

### Introduction

An organisation's greatest assets are its people's strengths. But these assets are not well understood or managed.

Strength is a pre-existing capacity for a particular way of behaving, thinking or feeling that enables optimal functioning or performance and is authentic and energising to the user. Everyone has strengths. But not everyone is clear about what their strengths are and how to capitalise on them. Critically for organisations, neither are their managers.

The strengths perspective points to a clear and natural route to enhancing the contribution and engagement of employees. It also promises to make the complex and often neglected task of people management significantly easier and more attractive.

### Pressing challenges for people management

In addition to their own specific strategic and operational challenges, organisations are required to recruit, manage and retain people in an increasingly complex and competitive employment market. With changing demographics and rapid social change come skills shortages and a more diverse and demanding workforce. At the same time, market and technological change demand unprecedented agility of organisations and flexibility of their employees.

In this context talent management and employee engagement have reached the top of many management agendas and the resulting reports have, for many, not made happy reading. Recent research from CIPD has established that 85% of UK organisations experience difficulties recruiting employees; nearly half believe there is currently a shortage of high quality talent. Meanwhile only 3 in 10 employees are engaged with their work and - of particular concern for the recruitment of new talent - levels of engagement among the under-35s are significantly lower than those in older age groups.

Few HR practitioners disagree that well-designed talent management activities can have a positive impact on an organisation's bottom line, but only half report undertaking any form of talent management activity. This may be explained, in part, by a lack of clarity about what talent and talent management are. In the UK, only 20% of organisations have any formal definition of talent management. And where talent management is practiced, it tends to focus on a small subset of the workforce. This narrow definition of talent (or limited ambition for talent management) leaves 'hidden value' unexploited and too many employees disengaged and unfulfilled.

Senior executives see a crisis at middle management level. A survey by Hay Group reveals the startling finding that 40% of senior business leaders believe middle management to be the single greatest barrier to their organisation achieving its objectives, pointing particularly to lack of skill and ability in leading teams and failure to address under performance. For their part, middle managers feel left out on a limb, without the training, career development and feedback they need to drive performance improvements. Half of middle managers believe that their leaders have ineffective leadership styles and poor leadership competencies. Given these findings, it is perhaps unsurprising that UK employees are generally unhappy both with the way they are managed and with the senior leadership of their organisations.

### An opportunity for competitive advantage

There appears to be a gap between the rhetoric of HR management and the reality of people management practice: few organisations act as if people were their most important assets. As long as that is the case, there is a great opportunity for competitive advantage among those that do. Increasingly, organisations realise that their best chance of gaining sustained competitive advantage is through the contribution of their people. Few understand that the way to maximise that contribution is to identify, harness and develop the strengths of their employees.

Simply put,  
strengths  
energise people  
enabling them to  
be at their best

**Research shows that by building on strengths an organisation will:**

- 1 **Tap into unused talent throughout the organisation:** To the extent that the strengths of employees are not being harnessed, there is untapped talent and energy in the organisation. Much time and resource is spent in attempting to improve performance, but little of that is directed at getting the best out of people.
- 2 **Attract and retain more of the people it needs:** People like to use their strengths: doing so reinforces and re-energises them. A strengths-based organisation will be more attractive in the employment market, especially to Generation Y. Without the opportunity to use their abilities, many people leave.
- 3 **Improve individual performance:** Individual performance is significantly improved by a focus on strengths, and undermined by a focus on rectifying weaknesses. The traditional approach of molding individuals to jobs and focusing development effort on correcting weaknesses have proved unsuccessful.
- 4 **Build employee engagement:** Use of strengths is one of the key drivers of employee engagement, which itself is linked to improved employee retention, discretionary effort, quality, customer satisfaction and loyalty, sales, profitability, shareholder return and business growth.
- 5 **Develop flexibility:** Selected and deployed on the basis of strengths - less on the basis of what they 'have done', and more on the basis of what they 'could do' in a variety of future roles - employees are more willing and able to accept changes in role and organisation.
- 6 **Improve teamwork:** A focus on strengths in teams allows for the efficient allocation of tasks and, with greater role flexibility, encourages co-operation. The positive emotions generated by the use of strengths enable social integration.
- 7 **Increase diversity and positive inclusion:** An understanding of strengths encourages people to value difference. The person who appears so alien to me has a vital role to play and may absolve me from my non preferred tasks. Teams made up of people who differ tend to be more creative and to perform better.
- 8 **Increase openness to change and the ability to deal with change:** The use of strengths generates positive emotions which facilitate performance by broadening people's mind sets, encouraging them to discover new ways of thinking and acting, building resilience and the ability to deal with the after-effects of negative events.
- 9 **Deal more positively with redundancy:** A strengths perspective supports the understanding of redundancy as a mismatch, rather than an absence, of talent. A redundant employee leaving with a better knowledge of themselves and what they do best is more likely to find work that suits him or her in the future.
- 10 **Contribute to the happiness and fulfilment of employees:** Apart from being more likely to achieve their goals, people who use their strengths experience higher levels of energy, well-being and authenticity (the sense that I am being who I am, rather than living a life that isn't mine). This combination of organisational and individual benefits offers the possibility of a powerful double win and with it the opportunity to create a high performance workplace in which engaged and satisfied employees consistently give of their best.