

INTELLIGENCE

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/TALENT MANAGEMENT/

Leader Loss

The talent crisis isn't just about workers.

By Eva Kaplan-Leiserson

EXPERTS AGREE: A serious global labor shortage is on the horizon. But most of the coverage of the issue so far has focused on the dearth of workers—in the United States's knowledge sector, about 10 million fewer than needed by 2010, according to the Future of Work organization.

GOTO/"Mind the (Talent) Gap," April *T+D*
"Riding the Talent Rapids," p. 87

What's just as serious—if not more so—however, is a lack of skilled leadership. While businesses can limp along with worker positions unfilled, a shortage of leaders can cause serious problems for the company's growth and affect the business in long-lasting ways.

A new study by Executive Development Associates, "The Leadership Benchstrength Challenge," defines the issue: Almost 70 percent of the companies EDA surveyed are already experiencing moderate to major leadership shortages—and expecting them to get worse.

Many of the 100 organizations that participated in EDA's research reported that, while they had the money to grow, scarcity of leadership was preventing them from expanding into new markets or making acquisitions. About two-thirds of the companies surveyed said the lack of leadership talent was having a moderate to major impact on their ability to achieve business goals.

Additional consequences of the shortages include increased spending for recruitment and training and the intangible costs of poor decision making as companies fill positions with people who are less qualified.

Roots of the problem

The scarcity of skilled leadership isn't just a western concern. Shortages are particularly severe in growing markets like India and China, EDA says, where companies are having trouble finding business leaders with experience in western cultures. Similarly, U.S. companies are challenged with finding leaders with international backgrounds.

GOTO/"Success Strategies for Expats," p.48

Other factors contributing to the shortage, in order of seriousness of impact, include

- a lack of needed skills
- growth of the business
- lack of attention to the issue in recent years
- changing demographics
- previous downsizing of middle management
- lack of interest in leadership roles
- early retirement.

Solutions

EDA's study not only defines the problem but also examines best practices to solve it. The company's research identified the following success factors:

Executive commitment. Top leaders at the companies demonstrating this trait spend a considerable amount of time directly involved in talent management, model the desired behaviors, and are willing to hold themselves as well as the business accountable for results.

A talent management system closely aligned with the business strategy. Alignment is strongest when talent is a key part of the business planning process, not an afterthought; talent goals are elevated to business objectives; and talent is part of the strategy conversation. Disney, for example, holds talent updates quarterly during business reviews.

A hip-to-hip relationship between talent professionals and the line. Talent professionals need to establish a close relationship with line managers, EDA says. Each must understand each other's arena. Some talent professionals attend strategy meetings, travel with managers, and meet customers. Line man-

agers also need to understand talent management well, because often they're on the front lines of recruiting, developing, and retaining people.

Full integration and automation of talent management system components. Talent programs often operate independently and end up contradicting each other, EDA says. Companies can work to counteract that by creating a common set of competencies for attracting, developing, and rewarding people. In addition, automation can help physically integrate talent systems.

High level of employee engagement: talent management system motivates, energizes, rewards, and retains top performers. Keeping leaders is about more than just pay, companies say. People will also leave if they feel like they're not getting enough development opportunities.

Focus on high-potential identification and development. Constant attention is important, so companies are increasing the frequency of talent review meetings and including talent development needs in crucial business meetings. But much of leadership can only be taught through direct experience, so development job assignments are important as well.

Measurement of talent strategies for value and results. As investment in talent grows, EDA says, measurement becomes more important. Examples of metrics include retention figures, number of ready successors for key positions, employee satisfaction surveys, 360s before and after a large-scale development program, and more.

A distinctive employer brand recognized in the market and "lived and breathed" inside the organization. According to EDA, employer brand is emerging as a key strategy in attracting, engaging, and retaining top talent. But reality must match the brand or it can backfire.

Of the companies that said those success factors were present in their organization, designated as the top group, only 4 percent reported significant leadership shortages—compared to 30 percent of the bottom group, companies that demonstrated those factors the least. When asked to identify their top three business challenges in the last

three years, "lack of executive bench-strength" did not even rate for the top group; yet it was an issue for more than 60 percent of the bottom group.

In terms of business goals for the next two to three years, the bottom group was focused on building bench-strength and changing culture, while the top group, already confident in those areas, was planning to concentrate on growth and new products.

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/FUN AND GAMES/

Words to Watch

It may be time to retire these words. In a recent survey by Robert Half International, the following buzzwords and terms were rated as among the most obnoxious by U.S. office workers:

- think outside the box
- take it offline
- at the end of the day
- solution
- win-win
- get on the same page
- customer-centric
- Generation X
- core competency.

But fear not. If those tired terms do finally get put to rest, others are waiting to take their place. MSN Careers offers these phrases we'll soon be hearing a lot more of, and their definitions:

Watercooler games (n.) Co-worker discussions.

Critical path (n.) The appropriate steps to take.

Bandwidth (n.) The amount of time and resources required by a project.

Download (v.) To assess the facts of a situation.

Brain dump (n.) Providing all information; typically used when someone is handing over an initiative or preparing a successor.

MORE/<http://careerbuilder.com/Custom/MSN/CareerAdvice/508.htm>

/IN PRACTICE/

The Nine Traits of a Great Manager

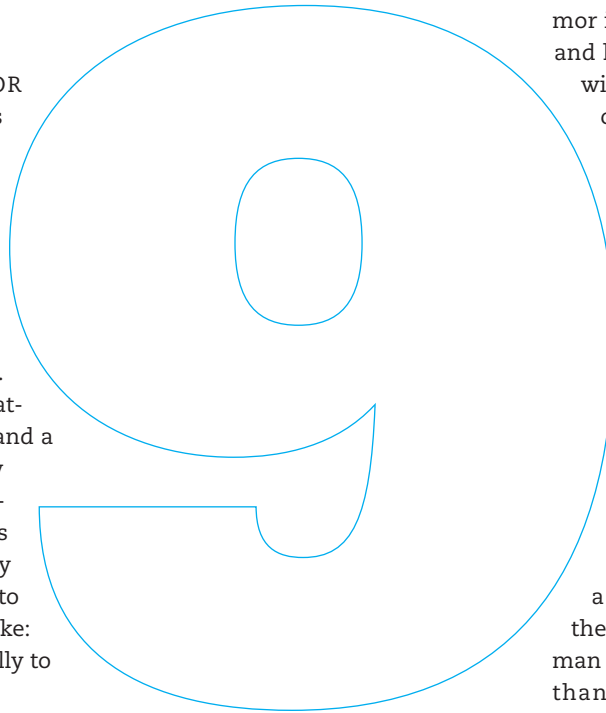
By Skip Corsini

ARE GREAT MANAGERS BORN OR MADE? In my experience, 32 years spent in the workplace, it is the latter. Key ingredients include:

1. Curiosity. The best managers are insatiable learners. They want to know how it works, when it works, why it works, and what other people think about it. They are in a constant search for patterns, similarities, dissimilarities, and a sense of the order of things. They question accepted concepts, systems, and methods. They are always asking why things are the way they are, so that they can figure out how to reform the program. Make no mistake: These people can be pains, especially to their bosses.

2. Irreverence. This is a great trait to exist in tandem with curiosity. Nothing is sacred to the irreverent manager, not the CEO's lifestyle, not the HR department's rules, nothing. This type of person says, "Just because we've been doing it this way for years doesn't mean it's the best way." The great manager ferments unrest, stirs the pot, upsets the apple cart, and spills milk on the dinner table, just to see what will happen. The only place for reverence is in discovering the enigmas of modern organizations.

3. Imagination. This is the ignition key in the vehicle of forward movement. It is the basis for generating fresher and more effective strategies. Imagination fuels empathy, a requirement for the fullest understanding of each member of the team and what motivates people to action and accomplishment. If I can't put myself into the shoes of



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the people I manage, how can I possibly assess the potential of my team and set into motion the actions to meet our goals?

4. Sense of humor. Life in organizations is tragedy one day, comedy the next, and so on. The foundation of humor is contradiction and exaggeration, and knowing which one you're dealing with is a signpost of progress. A sense of humor is incompatible with dogma, tradition, zeal, and easy prescriptions for success. The great manager has a personality that can't get lost in the belief system of the day; he or she is outside the belief system.

5. A vision, albeit blurred, of a better result. What keeps great managers and all the rest of us going are the ends we have in mind. The vision is blurred for any one member of the team because it is a composite, not a single picture. Jim Collins discusses the Stockdale Paradox, named after a man held as a prisoner of war for more than seven years. The paradox from Collins's *Good to Great* is this: to know and believe in the result you want to achieve while dealing with the brutal realities you face day-to-day. Great managers never lose sight of the goal, and they adapt to the changing set of circumstances that confront them every step of the way.

6. An organized personality. The manager who is organized can better deal with the chaos that surrounds him or her. The nature of people is irrationality and great managers make the irrational their partner in progress. That allows them to take on multiple issues at once and not feel defeated before the day starts. Former San Francisco 49ers head coach Bill Walsh has often said that the main talent he brought to the organization was an ability to be creative and organized in the same moment, under extreme pressure.

7. A well-integrated political schizoid.

Great managers are polarizers. They create issues that are all-or-nothing, black or white. Nothing productive can happen before the team and the organization see the problem in the same way and with the same degrees of fervor and determination. As Ed Daly, legendary CEO of World Airways, always told his people, "One voice." At the same time, Ed knew that most of the time there had to be some compromise so that all facets of the business could live under the same roof. The great manager has a split personality.

8. Political relativity. The personality of the great manager is never a rigid structure. Because he or she has a healthy ego and sense of internal security, dealing with uncertainty and mystery is not a problem. In that situation, all values and opinions are relative and fluid. That allows creation of the new idea out of the old. Great managers are idea thieves; they take what works in another realm and apply it to the current situation.

9. Pragmatism. The manager's job is to achieve the desired result, working within a team framework. Ultimately managers are confronted with the question of whether the end justifies the means of solving a problem. The decisive manager views the question of ends and means in strategic and pragmatic terms. There is no other problem to be solved. The only questions are about available resources and choices of action. For a great manager, the only real issue is, "Does this specific end justify this particular means?" The office, as we all know, gets dirty. Ends and means are not immaculately conceived.

Manager, know thyself. With such knowledge, it is then possible to step outside the self and see reality.

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/HOW (NOT) TO/

Seven Surprises That Can Sink Your Management

The unexpected is, well, to be expected in business. But there are certain unpleasant surprises that can be prevented. ClearRock, an executive coaching and outplacement firm based in Boston, offers this list of surprises that are critical for managers to avoid.

Forgetting to inform direct reports or co-workers that you've volunteered their help. This can be an innocent oversight, but it comes across as thoughtless, says Greg Gostanian, managing partner for ClearRock.

Failing to tell employees about new co-workers until after they've started work. This is particularly unfair to the new hire, says Annie Stevens, also a managing partner at ClearRock, because other people may take out their anger about being kept in the dark on the new person.

Not fully explaining the nature of a job to a new employee. Gostanian says this is often done intentionally, out of fear that the person won't take the job if he or she knows the details. However, it doesn't make the job any easier and usually causes mistrust.

Missing deadlines. This is just as serious whether the deadline is for an internal project or an external customer, Stevens says. Either way, the expectation is that the deadline will be kept and not serve as an estimate for completion.

Over-promising. Some people do this in the hopes that it will motivate them toward meeting the goals, Gostanian says. However, promises should be viewed similarly to deadlines and unrealistic objectives should be avoided.

Over-running costs and budgets. Both internal and external customers expect realistic reports of costs, says Stevens, and won't be forgiving when results don't match up.

Handing off work unexpectedly. Career development depends on giving people additional responsibilities—however, external and internal customers should know about "hand-offs" before they occur, Gostanian stresses, not after.

/GLOBAL 360/

CEO Traits Help Drive India's Growth

BUSINESS IS BOOMING IN INDIA. One factor contributing to the country's recent economic success, according to leadership consultancy Hay Group, is the unique set of traits, behaviors, and motives held by the country's business leaders. A recent study by the organization identified four areas in which Indian CEOs differ from top executives in other countries, and which help develop their companies and the Indian economy.

A single-minded focus on growth and innovation. Top Indian CEOs spend less time than their peers in other countries on issues like culture change, succession planning, and their own reputation. Instead, the majority of their time and thoughts center on new information, technology, and ideas to help their companies grow and innovate.

A highly altruistic business philosophy. Indian leaders often think about doing what's right for society, Hay Group says. For example, many CEOs are committed to providing low-cost goods for their less affluent markets, and many take business risks to address such needs.

A high degree of resilience and integrity. The best Indian CEOs show high levels of integrity and inner strength, according to Hay Group. Those traits come in handy during the stringent governmental re-

views, tough media queries, and long negotiations that are common in the country and can cause costly delays.

A formal and professional approach to people and relationships. Business relationships are more formal in India. CEOs tend to avoid close ties in work settings and they assess employees on professional traits such as education and experience rather than personal qualities.

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Tips for Working with Indian Execs

Tharumah Rajah, who led Hay Group's research, offers the following suggestions for people from other countries working with Indian executives and organizations:

- **Emphasize growth, results, and innovation. Be generous in providing technical and other information.**
- **Be patient and helpful in situations involving what may seem to be excessive, time-consuming interference by outside agencies. Build in extra time for those issues when planning projects.**

- **Recognize that your Indian counterparts' thinking about jobs and people may be different from yours. Use discretion in deciding whether to accept their approach or suggest alternative solutions.**
- **Listen carefully and take Indian leaders seriously when they talk about what's good for the country. Try to understand how they see the project supporting India's development and highlight benefits to society to them.**

/REALITY CHECK/

You Got the Look?

FOR MEN THESE DAYS, training and professional development may not be the only ways to get a leg up on the job. A little nip and tuck could be in order, too.

According to the American Society for Aesthetic Plastic Surgery, each year more men are going under the knife to keep themselves looking and feeling younger. In fact, the number of male cosmetic surgeries has increased significantly throughout the world in the last decade.

Some doctors and experts cite an increasingly youth-oriented culture and the popularity of such television shows as *Extreme Makeover* for the surge, but others say that men are getting in on the act particularly because they are trying to prolong viability in the office.

"More men are seeking these procedures because of the emphasis on looking as good as you feel and remaining youthful in the competitive workplace," says Dr. Michael G. Leadbetter, a plastic surgeon with The Plastic Surgery Group in Cincinnati, Ohio. "They are working later in life and are interested in maintaining a good first impression in the office."

The ASAPS reports that men accounted for 13 percent of all liposuction procedures in the United States in 2004 and 24 percent of nasal surgeries. Other popular surgeries include eyelid lifts, male breast reductions, and hair transplants. That's in addition to non-surgical rejuvenation measures such as Botox injections, laser hair removal, chemical peels, and microdermabrasions. The upshot is, plastic surgery isn't a professional investment just for women anymore.

—Josephine Rossi

HR Outsourcing

Most companies are taking an incremental, selective approach toward outsourcing HR functions, found a recent survey by Watson Wyatt. Of the 135 respondent companies:

- 65 percent: mostly or completely in-sourced
- 29 percent: mix in-sourcing and outsourcing equally
- 7 percent: mostly outsourced.

According to the report, companies that mix internal and external resources are the most efficient.

/BIZZ (THE BUZZ ABOUT SMALL BUSINESS)/

U.S. Self-Employment Rising, Says Small Business Administration

Economic factors and demographics are driving a surge in self-employment, according to a recent study sponsored by the U.S. Small Business Administration and reported in the Hopkinton [Massachusetts] Crier. People launching technology start-ups, minorities, women, and baby boomers are the groups primarily responsible for the growth, the study says.

The Crier's article quotes Thomas M. Sullivan, chief counsel for advocacy at the SBA: "Self-employment is critical to our economy. The increase in self-employment rates for women, blacks, and Latinos show that small business ownership can move minorities and women further into our economic mainstream." Women now make up about a third of the 12.2 million business owners in the United States, the Crier reports.

Baby-boomers are helping to lead the growth as well, looking for more security as large companies downsize. Data shows that the number of self-employed people over the age of 50 in the United States has jumped 23 percent since 1990, to 5.6 million workers.

