

## Unprepared Leaders Mean Unprepared Organizations in 2010

“No pain, no gain.” It’s a common saying. Unfortunately it’s also a saying that can summarize the results of the Leadership 4 Real Study recently released in Indianapolis, IN. According to the 6-month-long study, organizations are due for some serious pains before they make gains in meeting their future employment and leadership needs.

The study, conducted by two consulting firms, looked at several major issues facing for private and public sector companies, such as:

- Are organizations preparing for the baby boomer brain drain?
- Are organizations developing their current and high potential leaders?
- What are the behavioral competencies of the effective leader in 2010 and are organizational leaders addressing their future leadership needs?

Not surprisingly, the majority of organizational leaders who responded to this study said “No” to these questions and many more about leadership development and preparedness. That’s where the “No pain, no gain” comes into play. When leaders are not experiencing pain, there is no real need to change status quo. For example, when a high level leader was recently interviewed concerning his company’s consistent growth in profits over the last five years and what plans were in place for the current President to transition into retirement, he conveyed some startling news: The company President does not have anything in the works to develop current or high potential leaders within the organization, prepare for the baby boomer drain, or create a succession plan in case of an emergency. It seems, the company is doing well. It is profitable. Turnover is low and, better yet, the President is making more money that he had ever experienced. But, the question is, “Will this organization continue to be profitable?”

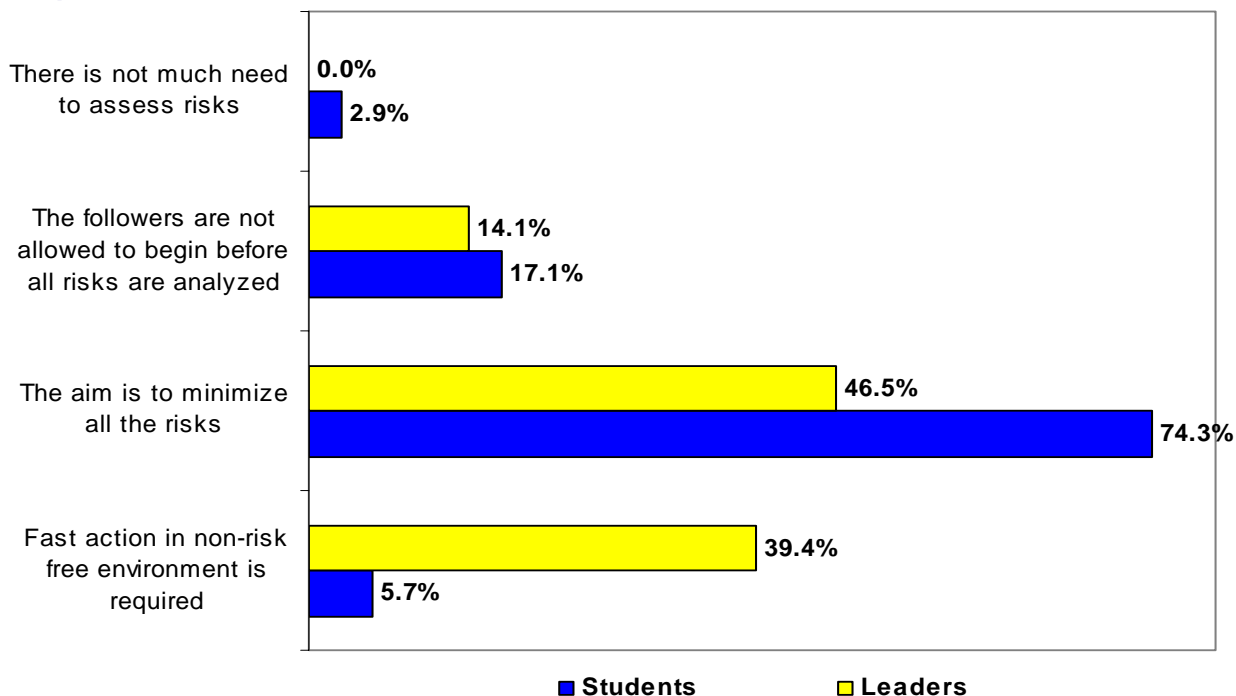
Business articles and books talk about how the baby boomer brain drain is going to have a huge impact on business operations and that succession planning is crucial. Leaders go to networking events and conferences and listen to highly respected leaders about the importance of leadership development. But why are many leaders only talking and not doing? What do organizations need to do to take action? First, let’s examine the statistics.

Of the high level leaders from seventy organizations in a five state area participating in the Leadership 4 Real Study, only 39.7% have a formal plan to support future leadership needs within their organization and 17.6% have a strategy in place to address brain drain. It was no surprise that 75% of the organizations said that they promote more than fifty percent of their leaders from within but only 38% of those respondents have examined or assessed effective leadership characteristics in the last twelve months. The findings of the Leadership 4 Real Study suggest that a majority of companies may be at risk of not being successful at attracting and/or maintaining and developing senior-level talent because they are not identifying what is considered to be effective leadership characteristics of their own talent.

The Study also revealed behavioral competencies as they pertain to the effective leader’s job in 2010. Not only did current leaders define the futuristic job as part of the Study but undergraduate higher education students as well. A comparison shows some similarities between the leader’s and student’s definitions; however, there were some differences. For example, the leaders believe that the 2010 leader should be independent, change-seeking and very inspiring. The students, on the other hand, believe that the 2010 leader should be thorough, careful, work naturally on a team and avoid situations where he/she has to make

extremely difficult or risky decisions. Specifically looking at risks when defining and effective leader's job in 2010, the student respondents put more emphasis on the aim to minimize risks, while leaders thought that fast action in non-risk free environment is required for the future leader. (Refer to Relationship to Risks chart – excerpt from Leadership 4 Real Study.)

### Relationship to risks



To minimize some of the risky decisions that current leaders believe are necessary, here are just a few questions that leaders might ask themselves and other leaders within their organization.

- How do you, as a current leader, compare to the effective leader's profile in 2010?
- Do you know how your leadership team would define the effective leader's job in 2010 within your organization?
- Are you being asked to make decisions as a leader – or about leaders – without having the knowledge of what a leader's role should be in your organization?
- Does your organization have knowledge of what is available, as it relates to application-based training programs and resources?
- Who will champion – from within your organization – the evaluation, interpretation and strategy formulation to prepare the organization for leadership issues in 2010 and do they have the expertise to do so?

The conclusions can go on and on. However, more information may only help us procrastinate longer before taking action, not make us smarter. Therefore, following are some key action steps current leaders should consider immediately, whether there is pain or not.

- Leaders must take an honest look at the current statistics and trends, develop strategies, and most important of all, implement them.
- Leaders must define the 2010 leader's profile for their organization that would be effective within their organization, comparing it to the aggregate leader's profile from the Leadership 4 Real Study. Then, recognize the perceptions and needs of the

graduating higher education students so recruitment and retention will be effective and management can be trained to successfully develop this new incoming workforce.

- Leaders must assess current leadership competencies and compare those to future leadership competencies necessary for continued organizational growth in 2010 and beyond.
- Leaders must place a high priority on management and leadership application-based training and development to develop the competencies identified instead of the “one-day wonder” training often existing in organizations. The application-based programs must not only develop current and high potential leaders to meet the demands of the 2010 leader’s job but also transition the organization so that it can recruit and retain recent higher education graduates.
- Leaders must determine what external resources will be needed to assist your internal champion in the evaluation,

On a final note, leaders must stop masking pain and simply talking about issues and finally begin to gain some ground to prepare for 2010. \*

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*Joan E. Ridgeway, SPHR is President of Consulting Resources, Inc. and co-authored the Leadership 4 Real Study with Success Development, inc., both firms based in Indianapolis, IN. Leaders from seventy organizations from a variety of industries participated in the study. For more information about the study and implementation of findings, Ms. Ridgeway can be reached at 317.576.5582 or [joan@consultresources.com](mailto:joan@consultresources.com).*