



Future-Oriented
Leadership Competencies:

The Talent Management Lynchpin

TRANSEARCH
EXECUTIVE SEARCH & LEADERSHIP CONSULTING

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“Meaning turns a goal into a purpose, a concept into a challenge, service into serving, a barrier into boldness, and disappointment into determination.”

Make no mistake, COVID-19 reinvented the workplace. Along with the typewriter (1880s), women joining the workforce (1930-1950), and the microchip (1990s), it was a seminal event. We are describing “discontinuous change.” What was is no more ... and what will be has displaced it. Power is moving from the employer to the employee. Around the world, unions are on the march. Video conferencing has moved to the centre of the communication stage. A new definition of what it means to be a team has emerged. The organization, by way of design, has to be retooled to take advantage of the emerging technology. Collaboration is no longer an attribute to aspire to ... it’s a make-or-break issue. And the term “leadership” has, of necessity, expanded to embrace resilience, empathy, caring, and character.





It matters not that some leading CEOs argue otherwise, remote/hybrid employment is an established practice that is here to stay. In a study by Gallup (2023), nearly seven in ten full-time employees in the US prefer some type of remote work arrangement. Moreover, in the same study, 40% of employees would change jobs to work full or part time from a remote location. As we move into the second quarter of the 21st century, we face an undeniable cultural fact – the employees you need most will demand a degree of choice as to where they work from. And if they don't have that choice, they will vote with their feet.

We also face unprecedented uncertainty. The second wave of digitalisation; artificial intelligence;¹ the fragmentation of established globalisation; the emerging influence of Gen Z;² political turmoil; the difficulty of uncovering, let alone attracting, top talent; and the existential threat posed by our lack of action on the environment – all make

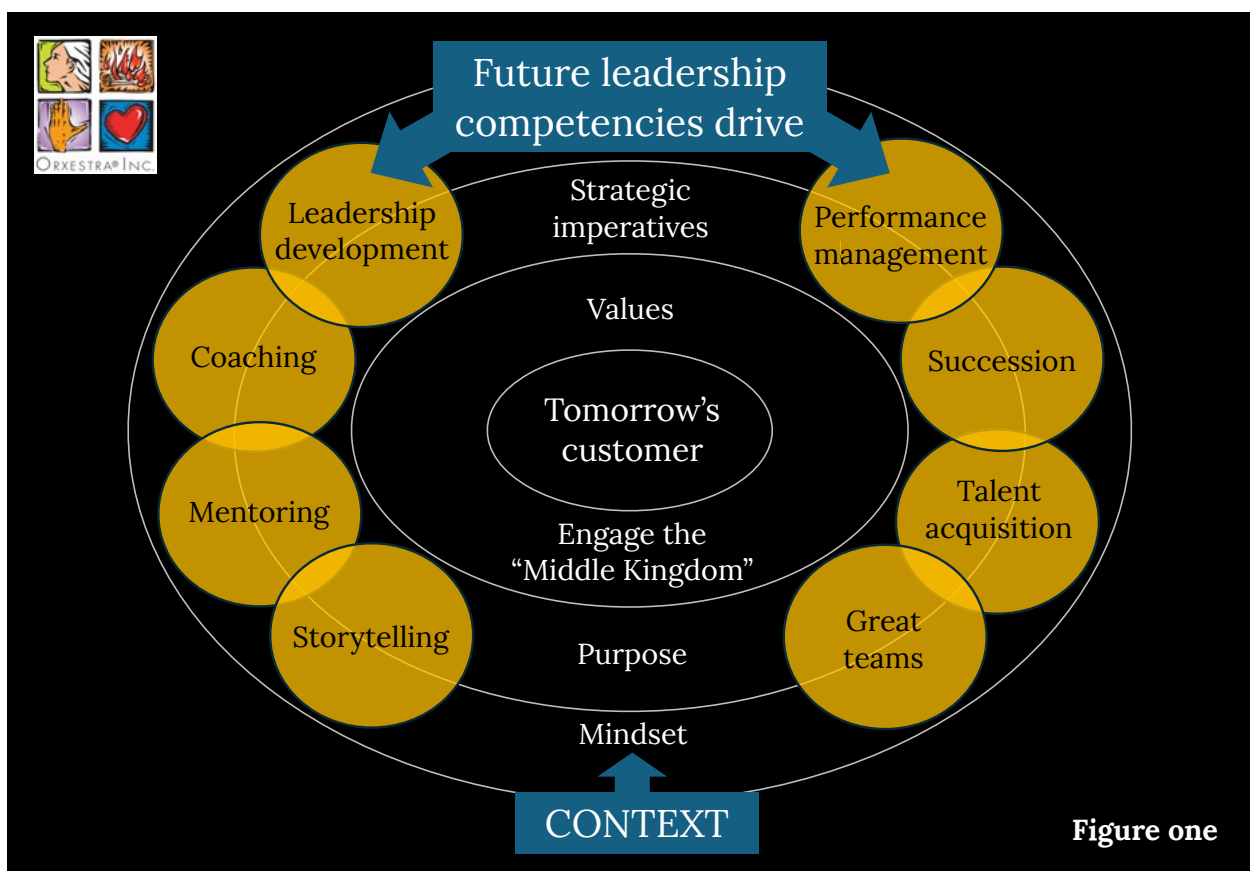


Figure one

- 1 AI has become a popular catch-all to describe a range of breakthrough initiatives. True AI still lies some distance in the future, however.
- 2 By 2025, 25% of the workforce in the developed countries will be Gen Z.



leadership ever more challenging. The only given is that society, business, innovation, technology, and business cycles are moving ever faster. Simply put, what got you here won't get you to where you need to be. The leader who assumes tomorrow's leadership will be little more than an enhanced version of today should elect to fail now – it will save time later.

What all this means is that more than ever, to lead is to be in the people business – present **and future**. Talent management, generally, and talent acquisition, more specifically, are essentially strategic. Successful leaders cannot afford to be in the parts business, merely replacing the leader who quit or was promoted. Fighting yesterday's battles, selling in the same old way, doing what you have always done (even if done better), topping-up skills, a continuous improvement mentality – in a world where speed of learning shapes what's possible – is to pass the baton to a competitor.

Tomorrow will be different – but will you? Two transformative actions go a long way to instill future success: (i) how we define the leadership qualities needed; and (ii) how we actually build/develop that capability – both in ourselves and in others.

Figure one outlines the lynchpin role that leadership competencies play in ensuring that talent management is transformed into a competitive advantage. The text that follows describes how to craft³ the context – the five inspirational and habit-forming cultural building blocks that you have to get right. As all sound strategy should, it starts with the customer and the need to manage the business from the outside-in.

1. Tomorrow's Customer

Organizations that have attempted to manage the business from the inside-out (if we make it, they will come) invite failure. Xerox, BlackBerry, AOL, Nokia, Kodak, General Electric, and Boeing come to mind. Add to that list the record industry, traditional television networks, and any business that is betting on “bricks” to the exclusion of “clicks.”

Defining tomorrow's leadership thus starts, as it must, with fully understanding the emerging social, economic, and political forces that are shaping the emerging context, and the customer's emerging needs. Peter Drucker told us that “the purpose of business is, above all else, to create a customer.” Leadership that fails to anticipate

3 In the last century the apt leadership term might well have been “forge.” The ability through force of personality and position of power to move the organization in a new direction. “Craft” expresses a far more subtle and inclusive approach to change. From the blacksmith to the potter.



tomorrow's business environment is a lost cause. Serving the customer today in a way that fails to recognise that every action potentially builds sales tomorrow ... is a missed opportunity. Here one should add that the same Gallup study mentioned earlier indicated that in the US only 32% of employees are engaged while globally the figure is a mere 21%. Meanwhile, 59% of the global workforce are "quiet quitting." The potential impact on tomorrow's customer is without precedent. We are, indeed, in the people business.

2. The Organization's Values

Enter, stage left, Drucker's legendary question, "What business are we in?" There are any number of sage and insightful answers, but in the face of increasing market uncertainty one underlying response is ever-present, "We are in the trust business." Trust can be thought about in the following terms:

- ✓ **T**he ability to build rapport
- ✓ **R**espect
- ✓ **U**nderstanding the other point of view
- ✓ **S**hared values
- ✓ **T**he commitment and tenacity needed to *always* deliver on "the promise."





Trust without shared values is the commercial equivalent of taking a difficult and arduous journey without a compass. Customers don't buy your product, they engage (or not) with your story. At the heart of your story are your organization's values. Values aren't rules, restrictions, or edicts to be acted on only after asking permission. Values – the right values – give people permission to act. The right values leave no one behind. That said, no matter what some of the on-line pundits may suggest, values that matter aren't co-created; they represent the CEO's/founder's and, by implication, the top team's leadership point of view. Inform, involve, ask, and validate, but don't let the general population decide. Great organizations don't have values, they are their values. Leaders who don't live the organization's values belong in a different organization.

3. A Compelling “Why”

To lead is to be in the emotional transportation business. Discontinuous change – transformative, all-embracing, unrelenting change – is dominated by a compelling why. With a big enough why ordinary people can and do produce extraordinary outcomes. Without an emotionally laden *why* even the most talented leaders are faced with the all but impossible task of trying to change the individual behaviour of large groups of people. Movement (telling people they need to change – coercive tension) and momentum (inspiring people to change – creative tension) are far from being the same thing. Movement is, invariably, but an illusion of what's possible. A rocking horse moves but it isn't going anywhere. Momentum draws on “passion.” Passion is to **PASS** Inspiration **ON**.

It's a mistake to assume that the top team can actually bring about “change.” They can direct but they can't deliver. The only group that can actually implement change inhabits the middle of the organization. If the “Middle Kingdom” isn't inspired by a compelling purpose, then even the most pressing initiatives – be they driven from the top of the house or not – amount to little more than conjecture and speculation.

Forty thousand years of social engineering make us highly attuned to the “sell.” The result? You can't invent, concoct, or fabricate a compelling purpose (especially the so-called “burning platform”). Lack of authenticity – quickly deduced – destroys trust.

A *why* that matters, one that inspires people to give of their best, is supported by three imperatives: meaning, measurement, and masterful communication.



- i. **Meaning:** Do employees really care about the purpose? Shareholder capital is a very limiting concept. Important though it might be in the overall scheme of things, not too many front-line workers nudge their partner at the break of day and say, “Not this morning dear,” I have to rush to work to enrich the shareholders.” The Kalahari Bushmen talk of two hungers. One: the hunger of the stomach – the little hunger. Two: a life that lacks meaning – the big hunger. Meaning turns a goal into a purpose, a concept into a challenge, service into serving, a barrier into boldness, and disappointment into determination.
- ii. **Measurement:** Any organizational shift that can even loosely be described as “culture change” must be defined by a succinct and valid measure of the culture we currently have (roots) and the culture we need three to five years out (wings). No less important, if the terminology used sounds as if it belongs in a third-year psychology class ... it belongs in a third-year psychology class. If the map provided (measurement) doesn’t describe a landscape that the key decision-makers can emotionally relate to, don’t expect “culture” to stay on the top team’s radar screen very long. You can’t manage what you don’t measure. You can’t build commitment to something people don’t fully comprehend. The numbers, on their own, don’t drive change. They do, however, make what success looks like far easier to understand.
- iii. **Masterful communication:** Successful leaders have a clear vision, a winning strategy, an inspirational purpose, defined values, an unambiguous focus, and instil a sense of urgency. They also make tomorrow come alive in the room, today. Mastery thus means to access story, imagery, language, metaphor, symbolism, and personal example. It means to engage people in a narrative where the strategy is presented as a story, where the informal and formal organization are on the same page, and where those in key leadership roles, in being fully aware that they throw a large shadow, recognise that what they do is far more important than anything they might say. To lead is to model – every day in every way – the culture the organization needs.



4. Leadership Competencies

Like an oil rig standing in perilous seas, the organization's leadership competencies represent a stable, succinct, scalable, strategic business platform, behavioural descriptors that, in a changing world, meet the **FAST** rule.

- **F**uture-oriented. Apathy is the enemy of progress. All forms of innovation are fuelled by curiosity. All change starts by challenging the status quo. Being more of what we have always been means, inevitably, that we fall far short of what we aspire to become. The greater the degree of change, the more success depends on seeing opportunity through a future-oriented lens.
- **A**ligned with the organization's values. Introduced earlier, the organization's values are guiding principles that shape today's decision-making. They instil a sense of discipline. They allow teams to act as if the CEO were in the room as a source of guidance that influences how the decision is made. Although a single aspirational value can be helpful, attempting to drive values into the organization that don't already exist in some places in the business, some of the time is to speak a language that no one understands. Values are the new now. They also need to build a path to the future. By way of comparison, leadership competencies capture the leadership behaviour needed to succeed in the future. How far into the future is dependent upon the capability of those at the helm, the clock speed of the sector, and the speed of learning that can be absorbed by the organization. If the leadership competencies and the values aren't in harmony, expect one or both to lack credibility.
- **S**imple enough to be easily understood, yet complex enough to shape the performance demanded. In our case that means a library of 60 proprietary leadership competencies, definitions that we have found it necessary to rework every four years, clear frames of reference that capture "leadership balance." See below.
- **T**he means to build leadership balance. "Balance" implies appropriate emphasis on: (1) Direction (Head); (2) the Discipline of Delivery (Hand); (3) the Development of people (Heart); and (4) authentic and caring Day-to-Day Dialogue (Spirit). If people don't know where you are heading, why



would they follow? If the delivery of discipline is missing, the business plan is just another hoped-for outcome. If you don't grow the people in the business, you can't grow the business. As for spirit, allow me to quote Teddy Roosevelt, "People don't care how much you know, until they know how much you care."

5. The Lynchpin Effect

A lynchpin can be viewed as "the most important part of a system – something that holds everything else together." Leadership competencies unfold in two complementary ways – generic and role-specific. Generic competencies define (future) leadership success in the business no matter the role. Generic competencies are not infrequently developed to define successful leadership in different functions, e.g., human resources, IT, finance, manufacturing, sales. Conversely, role-specific competencies, as the name implies, define future success in a specific role. Generic competencies inform graduate recruitment, frame company-wide learning initiatives, and support





early career development. They represent the music playing in the background of a great movie. Role-specific competencies define success in a specific leadership role. They capture dialogue that the leading characters use to move the story forward. When either of these is missing, the movie struggles. Where both are absent, you don't have a movie. Even a Charlie Chaplin classic had accompanying piano music.

Assuming that they are appropriately defined, future-oriented leadership competencies enable the talent management processes to unfold such that the synergistic effect does much to turn the organization's talent management approach into, as suggested earlier, a competitive advantage. Critical actions enabled by meaningful leadership competencies include a variety of behaviours and demeanours.

- ✓ **Leadership development.** Here we observe two streams that flow into the same river. As learning inside the organization becomes digitalised, machine learning starts to shape the learning experience such that it is tailored to the individual learner. Inclusion and diversity, on the other hand, are served by an agenda that builds a sense of community (belonging). The organization's values speak to a collective identity – who are we? The generic leadership competencies define a shared understanding of what it means, in general terms, to be a successful leader.
- ✓ **Coaching.** Agility, responsiveness, and the need to push decision-making further into the organization means that leaders who can't coach ... can't lead. Indeed, in a fast, flat, focused, flexible, fertile to new ideas business world, they shouldn't be allowed to lead. How people learn is quickly becoming more important than what they learn. And how quickly they learn is a key determinate in adjudging potential. Coaching isn't, as is often suggested, a judgemental or open-ended concept. "Where do you think you need to develop?" Coaching is enabled by and builds on: (i) the culture the organization needs to create; (ii) a robust scorecard; and (iii) a rich dialogue around the specific leadership competencies for the role.
- ✓ **Mentoring.** A mentor is a seasoned performer (not by age) who shares their story with a less seasoned performer, the outcome of which is that the less seasoned performer is accelerated through the learning curve. Mentoring is an invaluable skill. Few, if any, of those who make it to the top do so without a mentor, which also holds true for those who stay there.



There is, however, a “yes but” here. If the mentor’s story is misaligned with the emerging reality, we fall into the trap of perpetuating yesterday’s solution. The way forward? Ensure that every mentoring conversation is framed by one essential question, “In what way is the mentor’s experience (story) relevant to tomorrow’s leadership competencies?”

- ✓ **Storytelling.** Leaders are storytellers. Great leaders are great storytellers. Desmond Morris, the British zoologist, calls us “the storytelling ape.” Social anthropologists tell us that “storytelling is to our kind what grooming is to the other apes.” The right story comforts, connects and opens the door to collaboration.

A powerful story changes the brain chemistry of the listener. In doing so, it’s more likely that the listener will be empathetic to the speaker’s ideas/ point of view. The most impactful thing the CEO can do in front of a group when asked a question is to say, “Let me share a story.” When the customer asks, “Why should we work with you?” the sales technique that swamps all others is to reply, “Let me share a story.”





The leader who is committed to bring about change but who lacks mastery in storytelling is about to enter the fray having left their most impactful intervention on the shelf. That doesn't mean leaders toss stories off to suit their mood. The narrative within the story itself may be different, but the essential DNA of a great story is built around a double helix. One strand captures the organization's values, the other states, reinforces and/or projects the emerging leadership competencies.

- ✓ **Performance management.** Introduced to “modern” business when Bill Gates was still learning how to spell the word “computer,” the traditional performance management process⁴ is a tired and largely dysfunctional process. Regularly telling 60% or more of the company's management that they fall into the middle of the normal distribution curve – “average,” “competent,” or worse, just “a number” – is pretty well the best thing the competition has going for it.

This is not to decry the value of feedback or, indeed, the need for a tough response when targets are missed. It is, however, an appeal to take performance management back from the compensation function. A group that ambushed it several decades ago and who have fought tooth and nail to keep it.

Listening to their better angels, leaders are transforming the traditional performance management process into coaching support anchored in meaningful learning strategies. The key to that conversation? Role-specific, mutually agreed upon, future-oriented leadership competencies.

- ✓ **Succession and replacement.** It's important to distinguish between the two. Replacement is tactical and describes the fall-back plan should someone in a mission-critical role be hit by the proverbial bus on the way home. Succession is strategic and establishes what the organization needs to do, today, to ensure that mission-critical roles are populated by outstanding leaders three to five years from now.

A mission-critical role meets three conditions: (i) the role makes a contribution that spans the whole business; (ii) it would be difficult to fill by going

4 If you want to destroy any vestige of collaboration ensure that, week-in and week-out, team members are competing with each other.



outside; and/or (iii) it defends/nurtures what it is that makes the business truly special. It can be assumed that even in a large business there will be relatively few mission-critical roles. Think twenty, not two hundred.

The research suggests that less than 10% of organizations have a highly effective succession process. Contributing to that shortfall is an essential question that is often missing. “Are those currently filling mission-critical roles today capable of succeeding into that role as it will be three to five years from now?” It’s a question that should come from the board!

It’s also easy to confuse today’s outstanding performance with genuine potential, something that can only be remedied if future success in the mission-critical role is clearly defined. If you don’t know – in role specific terms – what you are looking for, don’t be surprised if you have difficulty finding it.

- ✓ **Talent acquisition.** There are any number of areas in which, to be successful, a leader must excel. Among that broader vista, however, rests a small cluster of critical capabilities, role-specific competencies that are truly “essential.”





Parodying Mr. Micawber's⁵ famous formulae for happiness: Focus on the right leadership characteristics – result happiness. Bringing someone on board who falls short of what is demanded in the role – result misery.

The difference that makes a difference in talent acquisition? Orchestrating “fit.” Four distinct clusters of capability – all of which draw on strategic insight, knowledge, know-how, and judgement – come together to determine fit.

- i. Attracting top talent. You can't hire people you don't attract!
- ii. Defining future success in the role – the emerging culture, a performance scorecard, role-specific **leadership competencies** and team success.
- iii. Evaluating the candidate – the structured interview, multiple input (consensus), creative ways (outside of the interview) to “test” the candidate, psychometric assessment and the reference check.
- iv. Integration excellence. If they don't land, they won't stay!

When I had a corporate HR role, executives regularly complained that they didn't have the time to go through all of the – what they thought of as exhaustive – hiring steps. What they inevitably came to discover was that time spent (trying) to fix a hiring misstep, by many multiples, overwhelmed any time saved by truncating the hiring process.

It's an unforgiving mistake to turn talent acquisition into a beauty contest. Shortchange fit and the most that can be expected is to hire the *best* candidate. Mr. Micawber's rule of happiness would have us do the work needed to ensure that we hire the *right* candidate.

- ✓ **Great teams.** As a rule of thumb, two (often misunderstood) factors limit team excellence. One: no team can advance much beyond the capability, drive, and resilience of its most recalcitrant member. Two: every time you add someone to the team, you have, in essence, created a new team.

5 Charles Dickens, *David Copperfield* (1850). Mr. Micawber's actual quote is, “Annual income twenty pounds, annual expenditure nineteen [pounds] nineteen [shillings] and six [pence], result happiness. Annual income twenty pounds, annual expenditure twenty pounds ought and six, result misery.”



The remedy to the first is to ensure that the role is fully understood, the scope and nature of responsibility inherent in the role is established, the goals are clear, the feedback both informs and, where meaningful, “catches the team member doing it right,” and effective coaching is at hand.⁶

Bringing someone new to the team prompts the question: What is a successful team? That means regularly measuring team effectiveness – both results and relationships. Meanwhile, a team without a leader is like a ship without a rudder. This means clearly defining success in the team-leader role. Again, the leadership competencies come to the fore.

A word about boards of directors. Boards have come under a lot of criticism lately. The concern tends to focus on three key issues: (i) board members are engaged largely because the CEO knows they will be supportive; (ii) generally speaking, board members are out of touch with the organizational, technological, and social evolution impacting today’s organization; and (iii) the competency mix of the board is inappropriate for 2024 and beyond.



⁶ The most effective coaching is team members coaching each other.



An example of the latter is that, whereas boards have a distinct surfeit of accounting experience and expertise, only one board in twelve (in North America) have board expertise in human capital. Considering the people challenges organizations are facing, this makes little sense. Human capital is but one example. The fix is relatively straightforward.

- Develop a library of forward-looking (2024+) board competencies (which we have done).
- Assess/define both: (i) the culture the organization needs to create; and (ii) the strategic imperatives the business faces.
- Drawing on the competency library, define the critical board competencies needed.
- Build a competency matrix comparing need with the current capability.
- Rebalance the board.

Conclusion

Let me introduce several uncomfortable – but highly probable – scenarios.

- Know that the competitor that will disrupt your business the most will, in all likelihood, be a new entrant to your sector, from a sector you know little about, or be based in a city you have never heard of.
- Realise that no matter how agile you think your business is, it's not going to be nearly agile enough.
- Think about the recent strides you have made in responsiveness and realise that it represents merely the jumping off point for reducing that time by half ... and then half again.
- Take as a given, that if in the last six months your organization hasn't directly challenged or even separated a key leader because they don't live the values, in all probability your organization's values amount to little more than window dressing for your website.
- Being in a commodity business is going to be more challenging than ever. Yesterday, the largest companies on the planet were in the petrochemical industry. Today, data, knowledge, and especially knowledge of knowledge are the new oil.



- Regardless as to how much you invested in talent in the past year, in the future you will have to invest even more. If you found it difficult to hire talent in the past, it's about to get even more problematic. Recognise also that the majority of those who are making critical hire decisions – and at times betting the organization – have little or no training in how to interview. Just because you do something often doesn't make you good at it.
- Be aware that if you don't know why your most talented employees stay, only an optimist on steroids would “know” how to do more of *why they stay*.
- Understand that if a replacement mentality dominates your approach to talent management, your potential as a business lies in the past. Yesterday's leadership was about building a business. Tomorrow's will be about creating a learning community.
- Know that if sustainability, diversity, and inclusion aren't alive and well in your organization, your Gen Z employees are already looking elsewhere.
- Yesterday, talent management drew on the assumption that future success was best served by building on past practice. Tomorrow, of necessity, it will be about resilience, reinvention, and recognising that the ideal organization design reflects how, given a choice, people would choose to work together.





Talent management is a system and like any system, is only as strong as its weakest part. It's also a system within a system – the organization's culture. Get talent management wrong and the organization's culture will be misaligned with the customer's emerging needs. Get talent management wrong and addressing the uncomfortable scenarios outlined will be beyond your reach.

Talent management is ultimately about hard data and tough choices – who to hire and promote, investing in the most efficient and fastest way to develop talent, putting muscle behind the succession process, and, generally, building a cadre of leadership talent that will allow the business to survive and thrive in turbulent times. If you can't imagine it ... you won't reach it. If you don't measure it ... you can't manage it. If you fail to develop tomorrow's leadership competencies with purpose, precision, pragmatism, and no little passion ... know that the future you deserve will be little but a unrealised dream.

*“The Kalahari Bushmen talk of two hungers.
One: the hunger of the stomach – the little hunger.
Two: life that lacks meaning – the big hunger.”*





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*“To lead is to be
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- J. O. Burdett

JOHN O. BURDETT has worked in over 40 countries as an executive and as a consultant for businesses that are household names. He continues to work on leadership development and organization culture for some of the world's largest corporations.

In 2019, his work with ABB's top 240 executives received a major international award for the most innovative leadership development initiative of that year. His ongoing partnership with TRANSEARCH International means that his proprietary work on talent acquisition, in any one year, successfully supports many hundreds of top leadership appointments on six continents.

He has written extensively on executive coaching and was awarded international coach of the year by the Finnish Institute of International Trade. Business graduates at the University of Texas indicated that his material on coaching was the single most valuable learning source they took away from their undergraduate degree. He has also coached numerous executive teams

around the world in how to coach. He currently coaches a select group of CEOs.

Apart from a range of corporate leadership workshops, he has taught at business schools on both sides of the Atlantic. His work on the MBA program at the University of Toronto received a teaching excellence award. John holds a doctorate in management development and is a Fellow of the Chartered Institute of Personnel and Development.

In addition to numerous business articles and twice being awarded article of the year by MCB publications, he has published 16 books on leadership, talent management, coaching and organization culture. A number of them bestsellers. His Leadership Beyond Crisis Series came out in 2021. In 2022, in addition to a number of leading-edge articles, he brought out a fully revised version of his international bestselling book on executive integration: *Without Breaking Stride*.

