



New Year resolutions for a happier, healthier organisation in 2016

So with the Christmas cake eaten, New Year seen in and revised budgets set for the next year, it seems a good time to reflect on the topics which HR Directors, OD and talent leads should be reviewing when preparing their strategic 'resolutions' for 2016.

Managing Generation's Z entry into the workplace

2016 will see significant numbers of Generation Z (those born after 1995) graduating and entering the workforce. Relations with this generation will require a fundamental change in the rules of engagement between employer and employee. Generation Z has different motivations, expectations and skills. Engagement and onboarding strategies need to keep pace with Generation Z's 'freelancer' approach to careers. New skills from managers and development teams will be called upon to meet Generation Z's craving for knowledge through interesting and rewarding work. As the Bersin 'Predictions for 2016' report³ states "companies are becoming more like Hollywood movies and less like institutions—we engage our people to take on great projects like talent scouts; when the project is over, they move on and look for the next assignment." Continuous feedback, a coaching mentality and flexible working will be demanded from managers. Organisations will need to respond and manage differently if they are to successfully assimilate these new employees into the multi-generational workforce. Our article ['Generation Z – are you ready for the arrival of the digital natives?'](#) looks in further detail at what organisations should be doing to get ready.

Performance appraisals – a bygone mechanism?

We heard a lot last year about large well-known companies scrapping their annual appraisal systems in favour of simpler, less process driven approaches which help to drive the culture sought and take a more developmental approach. Even GE abolished the distribution curve. Delivering high performance, doing more with less, remains a critical concern. Our work with clients shows the importance of not 'throwing the baby out with the bathwater'; a radical overhaul of processes which may incorporate many positive and new elements can be just as effective as starting again. In line with current thinking, we suggest working to achieve more of a

'continuous feedback' culture which retains regular 'touch points' in the form of review meetings but with a lighter touch to the administration and paperwork involved in these. A move away from backward looking performance measures to a focus on future performance and development are key principles to follow for any revised approach with compensation aligned to this and based on many factors rather just on performance ratings. Our recent case study from a magic circle Law firm may be of interest and can be read [here](#).

Talent managing high potentials

With talent management still a key HR activity, it is apparent that the perspectives of high potentials are more diverse and unique than many organisational talent management programmes take account of. Between 5% and 20% of high potentials delist from programmes each year, HRDs should be thinking about how high potentials can be managed and engaged more effectively. The risks and sacrifices involved in being seen as high potential are not always as palatable as might be thought. Being seen to have ambition can have negative connotations but not being seen to be ambitious can be a risky alternative and impact on career and work opportunities. Ambition comes and goes as life circumstances changes. Reputation management is critical to the individual. High potentials report talent management programmes as feeling unfair with judgements on talent often confusing and secretive. Companies may not sufficiently embed the identification and promotion of diversity as part of their mainstream talent programmes. Younger generations are ready for and expect more responsibility than we may have previously given. The advent of new software enables greater individual control over careers and can enhance talent mobility around an organisation. Using matching software, high potentials can now individually 'match' their desires, ambitions and development needs with internal opportunities. This all raises key questions

for talent leads in how effective their talent programmes are at taking account of these perspectives. Is the organisation able to and does it have the frank and honest conversations about what being high potential involves and whether the person is ready and willing for this? Would your programme pass a 'felt fair' test? Could there be a too heavy a reliance on process and data, crowding out a more holistic and personal view of the individual? Our article ['The High Potential perspective'](#) looks further at research by Dr Alison Rose, an associate of MDV Consulting into the viewpoints of high potentials.

Vertical as well as horizontal leadership development

Whilst organisations continue to invest significantly in leadership development, we are increasingly hearing clients come to us saying "Our development isn't giving us leaders who can transform our organisation, who are able to navigate the complexity and with the vision to help us compete in a constantly changing environment." They are looking for development which equips their leaders to hold their own in an increasingly 'VUCA' world - volatile, uncertain, complex, and ambiguous. The role of leadership is also changing with leaders seeing increased spans of control, and leading cross-functional teams across multiple locations. We are seeing acceleration of leadership with Millennials being expected to take on frontline leadership responsibility. Researchers such as Loevinger, Keegan, Lahey and Torbert have highlighted that, like children, an adult still develops in stages albeit at a much slower pace requiring adults to work at ensuring they keep growing¹. Enlightened companies are recognising how construct-development theory can assist in the design of vertical leadership development programmes alongside the traditional 'horizontal' skills, competencies and behaviours approach. Vertical development focuses on transforming the way a leader thinks about and responds to their environment – ie transforming their mind-set, identity and mental model. It considers what sense a leader makes of the world and how this drives their actions.

Proponents of this approach, credit the differentiation in leaders by their 'action logic' or stage of 'meaning-making' – how they interpret their own and others' behaviour and how they maintain power or protect against threats². Traditional approaches seem to reinforce developing

leaders to an 'Achiever' action logic, those that seek to meet strategic goals, deliver results by the most effective means and are success and action focused. Only 8% are considered to possess 'Strategist' capabilities, i.e. able to generate transformation. If companies need and want increased numbers of transformational leaders, then new ways of developing them is required. We have been experimenting with creating the conditions for vertical leadership development using research from the Center for Creative Leadership. In 2016 our 'resolution' is to break ground on building the developmental scaffolding by which individuals can grow 'vertically'. Integrating the work of Keegan (the process meaning-making in the evolving self), with Torbert & Rooke (Leadership Development Framework) and Jacques (work complexity), we'll be presenting this in May; look out for further details.

Person-centric assessment

The plethora of articles and commentary about employee disengagement highlights how challenging getting the right 'person-environment fit' continues to be. Our rapidly evolving, complex world is requiring new leadership mindsets and capabilities. The existential nature of the perspectives of high potentials has been highlighted earlier in this article. These dynamics all argue a strong case for companies to move towards taking a more subjective, holistic view of their leaders with 'person-centric' assessment.

This approach accounts for each individual being different, drawing upon their reflections of their developmental journey, personal experiences and motivations. It is the antonym of taking a totally 'objective' view against a defined set of attributes. By truly understanding the whole 'person and their attributes at a personal, interpersonal and organisational level, companies will be going some way to gaining the qualitative information to help them identify, develop and keep leaders capable of managing in the ambiguous world. Our article on [developmental assessment](#) may be of further interest.

This diagnostic assessment can be used to achieve a variety of different talent assessment outcomes which might include selection for hire or for identifying high potential, understanding development needs and to aid actual development.

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Executive career onboarding

Too few executives are properly supported when transitioning into new roles whether this is via promotion or when newly hired into an organisation with many believing their experience and seniority making this unnecessary. A changing workforce dependant increasingly on interims and short-term contracts makes it even more imperative for good onboarding and transition support to be given to executives.

Leaders relying on approaches previously used, whilst experiencing a well-documented 'Emotional Cycle of Change', which at its lowest ebb, brings frustration and even despair, all consistently contribute to failure to perform as expected. Putting in place a structured programme which supports the individual to secure quick wins, learn about the business, build the team, get help from the right stakeholders and adapt their approach, is shown to accelerate the time to full productivity and improve the leader's engagement. Just as important is providing the leader with the reflective time and space to think and plan. Our articles ['Taking Transitions Seriously'](#) and ['Top Tips for Successful Career Transitions'](#) look at the topic in more detail.

People engagement

Promoting engagement continues to be high on the people agenda (86% rated it a top priority in 2015)³. Coupled with this, as a result of social media, the alternative expectations of Generation Z and a move to a continuous performance management, companies are experiencing more obviously transparent and timely feedback on their employee engagement. HR will need to get to grips with how to interpret and act upon this feedback data to improve engagement and work with leaders to see where culture needs to change.

Owner managed development

The flexibility and transient nature of the way we work, is leading the way in employees taking more control over their own development or what can be termed 'employee-owned' learning. Rather than acting as a 'training providers' designing formal learning programmes, L&D teams will have to become 'learning facilitators', creating learning environments, signposting 'learning experiences' and helping with access to peers, experts and mentors

who can contribute to help meet development needs. This will include a tremendous shift to become skilled at managing the sharing and creation of social and e-learning and content which employees can access on their own.

Incorporating digitisation into HR solutions

The aforementioned Bersin 'Predictions for 2016' report highlights that the digitisation we see all around us in our day to day life will lead the trend for HR to design digital apps to make life easier for employees. Besides just developing apps for data collection and to simplify business processes, HR will move away from designing 'programmes' and begin thinking about designing 'experiences' which are digitised. Apps are already being used for recruitment, employee owned learning and development experiences, sharing information between teams across the business, and driving better engagement.

In conclusion none of these activities are simple to get right but the HRD that includes them in their list of resolutions is well on the road to a happier and healthier 2016!

References

- 1 Vertical Leadership Development–Part 1, Developing Leaders for a Complex World – Center for Creative Leadership.
- 2 Seven transformations of leadership – Harvard Business Review.
- 3 Bersin by Deloitte - Predictions for 2016 Research Report.

For more information please contact:
Mike Vessey

MDV

Leadership and talent consultants

www.mdvconsulting.co