sparkChief

A New Diagnostic
TO HELP DISCOVER THE RIGHT TALENT

Hidden Cost
OF WEAK LEADERSHIP

the awareness issue
OUTPERFORMANCE THROUGH BETTER ALIGNMENT
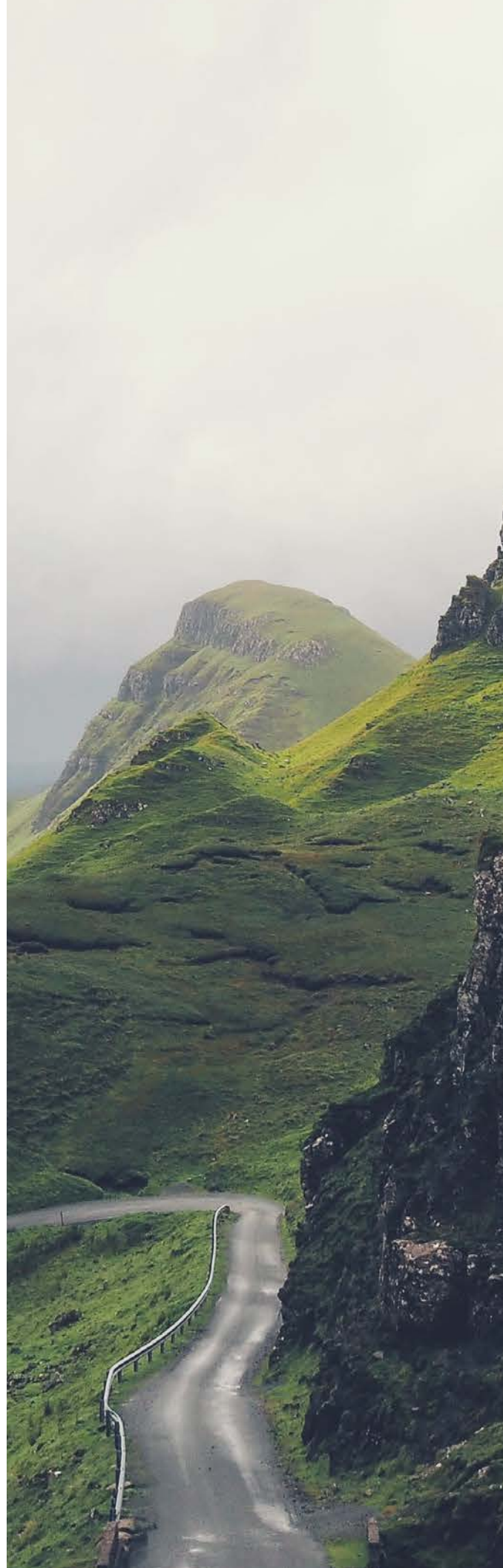
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editorial

VIRGINIA MCMORROW

On behalf of the Executive Management team of sparkChief & Co., welcome to the inaugural issue of the sparkChief newsletter!

The first article of this initial issue explores the need for -- and benefits of -- a new algorithm to support the search for fulfilment and self-awareness on the part of both individuals and organisations. With the right technology, time is saved, expenses are reduced, and decisions based on true information. sparkChief is that algorithm -- the tool that can help bring meaning to one's life and momentum to one's dreams.

The second article discusses the hidden costs of weak leadership -- not only in one's personal endeavors but also efforts undertaken by corporations and other organisations. Complacency is prevalent, and mediocrity accepted. Without acknowledging this trend and then eliminating (or, at least reducing) these expenditures, growth and advancement will ultimately become flat, if not nonexistent over time. The message is simple: To move forward and be innovative, we must empower ourselves to lead, create, and contribute. sparkChief offers the first step along that lifelong journey!

If more of us valued transparency and cheered personal leadership, it would be a happier world.

A MESSAGE FROM
THE SPARKCHIEF TEAM

A New Diagnostic to Help Discover the Right Talent

BOOSTING BUSINESS
PERFORMANCE THROUGH
RELEVANT ENGAGEMENT

The corporate world spends billions of dollars and countless hours every year to recruit qualified employees, despite sometimes-disappointing success rates not only in hiring but also retaining key staff. According to research from Bersin by Deloitte, U.S. companies spend nearly three times the amount on recruiting efforts than they do on training per employee. The most mature recruiting organisations – defined as those considered strategic enablers of the business – spend $6,465 per employee, on average, compared with only $3,258 among organisations at the lowest level of maturity with reactive, tactical recruiting. But, according to the research, the investment is worth it: High-impact organisations have 40% lower new-hire turnover and can fill vacancies 20% faster.

With regards to timing, the 2016 MRINetwork Recruiter and Employer Sentiment Study offered another perspective. Candidates who rejected an offer pointed the finger at employer mistakes: Companies do not streamline their hiring practices to avoid their best candidates accepting another offer. Such companies also do not fully understand the target candidates' most important priorities, thereby losing them to the competition. The report cited the time for extending job offers as three to six weeks from the candidate's first interview, a shift from one to four weeks reported in the second half of 2015.

Faced with increasing expenditures of time and money, which ultimately impact the company's bottom line, employers need proactive and efficient alternatives.

TECHNOLOGY AS A WORKABLE SOLUTION

Overwhelmed by mountains of candidate submissions from unqualified people, as well as internal pressure to fill job vacancies, the result is not surprising: Time is wasted, money is ill spent, and fallible decisions are made. This archaic process almost guarantees that

- Time spent in preparing the job search, writing advertisements, conducting candidate interviews, evaluating meeting results, making and negotiating offers, and filling out paperwork

- Money wasted on advertisements, agency fees, external posting websites, new hire sign-on bonuses (if turnover is high), and relocating key candidates (if necessary)

- Management dissatisfaction with loss of productivity, inefficient output, and decline in potential business and company performance when a job is vacant too long or another employee (unfamiliar with the job responsibilities and unhappy with an added workload) is temporarily filling in

- Unqualified applicants responding to advertisements and overwhelming hard-pressed (and too few) HR staff who may make subjective judgment calls simply to fill another vacancy

- Displeased shareholders if the overall performance of the company falls off

THE PROBLEM: TRADITIONAL RECRUITING METHOD

people "who know people" are the only candidates being hired – whether or not the match is a good fit. Company policies that compensate for employee referrals encourage this outcome. Although employee references may (and, hopefully, should) prove advantageous, the risk of presenting individuals with the wrong skills and experience can lead to potential trouble down the road if the referral does not work out to the manager's expectations.

In a typical situation, while the hiring process drags on for weeks, some negative repercussions are possible (see sidebar on top).

Algorithms, or formulas, that are capable of discovering the right combination of talent and skill amid overwhelming numbers of applicants can change that end result, potentially minimising the risk factors of employing the wrong person. After all, hiring is often a throw of the dice –and the pairing of individual with organisation may very well prove unprofitable and unproductive for either or both parties if not carried out in an objective, rational manner.

One promising solution to HR's dilemma is sparkChief ™, an innovative diagnostic tool that analyses the background and potential of candidates, offering a genuine spark of hope for both job seekers and employers. The algorithm, on which the tool is based, encompasses a set of criteria to examine the underlying current understanding and status of a person's progress towards fulfilling his or her goals. More important, for a minimal fee, the system has the capability to match an individual with a hiring company in minutes, so that job seekers can receive job offers within 24 hours after inputting their information into sparkChief ™'s database. Time and money well spent when one considers the wasteful extravagance of the traditional recruiting process.

People "who know people" are the only candidates being hired.

WHY THE ALGORITHM WORKS

The science behind sparkChief ™'s algorithms, called "advanced personal progress scanning" (APPS), separates the core factors that form the foundation of a candidate's career and aspirations. It quantitatively considers the individual's overall personal progress – resulting in a user-friendly model built upon the data captured by the software. The tool does not merely match similar words in a person's cv/resume with a company's position description. Instead, it goes beyond a simplistic "search and find" function to analyse the person's experience and potentials. By comparing candidate results to detailed job profiles submitted by employers in a measurable, rather than subjective, manner, it enhances the ability of the typical recruiter to make optimal pairings quickly and inexpensively.

sparkChief ™'s algorithm may prove to be the solution that today's employers and job seekers need, transforming the recruiting process from a foggy territory to a practical reality.

THE ANSWER: SPARKCHIEF™

- Only qualified candidates are considered, as appropriate individuals find the best job position, resulting in more time spent on the right people.

- Better focus is placed on suitable talent without "settling" for an unqualified candidate, simply to fill the vacancy.

- HR processes work with improved efficiency, bypassing the need to bring in more recruiting staff (who, in turn, would result in higher employee-related costs for compensation and benefits).

- The recruiting and hiring process demonstrates increased objectivity, measurability, reliability, and transparency – resulting in improved credibility to all stakeholders.

- Less money is spent on advertisements, agency fees, and repetitive sign-on bonuses.

Faced with increasing expenditures of time and money, which ultimately impact the company's bottom line, employers need proactive and efficient alternatives.

Improved business performance comes through hiring highly engaged employees.

When searching for key staff, corporations of all sizes, non-profit organisations, government institutions, and nongovernment organisations in different industries and world regions look for a certain kind of talent, actual experience, and specific skills. Recruiters attempt to fill vacancies, created by either new jobs or turnover when previous candidates fail to perform. Hiring the wrong person will only increase recruiting costs (to replace the unsuccessful employee) and training costs to bring the new employee up to speed. Consequently, if the right candidate is hired (with appropriate skills) the first time and recruiting costs lowered, training costs should be minimal, too, along with other benefits (see sidebar on page 3).

Businesses depend on finding the right person for the right job in the right place and at the right time. If successful, sparkChief ™ opens the possibility of revolutionising the recruitment process by transforming traditional hiring and career planning into a scientific, efficient, and effective strategy.

From the individual's perspective, having skills and a high potential without access to right opportunities is worthless. sparkChief ™ allows talent – often lost in the crowd, unknown and unrecognised – to come to the attention of employers. As it helps HR sift through thousands of candidate applications to find the best person who can make a positive contribution to the company's bottom line, sparkChief ™ simultaneously advances the individual's career.

From the company's perspective, finding the right talent can boost the success rate of the recruiting function, reduce employee-related costs, significantly improve business performance through hiring engaged and motivated employees, and boost the company's long-term viability in an ever-competitive marketplace.

sparkChief ™'s diagnostic tool can sort the right candidates from the wrong ones, allowing a company to

swiftly find the the individual who represents the best fit – not merely comes close to – the specifications of the job posting.

PARTNERING TO REACH THE SAME GOAL

While the reasons for using such a tool are persuasive, particularly for job seekers, recruiters might very well balk at implementing such a system, viewing the technology as a threat to their own jobs. It is all about perspective. If the tool could result in better use of recruiting dollars, more efficient expenditure of time, and a cadre of qualified candidates, it can prove to be a win-win solution.

The human factor will always be a participant in the hiring process. The algorithm can only work if candidates provide accurate data and remain true to themselves about their skills and their requirements, and recruiters exercise discretion and judgment. As time goes on, with the expansion of sparkChief ™'s client base, more and more employers will acknowledge the advantages of

adding a quantitative method to their subjective recruiting process. Not only is it common sense, but it is also simply a matter of time.
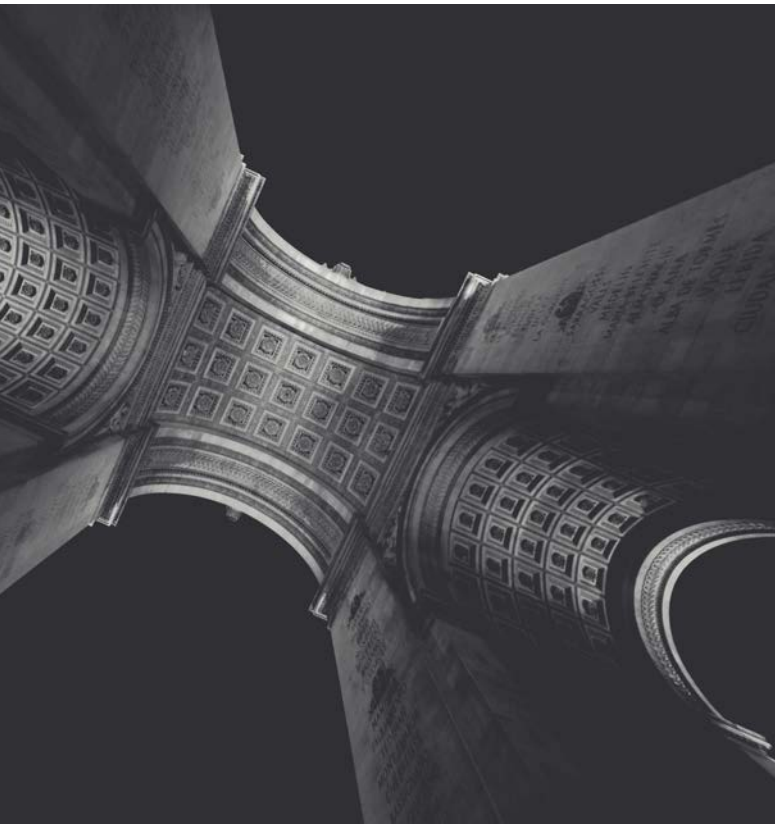
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If you cannot lead yourself, then there is no way you can claim that you can lead others.

Why CEOs Need to Pay More Attention to the True Cost of Weak Leadership

THE HIDDEN COST OF DISENGAGEMENT

The definition of leadership in modern origination has evolved over the last 20 years, becoming very exclusive rather than inclusive. Merriam-Webster's traditional meaning is "a position as a leader of a group, organization, etc. ... the power or ability to lead other people." In line with that definition, 91% of respondents to the Millennial Leadership Study, conducted by WorkplaceTrends.com and Virtuali, aspire to be a leader. While almost half of the millennials queried define leadership as "empowering others to succeed," 43% said their biggest motivator to be a leader was to empower others.

These noble sentiments, however, miss a critical point. Every person is, or should be, his or her own leader. Believing that only a few qualified people have the right to be a leader is inherently incorrect. To be a responsible family member, community member, citizen, employee, colleague, business manager, or executive, every individual must be a personal leader. If they are not, how can people claim to lead others?

Understanding that one should not seek leadership in others is the starting point to truly strive toward having a better family, community, society, organisation, corporation, and nation.

Should the status quo change with a new definition of leadership, consider the tremendous responsibility it would place on the shoulders of parents, community leaders, government officials, corporate shareholders, and executives. Nevertheless, this key transformation should be a top priority. If ignored, weak leadership in any endeavor has the potential to rapidly consume our natural, human, and financial resources.

This reinvented definition is urgent, vital, and the most important ingredient to achieving fulfillment and success in our personal lives, communities, societies, and organisations. Every passing day is lost to mediocracy, unhappiness, inefficiency, conflict, untapped human effort, and underperforming organisations. Without individuals accepting the challenge to take the lead on a

Our understanding of outperformance has shaped into some sort of magic.

personal level, no sustainable solution exists to our diverse problems.

THE PROBLEM WITH THE STATUS QUO

Companies around the globe are experiencing a growing talent gap at the executive level. According to the Global Workforce Leadership Survey conducted by Saba and WorkplaceTrends.com, 46% of respondents said that leadership was the skill that was the most difficult to find in their workforce. In fact, only one-third (36%) listed leadership as an existing skill in their organisations.

An analysis of responses by U.S. businesses and HR leaders to a 2016 global study by the Hay Group division of Korn Ferry showed a critical need to improve leadership development initiatives. Although U.S. respondents made up nearly one-third of the 7,500 global respondents, their answers generally mirrored responses from other world regions. "The best thought-out business strategy will fail miserably if the leaders within an organization don't have the skills to make it come to fruition," said Dennis Baltzley, senior client partner and global head of leadership development solutions for Korn Ferry Hay Group. The study found that only:

- 17% were confident they have the right leadership capabilities in place to execute on strategy.

- 18% were confident that their leadership team demonstrated the behaviors needed to successfully deliver on strategic business priorities.

Such studies point to the problem with today's status quo. Unfortunately, the majority of people have defaulted to average performance in many aspects of their lives. At the very best, people appear to be content with mediocre activity and results in every plan they put forward. We convince each other that if our peers are similar to us, then that should be the norm. How could we even think of doing better?

THE REAL MEANING OF PERFORMANCE PLUS

Optimal performance is about maximum return, whether financial, personal, or societal. Maximum return is not about what peers or the market holds that one can achieve – for example, 3% to 5% annual growth (although with today's norms, these numbers are considered great) or beating peers or the market by another 3% or 5% - which is a mediocre thought. Maximum return is about significant outperformance, about multiples, never a small percentage differential.

Our understanding of outperformance has shaped into some sort of magic. We seek only science in the tangible world and call the intangible world an art form that is difficult to measure. We shy away from the unknown without bothering to explore what is possible. Because of this lack of personal leadership – combined with our acceptance of average outcomes – the problems and difficulties we face continue to accumulate. This approach, or thinking by default, breeds mediocrity.

Over the last 20 years, this backward thinking has prevailed as we become content with our future, encouraging the emergence of disengaged family members, community members, citizens, employees, and executives. The conclusion? Nobody cares. This dangerous thinking carries an enormous price tag, a cost hidden from corporate or government income statements and balance sheets.

THE ROOT CAUSE OF THE PROBLEM

In a nutshell, the root cause of the status quo comes down to these factors: our misconceived incentive philosophy combined with weak leadership bred by this misalignment in our families, communities, organisations, and governments.

The most critical question every CEO needs to ask, regardless of organisational type or size, is how do we want our incentive philosophy to work? Incentive philosophy is not about how a company rewards its people. Rather, it is about knowing how your people should work to achieve a shared outcome. If managers do not deeply understand why and how their people work within an organised structure, then managers can do anything they want, yet still not achieve optimal performance.

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"We are all crazy about the reward pill and use it like Aspirin."

ENGAGING THE DISENGAGED

To achieve optimal results, it is clear that employees who are motivated and engaged have a strong connection to an organisation's productivity, profitability, and viability as a player in the market. According to a recent Gallup survey, only 32% of employees are engaged at work, with 50.8% not engaged. In fact, engagement statistics have been flat for the past 15 years. These appalling statistics indicate a misalignment throughout the corporate world brought about by misalignment of incentives. What use are incentives if they do not work? Companies that outperform significantly better align their incentive philosophy than those that perform or underperform – an amazingly efficient approach to outperformance.

There appears to be more to outperformance than simply offering rewards to deserving individuals, although rewards remain a very important tool to support motivation to achieve results.

That said, however, it is long past time for managers to resist using their favorite medicine to solve difficult problems: the "reward pill."

Companies dole out this particular medication as pharmacists distribute Aspirin for various ills, including headache, stomach ache, and blood thinning. In organisational terms, the reward pill seeks to resolve promotion, retention, and hiring issues. But remember, in neither health care nor employee care, the pill is not a cure; it only eliminates the symptoms. In fact, one should not even need to take a pill if the root cause of the problem is effectively addressed.

THE GAP BETWEEN PERSONAL AND ORGANISATIONAL GOALS

The truth behind underperformance and misalignment of incentives/rewards lies in the misalignment of personal and organisational goals. If one is not clear about personal goals in life, it becomes difficult to discuss

What has become the norm of mediocre outcomes and outlooks no longer serves all stakeholders

shared goals between an individual and the organisation to which the person belongs.

Thus, we needlessly consume resources (personal or corporate) when individuals work for the wrong organisation or managers hire the wrong person to achieve a set of specific objectives for the organization. Mountains of submissions from unqualified candidates overwhelm business managers and HR staff, waste time and money, and often lead to bad decisions. The search for hidden talent, particularly in leadership positions, can uncover the leaders – the individuals who lead themselves, as well as possess the capability to lead others – through the use of technology that can align individuals' skills and desires and vision with what a company really wants and needs to go boldly into the future.

What has become the norm of mediocre outcomes and outlooks no longer serves all stakeholders (shareholders, employees, employers, governments, and other partners

we work with to generate value). While it benefits an exclusive few individuals who have become professional experts who think of value creation only as a personal endeavor to lead others, CEOs should not allow this breed to prosper at the cost of all other stakeholders. Shareholders and boards should make CEOs accountable for hiring only the leaders who share this new vision of the future organisation. It is only then that we will have a chance to change and improve – by finding and cultivating talent who can take charge of their own growth while empowering others to achieve shared goals.

THE STORM AND ITS AFTERMATH

Complacency prevails. To change the interpretation of leadership to effectively nurture the right individuals requires open-mindedness and courage. Rarely do people happily accept change, and this new thinking will be transformational, arriving like an unwelcome storm. But after the winds die down and the sun reappears, we will rebuild as we always do, relying on the human need to move forward.

The result will be worthwhile. Organisations will survive longer and succeed far better than those of prior years, which have often faded into oblivion. And individuals will be more successful in their ability to lead fulfilling personal and career lives, while encouraging others to join in a united effort to better themselves and the organisations with which they interact.

About the Author: Ali Kursun is a Senior Consultant at sparkChief , a consulting firm offering online personal and organisational development diagnostic tools.

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BRINGS MEANING TO YOUR LIFE
AND MOMENTUM TO YOUR DREAMS

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