

Strategic Skills

Closing the New Talent Gap

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Here is the new normal in today's business world: ambiguity, complexity, hyper-competitiveness, and blinding-fast change. But there is also another new normal: today's emerging leaders simply are not ready.

Extensive studies are finding that while the next generation of leaders excels in areas such as technology, online marketing, and other "hard skills," these leaders lack the kind of strategic skills companies now desperately need to survive and prosper. The research shows an alarming gap in capabilities that are increasingly needed—yet are in short supply.

Most particularly:

- **Critical thinking and learning agility:**
the two key strategic information skills.
- **Collaboration and team building:**
the two key strategic people skills.

This capability gap is far from hypothetical—its implications can be found on the business pages of newspapers almost every day. Research in Motion's BlackBerry, for example, once owned the U.S. smartphone market, reaching an astonishing market share of nearly 43 percent in 2010. But by early 2013—just three years later—BlackBerry's market share had plummeted to 5.4 percent, far outdistanced by Google's Android and Apple's iPhone. How could this happen? Research in Motion's leaders either couldn't recognize, or couldn't adapt to, the change happening before their eyes.

Most worrisome is that, according to the research, companies across all sectors and of all sizes are facing the same kind of catastrophic risk. Emerging leaders, including highpotentials, must increasingly be able to think and act strategically—yet the studies show that a large percentage lack the basic skills to do so. At the same time, there are simply fewer young and emerging leaders to go around because of a smaller Generation X population. So the urgency to develop the most promising ones is compounded.

A study of multinational organizations,¹ for example, found that critical thinking—one of the chief strategic skills—is the competency most lacking in the next generation of executive leaders. Other skills lacking revolve around seeing the larger picture and engaging others in a vision. Research across managerial ranks found similar distressing results²—an indication that there is trouble throughout the leadership pipeline. Managers rank low or average in skills such as building effective teams, motivating others, and making quality decisions. Hiring managers are taking note, too. In DeVry University's Job Preparedness survey,³ 91% of companies said they would not likely hire a candidate that didn't have skills including strategic perspective.

What these and other studies suggest is that companies must actively promote strategic skills across the organization, both by developing the skills in current high-potentials and by selectively hiring employees who possess these capabilities.

STRATEGIC SKILLS GAPS AT EACH LEVEL



INDIVIDUAL CONTRIBUTORS NEED:

Foundational Skills:

- Working well with others
- Being dependable
- Thinking critically (e.g., recognizing assumptions)

TIP

Remember the 10,000 hour rule! Strategic skills take time to develop so start building foundational people and information skills here.



MANAGERS NEED:

People Skills:

- Building effective teams
- Managing conflict
- Developing others
- Motivating others

Information Skills:

- Making quality decisions
- Managing vision & purpose

TIP

Skills need to be expanded and refined at this level. This is the place for deliberate practice and action learning.



EMERGING EXECUTIVES NEED:

Blended People/ Information Skills:

- Creating a vision and engaging others
- Cooperating and collaborating across business to optimize performance
- Leading change
- Understanding the total enterprise and how parts work together to leverage capabilities

TIP

Skills need to be blended at this level. Offer stretch assignments and projects that give exposure to all sides of the business.

It is crucial that the next generation of leaders have both strategic information skills and strategic people skills. Research makes it clear that cognitive and personality elements work in combination in high performers (Schmidt and Hunter, 1998). To see why this is so necessary, consider the challenge facing a leader tasked with integrating an overseas acquisition with the parent company. The leader will need critical thinking and learning agility to navigate new, unfamiliar terrain, and devise the best strategic approaches. That alone, however, will not be enough—the leader will also need collaboration and team-building skills to quickly and smoothly achieve buy-in from employees of both the new and parent organizations, and bring them together as an effective unit.

Strategic Information Skills— Knowing What Actions to Take

Critical thinking is now more important than ever. Rapidly changing trends and markets are requiring leaders to solve complex problems they have not seen before—and which do not have ready-made solutions. At the same time, leaders are being asked to make critical decisions based on an unprecedented flow of information from a wide range of sources.

These kinds of challenges require that emerging leaders be adept at critical thinking—essentially, the ability to take in, organize, and evaluate complex information, and then draw logical, sound conclusions that are free from influence or bias. When leaders come into an ambiguous situation, for example, they must be able to quickly assess it, put it into context, and then make quality decisions.

Critical thinking also helps leaders develop the key strategic skill of learning agility. Leaders with this quality have both the ability and willingness to draw on past experiences and learn quickly in new situations to help their organizations stay ahead of rapidly changing business realities.

Strategic People Skills—Knowing How to Engage Others

Organizations are far different than they were just a few years ago, requiring an additional set of strategic people skills. As companies become more global, workforces are more diverse and increasingly virtual. All of these factors make collaboration and team building more important and, at the same time, considerably more difficult.

To foster collaboration and build teams, leaders need a full understanding of the different ways people take in information and make decisions. Some people, for example, tend to look at the bigger picture, while others are more detail-oriented. Or, in a downsizing, some people might focus on the numbers, while others might focus more on the employees losing their jobs. If leaders do not fully understand their own thinking and communication styles—and the styles of those they work with—they cannot effectively bring people together to develop new ideas and make sound decisions. Instead of teamwork and harmony, there is likely to be conflict and dissonance.

Successful collaboration and team-building also requires that leaders understand the role of personality and values, particularly in relation to matching people with an organization's culture. More than ever, cultural fit is critical to an organization's speed and agility.

The broad ability to recognize different styles, personalities and values requires a deep layer of strategic people skills, which in turn calls for self-awareness and emotional intelligence. Leaders must be both willing and able to look beyond their own world-views, so that true collaboration becomes possible.

THE FOUR SIDES OF A BALANCED LEADER

CRITICAL THINKER

Gathers information and evaluates evidence to make sound decisions.

Needed: Leaders who make good judgments after analyzing relevant information and alternatives.

COLLABORATOR

Works with others to achieve shared goals.

Needed: Leaders who foster communication and cooperation across the team and successfully manage conflict.

AGILE LEARNER & PROBLEM SOLVER

Examines situations and problems carefully to make novel connections.

Needed: Leaders who can apply prior learning to perform successfully in new situations.

TEAM PLAYER/BUILDER

Builds cohesive teams that execute effectively.

Needed: Leaders who can organize people, engender team spirit, and motivate collective performance and cohesiveness.

Assessing Strategic Skills

Emerging leaders are often hired and promoted based on qualities that can be readily observed, such as the ability to get things done, and attributes such as ethics, perseverance, and business and technology acumen. While the observational approach is fine for evaluating traditional capabilities, discerning someone's critical thinking ability and learning agility is not as easy. Similarly, while we may be able to observe that a leader is a good collaborator and team-builder with small groups of employees, it is difficult to predict whether those skills are strong enough to translate to larger and more disparate groups.

For this reason, a more objective, scientific approach is needed. Organizations are increasingly using assessments to measure strategic information and strategic people skills and potential. Such assessments, based on rigorous scientific studies linking high scores to high performance on the job, can more accurately predict whether a leader has the capability to succeed in a high-stakes environment. Knowing this before a leader is hired or promoted is far more important than was the case just a few years ago. With more limited resources, organizations today must make every move count.

Among the most widely used assessments for critical thinking and mental learning agility are the Watson-Glaser™ II Critical Thinking Appraisal and Raven's Progressive Matrices™. The Golden Personality Type Profiler™ and SOSIE™—2nd Generation are highly regarded assessments that accurately measure the ability to foster collaboration, build teams, and ensure cultural fit. Assessing current readiness is an important first step in developing leaders. eLearning and classroom training can be implemented to reinforce concepts and build new skills.

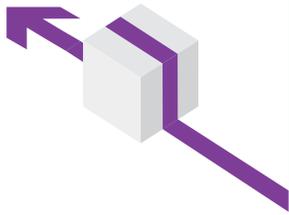
Action Steps

Leaders today need to be more strategic than ever —yet we cannot ask our leaders to think and act more strategically if they do not have the skills to do so. The studies make it clear that strategic people and information skills are in high demand but short supply in the next generation of leaders. Organizations must take steps now to prepare these future leaders—strategic skills cannot be taught overnight, and leaders without them can make costly missteps.

There are several key steps that organizations can take. Strategic skills should become a top priority in every level of hiring and promotion. Development is equally essential. Organizations must start early in the leadership pipeline, developing collaboration and team-building skills starting at the individual contributor level through mid-level managers.

As leaders rise higher in the organization, special emphasis should be placed on developing their critical thinking and learning agility. A key reason why many successful managers falter when as they rise in the ranks is that their decision-making ability has not kept pace with their people skills. Strategic information skills must be solidly in place by the time the managers reach the executive level.

TIPS TO IMPROVE SKILLS NOW



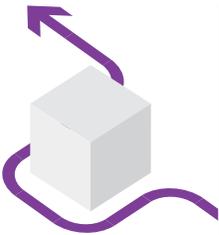
CRITICAL THINKING

- Learn to stop and think: size up the situation, clarify your purpose and goal, determine urgency, and identify what you know, what you don't know, and how to build a game plan.
- More is not always better; don't overload on information. Differentiate information that is relevant and accurate from that which is tangential.



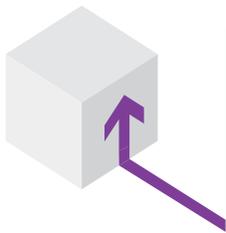
COLLABORATION

- Focus on the creation of clear goals and outcomes for everyone involved and make sure that everyone is aligned with the common goal.
- Foster respectful participative relationships that drive engagement, communication, and cooperation.



LEARNING AGILITY

- Analyze both your successes and failures for patterns and clues on how to improve.
- Put yourself in new or ambiguous situations and observe how you react and respond to increase awareness of your tendencies.



TEAM BUILDING

- Actively keep team members informed using multiple communication methods (in-person, phone, skype, e-mail).
- Learn the preferences of your team, so that you know what they are good at and what they like to do. Motivate and engage by leveraging their strengths and preferences.

The strategic skills gap among emerging leaders is formidable, but it can be overcome if organizations move quickly and aggressively. Organizations must also start early, and develop often, so new managers don't crash upon arrival. In the new normal, those who fall behind in developing strategic skills will quickly find they don't have a talent pipeline capable of successfully guiding their organization into the future.

References

- 1 Hagemann, B. and Chartrand, J.M. (2011). 2011/12 *Trends in Executive Development: A Benchmark Report*. Oklahoma City: Executive Development Associates and TalentLens.
- 2 *Setting the Stage for Success: Building the Leadership Skills that Matter* (2009). Korn/Ferry International.
- 3 *Job Preparedness Indicator Survey* (2011). Career Advisory Board presented by DeVry University.

About Us

TalentLens, a Pearson business, publishes scientific assessments that are used globally to hire and develop the 21st century workforce. Our instruments measure critical thinking, problem solving, and a range of job skills to deliver datadriven insights that inform and clarify an organization's human capital decisions.

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