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The Duplicity of Talent: A Delicate Balance of Critical Leadership Competencies

Abstract

[Excerpt] All managers have to make tough decisions, but their decision-making processes must change as they reach the higher levels of their organization. This may be largely attributed to the variances in the level of work. At a hotel, for instance, lower level supervisors may be responsible for making sure that receptionists are effectively and efficiently handling bookings. Contrast this supervisor's decision-making process with the hotel's senior executive, who needs to determine where to build the next hotel to maximize bookings. At lower levels, supervisors are effective leaders if they can be decisive, firm, direct, and analytical about their decisions (Brousseau, 2006). Effective leaders at this level don't often need to take flexible or collaborative approaches to their decision-making style. The opposite is evident once an employee reaches Vice President and Senior Executive level positions. Effective higher-level leaders' decisions are often extremely flexible and collaborative, and the same decision making styles that were once effective at the lower levels will become less pertinent.

Keywords

HR Review, Human Resources, Human Capital, Career, Talent, Leadership, Training, Performance

Comments

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CORNELL HR REVIEW

THE DUPLICITY OF TALENT: A DELICATE BALANCE OF CRITICAL LEADERSHIP COMPETENCIES

Michael Randolph

In 1961, American's raved about the Machiavellian office politics play entitled *How to Succeed in Business Without Really Trying*. The satirist production follows the journey of a newly hired and eager young man, J. Finch, who rises from the mailroom to the top of the corporate ladder in a matter of days. Although not equipped with any real technical skills, Finch succeeds because he possesses the competencies needed to make executive-level decisions. But, this is by no means a proven step-by-step framework that real world employees should use to design and develop their careers. The play vastly undervalues the acquired experiences and competencies that are learned in supervisory and middle managerial roles. However, the play does accurately illustrate how those competencies will become decreasingly applicable as an employee's career develops.

All managers have to make tough decisions, but their decision-making processes must change as they reach the higher levels of their organization. This may be largely attributed to the variances in the level of work. At a hotel, for instance, lower level supervisors may be responsible for making sure that receptionists are effectively and efficiently handling bookings. Contrast this supervisor's decision-making process with the hotel's senior executive, who needs to determine where to build the next hotel to maximize bookings. At lower levels, supervisors are effective leaders if they can be decisive, firm, direct, and analytical about their decisions (Brousseau, 2006). Effective leaders at this level don't often need to take flexible or collaborative approaches to their decision-making style. The opposite is evident once an employee reaches Vice President and Senior Executive level positions. Effective higher-level leaders' decisions are often extremely flexible and collaborative, and the same decision-making styles that were once effective at the lower levels will become less pertinent.

The possibility of various effective leadership decision-making styles constructs countless complexities and challenges when it comes time for organizations to think about how to promote and develop their future leaders. Habitually, organizations look to current and past role performance as the official and sole deciding factor by which to evaluate and classify an employee as "high potential" (Kaiser, 2010). But this metric is unfavorable to those professionals who possess superior integrative and collaborative decision-making abilities compared to their peers. So, even though they

might not excel at their current positions in comparison to their peers, their higher-level role performance might surpass others.

Companies, however, are still using only past performance metrics, which promote less-than-optimal leadership. Research suggests, all other factors being equal, employees with higher-level appropriate leadership styles are more successful and productive than those who do not possess those competencies (Brousseau, 2006). Therefore, many organizations are ignoring an entire class of their workforce whose talents, if deployed correctly, would eventually add greater value to the company. Ineffective deployment practices can cost an average employer an amount equal to 7% of their total annual sales (Rucci, 1998). As a result, companies are incurring high opportunity cost when classifying top talent merely on past behaviors. They may end up promoting an individual who may not be the most qualified candidate for the next role, paying a price for less than optimal leadership.

But organizations shouldn't entirely abandon their current metric systems to reduce this high opportunity cost. If they did, employees will become confused as to what the employer truly values. This will have adverse effects on the company's overall workforce performance and productivity. When an eager high performer has their eyes set on a future leadership role, very few things may upset them more than being passed up for a position for a "subpar-performing" peer. If that employee feels that promotion decisions are based solely on whether they possess competencies needed in the future, their current performance may decline. Developing individuals who are currently the "best" is deeply institutionalized within corporate understanding. Disregarding this metric would only disrupt those ideals.

Besides being careful to not confuse employees about what is valued, companies must also tip-toe around the potential moral hazard of endorsing and promoting poor or average performers just because they display competencies which align to more senior positions. Eager employees will perform in accordance with what is rewarded.

Thus, assessing past high performance is still a valuable and suitable metric to determine high potential candidates; however, it can't accurately predict future performance by itself. Yet many employers still opt to disregard the opportunity costs in favor of the safe and concrete measures that have been used for years. Organizations that more accurately weigh these variables will capture this lost value, and will better staff junior and senior level positions. These organizations will ultimately have an advantage in their competitive landscape. This process is outlined as follows:

Assessments

Leadership Preferences

Employers will benefit from administering leadership assessments to their workforce. The results are useful indicators of preferred high-potential leadership styles. Knowing these style preferences will help organizations better plan individual development tracks and paths. Take for instance an employer who has its employees take leadership assessments, and therefore understands that a targeted high performer has a strong

preference for an authoritative approach to leadership. The company can now tailor the employee's development pathway to better prepare them for more senior-level roles, which requires a more participatory method of decision-making.

Flexibility

There is a significant faction of practitioners and academics who subscribe to the theory that leadership styles are fixed (Fiedler, 1964). Advocates of this theory assert that managers will always have natural decision-making tendencies. As a result, some employers select leadership tasks and situations where a leader's natural behaviors can be leveraged. However, this is not practical for most companies because it would require the organization to have an abundance of roles to fit a wide variety of leadership styles. So, even if this theory were entirely correct, organizations would still have to place high potentials in positions that wouldn't align with their natural preferences.

In opposition to the theory of fixed leadership styles is the notion that while each leader has their own set of natural leadership tendencies, their style is merely a preference; and, like any inclination or preference, new tendencies can be acquired overtime. Therefore, as a supplemental assessment, it is imperative to measure an individual's likelihood to acquire leadership "tastes" and adapt their styles as their career advances. These flexibility assessments add value to the leadership development process by providing another indicator of a leader's future success.

Training

It is not enough to just assess flexibility and leadership style adaptation with a pen and paper evaluation. Employers must take it a step further by analyzing a leader's strengths, weaknesses and preferences. This data then needs to be used to design personalized leadership training programs. Oftentimes, employees in organizations are given leadership assessments, but they aren't trained until they are actually considered for a higher position (De Meuse, 2010). It is only then that many employers refer to the assessments that are hidden in the back of their filing cabinets. But, leadership preferences typically aren't changed overnight. Decision-making styles often need to be developed and fostered through training before an employee can they reach director and senior director roles. In fact, high potentials need to start developing collaborative and integrative leadership competencies at around the middle -management level. If the manager doesn't effectively adapt their style at these levels, they are less likely to adapt them later on in their careers (Brousseau, 2006). It is the employer's duty to assist managers during the early stages of their development to ensure that the employees are prepared for the new roles and responsibilities they will hold as their careers progress.

To do this, organizations need to expand the bounds of their employees' decision-making rationale. Newly promoted directors and executives sometimes have a tendency to make their decisions based on what has proven to be successful for them in their previous roles, regardless of whether it will be successful in the new role (Simon, 1979). Simply put, they can only do what they know how to do. Employers need to focus on augmenting

rationale boundaries of high potentials so that they can be more productive sooner. One of the most common practices used to expand rationale are a rotational training programs. Through rotations, leaders get experience and exposure by working with other departmental functions. This should be a platform by which future leaders can adapt their leadership style. Not only should organizations assign rotations on the basis of allowing their employees to acquire various functional expertises, but they must also make it a mission for each employee to work with a department built on making decisions that contrast the leader's natural preferences.

Even if an organization doesn't have a formal rotational program, it still needs to provide their future leaders with experiences to augment their current competencies. This could be through a small project that mimics the work of upper-level managers, or even an international assignment in a country where decisions are made differently. Again, regardless of the formality of the assignment, the point is to endow employees with exposure to both various types of work as well as different way of tackling that work.

Higher-level Managerial Support

Reinforcement is vital in any development process. Some employees do recognize that they need to change their decision-making style, but they are just not motivated to take the steps to address it. But a high potential employee will be more likely to take ownership of their development process and commit to adapting their style if their predecessors stress its importance. Early in the career of a high-potential employee, upper management needs to be involved in their development. Senior leaders should be available and accessible to give firsthand accounts of the adaptation process, the challenges they faced, and the returns they've seen after adapting successfully. If lower-level supervisors are made aware of this expectation to adapt by higher-level management early on, they will be more equipped to handle the various situations they find themselves placed in throughout their careers.

The elements that make a high potential manager successful will change as their career changes and develops. Evaluating one's potential for future success is challenging, but through a combination of early assessments and training, employers can increase the odds that a leader's future potential is realized. The success of this realization is a function of their ability to exhibit flexibility and nimbleness in altering their leadership style as the level of work changes. Their preparedness and ability to learn from experiences to effectively apply these competencies to higher-level role environments is increasingly more critical to the success of directors and executives-- even to the ones, like J. Finch, that can rise the ranks in a few days.

Michael Randolph is a student at Cornell University, pursuing an MLR at the School of Industrial & Labor Relations. He previously served as an HRDP intern at Bank of America and completed his undergraduate studies at the USC Marshall School of Business. Mike currently serves on the editorial board of the Cornell HR Review.

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