Turning Potential Into Success

The Missing Link In Leadership Development

The Problem

- The problem isn’t a lack of internal talent
- Success Predictors:
  - Motivation
  - Curiosity
  - Insight
  - Engagement
  - Determination

Your People?

- Do you have people with the right motivation?
- Do they have:
  - a fierce commitment to excel
  - a desire to pursue big, collective goals
  - a willingness to help colleagues without needing to be directed
  - a responsibility for self-achievement
  - ownership for mistakes

Only 24% of senior executives consider university or business school MBAs and leadership programs to be a success.

Conversely, 66% prefer individual coaching to improve their managers, leaders and executives.
**Hallmarks**

- 72% of people who rate across these four predictors, demonstrate potential for leadership
- The 4 Hallmarks for Leadership:
  - Curiosity
  - Insight
  - Engagement
  - Determination

**Turnover**

- Unfortunately, many organisations haven’t figured out how to fully develop their potential leaders.
- That limits people’s advancement and eventually their engagement.
- This ultimately leads to turnover of key potentials.
- Gallup Research shows 51% of managers feel disconnected from their jobs and companies.
- 55% are looking for outside opportunities.
- 71% of staff are actively hunting for or open to a new job.

**Turnover is Expensive**

- Three-quarters of employee turnover is voluntary.
- Low engagement and high turnover are extremely costly:
  - Low engagement causes a reduction in productivity
  - Low engagement causes a reduction in customer satisfaction
  - Expenditure in on-boarding a replacement
  - Loss of output during replacement and on-boarding
  - Hiring costs for replacement

**What Can You Do?**

- Determine the most important competencies for leadership in your organisation. For example:
  - results orientation
  - strategic orientation
  - collaboration & influence
  - team leadership
  - developing organisational capabilities
  - change leadership
  - market understanding
What Can You Do?

- Rigorously assess the potential of aspiring managers and leaders.
- Create a growth map showing how a person’s strengths aligns with the competencies required in various roles.
- Providing high potentials with the right development opportunities:
  - Job rotations and promotions they might not seem completely qualified for but that fit their growth map
  - Targeted coaching and support

Where Has This Worked?

- Japan Tobacco
- Prudential PLC
- Egon Zehnder
- Lab Distributors
- KBA Becker Iron Ore

Organisations must learn to grow their own leaders.

Levels of Competence

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<tr>
<th>Levels of Competence</th>
<th>1 Baseline</th>
<th>2</th>
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<td><strong>RESULTS</strong>&lt;br&gt;Organizational Capability&lt;br&gt;Projected by&lt;br&gt;Engagement, Collaboration, Influence&lt;br&gt;Team Leadership&lt;br&gt;Projected by&lt;br&gt;Engagement, Capability&lt;br&gt;</td>
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<td>Understands immediate issues</td>
<td>Defines plan with larger strategy</td>
<td>Sets multiyear priorities</td>
<td>Defines multiyear strategy for own area</td>
<td>Changes business strategy in multiple areas</td>
<td>Creates high impact corporate strategy</td>
<td>Develops breakthrough corporate strategy</td>
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<td>Responds to requests</td>
<td>Supports colleagues</td>
<td>Actively engages with colleagues</td>
<td>Motivates others to work with self</td>
<td>Facilitates cross-group collaboration</td>
<td>Establishes collaborative culture</td>
<td>Forges transformational partnerships</td>
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<td>Directs work</td>
<td>Explains what to do and why</td>
<td>Gets input from team</td>
<td>Inspires team commitment</td>
<td>Empowers team to work independently</td>
<td>Motivates diverse teams to perform</td>
<td>Builds high-performance culture</td>
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Before an organisation can begin mapping managers’ potential to required competencies, it must determine what exactly it needs. That will vary from business to business.

A company recently acquired by a multi-national would probably want to make **results orientation** a priority.

A long-established bank attempting to remain relevant in the digital age may need keen **market understanding** and a **strategic orientation**.

### Matching Hi-Po to Job

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<tr>
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<th>Leading a Large Organisation</th>
<th>Managing P&amp;L</th>
<th>Leading Multiple Regions or Businesses</th>
<th>Managing a Corporate-Wide Function</th>
<th>Running a Start-Up Operation</th>
<th>Overseeing a Restructuring</th>
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