Most Likely to Lead

Start investing in the right people.
Predicting, Developing, and Measuring
Leadership Effectiveness in the Human Age.

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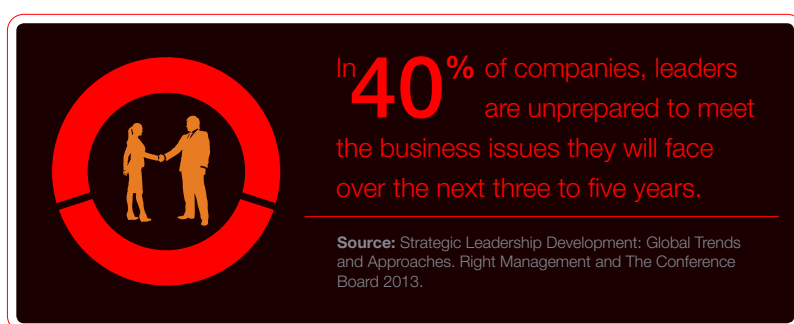# >>> INTRODUCTION

Are your leaders prepared to drive performance in today's dynamic and uncertain business climate? Do they have both the traits and capabilities to overcome challenges? Is your organization looking at outcomes that measure leadership effectiveness which leads to sustainable performance?

The truth is, the world is awash in leadership models but the results continue to disappoint:

In **40%** of companies, leaders are unprepared to meet the business issues they will face over the next three to five years.

Source: Strategic Leadership Development: Global Trends and Approaches. Right Management and The Conference Board 2013.

Only **20%** of managers identified as high performers successfully advance to higher levels of leadership.

Source: How to Unleash the High Potential Talent in Your Organization, Right Management 2014

Only **13%** of senior executives and human capital managers believe their organizations have ample leadership pipelines.

Source: Talent Management: Accelerating Business Performance. Right Management 2014.

Existing methods of identifying, and developing leaders are not working as they should. The world of work is changing significantly, creating a gap between traditional ideas of leadership effectiveness and what it actually takes to drive business performance in the Human Age.

Our approach differs from existing models in three key ways: **outcomes** are defined not only in financial terms but also in metrics that measure the impact on human motivation; inherent **enablers** are aligned to the challenge of leading in times of certain uncertainty; and, coachable **capabilities** are narrowed to those that matter most to deliver the desired outcomes.

What led us to this model?

We began with how business and markets are changing. We see four major transformational trends in the workplace that directly impact leadership:

Demographics / Talent Mismatch.

Due to demographic and societal shifts, companies are struggling to find people with the precise skills or combination of skills they need. In 2015, over one-third of employers worldwide said they were having trouble filling positions due to lack of suitable talent.[1] As the global demand for highly skilled labor continues to grow, leaders will need to align their talent strategies with their business strategies to ensure that they have the right people in place, and rethink old assumptions about work models, people practices and talent sources.

Certain Uncertainty.

In the Human Age, companies can no longer count on maintaining a sustainable competitive advantage. To thrive in today's ever-changing, global environment, organizations must be agile in order to anticipate and respond to the constantly evolving economic, demographic, and technological forces that are reshaping the world. In these periods of sustained uncertainty, business leaders need to take decisive action based on strong principles. Yet too many react defensively and irrationally or become paralyzed by the turmoil. As a result, organizations become less nimble, employee engagement drops, and productivity falls. To adapt to the unprecedented mix of changes impacting business today, organizations need adaptive, agile and courageous leaders who are comfortable navigating risk; passionate about investing in skill building opportunities for their employees; and, innovative in the way they leverage talent to stay competitive.

Resegmentation of Markets.

The voice of the consumer is shaping products and services to an unprecedented degree today. Empowered by digital technology, consumers are using their smartphones, tablets and other devices to gather information and share opinions about companies with one another and with the world at large. This global inter-connection has led consumers to expect higher value and lower prices, while accelerating competition and innovation. Given the talent shortage and today's connected workplace, high-value individuals have greater freedom to set the terms of their employment and choose where, when, and how they want to work. The transparency enabled by social media gives candidates more options and an unfiltered look at jobs and companies they are considering.

[1] Talent Management Survey, Manpower Group

Technological Innovation.

For the first time, individuals can access a vast amount of information instantly from virtually anywhere. Technology is spawning new business models, and organizations are becoming less hierarchical and more fragmented. Talent is dispersed geographically but connected digitally and the "walls" of the company have become permeable and flexible. Combining talent and technology, and making the right decisions about insourcing, outsourcing, and collaboration will require innovative leadership ideas.

Many existing leadership models were developed for times when business conditions were more stable, when growth followed predictable patterns, when producers had more power than consumers to shape markets, and when the employer-employee relationship was a one-way street. Today, business is radically different, and companies need a new set of criteria by which to identify and prepare leaders to navigate the challenges, risks and opportunities ahead. At Right Management, we believe there is a model that can help organizations better predict which individuals will be effective in a world of certain uncertainty and help them succeed.

What is the Human Age?

" The Human Age signifies a new reality for business – one in which the ability to optimize human potential is the single most important determinant of organizational success and growth. Talent, not capital, is the meaningful economic differentiator and those with high-demand skills will be the scarcest "natural resource" in the years ahead. To ensure their companies are premier talent destinations, forward-thinking leaders are creating workforce strategies to gain a competitive advantage in identifying, managing, and developing talent. "

P3 Leader model

people: purpose: performance

The Right Management P3 Leader Model represents our point of view on what organizations need to do to position their leaders to operate successfully in uncertain and dynamic markets. It provides a systematic way for organizations to build strong leadership pipelines by identifying talent with the greatest potential for success, helping them develop a focused set of capabilities, and managing their performance by measuring and rewarding relevant outcomes.

The model has deep roots in ManpowerGroup's six decades of workforce expertise. **Every day, we help more than 400,000 clients in 80 countries and territories address their critical talent needs**, providing comprehensive solutions to resource, manage and develop talent. Building on this experience, the development team spent months:

Researching and analyzing the macro-economic trends impacting business today

Interviewing experts and thought leaders from business and academia to gain their insights into talent assessment and development

Surveying more than 400 business leaders – from senior executives to middle managers – to learn which trends are most relevant to their organizations and what they consider to be most important components of leadership

Right Management was also determined to develop a methodology that is practical for businesses to use. We've seen too many organizations struggle with, and ultimately abandon, leadership models that prescribe a lengthy and complex list of requirements that prove too difficult, costly, and time-consuming to complete. Instead, **we relentlessly refined our model to arrive at a highly focused set of "ingredients"** – not too many, and none exotic – that enables organizations **to realize maximum business impact** with a realistic investment of resources.

The model has three components:

Effective Leadership Outcomes — Talent is the most valuable asset in business today and leadership performance metrics must expand to recognize this new reality. Measuring a leader's impact on talent-focused outcomes – such as helping employees realize their potential, grow their careers, and contribute meaningfully to the organization – is just as critical as evaluating financial metrics.

Effective Leadership Enablers — Assessing talent against inherent personal attributes is a critical step in the methodology. The stronger the individual is with the enablers, the greater the potential to thrive in leadership roles, given appropriate development and support.

Effective Leadership Capabilities — Nurturing a narrow set of leadership capabilities will help organizations focus their developmental resources and money in the areas most likely to provide the greatest return in organizational performance.

Our thinking about the model began with the end-state — the **outcomes.** In order to be relevant in dynamic business environments, goals must focus on results that add value in the Human Age. Most notably, **the organization has to ensure that the right talent is in place to enable meet its business objectives.** High-demand talent today is intent on building a "career for me" versus a "career for life" (for more information on the "career for me" employee, go to www. right. com/careersmatter) and requires a new type of leadership.

Leaders today need to think beyond traditional business performance metrics and work equally hard towards achieving talent-driven objectives such as greater diversity, a shared sense of purpose, and meaningful career development opportunities and resources. That shift in purpose, in turn, requires a fresh look at the **inherent personal attributes (Enablers)** and **coachable leadership skills (Capabilities)** to equip leaders to be most effective in the Human Age.

Our goal in developing the P3 Leader Model is to provide organizations with an efficient system to guide the selection and development of leaders, and a framework to measure their impact on individual employees and the organization as a whole.

Let's look at each component in more detail.

ASSESS
Inherent Enablers

Assessing talent against these inherent personal attributes is a critical step in the methodology. The stronger the individual is in these four areas, the greater the potential to thrive in leadership roles, given appropriate development and support.

DEVELOP
Coachable Capabilities

Nurturing these three capabilities in leaders will help organizations focus their developmental resources and money in the areas most likely to provide the greatest return in organizational performance.
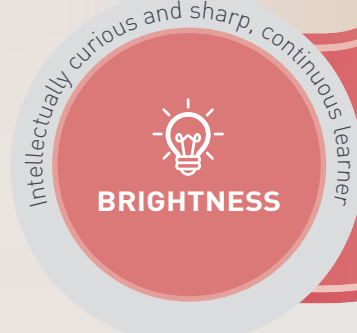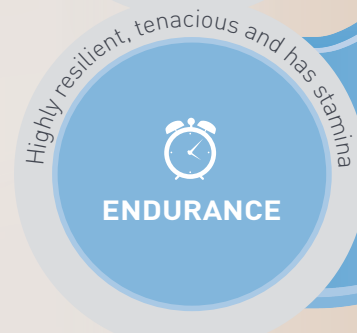
WIN
Business Outcomes

Talent is the most valuable asset in business today and leadership performance metrics must expand to recognize this new reality. Measuring a leader's impact on talent-focused outcomes – such as helping employees realize their potential, grow their careers, and contribute meaningfully to the organization – is just as critical as evaluating financial metrics.

ASSESS
Inherent Enablers
Identify and invest in leaders who have the greatest probability for success

Comfortable with ambiguity, complexity and uncertainty

ADAPTABILITY

Hunger, energy and desire to be successful

DRIVE

Highly resilient, tenacious and has stamina

ENDURANCE

Intellectually curious and sharp, continuous learner

BRIGHTNESS

P3 **leader model**
people: purpose: performance

DEVELOP
Coachable Capabilities
Develop and coach the behaviors that matter most

UNLEASH TALENT
Operate with integrity to manage, develop and inspire talent
Demonstrates integrity • Builds trust • Shows humility
Champions feedback • Enables careers

ACCELERATE PERFORMANCE
Build strong teams and flexible infrastructure
Shares purpose • Balances present/future • Adapts Internationally
Inspires transformation • Champions collaboration
Drives team-effectiveness • Builds capability

DARE TO LEAD
Challenge the status quo to seize opportunity
Makes decisions • Seizes opportunities • Challenges authority
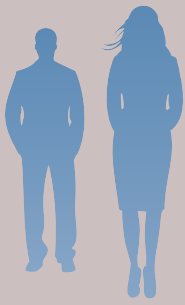Fosters innovation • Evolves approach • Shows self-confidence

WIN
Business Outcomes
Deliver results in the Human Age

A practical approach, this carefully refined model provides a highly focused set of "ingredients" – not too many, and none exotic – that will enable organizations to realize optimal business impact with a realistic investment of resources.

Winning Leadership **OUTCOMES**: Establishing Meaningful KPIs

P3 leader model
people: purpose: performance

One way to assess leadership effectiveness is to look at business performance based on quantifiable financially-based metrics such as sales revenue and gross margin. But **organizations** would **benefit from** also **considering talent-focused Key Performance Indicators** (KPIs) when evaluating leadership impact. In developing the Right Management P3 Leader Model, we chose four measures that speak to a leader's ability to build a talent-driven organization that is primed to achieve and sustain high performance in today's business environment in addition to traditional metrics for business performance. **The talent-focused metrics your organization chooses should reflect the culture and outcomes unique to your business.**

Individual and Organizational Sense of Purpose

Employees today want a clear understanding of how their everyday work activities align to the organization's mission and strategic goals. **When leaders provide insight into** the purpose and value of **employee contributions,** it helps to foster a sense of personal empowerment and accountability in helping the **organization succeed**. This is particularly critical when businesses have heavily matrixed organizational structures and/or rely on individual contributors. Communicating a sense of purpose is not a single event; it is a continuous process that requires two-way dialogue so employees can personalize the corporate vision and innovate through shared understanding. Taken superficially, communicating vision can sound passive. Done effectively, it is tremendously energizing and effective at driving business performance.

Increased Level of Engagement

In the Human Age, **talent is a key source of sustainable advantage** making employee engagement a key measure of the organization's ability to compete. Research[2] shows that effective leaders make it a priority to:

- Retain top talent in the organization
- Create an empowered and involved workforce
- Align compensation programs with talent strategies
- Build a strong employment brand for the organization

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[2] Engagement Study, Right Management, 2008.

Meaningful Career Management

It's critical for leaders to recognize the new reality of "career for me" and ensure the organization makes the shift – strategically and operationally – from being job providers to being career enablers. **Effective leaders understand that the employer-employee relationship has to be a mutually beneficial alliance** so they build a culture that encourages personal and professional growth. In our view, attributes of an effective leader include:

- Providing employees with opportunities to broaden their skills and knowledge, thus increasing their value and employability
- Ensuring that managers are capable of having meaningful career conversations with employees and are held accountable
- Developing functional and enterprise-wide career models, with agile career pathways
- Integrating a wide range of developmental resources, including person-to-person collaboration and technology-enabled learning

Leaders who embed career development into their people management process significantly increase employee engagement[3] and research shows a pay-off in **improved business performance.**

A More Humane Organizational Culture

With technology driving business toward being more fragmented, fast-paced and impersonal, it is important to be deliberate about creating an organizational culture that values and demands respect for individual concerns, ambitions, challenges, and working styles. Right Management research shows that more employees define success in the workplace as the level of their enjoyment and happiness than the size of their paycheck.[5] **Effective leadership is about creating a people-oriented culture that incorporates humanistic values such as respect, trust, diversity, and transparency.** It's also critical that leaders demonstrate the values and mission established by the organization, investing in their communities both financially and through participation and engagement in the community. When leaders ensure that the organization is meaningfully engaged in supporting the well-being of its employees, individuals are motivated to do their best work—which translates into better business results.

How Employee Engagement Drives Business Success
Chief Executive magazine in 2011

" In a Towers Watson study of 50 companies over a one-year period, organizations with high employee engagement had a 19 percent increase in operating income and nearly 28 percent growth in earnings per share (EPS). Conversely, companies with low levels of engagement saw operating income drop more than 32 percent and EPS decline 11 percent.[4] "

[3] Australia Career Study, Right Management, 2012

[4] How Employee Engagement Drives Business Success, Chief Executive, 2011, http://chiefexecutive.net/how-employee-engagement-drives-business-success/

[5] Global Career Aspiration Survey, Right Management, 2014

P3 leader model
people: purpose: performance

Leadership Enablers are inherent attributes of an individual that, when present, **can help predict future success** and lay the groundwork for the development of **leadership capabilities**. In assessing for these traits, you are essentially putting the individual's leadership DNA under the microscope. Enablers are what the person is, how she is hard-wired, and not what she does or says.

Based on **our experience and research**, including discussions with more than 400 leaders in 2015, Right Management has **identified these four Enablers** as being particularly predictive of individuals with the personality traits **to manage** the **leadership challenges** of the Human Age:

Brightness

Bright individuals are intellectually curious and have strong appetites for continuous learning. They are sharp and have the cognitive ability to quickly grasp the meaning of an idea or event and its importance to the business. Brightness is not intellectualism nor measured by the number of educational and professional degrees the person has. In fact, it's not related to formal education at all. **Bright leaders are marked by active intelligence that seeks to know more about the world from a variety of sources** -- always asking "what if?" They are constant learners, seeking the opinions of others, and synthesizing and prioritizing information to understand what's at stake and take action.

Drive

Drive is the hunger, energy, and desire to achieve high performance. Delivering on expectations is a priority for people with Drive. They want to be successful for the organization and for themselves. Drive should not be confused with ambition. Ambitious leaders value advancement and status; **leaders with Drive consistently apply the energy to achieve their goals.** Leaders with Drive are often described as having a "fire in the belly" to bring their vision to life. **If ambition is desire, then Drive is action.**

Adaptability

Adaptable leaders are comfortable with ambiguity, complexity, and uncertainty. The ability to handle all three conditions is critical. Presented with conflicting information and unclear choices, adaptable leaders avoid paralysis and make decisions. **They are comfortable navigating through confusing scenarios, gathering information and trusting their judgement.** Adaptable leaders don't need certainty to act; they accept reasonable risk, confident in their ability to change course as needed. In short, adaptable individuals are uniquely suited to lead businesses in times of "certain uncertainty" when market changes and challenges are difficult to predict but sure to occur.

Endurance

Leadership is a tough job. Individuals with endurance have a high degree of stamina – both emotional and intellectual – that enables them to be tenacious and resilient. They are consistently high performers over time and across multiple leadership scenarios. **They remain steadfast through challenging times and conditions, and bounce back from failure.** Like marathon runners, they understand that peaks and valleys will occur on the way to the goal and managing through them is the only road to success. For them, the journey is fun and stimulating.

The degree to which a person is assessed positively on **these four enablers can help predict** his or her **likelihood of success in developing leadership capabilities and realizing desired outcomes.** Conversely, if the evaluation reveals low scores on all four, it's going to be a tough journey to lead in a dynamic market environment. Enablers can be enhanced in a person, but if a trait is not already present to some degree, it will be difficult to develop. For example, attributes like intellectual curiosity and drive are not really teachable.

In our experience, few leaders are equally strong in all areas. **Assessing for enablers can be of value in revealing potential problem areas** where leaders could benefit from learning compensation strategies.

Developing Leadership **CAPABILITIES**: Nurturing talent-focused skills

P3 leader model
people: purpose: performance

Capabilities are the actions a leader takes to help the organization succeed. In contrast to Enablers, they are highly teachable. The core capabilities within the Right Management P3 Leader Model are focused squarely on accelerating an organization's ability to compete and win in a global marketplace characterized by significant opportunities and risks. **To be effective today, leaders must:**

- **Accelerate Performance**
- **Dare to Lead**
- **Unleash Talent**

While each capability overlays a deeper skill-set, **there are only three** in total. This is a deliberate choice, since we have seen many organizations struggle to integrate a high number of capabilities (often, five, six, seven or more) into their leadership development programs. **Our leaner set of capabilities is a more practical approach** that can help organizations:

Focus developmental resources and time on a few vital macro-capabilities rather than an exhaustive list of skills

Foster easy understanding and better retention of key capabilities so they become embedded within the leadership ethos

Reduce time to value by simplifying education and communication efforts

Accelerate Performance

Leadership performance is an individual effort with company-wide consequences, and the organization is more likely to perform at its best when a leader develops the skills to:

- **Provide a shared vision for transformation**
  Effective leadership is about articulating a vision – one that gives employees the "why" behind their contributions, engages their minds and hearts, and unites their efforts toward a common goal.

- **Navigate both a short- and long-term agenda**
  Achieving sustained performance requires leaders who can balance near-term revenue and cost concerns with longer-term strategies for business development.

- **Balance global consistency and local relevance** — Effective leaders ensure the business operates from a consistent set of strategies while enabling the flexibility to adapt to local needs and cultures.

- **Inspire and mobilize the organization in transformation** — Improving employee engagement is the key to creating a more competitive organization, and it starts at the top. Effective leaders help employees buy into the company's direction. They understand the significance of their role in helping the company reach its goals.

- **Collaborate transversally** — Increasingly, work gets done by sharing ideas across disciplines, across time zones, across cultures, and across companies. Leaders set the tone for enabling that level of collaboration.

- **Build high performing teams** — Individual performance is necessary but not sufficient to drive organizational performance. Leaders need to address underperformance of teams and create the conditions for the different teams to perform.

- **Build organizational capability** — Leaders need to insist on an infrastructure with appropriate systems, resources and processes in place to achieve strategic goals.

> " Moving a business forward in the 21st century relates much more to HOW leaders do things – their soft skills –than to their knowledge, expertise and experience. This is true at all levels – C-suite, executive level, middle management. "

Jonas Prising,
Chairman & CEO,
ManpowerGroup

Libby Sartain,
HR Consultant
and Author

> "Leaders can't copy-and-paste the capabilities that enabled them to succeed in the past. They need to keep evolving."

Dare to Lead

Great leaders have the courage to make decisions, take risks, and seize opportunities. Their self-confidence is why others admire and follow them. On the other end of the spectrum, leadership that seeks only to maintain or marginally improve the operational status quo is simply treading water. When the competition makes waves, an organization helmed by fearful leaders will go under. Today's fast-changing business environment requires bold, adaptable leaders who are willing to make reasoned yet risky decisions when necessary to achieve strategic goals. Leaders need to learn how to:

- **Make courageous decisions** — It's been said that leaders, like symphony conductors, have to turn their backs to the crowd in order to do the job. Leaders need the self-confidence to propose untested strategies, such as entering unfamiliar markets, or change long-standing cultural norms in the pursuit of positive transformation. They work for success, not applause.

- **Dare to take risks and seize opportunities** — Effective leaders take calculated risks. They accept that speed is more important than "the perfect decision" and that capitalizing on a rapidly-closing window of opportunity may require committing to a path without full certainty of the consequences.

- **Challenge authority constructively** — Leaders at all levels in an organization need to solicit, to provide, and to accept constructive feedback and pushback. When no one is willing to speak truth to power, the risk of going off course or missing opportunities is high.

- **Foster and reward innovation** — Effective leaders are willing to experiment and learn from their mistakes in the pursuit of innovation – and they create a culture that gives that same freedom to employees. They inspire and reward innovative ideas and accept well-intentional failures as the price of moving forward.

- **Change their approach when warranted** — Managing human capital today is far different that it was ten or even five years ago. Technological innovation, the rise of the portfolio employee, and the flattening and globalization of corporate structures are just a few of the trends that require leaders to evolve their approach to managing talent.

- **Show self-confidence** — In the midst of rapidly changing and complex business conditions, a company's culture represents the only stable platform for employees. It is critical for leaders to demonstrate confidence, consistency and unwavering purpose even in uncertain times.

Unleash Talent

A leader's skill in creating and nurturing a culture that attracts, engages, and retains top talent is critical to success in the Human Age. Even the best-laid corporate strategies will be stymied if the organization is unable to find the right talent and fully tap its potential. Given the market dynamics at work -- shrinking talent pools, technology innovation, widening skills mismatch, greater worker mobility, and increasing global competition for talent -- this imperative grows in urgency and complexity. The organization is in a better position to fully unleash its talent when a leader learns how to:

- **Demonstrate integrity** — As organization become more collaborative, internally and externally, it's important for leaders to model the transparency and mutual respect that should characterize all working relationships.

- **Build trust** — Employees need to have confidence that leaders are making decisions based on the goals of the enterprise, not on their personal or siloed interests.

- **Show selflessness, putting "we" before "I"** — Leaders work for the common good and put organizational success ahead of their own.

- **Ask for, give, receive, and act upon feedback** — Effective leaders seek different perspectives and viewpoints, knowing that others' opinions may be more relevant or will enrich their own understanding.

- **Create opportunities for others to grow and have meaningful careers** — Research shows that two-thirds of the drivers behind employee performance and engagement are tied to career development opportunities. Effective leaders are proactive, visible proponents of individual career development and invest time and energy in creating people management practices that enable employees to improve their skills portfolios and marketability.

> " Effective leaders align the organization to one red thread in terms of strategy and execution, while giving individuals the flexibility to contribute and grow meaningfully. "

Mara Swan,
Executive Vice President, Global Strategy and Talent, ManpowerGroup

The Model in Action: Building an Effective Leadership Culture

The Right Management P3 Leader Model is a framework that organizations can use to support leadership development in a number of ways:

Identify talent with with greater potential for leadership effectiveness by assessing for traits that are common to successful leaders.

Focus development time and resources on nurturing capabilities that will empower your leaders to navigate the "certain uncertainty" of business in the Human Age.

Create a new leadership culture in which hiring, management, and developmental practices are aligned and work together **to create a pipeline of first-rate leaders at all levels.**

Make leaders accountable for outcomes like high employee engagement and meaningful career management that have been shown **to significantly impact profitability, productivity, and growth.**

Realize a greater return on investment from leadership development **and faster time to value.**

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The authors would like to thank the following for their insights and contributions:

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About Right Management

Right Management is the global career and talent development expert within ManpowerGroup®. We help organizations become more agile, attractive and innovative by creating a culture of career management and learning that nurtures future talent, motivates and engages people, and provides individuals with opportunities to increase their value throughout their careers. We improve time to value through our expertise in organizational effectiveness, career management and individual development. Our approach is centered on the fact that organizations thrive when individuals are successful in their careers. We've spent the last 35+ years identifying workforce challenges and developing innovative solutions, enabling our globally informed methods to be time-tested across more than 50 countries.

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