

# HOW TO SUCCEED WITH EMERGING LEADERS

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*Understand, engage, and retain  
your most crucial population*

## CONTENTS

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Page 3 Emerging Leaders: Who They Are and Why They Matter to Any Organization that Wants to Succeed

Page 4 Emerging Leaders Need More, and You Need Them

What They Need from You

- Values Then and Now
- Telling Questions About Motivation
- Ambition and Other Words That Matter

Why You Need Them

- Two Words: Talent Gap

Page 9 What Emerging Leaders Want, and How You Can Provide It

Micro Signals

- Autonomy
- Mastery
- Purpose

Page 11 How to Succeed with Emerging Leaders

Page 13 Sources

Page 14 Appendix

## EMERGING LEADERS: WHO THEY ARE AND WHY THEY MATTER TO ANY ORGANIZATION THAT WANTS TO SUCCEED

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When we talk about “emerging leaders,” the Millennial and Gen Z generations may come to mind—but we aren’t talking only about a certain generation. Emerging leaders are people in your organization who have high potential and are strong performers. They may be individual contributors, managers, a team leader, or a project leader. Emerging leaders could be of the Millennial generation, but they are also from Generation X. Simply put, and for the purposes of this paper: **Emerging leaders are people who are, or will be, in some leadership role at some point, and if you want to retain them, they need to be developed. They want and need a good reason to stay.**

***Why does this matter?*** COST.

Turnover is costly, and turnover affects everyone around the person who leaves and negatively impacts business performance. The strongest organizations that wish to save money and build their leadership pipeline know this and are developing their emerging leaders. Unfortunately, those organizations are the exception.

***When does this matter?*** NOW.

The problem is more widespread than you might think. In fact, according to Deloitte’s *Global Human Capital Trends of 2016*, 89 percent of organizations say leadership is a top and pressing problem, while a disproportionate few have a functioning leadership pipeline<sup>1</sup>. The population of Generation X (born early 1960s to early 1980s) is about half the population of Baby Boomers—there are simply not enough Gen Xers to fill the gap in the Baby Boomer retirements.

## EMERGING LEADERS: WHO THEY ARE AND WHY THEY MATTER TO ANY ORGANIZATION THAT WANTS TO SUCCEED (CONTINUED)

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This leadership gap would be a problem in any marketplace or era, but it is a particularly pressing issue now, for a few reasons:

- 1) **Seventy-nine percent of organizations feel the complexity in their organizations will only increase, but only half feel prepared to manage it<sup>2</sup>.**
- 2) **Workplace trends are leaning to a more egalitarian leadership approach—an approach that will require new training and skill.**

Despite saying they understand the importance of leadership, the majority of businesses admit that they do not have a steady supply of leaders, hold leaders accountable for developing successors, or have ready successors for their 10 most critical roles. Given an aging workforce—with Baby Boomers retiring in waves—and the fact that by 2020 nearly half of the U.S. workforce will be Millennial talent, to save money and fill the talent gap, it is critical to develop emerging leaders now. This paper explores how.

And it's important to emphasize for the purposes of this paper, the research suggests that **employees of all ages are more similar than different in their attitudes and values about work<sup>3</sup>**. Hence, when we talk about what “Millennials” want from work, we can generalize to mean what “everyone” wants from work, in particular emerging leaders.

# EMERGING LEADERS NEED MORE, AND YOU NEED THEM

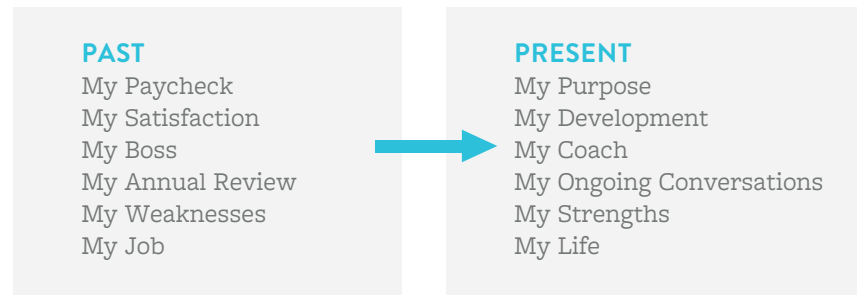
## WHAT THEY NEED FROM YOU

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### UNDERSTAND WHAT EMERGING LEADERS VALUE, THEN AND NOW

A 2016 Gallup report, *How Millennials Want to Work and Live*<sup>4</sup>, plots out differences in what drives leaders now compared to what drove them in the past, reflecting on changes in what leaders value. (And remember, research supports the generalization of facts for Millennials to leaders of all generations.)

#### CHANGES TO WHAT LEADERS VALUE



Companies must rise to the occasion. Your emerging leaders work for more than a paycheck—they work for purpose, and work must have meaning. **Development gives them that sense of purpose and meaning. Developing emerging leaders appeals to their values.**

## WHAT THEY NEED FROM YOU (Continued)

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### TELLING QUESTIONS ABOUT MOTIVATION

We've looked at what people valued from work in the past and what they value from work in the present. Before knowing how to put any kind of emerging leader development program into place, it is strategic for you to understand what factors motivate them. What are they looking for in an employer, and how well is your organization positioned to provide it?

#### 6 QUESTIONS EMERGING LEADERS ASK BEFORE DECIDING TO WORK FOR YOUR COMPANY

- ***Is this a winning organization that I can be proud of?***  
High-potential employees want to be proud of the organization they work for. They want to work for a successful, high-performing company and for leaders with a blend of competence, integrity, and vision.
- ***Can I maximize my performance on the job?***  
High-potential employees want to be able to do a good job. That means working in an environment that will make the most of their skills and provide the resources, information, authority, and training necessary to perform at their best.
- ***Are people treated well—economically and personally?***  
People want to work in an inclusive environment where they are respected, valued, and treated fairly. They want their opinions to count, and they want their contributions recognized and rewarded both financially and psychologically.
- ***Is the work itself fulfilling and enjoyable?***  
Regardless of role, high-potential employees want to derive a sense of meaning and purpose from what they do every day.
- ***Will I have annual reviews or an ongoing conversation with my employer?***  
The way most people, Millennials and Gen-Z in particular, communicate is with in-the-moment, continuous connection. With texting, tweeting, Skype, etc., they are accustomed to constant communication and feedback. They don't want that to be different at work. They want support and feedback in real-time conversations, not in an annual review.
- ***Does this organization have a strengths-based culture?***  
Organizations don't need to ignore weaknesses, but it's more strategic to minimize them and focus on maximizing strengths. Strengths-based cultures keep and attract stars<sup>5</sup>.

## WHAT THEY NEED FROM YOU (Continued)

### “AMBITION” AND OTHER WORDS THAT MATTER TO EMERGING LEADERS

Emerging leaders are ambitious and motivated. The most successful organizations have a pulse on emerging leaders’ ambition and drive, and they deliver accordingly.



of young high achievers (age 30 on average) are actively searching for another job<sup>6</sup>.

Millennials are willing to take a **15%** pay cut to obtain a position where they can make an impact<sup>7</sup>.

Millennials surpassed Gen X as **53.5%** of the workforce<sup>8</sup>—they are now the largest percentage of the workforce.



of Millennials aspire to become the leader or senior executive of their own organization<sup>9</sup>.

IT BEARS REPEATING: Though these stats point to Millennial trends, **employees of all ages are more similar than different in their attitudes and values about work.**

Emerging leaders aspire to be at the top of their organizations, so it is important that employers show them a clear path to their growth to retain them<sup>10</sup>. To keep them, companies need to invest in their growth earlier than they may have in the past. Proactive employers are mindful of motivators and their significance to emerging leaders.

TOP-OF-MIND WORDS WITH MEANING TO EMERGING LEADERS			
	Mentoring		
Growth	Development	Values	Fulfillment
Training	Support from Senior Management		
Coaching	Purpose	Work-life balance	
	Support from Direct Manager		



## WHY YOU NEED THEM

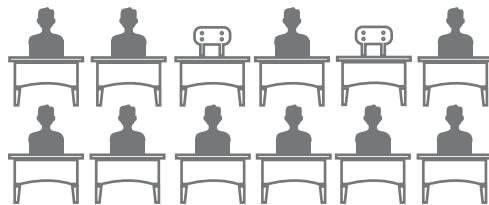
### TWO WORDS: TALENT GAP

Why do you need to retain emerging leaders? Turnover is costly. A stalled leadership pipeline means loss.

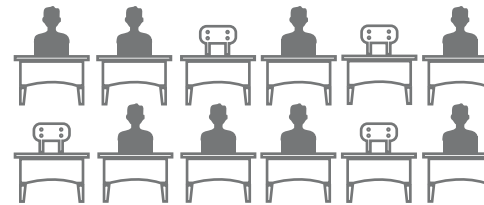
You need emerging leaders, and they want proof that you know it. Consider the data:

- Two thirds of Millennials intend to leave their current jobs by 2020<sup>11</sup>.
- Median tenure rate for employees 25 to 34 years old is 2.8 years<sup>12</sup>.

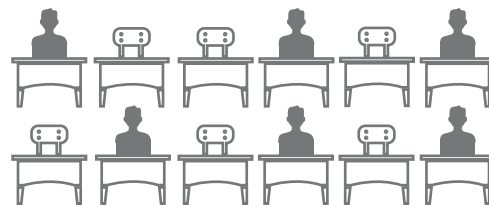
IMAGINE TWO THIRDS OF DESKS IN YOUR BUSINESS—EMPTY—IN FOUR YEARS.



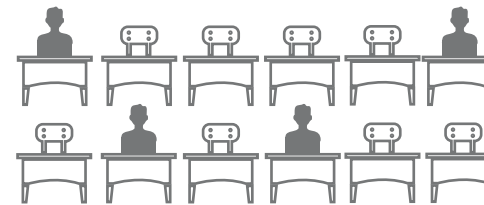
2017



2018



2019



2020

# WHAT EMERGING LEADERS WANT AND HOW YOU CAN PROVIDE IT

### MICRO SIGNALS

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Employee levels of engagement and motivation are subject to constant fluctuation in response to micro signals that your company sends—small indications of whether the company is committed to their growth, whether it really believes in serving a higher purpose, what kinds of behavior are rewarded, how much can be learned from working there, how much feedback they receiving.

Emerging leaders want to be developed. They are looking for three things at work: **autonomy**, **mastery**, and **purpose**. Be aware of what micro signals you are sending in your organization.

#### AUTONOMY

Give people room to experiment in their roles and to engage in on-the-job learning. It might seem risky but is of key importance to top talent. The people who are the most skilled in their fields generally achieve that stature by doing things no one else has done before. Organizations can attract and foster top talent by providing relevant infrastructure and ample room for experimentation and growth.

#### MASTERY


Give tasks that are just hard enough to be challenging but promote growth is the right way to grow emerging leaders. Talented people seek out opportunities to grow, and they will be attracted to organizations that provide opportunities to do so. Retention also becomes a less of an issue, because if people are developing more rapidly than they could anywhere else, why would they leave? *If companies are truly serious about attracting, retaining, and developing high-quality talent, they need to view themselves as growth platforms for talent where people can develop themselves faster than they could elsewhere.*

#### PURPOSE

Help your emerging leaders connect their work with a larger purpose through relationship building and understanding what they value. People who find purpose in their work find the highest level of motivation. Connecting with a cause greater than yourself drives the deepest motivation.

# CONCLUSION

## *How to Succeed with Emerging Leaders*



Best-practice organizations have a process in place for developing emerging leaders. If you're not doing something now to develop these leaders, you are behind. You are at risk for the high cost of losing leaders.

If, however, you are engaging your emerging leaders, you are preparing your company to succeed and meet its business goals, now and in the future.

## HOW TO SUCCEED WITH EMERGING LEADERS

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### UNDERSTAND, ENGAGE, AND RETAIN A MOST CRUCIAL POPULATIONS

Three ways leadership development works as the most reliable tool to retain your top talent:

- 1 Team them to keep them.** When emerging leaders stop learning, they leave. Emerging leaders want to be marketable inside and outside of their organization. They know their parents stayed too long in companies that did not develop them and then were replaced by new hires with specific skills. Emerging leaders will not wait for obsolescence to happen to them. They leave if they think there is no more development in their future.
- 2 Develop them to promote them.** When you develop emerging leaders, you create a “talent pool” from which your organization will be positioned to hire when a supervisor position is added or becomes available. Whenever the organization has to hire from outside to fill these first-time management positions, two negative things happen: the cost of recruiting rises, because external hiring is time consuming and more expensive than hiring from within; and there is a strong implied message sent to existing employees that says, “You will never move up.” Alternatively, developing emerging leaders who see their peers being promoted tells them that staying in this organization is a smart move; and you deepen your bench strength.
- 3 Invest in them to inspire them.** Emerging leader development is a “promissory note” that speaks to the value that the organization places on their potential future role. Emerging leaders of any generation understand that every organization decides where to invest its profits, whether technology, office equipment, R&D, or performance-enhancing training. Development builds employee skills—and patience. Readiness for internal interviews and actual opportunities to interview, etc., sends the message, “We think you can lead in the future!”

Emerging leaders—high-potential employees who are Gen X, Millennial, and otherwise—make the decision every day whether to “re-up” when it comes to motivation and productivity.<sup>11</sup> Now is the time to get to the work of knowing your emerging leaders and addressing their needs. To earn present and future business success, commit to whatever it takes to help them to commit their best efforts and energy to your organization, now.

## SOURCES

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11 Global Human Capital Trends Report: *Engaging the 21st Century Workforce*, Deloitte University Press, 2014.

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## APPENDIX: QUICK-START GUIDE TO DEVELOP EMERGING LEADERS

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This quick-start guide offers concrete ways to accelerate development of your emerging leaders.

### □ ENGAGE EMERGING LEADERS TO SOLVE BUSINESS PROBLEMS.

Action-learning engages emerging leaders in solving real-life organizational challenges. This helps them quickly develop and apply new skills while benefiting their organizations at the same time. For instance, ask an emerging leader to lead or participate in a project that focuses on improving **employee engagement**, improving an inefficient process, or designing a technical training program for new hires. In the process, that leader will strengthen skills such as systems thinking, problem solving, financial acumen, change management, etc.

### □ CREATE OPPORTUNITIES FOR EXPERIMENTAL, ON-THE-JOB LEARNING.

Emerging leaders like to be stretched. This is particularly true for top talent. Organizations can attract and foster top talent by providing an environment in which leaders can **experiment and grow**. Give your emerging leaders a challenging assignment that falls within their capabilities, for example: leading a global, cross-cultural work group, managing a large-scale organizational change initiative, or overseeing a high-pressure assignment with visibility to senior leaders.

### □ USE GROUP COACHING SO LEADERS CAN LEARN FROM ONE ANOTHER.

**Group coaching** gives leaders a shared experience and the opportunity to work together and support each other in accomplishing their goals. In group coaching, the participants take a more active role in leading group discussions (through rotational leadership), while the coach provides support and assistance as needed. Group coaching participants could include intact teams that want to improve the way they work together or newly promoted leaders who can learn and benefit from other new leaders' experiences.

### □ ENCOURAGE INFORMAL MENTORING TO WORK ON JUST-IN-TIME CHALLENGES AND BROADEN EXPOSURE.

What is **mentoring**? Simply stated, it's when experienced leaders share their knowledge with new or emerging leaders. Mentoring programs should be tailored to address the specific needs of the business and emerging leaders. For instance, a mentoring program could match first-time leaders with high-performing leaders at their same level, match high-potential emerging leaders with mentors one or two levels up, or pair an emerging leader with a near-retirement team member for knowledge transfer (multi-generational mentoring).

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