

## Berlin Civil Society Center

Senior Leaders Programme 2011



### **Effectiveness in Hiring & Retention**

*Identifying, Developing and Retaining Talent in Civil Society*

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**Egon Zehnder International**

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# Agenda

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## Rationale

### The Essentials

- Competencies
- Potential
- Motivation
- Professional development and feedback

## Rationale

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# The basis of effective hiring, development, retention and team building is *understanding* the capabilities of individuals



# Some critical reasons for assessing managers and teams

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- Track actual performance and achievements of individuals
  - Ascertain whether the incumbent (individual and team) is capable of delivering on the strategy and mission and, if not, identify the gaps that must be overcome
    - Identify “hidden gems” within the organization that can carry it to success
    - Identify those with performance issues who must be coached (or exited)
    - Highlight critical team members at risk of leaving and who must be retained
  - Manage talent across time to ensure health and sustainable ability to impact of the organization
  - Ascertain whether the team shares the leader’s values in how the organization should be run
- **Having the right people in the right roles is mission-critical for long-term success and value creation**

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## **The essentials - competencies**

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# A few words on IQ and experience as indicators to identify high (and future) performers

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## Intelligence or IQ

For inexperienced and lower-level employees it can be the single most valid predictor of future performance

But most senior managers have passed an “IQ threshold” as they have already been filtered by previous education and employment.

- Probe for intelligence, but tests are not very useful to predict performance or potential

## Experience

For senior positions, there is little time to learn (high opportunity costs and high internal/external pressures), so experience matters. Functional and situational experience is always important

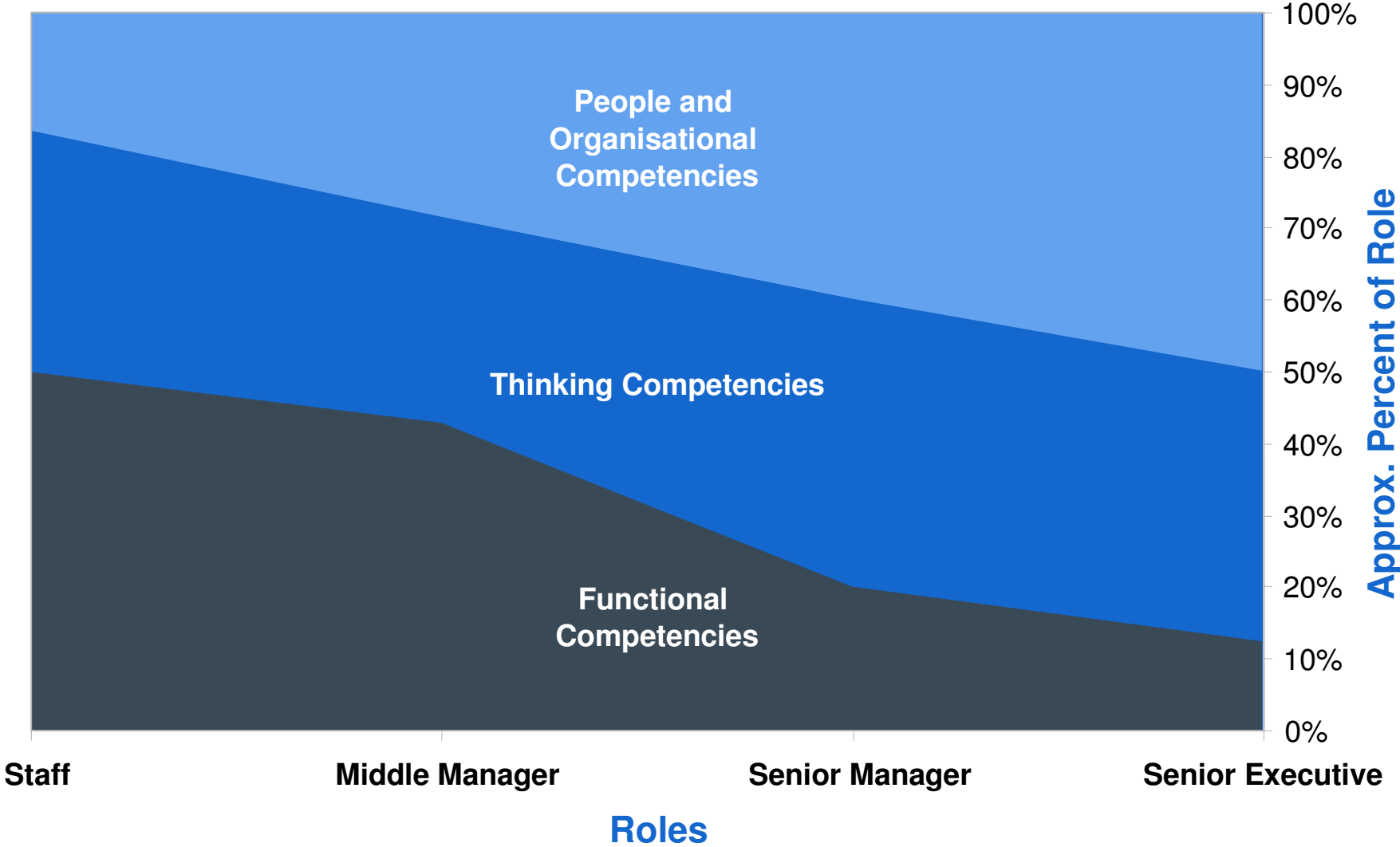
However, solely focusing on experience tells you little about the context, how results were achieved (“riding a wave”), what challenges had to be overcome, or how adaptable a person is to tackle new challenges. Research shows that more than 80% of failed managers have had relevant experience as their most salient selection criteria

- Experience matters a lot, but use it as a filter/possible indicator

# A recent example of the “experience vs. personality debate”



# “Softer” competencies and EQ (emotional intelligence) become increasingly important with seniority



# Competency is neither experience nor knowledge of a sector or industry

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A **competency** is a measurable characteristic, or patterns of behaviour, of a person that differentiates performance and in a specific role, culture or organization

- Results orientation

- Ability to influence

- Readiness for change (or ability to lead it)

Each competency has a set of **behavioural indicators**, which can be scaled by relative difficulty and sophistication. For example:

- Strives to deliver

- Delivers beyond expectations

- Breaks new ground in the way results are delivered

**Competency framework** is a set of competencies that differentiates performance in *most* of a specific job, role, culture, organization or a set of roles thereof

*For example:* For a leadership role, having Results Orientation, Strategic Orientation, Collaboration & Influence, *and* Team Leadership indicates that a person can safely be selected for the role with a reliable chance of overall success

# Nine competencies drive over 90% of executive performance

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- **Strategic Orientation**
- **Contextual Insight (Market Knowledge)**



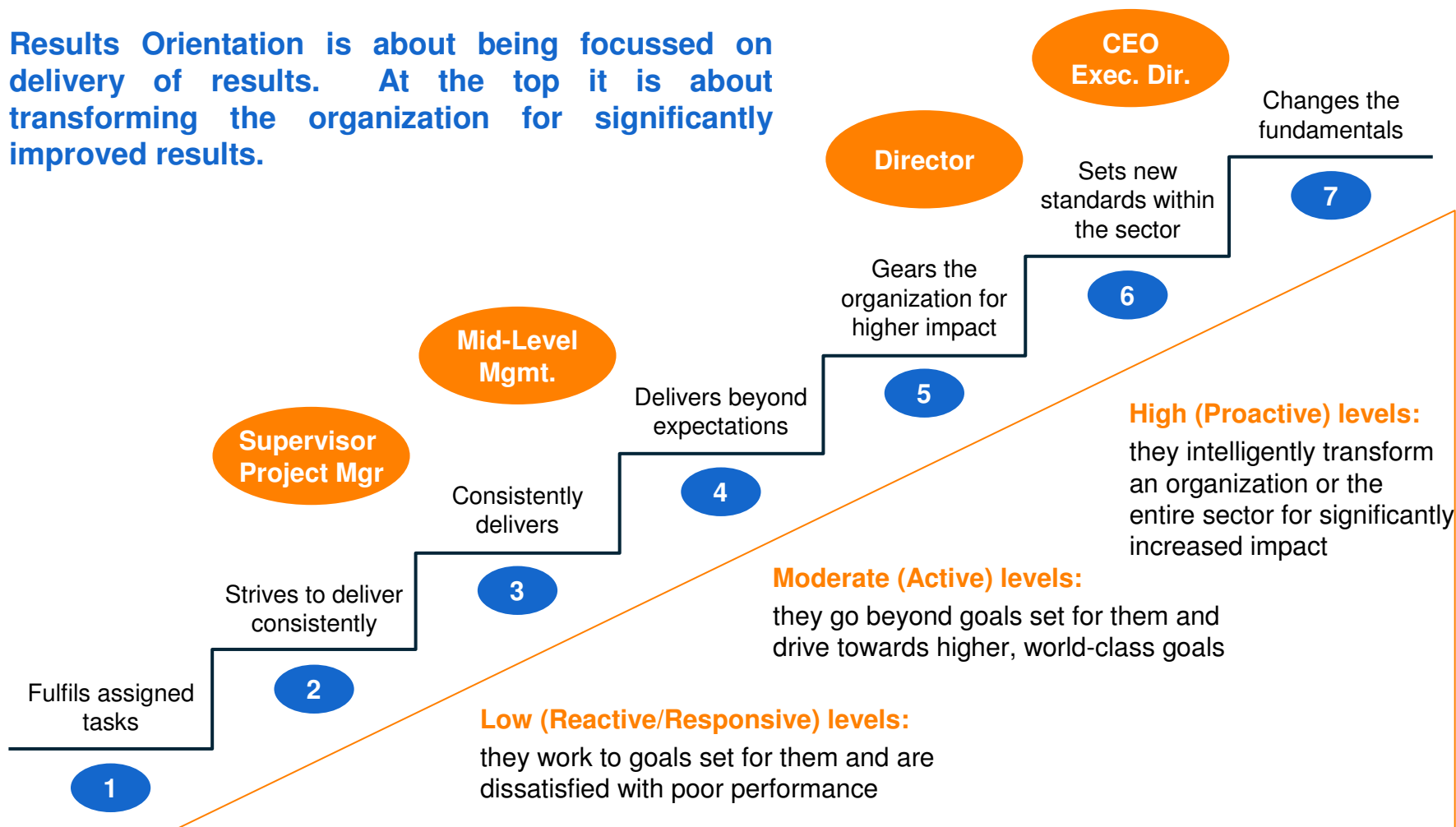
- **Stakeholder Management / Collaboration**
- **Team Leadership**
- **Change Leadership**
- **People Development**

- **Drive for Results**
- **Impact Orientation (Commercial Orientation)**
- **Service Orientation (Customer Orientation)**

# Competencies can be scaled by behavioural complexity

## Example: Results Orientation

Results Orientation is about being focussed on delivery of results. At the top it is about transforming the organization for significantly improved results.



### Red Flag

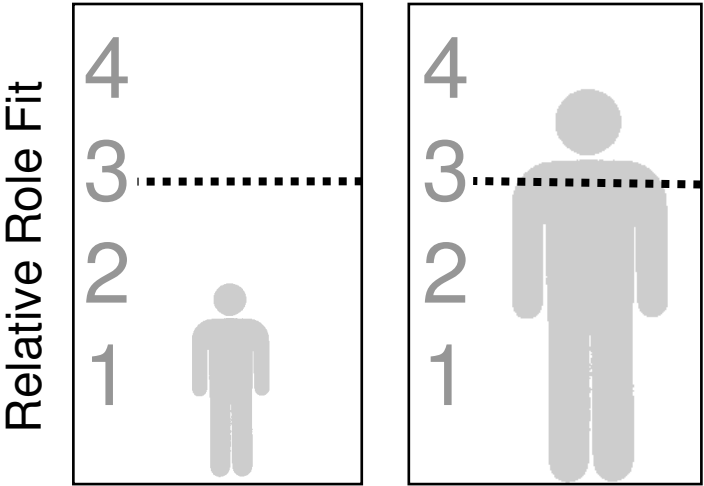
### Behaviours:

- Don't care about getting the job done or doing it well
- Actively resist improvement

# Scaled Competencies Enable Rigorous Comparisons *across* People and Roles - Making the Organization More Flexible

## Relative Ratings

### Strategic Orientation Ratings

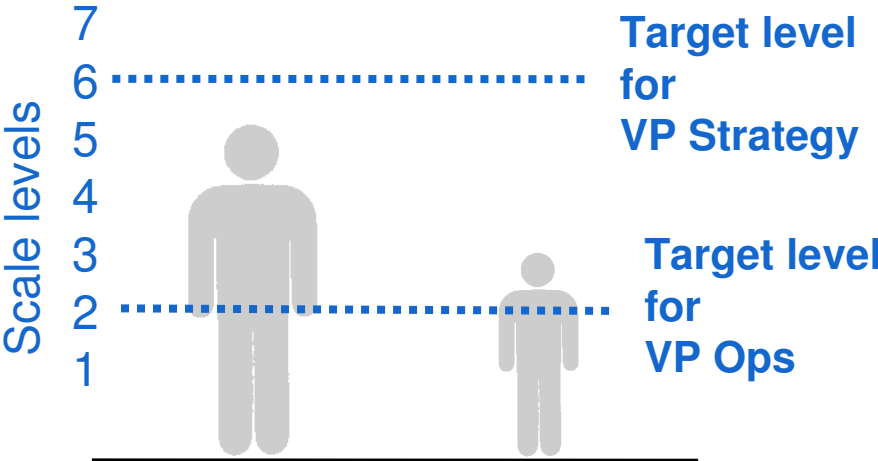


**VP Strategy**  
**Rated 2**  
**(partly meets)**

**VP Ops**  
**Rated 4**  
**(exceeds)**

## Scaled Comparison

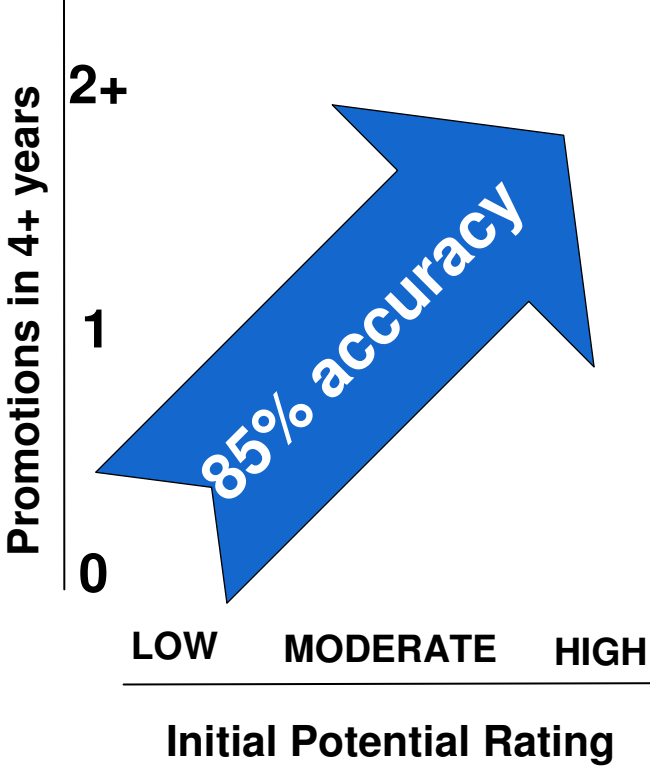
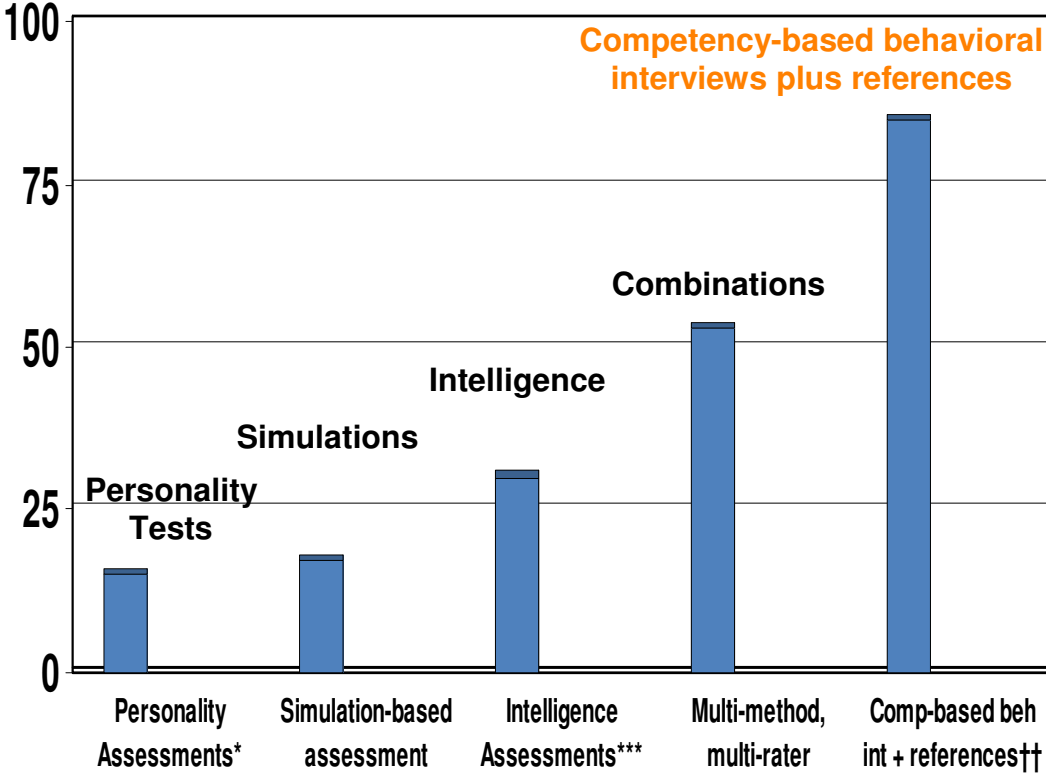
### Strategic Orientation Scale



**VP Strategy**  
**Person 5**  
**Target 6**  
**Fit -1**

**VP Ops**  
**Person 3**  
**Target 2**  
**Fit +1**

# But how do we know competencies capture performance differences? research results:



\* = Morgeson, Campion, et al. (2007) Reconsidering the use of personality tests in personnel selection context. *Personnel Psychology*, 60, 683–729.  
 \*\* = Anderson, Neil & Shackleton, Vivian (1993). Successful Selection Interviewing.  
 \*\*\* = Sternberg, Grigorenko, & Bundy (2001). The Predictive Value of IQ. *Merrill-Palmer Quarterly*, 47, #1, pp.1-41.  
 † = Spencer & Bernhard (2004), corporate study, unpublished.  
 †† = EZI Findings

**Predicting promotions over a 4-5 year period**

## **Some things we have learned about competency-based assessment and recruitment**

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**The more senior the role, the more important leadership behaviours become for successful performance in the role**

**Experience and intelligence are critical requirements, but should be seen as minimum thresholds rather than predictors of outstanding performance**

**Historical performance and actions are more powerful predictors than tests or psychological assessments**

**Nine generic competencies explain more than 90% of the models we have seen in decades of work in this area**

**Not all competencies are equally important: performance targets vary according to the organisation's strategy, functional role, etc.**

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## **The essentials – potential and motivation**

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# The Root Cause Model – a framework to “sort out” people

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## People are complex... the Root Cause Model helps sort them out:

Why do people do what they do?

Which competencies come naturally and which are difficult?

Which levels of competencies come naturally and which are difficult?

Can someone get better?

## Understanding the Root Cause Model is critical to effective development

Approximately 50% of thousands of executives assessed by EZI annually demonstrate *low potential*, which predicts *zero* promotions in the next 4-5 years

Only 25% of people on average show any change in behavior after training, and some forms of training have shown as low as *zero* development

30-50% of *high potential* managers and executives **derail**, often for preventable reasons

➔ Understanding Root Causes can change those numbers

# The Root Cause Model – understanding people and their development opportunities

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■ **Knowledge**

*“I don’t know about that.”*

What the Executive knows (i.e. a market, business, practice, etc.)

■ **Skills**

*“I am not able to do that, to apply that.”*

The ability to put knowledge into practice; what the Executive has learned to do. Needs to have been trained in the skill or have learned the skills on-the-job.

■ **Identity**

*“That is not how I see my role/persona” “Not what I do” “That’s not me”*

How an Executive sees herself (i.e. powerful, confident, etc.) and how she sees herself in the role (leader or expert)

■ **Traits**

*“I can’t do that. I find that hard to do”*

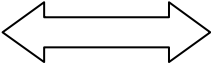
What an Executive finds hard to do because of his enduring characteristics - his personality traits (i.e. intellectual horsepower, attention to detail, etc.)

■ **Motivational Drivers**

*“I don’t want to do that. I don’t get satisfaction from that.”*

An Executive’s innate drivers about what he enjoys doing.<sup>1</sup>

**Easier to change**



**Harder to change**

## Examples of the Root Causes

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Root Cause	Categories	Examples	Linked Competency
Knowledge	Experience	Years in sector Years in role	Contextual Insight Strategic Orientation
Skill	Education Training	MBA Interview Certification	Various
Identity	Self-image View of role Values	CEO Coach versus expert	Style of expression
Trait	Cognitive Ability (IQ) Emotional Intelligence Personality (FFM)	Mathematical Reasoning Empathy Openness	Cause & Effect Thinking Collaboration Change Leadership
Motive	Implicit motivation	Achievement motive Influence motive Affiliation motive	Results Orientation All People Competencies Collaboration (partially)

# Potential for growth is indicated by the manager's competency scores, ability to learn and ambition

## Assessing Potential



# High performance on Strategic Orientation, Change Leadership and Results indicate potential for larger roles

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It is not only about demonstrating competence in the three areas, it is about being on a *strategic* level



Three competencies correlate with high Potential ratings:

Results Orientation

Strategic Orientation

Change Leadership

**Having it isn't enough: "Tipping points" or trigger levels indicate High Potential:**

Results Orientation: incremental improvement and pushes beyond plan

Strategic Orientation: contributes to strategy and points people to the future

Change Leadership: integrates ideas into plan

**This must be used with judgment on less senior roles, as these levels are quite high**

# The two categories of ability to learn and indicators

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## Mentally agile managers learn from study

### Analytical

Seeks out the new, different, and better; sees patterns in diverse data; looks for and tests out alternatives; experiments and analyzes to learn

- Looks for patterns and similarities
- Projects alternatives
- Unafraid of complexity
- Captures critical issues
- Seeks diverse opinions
- Collects information from everywhere
- Always interested in change
- Will try anything
- Likes to tinker and experiment

## People agile managers learn from people

### People

Helps others do well by encouragement, development, and challenging, using insight into people to drive on despite resistance and stays cool and objective under pressure

- Sought for counsel
- Likes seeing others do well
- Accepts that pushing for change upsets people
- Objectively assesses others
- Picks up cues from audience
- Stays calm and focused despite nay-sayers
- Doesn't get carried away with claims
- Stays objective and labels own opinions clearly
- Stays passionate and unsinkable
- Isn't stalled by mistakes



# When considering “potential” you should take into account energy, drive, life choices and values

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## Life choices and values



- What are their family commitments?
- What is their commitment to their existing location
- What is their commitment to their current position or organization? Do their values align?
- How long have they been in their current role – what stage in their career?

## Energy and drive (Intrinsic motives)

- These are inherent in personality, a basic emotional driver and energy source
- Are they passionate about the organization’s mission and its ability to impact?
- Do they have the energy and hunger to push forward in a career?
- “I like to do this” : why people do things but can’t explain

# Summarizing “Potential”

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## Moderate Potential

- Committed to move forward, likes the idea
- Learns competently
  - Will grapple with issues, open to ideas, open to people, works hard and keeps self in line
- Future-focused competencies: Integrates ideas into plan, pushes beyond goals, points people to the future

## High Potential

- Driven and committed to keep moving
- Learns well
  - Thinks big, thinks better, challenges people, stays calm
- Visionary competencies: Thinks strategically up and out, makes thoughtful improvements, empowers people to take on the new and different

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## **A side note – zooming in on “motivation”**

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# What is “motivation”?

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## Why people do what they do!

### Three types

Extrinsic: Imposed from outside

- “I have to do this”

Intrinsic: Inherent in personality, ***emotional motives***

- “I like to do this”

Self-Attributed: ***Conscious values***

- “It is important that I do this”

**Intrinsic and Self-Attributed are key competencies to determine what people *want to do and will choose to do.***

# **Intrinsic (“motive”) versus self-attributed (“value”) motivation**

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## **Self-Attributed (Values)**

**What is important or required**

**Important values**

**Conscious in nature**

**Socially influenced**

**Easier to change**

**Cognitive**

**Predicts shorter term choices**

**Constrains and focuses motivated behavior**

## **Intrinsic (Motives)**

**What is enjoyable or frustrating**

**Satisfying feelings**

**Non-conscious**

**Born & developed early**

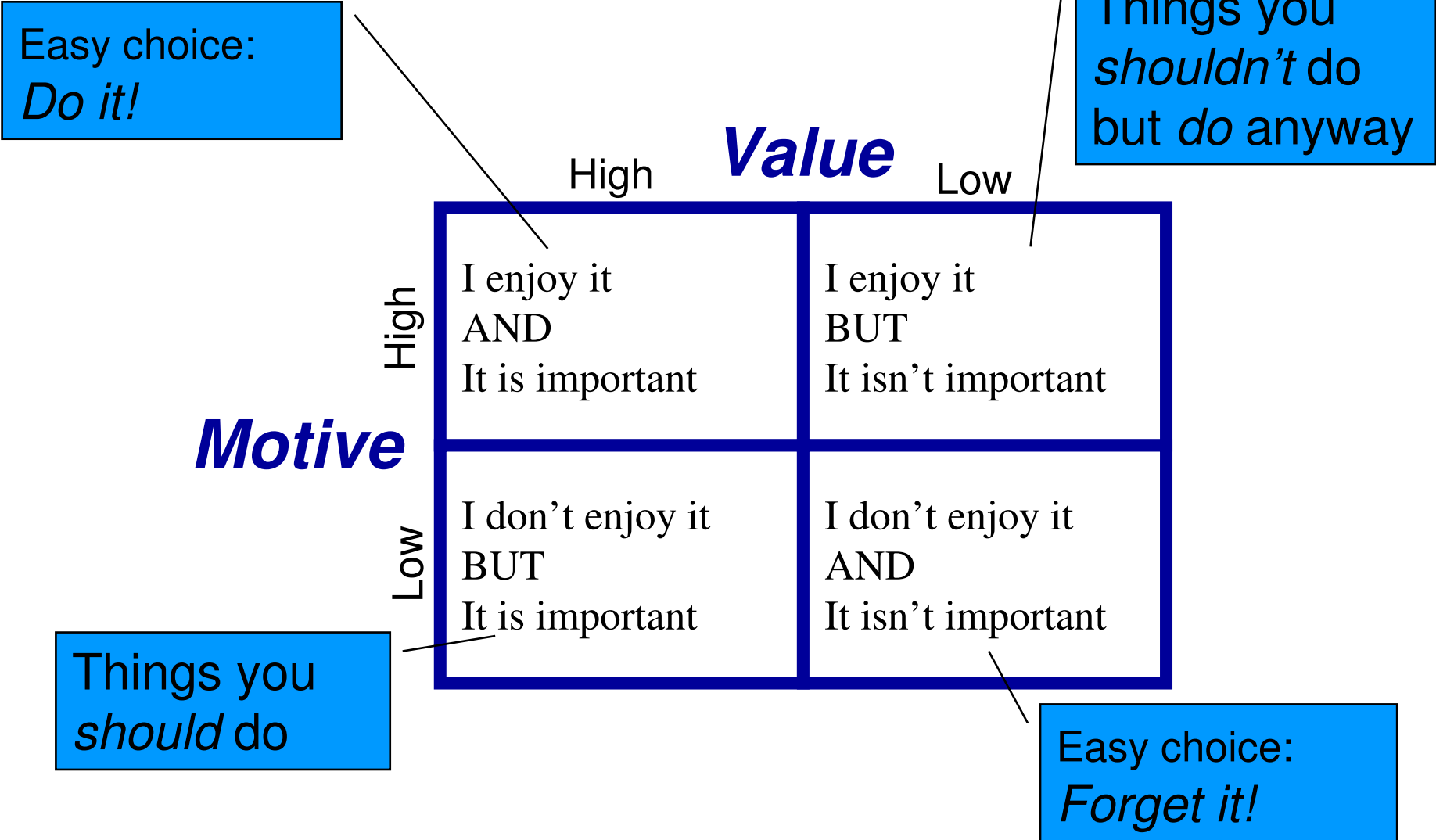
**Hard to change**

**Emotional**

**Predicts *longer-term behavior***

**Selects, energizes and drives ongoing behavior**

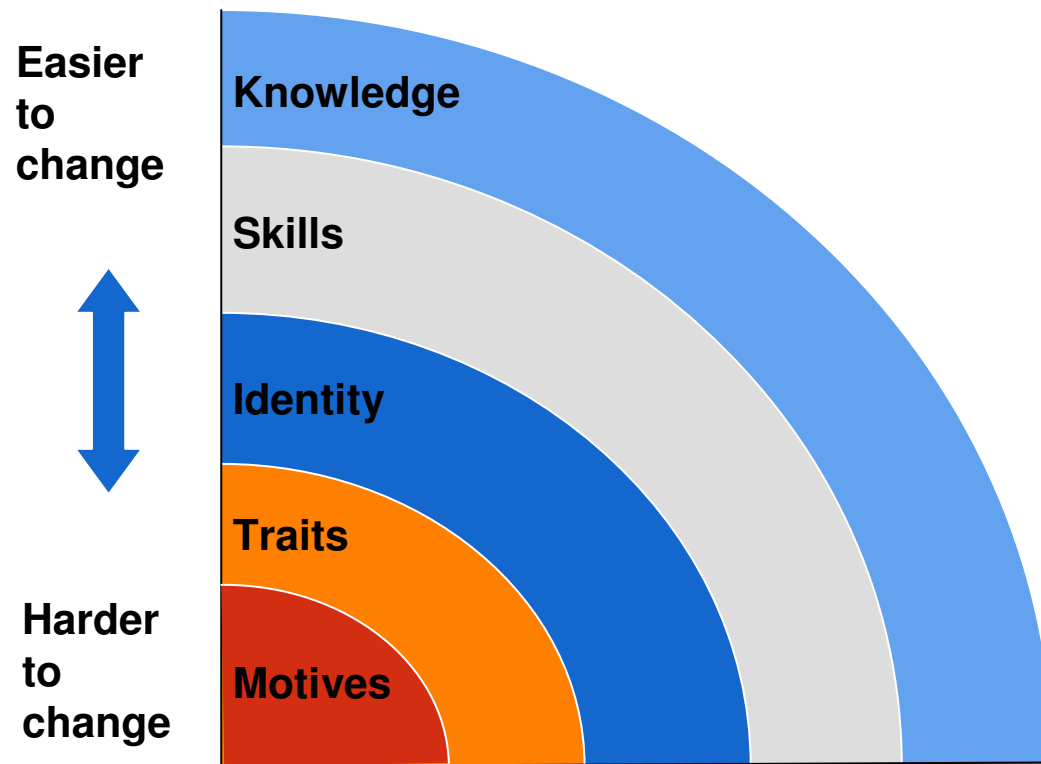
# Why are both motives and values important?



# ***Intrinsic Motivation* is a key root cause**

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## **Root cause of gap**



**Motivation can drive upward to influence how people:**

- Develop their raw traits,
- Define their identity,
- Select skills to master, and
- Seek out particular kinds of knowledge.

**Motives are the deepest level of root cause**

# How many motives do I have to watch for?

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**Three motives occupy 80-85% of daily thinking time.**

**Achievement Motive:** “I want to do things better, through innovation or efficiency!”

**Affiliation Motive:** “I want to be part of a group! I want to get along with people!”

**Power/Influence Motive:** “I want to have an impact! I want people to respond!”

**These three are the most crucial for business as well, since they cover:**

Individual tasks, group membership, and boss-employee relationships

**Other motives that can apply:**

Security motive: “I want to be safe”

Independence motive: “I want no one to control me”

**Many more (>50), but less frequently found**

**Most competencies build on the three: the behavior *itself* is energizing if it is motive-based**

# How motives affect job choice and satisfaction

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**A role which aligns with someone's motives is enjoyable, and the person will tend to be engaged emotionally**

**A role which aligns with someone's values is seen as important, and the person will see it as acceptable or appropriate to take.**

**But if they clash...**

If the value is high but the motive is low: expect frustration, low performance, emotional reluctance

If the motive is high but the value is low: expect unease, enjoyment of process but moral reluctance

**And remember that motives are NOT conscious...so people will often make choices based on values alone.**

# Motivational Diagnostic: Clues to underlying motives

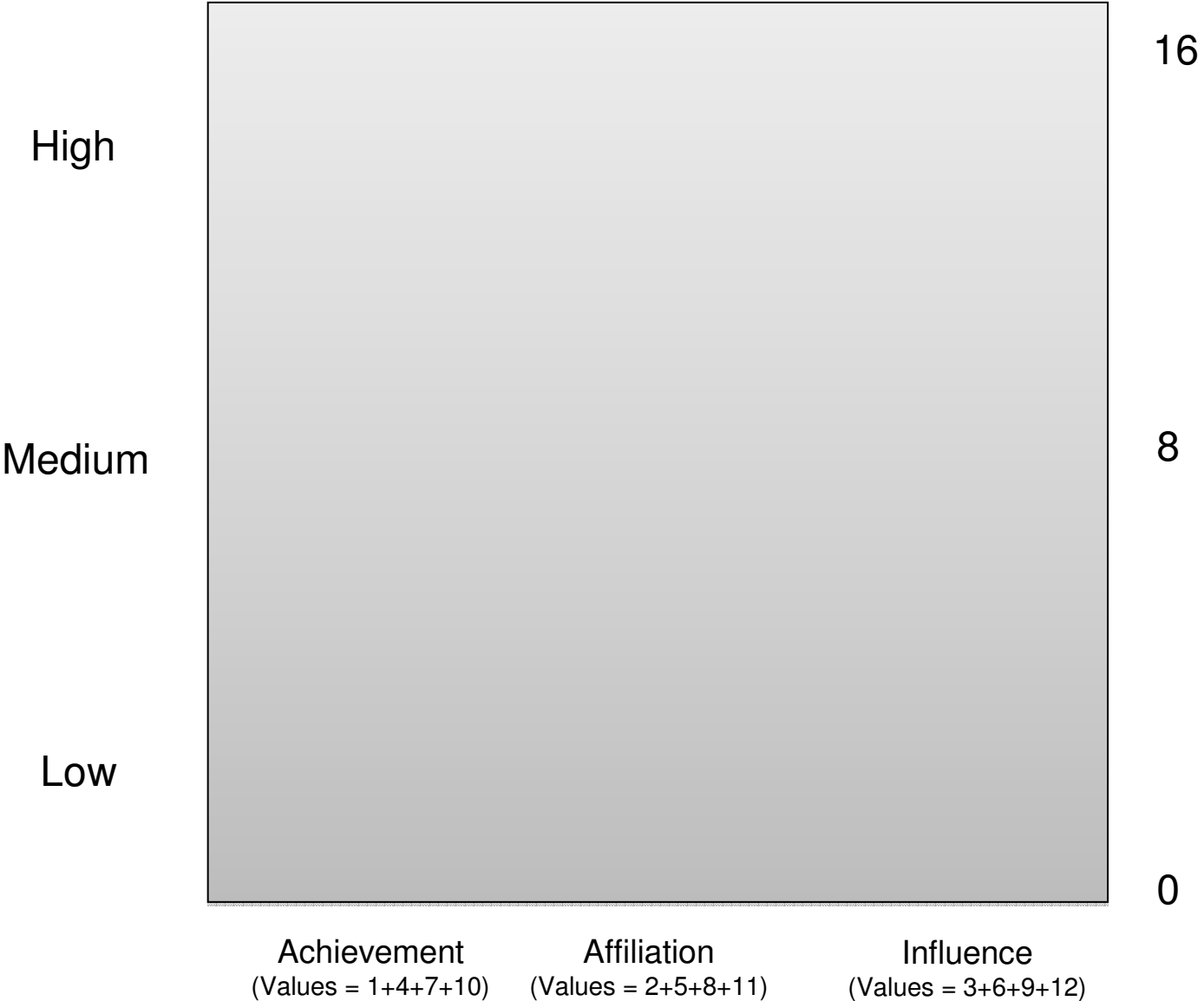
	<u>Key Thoughts</u>	<u>Energized by</u>	<u>Likely Problems</u>	<u>Likely Hobbies/Fun</u>
<b>Achievement</b>	<ul style="list-style-type: none"> <li>• “Better”</li> <li>• Improvement</li> <li>• Efficiency</li> <li>• Cost-benefit</li> </ul>	<ul style="list-style-type: none"> <li>• Goals</li> <li>• New and different</li> <li>• Own standards</li> <li>• Moderate risk</li> <li>• Innovation</li> <li>• Competition vs. goals</li> <li>• Acknowledgement as “the best”</li> </ul>	<ul style="list-style-type: none"> <li>• Can’t let go of task</li> <li>• Micro-management</li> <li>• Runs over people</li> <li>• Goal-obsessed</li> <li>• “Cheats” to goal</li> <li>• Objective &gt; people</li> </ul>	<ul style="list-style-type: none"> <li>• Individual sports</li> <li>• Self-challenging</li> <li>• Entrepreneurship</li> <li>• Golf, running</li> <li>• Do-it-yourself</li> <li>• Reads “how-to”</li> <li>• Reads “puzzle” mysteries</li> </ul>
<b>Affiliation</b>	<ul style="list-style-type: none"> <li>• Personal</li> <li>• Friendly relations</li> <li>• Wants to be liked</li> <li>• Avoids conflict</li> </ul>	<ul style="list-style-type: none"> <li>• Friends &amp; Family</li> <li>• Social events</li> <li>• Belongingness</li> <li>• Team membership</li> <li>• “Niceness”</li> <li>• Personal attachment</li> <li>• Friendship</li> </ul>	<ul style="list-style-type: none"> <li>• Can’t let go of people</li> <li>• Conflict-averse</li> <li>• Plays favorites badly</li> <li>• Forms and acts on strong likes, dislikes</li> <li>• Works to be liked</li> <li>• People &gt; objective</li> </ul>	<ul style="list-style-type: none"> <li>• Friendly sports</li> <li>• Socializing</li> <li>• Family activities</li> <li>• Social groups</li> <li>• Calls, writes friends, family</li> <li>• Reads novels of relationships</li> </ul>
<b>Influence/ Power</b>	<ul style="list-style-type: none"> <li>• “Impact”</li> <li>• Influencing others</li> <li>• Wants respect</li> <li>• Alert to others</li> </ul>	<ul style="list-style-type: none"> <li>• Impact/Influence</li> <li>• Leadership</li> <li>• Coaching</li> <li>• High risks</li> <li>• Visibility, prestige</li> <li>• Competition vs. people</li> <li>• Respect (the people)</li> </ul>	<ul style="list-style-type: none"> <li>• Prefers delegation to execution</li> <li>• Overly political</li> <li>• Intimidating presence</li> <li>• May appear manipulative</li> <li>• Impact &gt; process</li> </ul>	<ul style="list-style-type: none"> <li>• Competitive group sports</li> <li>• Beating others</li> <li>• Gambling, drinking</li> <li>• Football, Basketball</li> <li>• Reads history, psychology, theology, thrillers, leaders’ biographies, “hard-boiled” crime novels</li> <li>• Leading groups</li> </ul>

## Values Diagnostic: How IMPORTANT are each of these to you? (0 = not, 1 = a little, 2 = somewhat, 3 = very, 4 = critical)

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1. Setting and meeting challenging goals	0	1	2	3	4
2. Getting along with everyone	0	1	2	3	4
3. Getting a response from others	0	1	2	3	4
4. Doing things that are new and different	0	1	2	3	4
5. Belonging to a group with shared values	0	1	2	3	4
6. Influencing what others do	0	1	2	3	4
7. Tracking accomplishment and progress	0	1	2	3	4
8. Maintaining personal relationships	0	1	2	3	4
9. Being highly visible and known	0	1	2	3	4
10. Making things better	0	1	2	3	4
11. Spending time with friends and family	0	1	2	3	4
12. Influencing how others think	0	1	2	3	4

# How do your motives and values compare? Do a rough chart

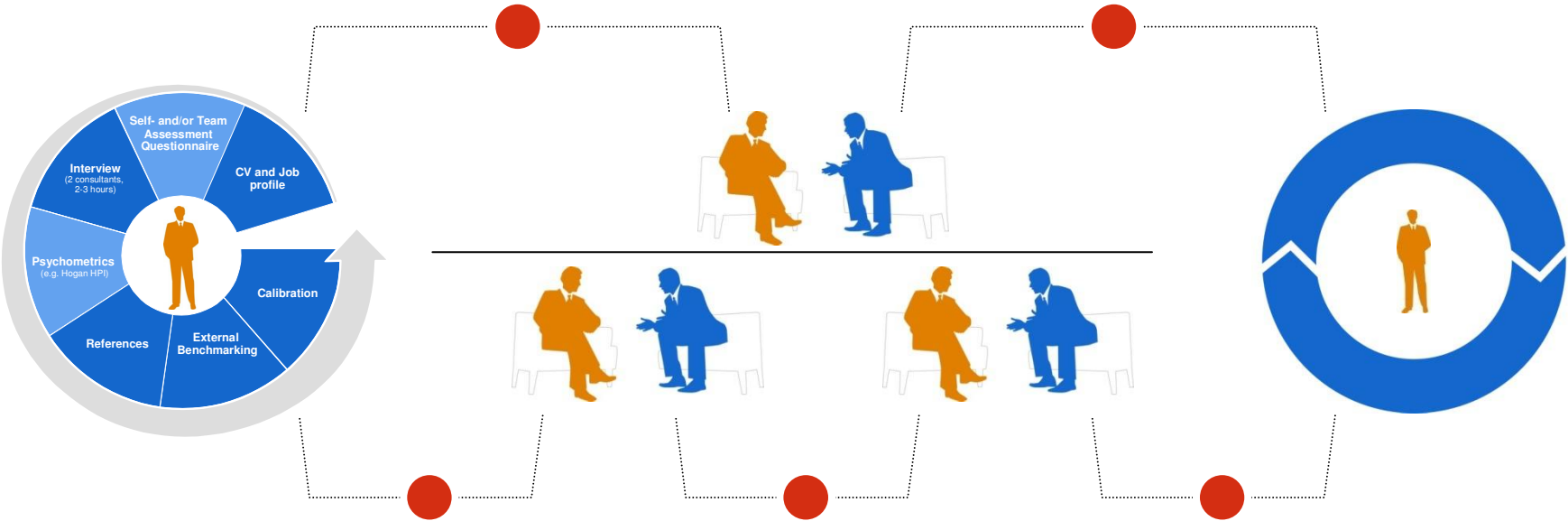


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## **The essentials – professional development and feedback**

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# Effective People Development is part of an ongoing process



## To develop people most effectively requires several key elements

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- A rigorous, consistent approach to **assessment**
- The ability to make “*what good looks like*” transparent
- Skill in providing empowering **feedback**
- Understanding not only where the **gaps** exist, but *why*

We have found that organizations waste a tremendous amount of resources in providing development tools, training, and coaching that are not going to have a real impact – because they’re using the wrong tools for the job

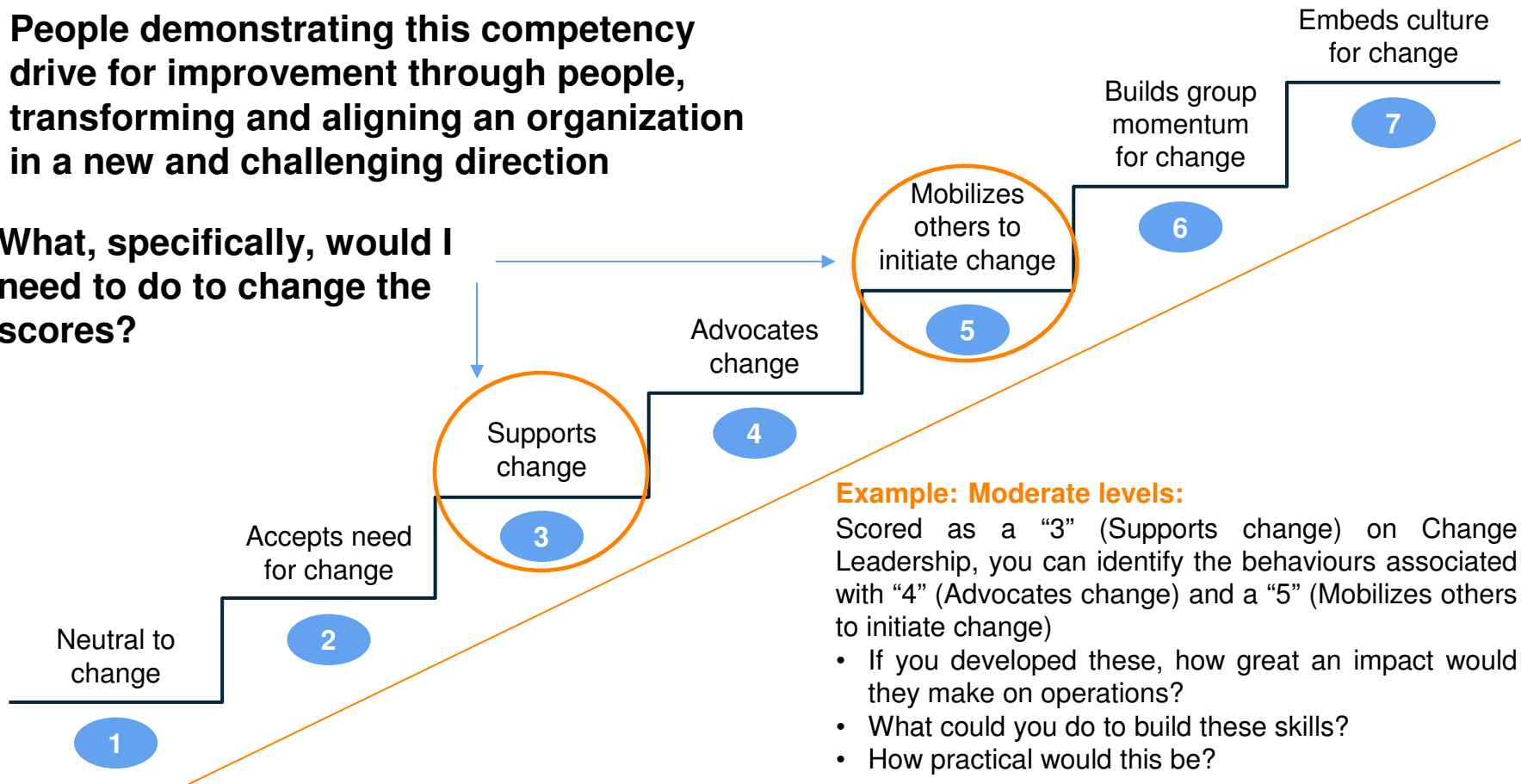
Understanding the Root Causes of a competency gap enable selection of the right development approach

# Assessments help clarify development focus

## Example: Change Leadership

People demonstrating this competency drive for improvement through people, transforming and aligning an organization in a new and challenging direction

What, specifically, would I need to do to change the scores?



# Reminder: Root Cause Model - why someone fails to demonstrate a competency level

There can be barriers to an individual's development that exist at different levels, some deeper than others. These potential barriers are known as root causes and can fall into five categories: Knowledge, Skills, Identity, Traits, Motivational Drivers



# Example: Person A

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## Issue: Person A, a recent promotion, needs to improve his Team Leadership skills

- Employees complain of “micromanagement,” perceive boss as controlling, “power-mad;” taking away work when disagreeing with the approach; gives little responsibility to his professional team
- Boss feels he is working himself to death by not delegating appropriately. Sees him as absolutely dedicated to high levels of performance, very willing to defer to experts
- Person A sees his own role to be “the best of the best,” setting the standard by example
- Person A seems unaware of the impact he is having on others with this

## Possible Root Causes?

Knowledge	Doesn't seem to know his people's abilities
Skill	No skill in delegating; never had to before
Identity	Thinks of his job as being expert, not making others better
Trait	Low on Empathy/Emotional Intelligence – doesn't see impact
Motive	High on personal Achievement; low on Influence

## How would you give feedback to this person?

## And how could you help them address these issues?

# Different Root Causes need different kinds of development - Here's what we have identified as critical categories

		Root causes				
		Knowledge	Skills	Identity	Traits	Motives
Development Approaches	Self-directed Learning	●	○	○	○	○
	Training	●	◐	○	○	○
	On-the-job Activities	◐	●	◐	◐	○
	Short-term Assignments	◐	●	◐	◐	○
	Expanding/Modifying	○	●	◐	◐	○
	Outside the Workplace	○	●	◐	◐	○
	Mentoring & Support	○	○	●	●	○
	Coaching	○	○	●	●	●

Legend: ● Primary; ◐ Secondary; ○ Other TBC

# Exercise: Think of someone you need to develop (ideally, that you can discuss with the group)

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## Issue:

What do people say? What is the evidence from behavior? What is the impact?

## Possible Root Causes?

Knowledge

Skill

Identity

Trait

Motive

## Exercise, continued: Think of someone you need to develop (ideally, that you can discuss with the group)

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Given Root Causes, what kinds of things should/can you do? How would they look for you working with this person?

### Education

- Self-directed learning
- Training/formal education

### On-the-Job Experience

- Activities
- Assignments
- Expanding/modifying job
- Outside the workplace

### Developmental Relationships

- Mentoring and Support
- Coaching

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## **A final note on providing feedback**

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# Goals in giving feedback

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The overall goal is to facilitate a manager's personal development, which allows the manager to contribute more effectively to the organization and ultimately enhance his or her own career

During this process your aim is to help managers:

- Have a clear understanding of where they are today (hold up the mirror)
- Compare this to where they need and want to be
- Leverage their strengths more effectively
- Understand and accept their development areas
- Commit to personal development action *"I see that I need to change and I believe I can achieve it"*
- Start to think about practical approaches to development

# Reframing the concept of giving feedback

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## From:

### Acting as messenger of good or bad news

Provides data feedback & gap analysis – a list of points

Receiver left to manage his emotions

Focuses on gaps and development areas or uses strengths to “sweeten the pill”

Message not linked to aspirations or any insights

Tells; you know better

Sits on the “other side of the table” – does not recognise importance of language used or emotional context

Delivers messages

Cannot respond to “So now what?” question

Engineers a relationship

## To:

### Acting as facilitator of change

Has a clear compelling message - gives examples and explains implications

Anticipates and responds to emotions

Takes a more holistic approach spending time on strengths AND development areas

Links message to meaningful insights i.e career goals

Dialogue that supports self-discovered logic

You sit on the “same side of the table” – recognises that “how you say is what you say” and that emotions are contagious

Judges how far to take the discussion

Is able to explore developmental interventions

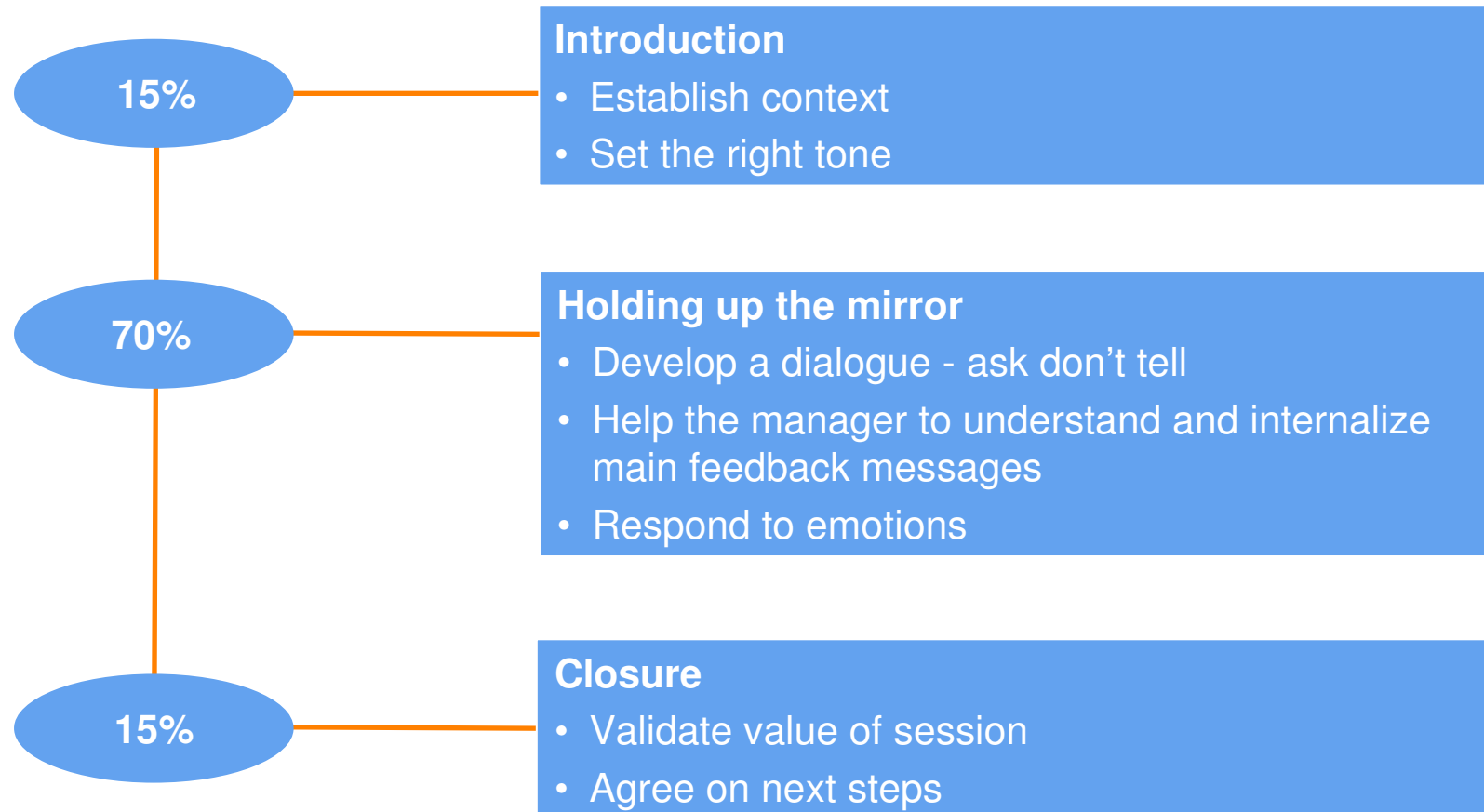
Builds an authentic relationship

# Structure of a typical feedback session

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## Length of session

## Purpose



# Twelve Tips

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1. Understand the person
  2. Anticipate the manager's emotions
  3. Get into the right mind-set
- 

**PREPARE  
THOROUGHLY**

4. Set the right tone from the start
  5. Push the open door
  6. Establish a 2-way dialogue
- 

**ENGAGE**

7. Provide positive reinforcement and encouragement
  8. Choose appropriate language
  9. Use the competency scales
  10. Respond to emotions
- 

**DEVELOP THE  
CONVERSATION**

11. Judge how far to take the discussion
12. Use root cause to 'tilt them into action'

**FINISH IN THE  
RIGHT PLACE**