

## Finding hidden leaders

Organizations should learn to hunt, fish, and trawl for the best talent.

*by Kevin Lane, Alexia Larmaraud, and Emily Yueh*

**Searching for the next generation** of business leaders represents one of the biggest headaches for any organization.<sup>1</sup> Most, in our experience, rely on development programs that rotate visible high fliers, emphasizing the importance of leadership attributes such as integrity, collaboration, a results-driven orientation, and customer-oriented behavior. Many, understandably, also look outside the organization to fill key roles despite the costs and potential risks of hiring cultural misfits.

Far fewer, though, scan systematically for the hidden talent that often lurks unnoticed within their own corporate ranks. Sometimes those overlooked leaders remain invisible because of gender, racial, or other biases. Others may have unconventional backgrounds, be reluctant to put themselves forward, or have fallen off (or steered clear of) the standard development path. Regardless of the cause, it's a wasted opportunity when good leaders are overlooked, and it can leave individuals feeling alienated and demotivated.

To identify promising candidates for promotion who are not on the list of usual suspects, companies need to apply more rigor and better tools than many currently use. Proactive efforts are the key—think “hunting” as opposed to “harvesting” those who present themselves. In this article, we describe the causes of the hidden-leader problem in more detail and propose a few techniques for addressing it. Some are technology enabled. And

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<sup>1</sup> Amy Lui Abel et al., *The state of human capital 2012: False summit: Why the human capital function still has far to go*, the Conference Board and McKinsey & Company, October 2012, McKinsey.com.

all are grounded in real-world experience like that of the global head of organizational development and talent management at one of the world's leading pharmaceutical companies, who told us recently, "We have increasingly been thinking about how to tap into our hidden leaders so as to unleash the full potential of the organization in a more systematic way."

The rewards can be significant. Expanding a company's leadership capacity is not only valuable in itself; it can be inspirational for the hidden leaders who are elevated and for those around them, bringing further benefits. As that same pharmaceutical-company executive observed, "Inspired employees are productive employees."

### **WHY LEADERS STAY HIDDEN**

Most organizations we know have more leadership power within their ranks than they recognize. Some individuals quickly acquire reputations as rising stars and move up the ranks as if in a self-fulfilling prophecy. Others, for a variety of reasons, may miss the fast track. Some of these eventually leave in search of new pastures, while others stay behind, without ever reaching their full potential. Either way, the skills, knowledge, and energy they could bring to the company are lost. In our experience, there are three common reasons why leaders get overlooked, none of them easily overcome by the leadership-harvesting approaches prevalent at many organizations.

#### **Persistent challenges**

The first explanation is size: in large organizations, it's easy for hidden talent to stay hidden or be drowned out by the noise of complex organizational processes. They could be in a business unit far from the corporate center or in a backroom job away from the action. They might be quiet and reluctant to push themselves forward, eclipsed by more forceful personalities. Yet they may perform exceptionally well in their jobs, collaborate effectively with colleagues, have extensive networks across the organization, or carry informal influence among their peers. In short, they are showing signs of leadership potential, but it remains untapped because they are shielded from senior managers.

Another reason why promising future leaders go unnoticed is bias in the selection process. As Sylvia Ann Hewlett, Carolyn Buck Luce, and Cornel West have shown,<sup>2</sup> bias can be consciously or unconsciously based on race, ethnicity, or gender, or on age, when older employees are seen as past their

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<sup>2</sup> Sylvia Ann Hewlett, Carolyn Buck Luce, and Cornel West, "Leadership in your midst: Tapping the hidden strengths of minority executives," *Harvard Business Review*, November 2005, hbr.org.

prime. A language “deficit,” or even a strong accent, has been known to cause people in global organizations to be penalized, as has a failure to fit conventional cultural norms. Sometimes it might be merely a one-off bad experience on a project that taints a high-potential employee’s reputation. Or it could happen to someone who steps off the conventional path for personal reasons—for example, to have a child or care for an ill family member. Managers in most organizations, notwithstanding efforts to encourage diversity and inclusion, still tend to recognize, reward, and promote people who look and behave like them and who have followed similar paths, while neglecting others whose leadership potential may be equally impressive.

Finally, there is the problem of the narrow top-down lens that senior leaders often use when looking for leadership talent. Underlying this is the mistaken assumption that only those at the top of the organization know what great leadership looks like, or a narrow focus on leadership contexts specific to the organization and the particular role. This can crowd out other perspectives, such as what individuals have achieved outside the company or what people lower down in the organization see as examples of effective leadership. A narrow lens can also interact in subtle ways with bias, as was the case for the executive at a large technology company who found it difficult to understand why a female manager wasn’t seizing more opportunities to “demo” the company’s products at major events as he and other senior leaders had done during their rise up the ranks.

### **Disappointing harvests**

Overcoming the obstacles of size, bias, and narrow lens is a management challenge of the first order. In our experience, the most common means of finding leaders in large organizations—what we call harvesting—is not up to the task. Harvesting assumes that the best, often with some help, will organically rise to prominence and can then be plucked and placed into leadership roles. There are many varieties of harvesting, but it essentially involves planting talented “seeds”—new hires—in the organization, giving them increasingly demanding tasks, providing training and support as they develop, allowing them opportunities to demonstrate their abilities, and choosing the best performers for the senior roles. Managers who do this best invest a large amount of time and energy in cultivation activities. There is a lot of value in this, and harvesting should remain a vital part of developing and selecting. But it does little to unearth hidden talent, because hidden talent, by its nature, includes individuals who for some reason are not on the standard advancement path and thus remain invisible to those relying on conventional processes.

## HOW TO SPOT YOUR HIDDEN LEADERS

Finding employees with the qualities to be tomorrow’s leaders requires more than harvesting talent and should include what we call “hunting,” “fishing,” and “trawling” (exhibit). These approaches are more proactive and involve, for example, turning over more stones than usual, encouraging leaders to identify themselves, and finding new ways to tap into the environments where people live and work.

Exhibit

### Traditional cultivation of leaders

#### Harvesting

**Assume that the best**, with some care and support, will rise to the top, where they can be plucked and placed into leadership roles.



### New ways to find hidden leaders

#### Hunting



**Seek out promising individuals** from among those who don’t normally make the short list and cultivate them to take on leadership challenges.

#### Fishing



**Use bait**—ie, awards for people who demonstrate specific skills or competitions to root out unsung talent.

#### Trawling



**Dig into the work environment** of employees to uncover skills you can’t see by looking top-down.

## Hunting

When potential leaders refrain from identifying themselves or fail to follow a conventional path up the organizational ladder, companies have to look actively for them. One simple but effective approach is for managers explicitly to scan for promising individuals in their unit who are not currently on a list of high potentials. This forces them to shed at least some of their existing biases. It can pay to be specific—targeting, say, people who have demonstrated strong performance in a particular area. Once they have been identified, the next step is to devise a tailored approach for developing them. For example, a division leader at a global industrial-products company, when shown an all-male slate of potential leaders, sent managers back to their departments with an explicit mandate to discuss leadership opportunities with female employees, an exercise that produced several high-quality leaders who had not been recognized before. At a Chinese bank, senior leaders conducted a systematic review of all employees against key characteristics and leadership potential to match their compatibility with open positions and forced a ranking for each position. That effort helped the bank identify both hidden and more established leaders.

Technology increasingly supports a hunting mentality. Many personnel databases are sufficiently robust to enable scans of employees' educational and training background, their work history, and leadership experiences outside the organization. Patterns often emerge, such as people with solid credentials who had a bad experience and never recovered, people who had a strong start but did not continue to grow, people with skills that have not been recognized or applied in the organization, or people adversely affected by the experience of working with a particular manager or in a particular part of the organization.

Google has led the way in using data to understand leader and team performance and to apply those lessons to identify and develop capable leaders. Over time, as sophisticated people analytics go mainstream, all organizations will be able to hunt more effectively. In the meantime, if existing databases won't support strong pattern identification, there are work-arounds. A European bank we know is contemplating asking its employees for a waiver to access social-media data so as to better populate their HR database, which is currently of such poor quality that it cannot hunt for hidden talent.

## Fishing

If hunting is about proactively using new approaches to seek out hidden leaders, fishing involves using “bait” that encourages them to identify themselves. One idea we've seen work is to offer awards for atypical

performance such as innovation or quality control. Awards for inspirational leadership (designed specifically for people who are not in formal leadership roles), for problem-solving skills (restricted to nonmanagers), or for global collaboration are all ways to root out unsung talent.

After years of rapid growth and a harvesting approach to leadership selection, LinkedIn discovered that it was promoting people with highly similar profiles. Earlier this year, it launched its Quiet Ambassadors program to help identify introverted leaders who do not fit the typical profile harvesters had been looking for in the past. While conventional wisdom has often associated extroversion with leadership skills, we know that quiet leaders can be equally effective. Highlighting these less common characteristics, along with the special recognition, encouraged introverts at LinkedIn to raise their hands. With the success of its first pilot, the company is rolling out the program more broadly in 2017.

Adecco, the global workforce-solutions provider, has been running its CEO for One Month program since 2011, initially at the local level and globally since 2014. The program offers work-based training opportunities for young people as the best way to help them boost their employability and step onto the career ladder. It soon revealed itself to be a great system to fish for hidden leaders outside the company, but the approach could work equally well to target an internal audience. In 2016, CEO for One Month elicited more than 54,000 applications, many of them highly talented young people. Regional selected candidates shadowed the Adecco country managers for a month, while the global CEO for One Month shadowed Adecco's CEO, Alain Dehaze. The program has proven to be a gateway to future professional success, becoming also a highly successful talent-acquisition model, with several candidates hired at the local and group level.

Successful fishing depends on choosing the right bait, knowing what leadership attributes are needed, and designing a program accordingly. It's counterproductive to arouse the expectations of leadership candidates only to discover that they don't meet the company's needs.

## Trawling

A third way to spot hidden talent is to dig more deeply and more broadly into employees' work environments—something we call “trawling.” Doing this assumes that leadership capabilities are sometimes more apparent to peers and subordinates than to those at the top of the hierarchy. A low-tech approach, crowdsourcing at its most basic, is to ask people within the organization to nominate colleagues who have particular talents, then

interview those nominated so as to find out more about their potential leadership strengths.

A more sophisticated approach uses social-network analysis to draw an accurate portrait of the real social networks within organizations, which tend to be quite different from the formal roles and processes written down on the organization chart. Some companies use employee surveys to determine which individuals play vital and influential roles in helping the organization to function effectively, regardless of their official positions. Once leaders know who these people are, they can assess their broader potential. After a merger, the executives of one global consumer-goods company provided data on their interactions with colleagues, such as who they contacted for which purpose, who provided the support they needed, and who inspired them in their daily work. The analysis revealed “super connectors” scattered across the organization who did things differently, such as participating in activities outside work, listening carefully, helping others, and networking externally.

Social-network analysis with “snowball sampling” (two- to three-minute surveys that ask participants to identify others who should take part in the research) is also a tool that can identify people most likely to catalyze—or sabotage—organizational change.<sup>3</sup>

An American company that recently acquired a Japanese medical-devices business used a form of trawling to help determine what talent to retain from the target enterprise. It asked everyone to select up to ten people they trust and respect. The list of influencers identified in the survey was cross-referenced with annual review scores and sales performance (for sales reps). The positive influencers, some of whom had been under the radar previously, were offered leadership roles in the new organization.

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Nothing here is intended to replace the foundational work of leadership development—notably a well-defined leadership model, widely adopted performance-management systems, and the support, feedback, development opportunities, training, leadership coaching, encouragement, and difficult conversations that great leaders bring to their roles. The three approaches

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<sup>3</sup> Lili Duan, Emily Sheeren, and Leigh M. Weiss, “Tapping the power of hidden influencers,” *McKinsey Quarterly*, March 2014, McKinsey.com.

suggested here—hunting, fishing, and trawling—should augment those existing activities and can be used in conjunction with one another or independently. Organizational leaders will first want to consider what is culturally acceptable and technologically feasible and should test different approaches and refine them as they learn.

By acknowledging that overlooked leaders can be identified through more proactive efforts, executives should be able to reshape their leadership culture, increase the available talent, save on recruiting costs, and raise retention rates. Higher levels of engagement, greater entrepreneurialism, and a more inclusive culture are less quantifiable but no less valuable benefits. 

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