in which employees are recognized and rewarded without being moved up in the ranks.

"Many companies have begun to [think], 'I don't really care if this person ever gets to be the senior VP of XYZ, what I care about is that they are happily developing many new ideas over a long period of time,' " says Cinnick.

Some industries are more promotion-focused than others, of course. Take accounting: "Public accounting has historically always been very 'up or out' focused," says Jennifer Allyn, managing director in the office of diversity at PricewaterhouseCoopers. "If you didn't make partner, at some point, you'd have to leave. We realized we had people who were deep subject-matter experts who were incredibly valuable, but who did not have the inclination or the qualifications for partnership. The question for us was how to reward and recognize those people and let them stay."

The answer came in the form of a lesser promotion – to managing director, a position created four years ago as a means of recognizing and rewarding pivotal employees. Granted, the move to managing director isn't for pivotal employees who would prefer just to stay put and not climb the corporate ladder. As Allyn explains, it entails a rigorous

admission process, including a 15-page application, letters of recommendation and approval from various committees.

"Managing director gives people another route," says Allyn. "It is a destination. You don't have to worry about going to the next thing after that."

Those pivots who don't want to move into the managing director role still face the industry's "up or out" bias, however - although Allyn says PwC is working on changing that.

"In professional-services firms, advancement is a big piece of the culture," says Allyn. "We are trying very hard to get beyond that cultural norm, perhaps by having career managers, but we don't yet have that at the career senior associate level. You have to progress."

The "Holy Grail"

While some pivotal employees may be motivated by traditional inducements such as promotions and raises, others get more out of exciting project work, flexible schedules, opportunities to attend prestigious conferences, or the chance to share their insights with management. HR's challenge lies in determining exactly what makes their pivots tick. "You need to stand back and say, 'What else turns these people on?' " says Cinnick.

In some instances, he says, this entails having one-on-one conversations with pivotal workers. However, the best approach is to combine talking to employees with watching them to see what motivates them, according to Susan Gebelein, executive vice president of Personnel Decision International in Minneapolis.

"When someone's motivated, there's that light in their eyes and energy in their voice," says Gebelein. "You can see the engagement."

Seattle-based Alaska Airlines identifies pivots the old-fashioned way - by asking people. "We go through the leadership of a group and ask them, 'Who are the folks you can rely on, that you constantly get good feedback on from customers?' " says Angela Ursino, managing director of talent strategy and organization development. "We also ask people who it's a pleasure to work with and who makes their job easier. We get a cross-referenced list of names that way."

The company actively involves pivotal employees in focus groups, as well as in the decision-making process. When the airline recently revamped its selection process for pilots, it relied on pivots to give their opinions about what qualities make for a good pilot. "Pivots are typically people who are intrinsically motivated by their work," says Ursino. "Just being heard and invited to participate goes a long way with these folks."

Meanwhile, Trinity Health finds that pivotal employees often prize "emotional equity elements" over compensation, benefits and other perks. Feeling that their work matters, having their opinion valued and being allowed to help make decisions is what Canales calls "the holy grail" of engaging pivotal employees.

"What keeps them here is the constant challenge of meaningful work and being included in different projects that unleash their creativity," she says.

Recent examples of such projects include a committee in which nurses, financial consultants and physical therapists worked together to come up with ways to reduce the number of injuries incurred by employees who lift patients and a steering team that was charged with creating a strategic plan for Trinity's diversity efforts.

Trinity also gives employees opportunities to apply their skills in different settings.

At one of its Michigan hospitals, for example, a nurse oversaw a campaign entitled "We Promise," which was designed to increase patient loyalty by improving associate engagement. According to Canales, the project led to higher customer-satisfaction scores in the hospital's outpatient and birthing centers. "The project was a safe place for [the nurse] to stretch her creative wings and try something new," she says.

For Shamus O'Rourke, the pivotal complex manager at Morgan Stanley, developmental opportunities play a big role in

keeping him engaged on the job.

This year, he plans to take advantage of numerous components of the Complex Manager Professional Development Series, which offers programs such as "Leadership through People Skills" and "Managing for Results."

He also speaks very enthusiastically about an event last year in which the firm's top 30 managers and their spouses were treated to a weekend in New York, hosted by CEO James Gorman.

O'Rourke also prizes the opportunity to help identify and develop future complex managers through an assessment program run by the firm. Like many pivotal employees, however, he gets the greatest satisfaction simply from a job well-done.

"It's probably the first time in my career that I can say what's been the most challenging has also been the most rewarding," says O'Rourke. "I take great pride in the success we've all experienced together. In the end, I wouldn't trade it for anything."

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