

# Discovering and Developing Hidden Reservoirs of Talent

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Connecting the strategy and needs of the organization with employees' talents, energy, and passion.

Managers are the most important force driving employee engagement. We know this from analyzing our data from over one million leadership assessments. Moreover, the data suggests that the most valuable action managers can take to drive employee engagement is to provide opportunities for individual development and career growth. The

individual has a role to play as well, bringing personal motivation and a desire to grow and develop. All of this means that organizations are highly dependent upon thousands of individual development conversations happening frequently and effectively.

# Give me a lever and a place to stand and I will move the earth.

## —Archimedes

The quest to promote individual development often begins with the organization identifying talent pools that may be lying fallow. Some organizations ask everyone to think of themselves as leaders, whether they have direct reports or not. Others focus on ensuring gender, ethnic, and cultural diversity, or they ferret out promising young professionals and relatively new supervisors, all in an effort to ensure that qualified leaders are not passed over unintentionally. Now comes the challenge of preparing these groups to be highly effective leaders. They are encouraged to take initiative, to be innovative, and to collaborate on teams.

While organizations may take different approaches, most talent development efforts assume the following:

- Greater leadership effectiveness leads to better business outcomes.
- Leadership should happen at all levels.
- Valuable leaders don't necessarily have people reporting directly to them.
- Every leader can improve.
- Some leadership behaviors are more important than others.

Many organizations today have developed competency models to help employees understand the most critical capabilities that individuals should have in order for

them, and for the organization, to succeed. An individual's ability to demonstrate the capabilities required is usually measured and discussed as part of development planning conversations with managers, usually resulting in an Individual Development Plan, or IDP. That brings us full circle to those thousands of conversations that need to happen often and well if the organization is to actually succeed at finding and nurturing its talent.

### **The challenge with individual development plans (IDPs)**

Given that most employees appreciate ongoing personal development and organizations need to grow pools of talent, we could expect everyone to feel positively about the IDP process. However, the more we talked with individuals about the process, the more we realized that most see it as a paper-passing, bureaucratic practice that produces little value. Worse, managers do not see the process as doing much to really develop talent. For them, it's just another check-the-box exercise that siphons off valuable time.

## **We need a three-legged stool**

The problem is that we have been working with the equivalent of a one-legged stool. The typical process assumes that the individual will successfully develop a capability that the employee and the manager have agreed upon, often with little else to hold it up. It ignores the importance of the individual's personal energy and motivation, and often it is not explicit about the value that the organization places on the individual developing that very skill. It is as if the skill to be developed exists in a vacuum, the need speaks for itself, and the individual's energy and passion for this development target make no difference. We think we can do better.

We analyzed over 85,000 managers who were asked, "What capabilities are most important for your direct report to develop?" The not-too-surprising answer was, "Deliver Results." We believe that most IDP conversations then become the manager convincing their direct report to develop the capability that the manager thinks is important. We address the organizational need but neglect the individual's interest. This has the danger of becoming what we

call a "chore" in the mind of the individual. What if we asked the individual what skill they most want to develop? Many managers hesitate to ask that question because of the risk at stake. What if the individual selects a skill they are passionate about that is not valued by the organization? This is what we call a "hobby."

We believe that for development to be successful, it has to be driven by the individual. But we don't want it to become a "chore" or a "hobby." The choice needs to be supported by all three legs of the stool: Competence + Passion + Organizational Need.

## **How Leadership Levers was conceived**

With this in mind, we recently set ourselves the task of responding to these challenges:

- How can we help individuals be engaged and excited about participating in their own development planning process?
- How can we help individuals more effectively adapt their development efforts to align with the changing needs

of their organizations?

- What does our global leadership data tell us about which capabilities are most critical for developing pools of talent?
- Can we create an assessment that provides individuals with insight into leadership areas where they are willing and even excited to expend energy toward their own development?
- Can we provide powerfully simple tools that everyone can use to sustain their development throughout their careers?

## **The Six Leadership Levers: Answering the question "What should I work on?"**

To begin, we asked the question, "What are the critical few capabilities that have the greatest influence on developing extraordinary leaders?" We performed a comprehensive analysis of our data, forcing the data to give us fewer, broader factors. Six key capabilities emerged that had immense power. We found that if leaders were highly skilled at just three of them, their overall leadership effectiveness would be in the 90th percentile. We called

these the Leadership Levers, because having strength in them magnified and leveraged a person's effectiveness. The Leadership Levers cover fundamental capabilities that both formal and informal leaders use at all levels in an organization to be successful.

The Leadership Levers are:

- **Innovation.** Generates new ideas and solutions through creative approaches.
- **Relationships.** Develops strong relationships built on trust, respect, and consideration.
- **Acumen.** Acquires knowledge and skills to be at the cutting edge of business practices.
- **Inspiration.** Engages and motivates others to perform at their highest potential.
- **Strategic Vision.** Communicates a clear vision to guide others in accomplishing key objectives.
- **Execution.** Honors commitments and consistently delivers extraordinary results.

### **The power of connecting competence and passion**

When balancing the organization's needs and expectations for those being developed, it is wise to pay heed to what energizes the individual. While many programs help participants identify their highest areas of competence, it is not often that leadership development efforts are specifically designed around the topics and skills for which they have high energy and intense interest—their passions. To ignore this important dimension is unwise and risky.

Zenger Folkman utilizes 360-degree assessments to assist in training leaders. We know that our 360-degree assessment provides the most accurate evaluation of an individual's competence, but 360-degree assessments are not designed to provide insight into passion or preference. We developed an assessment that measures passion or preference and collected data from nearly 5,000 professionals. We found that people were not surprised by their preferences.

We then compiled data from leaders where we had both a preference and a performance score on each of the levers. We found a significant, positive correlation between the leaders' effectiveness in the levers and their preferences. The correlations were statistically significant, and equivalent to the correlations we have found between 360-degree data and other respected psychological assessments, such as the Hogan Personality Inventory. These correlations indicate that a person's preference or passion is linked to their effectiveness on each lever. This basic insight was not surprising. It is logical to assume that people are generally more effective at skills they prefer.

If we can help people improve skills on levers where their preference or passion is stronger, there is a greater likelihood that they will develop high proficiency in that lever. Remember that building a profound strength in just three of the six levers raises a leader's effectiveness into the top 10 percent of leaders, regardless of which three levers a person develops.

### **Aligning with organizational needs**

Many development programs focus only on the individual. For example, the description of a highly regarded and popular executive development program reads:

*“...the focus of this program is thus on the leader as an individual. On the personal dimension of leadership. It recognizes that leadership is primarily a process of human interaction and that to improve it, a leader must begin with objective self-awareness.”*

The majority of leadership development programs contain a similar message. There is a strong emphasis on the individual and their development. Little or no emphasis is placed on the organization where the individual works, and the specific job requirements the individual has at the current time.

Beyond that, some leadership development programs suggest that the individual should determine what they prefer doing and then work to have the organization adapt to them. Duties and

responsibilities that are not aligned with the individual's strengths or preferences should be offloaded to others. In short, everyone should be allowed to use their strengths on a routine basis, and the organization is responsible to ensure that happens.

We have several concerns about that view of leadership development:

- Effective leadership differs from one context to another. An executive who succeeds in one company often fails in another. For example, the person who successfully led a team of technicians in creating a new product may be ineffective at convincing a Board of Directors to take a new direction in their research. Learning to adapt to different situations is a key skill that leaders need to master in order to be successful.
- Effective leadership cannot be separated from the organization's mission. The norms, values, history, work processes, and systems of each organization make this the stage where the leadership drama and success of the leader is per-

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formed. In real life, competent leaders don't pick and choose which situations they take on or would prefer others to handle for them. We all get our share of dirty work, problems, tragedy, and plain bad luck.

- Focusing exclusively on the individual leader is narcissistic. After all, the organization is paying the bill for development. The selection of skills to be developed and the style with which they are implemented should take into account the participant's current organization.

To summarize, every development program should have a clear link to well-defined business purposes and desired outcomes. As one trio of observers noted:

*"The strategy of an organization should be the foundation of any leadership development effort. The vision of where the organization is going is paramount and any effective development program must help leaders be clear about and articulate that vision to everyone. In every activity the leaders must be crystal clear about the*

*desired end state."* (Jack Zenger, David Ulrich, and Norm Smallwood. 2000.)

### **Doing something is better than doing nothing**

As we meet with groups of leaders throughout the world, we often ask them to anonymously tell us if they are currently working on a personal development plan for improvement. Even when their organization has a process to set a personal development goal each year, we find that only 10 percent of leaders have an actual plan for their improvement and are actively making progress. The reasons for not having a plan vary, but once we get beyond their excuses of "I'm too busy," we find that most people don't know what they need to be working on or how they could go about improving that skill. It seems clear to us that it would be better for people to work on improving something than to do nothing. The Leadership Levers provide them with a starting point on what items would be most impactful to focus on.

Think of the many ways an organization would benefit if professionals at every level

raised their leadership effectiveness to above average by building their signature strengths in alignment with their passions and the priorities of the organization. That's the power of the Leadership Levers.

## About Us

Zenger Folkman relentlessly seeks to rise above the inconsistent, and sometimes misleading, nature of popular leadership philosophies and beliefs brought on by opinion. The discipline of leadership and those who pursue it deserve better. Our most valuable asset is the expertise of combining hard data and statistical analysis with logical explanations and actionable application that help individual leaders thrive and organizations succeed.