



THE EVAPORATING TALENT POOL

Are You Prepared For The Leadership Drought?

JANUARY 1, 2006

The Evaporating Talent Pool Are You Prepared For The Leadership Drought?

By Andrew L. Thorn



About the Author: Andrew Thorn is the Editor of *Total Commitment* a monthly newsletter dedicated to helping successful leaders grow and improve their leadership skills with over 1500 subscribers. Andrew is also the President and Founder of **Telios Corporation** an organization devoted to accelerating leadership development. Telios Corporation uses assessment, coaching and training to implement innovative strategies designed to accelerate the development of individuals, teams and organizations.

A serious evaporation of leadership talent is plaguing the corporate world. The unavailability of enough qualified people to fill rising leadership vacancies is significantly impacting the ability to achieve business goals. Leaders who know how to lead are in short supply.

The gap is widening between the leadership skills possessed by the employees of today's organizations and those needed to successfully lead through the complex challenges of tomorrow. Many organizations hope they can remain competitive despite escalating turnover. Others hope fortune will smile upon them and influence the "peak performers" now employed by their competitors to come and fill the leadership void. Leadership development takes time, patience and persistence. Those that do it effectively enjoy a significant competitive advantage. Those that don't are certain to face disastrous consequences.

Creators of corporate strategy understand the impact of leadership on performance and profitability, yet leadership development initiatives often remain on the periphery of an organization's strategic agenda. Despite a huge investment of over 50 billion dollars by US Corporations in 2005, very few leadership development initiatives lived up to the promise of delivering a leadership base ready to take the helm.

It has never been more important than it is right now to accelerate your leadership development strategies. Montgomery Wards is just one recent example of how failure to provide trusted leadership resulted in the demise of an industry giant. Many industry leaders are teetering on the edge of extinction. How will you survive this epidemic?

In the pages that follow, credible research data confirms the emerging leadership drought. In addition, the successful characteristics and pitfalls found in most leadership development programs are identified. Careful alignment of training initiatives with organizational goals will insure your development strategies flourish during the crisis ahead.

"In the U.S. today, there is a shortage of prepared applicants ready to assume significant leadership positions in the communities where leadership is most needed"

Annie E. Casey Foundation

Where Will Your Future Leaders Come From?

A major contributor to this crisis is the growing labor shortage created by our aging and retiring work force. Analysis from the U.S. Bureau of Labor Statistics indicates that in 2011 there will be 168 million jobs in our economy, but only 158 million workers.

U.S. Census data helps illustrate the severity of the problem:

- Currently there are approximately 45 million Americans between the ages of 35 and 44. This is the age group companies typically look to for new senior leaders;

However

- There are only 37 million people between the ages of 25 and 34, who will be in the target range in 10 years

This data is not new, yet very few companies are even thinking about how they will survive this imminent crisis. The majority of valuable developmental resources continue to be invested in senior executives who will either retire or move on, before the impact of the leadership drought is fully felt.

The Conference Board recently conducted a study on leadership preparedness and found that over 50% of the respondents think leadership development is a low priority at their respective organizations. When organizations neglect to develop "emerging" and "high potential" leaders, they can be assured that this valuable employee base will look for opportunities where development and advancement are more available and sustained.

"You can either take action, or hang back and hope for a miracle. Miracles are great, but they are so unpredictable."

Peter Drucker

Some business leaders are aware of the problem, but do not have a solution. Instead, they do what they have always done - rely on business schools or competitors to develop their future leaders. This strategy is too risky and is no longer viable. In order to fill the impending gap created by the predicted labor shortage, a pipeline of qualified individuals must be developed who are ready to step up and lead as needed.

Dedicated individuals fill the ranks of nearly every organization. They seek advancement opportunities and want to move into more senior positions. Organizations often

create obstacles that threaten their own pipeline. These obstacles may include:

- External candidates seen as more desirable
- Limited training and development opportunities
- Glass ceiling preventing capable candidates from advancing
- Few opportunities to observe and/or to be mentored by senior leaders

The end result of these obstacles is a failure to capitalize on the potential that already exists in your organization!

Planning For Success

“Designing work to evoke people’s best takes a lot of effort. Most companies do not do this well.”

Margaret Wheatley,
President
The Berkana Institute

The best way to eliminate these obstacles is to create a leadership development plan that carefully considers available resources and potential threats. It must be focused on developing competent, ethical and highly trained leaders. Senior leaders responsible for developing this plan must be aware of the following pitfalls:

- Failure to invest necessary resources. This includes people, time and capital
- Failure to communicate a clear vision of what program success looks like
- Failure to provide compelling personal reasons for people to participate
- Failure to commit to a long-term approach and instead committing to a “Program-of-the-Year” or “faddish” approach
- Failure to provide enough flexibility for people to be truly engaged.
- Failure to give people the opportunity to make mistakes and benefit from experiential learning

Inattention to these pitfalls will not only delay your results but also jeopardize the entire success of your initiative. You simply can not afford to ignore them.

Characteristics of Success

“Even at benchmark organizations, current practices are inconsistent. HR and training departments are faced with a large number of constraints that seem to block the evolution of effective executive education and leadership-development thrusts,”

Scott Saslow
ExecSight

Recent studies indicate that an entrepreneurial approach is the most effective method for delivering leadership development initiatives. Most prospective leaders want to be able to control the process and have input on how the training is delivered. They want to be guided, but not controlled in the learning process. When participants think they have little or no control over what or how they learn, they report lower levels of commitment and less growth and development.

Leaders learn in a variety of different ways. This makes it difficult to offer an “out-of-the-box” solution. Some training events are merely motivational experiences that lack the ability to sustain the effort required for growth. There is no magic formula that will insure success. You will enjoy greater success if you:

Action learning is not accomplished by sitting in a classroom. It is accomplished by reflecting on and learning from what successful leaders are already doing and modeling the behavior in a controlled environment.

Andrew Thorn
Telios Corporation

- Strictly focus on leadership development behaviors. Do not tie results to performance reviews or evaluative practices.
- Develop action learning opportunities where leadership behaviors can be practiced with low risk to both organization and employee.
- Allow participants to select the leadership behaviors they want to develop.
- Utilize flexible learning methods such as; in-person, on-line, or via telephone.
- Provide opportunities for leaders in your program to collaborate. Diversified experiences help identify pitfalls and accelerate development.
- Include opportunities to work one-on-one with a personal coach, peer-coach or mentor.

Identifying Participants

"Leadership development must undergo a transformation if it is to deliver on the requirements and expectations of today's organizations."

Scott Saslow
ExecSight

One of the most difficult challenges you will face is identifying who should participate in your program. Your goal is to develop as many people as possible. Not everybody that passes through your program will become a highly effective leader. The success of your initiatives is based on your ability to discover as many of those who are most likely to succeed as possible.

Be careful not to label people in your organization. Sometimes those with the most potential are not found on the high potential leader list. Often those on the high potential list are merely there due to political reasons.

You will be most successful if you ask for volunteers. It is very difficult to teach people something they do not want to learn. Those that volunteer for your development initiatives will be more focused and committed to becoming better leaders. Your ROI will increase dramatically if you focus your resources on those who want to be there and are willing to grow and develop.

Three Phases for Success

Significant resources are focused on kicking-off development initiatives. Too much time and energy are spent deciding where the event will be held, who will deliver the training, what meals will be served and when it will occur.

There are three phases of successful leadership development initiatives. You must not neglect any of the phases or you will minimize your results. To insure success, participants must be fully **engaged in** and **accountable for**;

1. Preparation – Getting Ready to Learn
2. Participation – Participating in Development Activities
3. Follow-Up - Applying of Key Principles

Research indicates that roughly 25% of the final outcome of training is attributed to what participants do to get ready before they are trained. Another 25% is attributed to

attending the training event. It should be no surprise that over 50% of the final outcome is attributed to how well the key principles learned in the training are applied by the participants. What will happen if you only invest in one of these phases?

If you want to increase the quality of leaders in your leadership pipeline then you will need to appropriately invest your resources in each phase of development. The growth process takes time. You must resist the urge to think that once the training event is over your job is done. You can not snap your fingers and say, "You're a leader." There are no magic short cuts. Leaders are not born overnight; they are developed over time.

Characteristics of Success

There are no rules here –
We're trying to accomplish
something.

Thomas A. Edison

Despite the best efforts of many wise and intelligent people the successful transfer of learning often fails to occur. Poor results reverberate throughout the organization and cause subsequent trainings to be viewed suspiciously. The bitterness of poor quality is difficult to erase.

What can you do to avoid this problem from happening to you? Perhaps you have already experienced this or you are experiencing this right now. What are you doing to break this cycle?

There are four critical factors in a successful implementation. If you zero out one of these factors your initiative will fail. As your competence increases in each area, you will realize greater success. Successful implementations require:

1. Motivation

"If you want to learn how to govern... Show people the way back to their own true nature."

Lao Tzu
Chinese Philosopher

Successful leadership development initiatives require leaders to commit to growth in areas where development is most needed. You must not allow your participants to focus on irrelevant or unimportant behaviors. If they do, there will not be enough purpose to sustain the growth process.

The multi-rater assessment process, often referred to as 360 degree feedback, is very helpful in identifying key development areas. Your participants will be tempted to select several developmental behaviors to

work on at one time. **DO NOT LET THEM DO THIS!** Keep them focused on the most important behavior, and they will stay engaged. They may need your help in identifying a key area of development. Be ready to help them when they demonstrate self-deceptive behavior. They will not be able to see important blind spots and may need one-on-one coaching to clearly identify where they need to grow.

Once they have identified their most important area to develop, they will be able to answer the question, “how will this development opportunity contribute to my personal opportunities to grow and advance?” Answering this question is the key to motivation.

2. Accountability

“Frankly, most organizations don’t measure and reward leadership capabilities. They measure and reward management skills--making sure processes run smoothly and work gets done. They don’t measure and reward leadership, skills like communication, engagement, interaction, direction. And without adequate measurement, the foundation for building leadership skills is missing.

Jay Jamrog
Director
Human Resource Institute

Your organization most likely places a high premium on quantitative measurement. Gross profit, profit margins, sales quotas, production schedules and interest rates are all regularly measured. It is very easy to see how they contribute to corporate success. Men and women often ascend to leadership positions solely on the basis of their ability to produce results in these areas which are generally poor indicators of their ability to lead others to greater productivity.

In the realm of leadership; quality is more significant than quantity. This makes it difficult to measure the results of leadership development initiatives.

Leadership behaviors can be measured. They are often reflected in observable ways through feelings, attitudes, commitments and perceptions, but they are not easily measured in a quantitative way. Yet this is precisely what you must do in order to hold your participants accountable.

The “product” of leadership development will generally take the form of some overt behavior or performance which can be counted and evaluated numerically. The frequency or regularity of performance is a direct reflection of the quality of commitment exerted by the individual who is being measured.

Accountability, the second key to a successful implementation, will look different in a leadership development program. To insure that it occurs, participants must;

- Clearly define what success will look like
- Establish specific ways of measuring success
- Outline steps s/he will take to accomplish the objectives
- Review and measure performance regularly
- Establish productive ways of bringing issues back into focus when attention strays

Remember, if you tell people what you want them to do, you will not develop a culture of accountability or effective leaders. You will simply develop employees who do what they are told. Some will tire of this and move on. If you want to develop leaders who are accountable, then you must allow them to decide how they will produce the desired results needed to grow and advance in your organization.

3. Visibility

“The key to changing behavior is ‘learning to learn’ from those around us, and then modifying our behavior on the basis of their suggestions.”

Marshall Goldsmith

Many times organizations fail to make public leadership initiatives because they fear they will offend those people who have not been invited to participate. The secret participants of these programs may feel no real obligation to grow, because nobody knows they are supposed to be getting better. A successful leadership program that is public can act as an incentive to those who were not invited the first time around.

The stakeholders of your developing leaders must also be involved in the process. Their perceptions are the most important ones to change since they are the ones directly affected by the leader. They are in a position to observe the leaders behavior. They can provide positive suggestions on how the leader can get better. They can provide encouragement and support.

Stakeholder involvement expands the effects of the program to more people in the organization without increasing its cost. This creates a viral effect around the initiatives. People who know about the leadership development initiatives and are aware of the results being produced, are eager to be involved as participants the next time you offer your program.

4. Follow-Up

The final key to a successful implementation is consistent and periodic follow-up.

Too many times organizations introduce a program and then stand by and watch as it loses steam and quietly fades into oblivion. You can avoid this fate by consistently following-up with the participants of your program. Do not be lulled to sleep by the thought that once somebody reaches a certain level, they do not need follow-up. No person is at that level.

When a program is introduced, it is imperative to sustain the learning process by keeping it in the forefront of both organizational and individual thought. The creation of a leadership community will foster learning transference and shared success. You will also need to organize periodic participant gatherings. These gatherings can be virtual or in-person.

Periodic mini-surveys keep awareness levels high and focused on continuous improvement. Virtual resources keep initiatives on the front burner. Use them as often as possible.

Successful Delivery

If you want to be a better leader, begin by making yourself a better person, then you will be more able to help others.

Andrew Thorn

You must determine if you have the necessary experience and competencies to deliver your leadership program in-house. Both theoretical and applied knowledge are vital to understanding all of the idiosyncrasies associated with leadership development initiatives. Make this decision as early as possible so that you can involve the facilitators in the principal planning sessions. If you decide that you do not have the necessary resources in-house, the following questions may help you identify a credible external partner:

- **What type of clients does the external candidate serve?** This question will help you identify if the candidate understands the unique circumstances associated with the size, industry and culture of your organization.
- **What is your focus?** You may be surprised to find that many training organizations have no established methodology. They simply do whatever it is you ask them to do. Find an organization that focuses on what you need done.
- **Who leads the firm?** Years of experience, is not the only factor to consider. Find out what experiences make up those years.

Final Thoughts

About Telios Corporation

Telios is Greek for complete, finished or fully developed. Our approach emphasizes assessment, training and follow-on coaching. The organization values authentic behavior, accountability, continuous improvement, diversity, and being present in the moment. These values are visible in the individuals who work in the organization. They are also demonstrated by the investments the firm makes in developing innovative methodologies.

Creating and implementing successful leadership development strategies is extremely complicated. A poorly implemented program creates residual effects which reverberate throughout the organization. These effects are very difficult to erase.

Telios Corporation is uniquely qualified to help you create and implement successful leadership development initiatives. Over 70% of the participants in our programs are rated by their primary stakeholders to be more effective and inspiring leaders. The majority of our compensation is deferred until success is realized. If your leaders do not improve, you won't pay. To learn more about the services we offer, please visit our website at www.telioscorp.com or call us at **1-800-561-8237**.

Thank you for your interest in *The Evaporating Talent Pool* White Paper. Our success is measured by the number of leaders we help develop. Please copy and distribute this resource to as many people as you deem appropriate.