



# Filling the Upcoming Leadership Gap

The statistics are alarming: 40 – 70% of all executives in most organizations will be eligible for retirement in the next five years! Equally alarming is the fact that those with potential leadership skills only account for 8 – 10% of the workforce. All of which equates to a huge gap in the future leadership of America’s businesses.

While the Baby Boomers may stay in the workforce longer than five years past retirement because of the economy, the need for leadership development is still mission critical for today’s CEOs and Presidents. Identifying and developing latent

talent into substantial leadership takes time, strategy and a committed organization that values the long-term investment required.

There are many steps to the process of identifying and developing future leaders, but here are three key points to get your organization started:

## 1.) Which Comes First? The Position or the Person

Some people are born leaders. They ooze leadership qualities. They’re charismatic, draw people to them and generally are always at the forefront.

Other people become leaders by taking an intentional path of learning a broad range of skill sets and becoming well-rounded in all key areas of management and leadership.

Both types of leaders can be effective and successful. But, in either case, the fundamentals of good values, sound character, deep thoughts, solid beliefs and controlled emotions are needed to skillfully navigate the challenges of today’s business world of rapidly evolving technologies, market shifts,

“Management is doing things right; leadership is doing the right things.”  
- Peter Drucker



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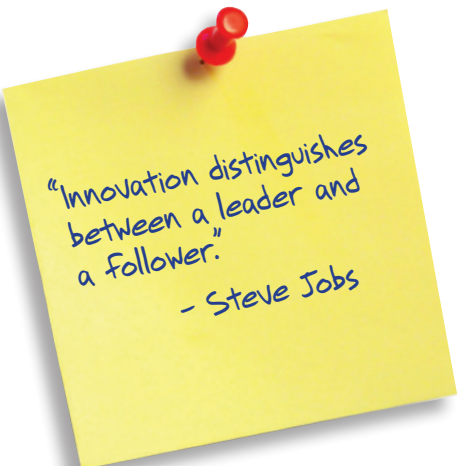
economic uncertainty, demanding operating environments and unending competitive pressures.

But innate fundamentals have to be expanded by hard skills in operations, sales and marketing, finance, HR, vendor and client relationships, legal matters, innovation, acquisitions and other skill sets that require strategic thinking and tactical execution.

An emerging leader needs to know the career path in the organization so his development plan can be well defined.

Therefore, an organization cannot only identify emerging talent, but must also identify those positions within the organization that require high performers and create a path or plan for succession into those positions.

In the past, leadership positions were filled by those who showed loyalty and had seniority. Today, performance is what counts. Therefore, a long-term development plan requires an organization to be transparent and candid in its assessment of the individual and its identification of the positions that will be opening in the future.



## 2.) Go Beyond Training

Training in specific tactical skill sets is a given, but will not be enough for developing high-performing leaders. What's needed is a plan for hands-on field experience in all areas of a business. This may require future leaders to make lateral moves in an organization, go through job rotations, take on special assignments or specific projects and work with a variety of teams and managers.

In creating a leadership development plan for future leaders, don't overpromise the candidates. In a long-term plan there are many variables that can impact the outcome, including the timing of family needs, individual career scenarios and the effect of economic realities.

People advance at different speeds and are affected by their unique strengths and weaknesses. Your leadership candidates will breeze through some parts of their development and struggle with others. A mentor is an important asset for their well-being throughout this process and has proven to be a critical component for successful leadership development.

Additionally, leadership candidates need to get out of their own zip code. They need bigger, more expansive experiences and need to see outside perspectives. In a smaller company this can be achieved by having the participants engage in a peer group that gives them the opportunity to express themselves in a confidential

### JEFF BLEACHER

*"In addition to understanding the basics of accounting, the financial leader needs to have good interpersonal and communication skills to keep management and owners up to date on the financial results. And, the results need to be communicated in layman's terms for the non-financial leaders. This is especially important in small and medium-sized businesses where the owners may not have a financial background."*



### KEN FALK

*"Part of the financial leader's job is to develop a good relationship with the company's banking partner. This means communicating financial results with the bank's executives. A financial dashboard for monitoring key financial ratios is equally important for internal use. Often the dashboards created will be industry specific and a good financial leader will be able to develop the appropriate indices."*





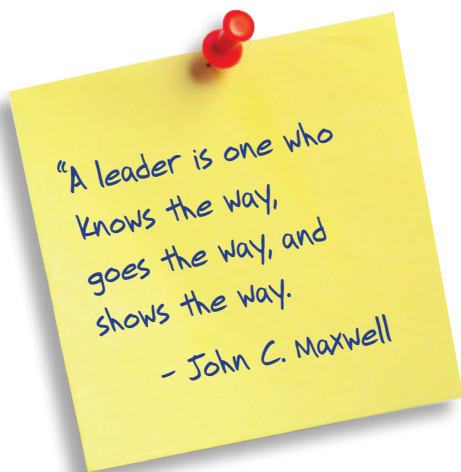
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forum, allows them to be challenged by their peers and opens them to new thinking and innovative ideas.

### 3.) Shampoo. Rinse. Repeat.

Leadership qualities are cumulative but the growth is not always apparent. In other words, leaders emerge and develop – they don’t hatch. Leadership development requires a steady hand and sometimes a slow approach to moving forward. It’s like the old cowboy adage: “Go slow so you can get there fast.”

If your organization is committing to individuals and positions for leadership development you will want to make



sure your investment is paying off. And, just like in the stock market where you don’t buy and sell on one day’s activity, you shouldn’t make a quick judgment from one or two years of development. You wouldn’t want your surgeon to have breezed through his medical studies without the requisite time spent in deep learning before he scrubs in for your surgery. There’s no substitute for hands-on experience and no shortcut to getting it.

Research from the likes of Malcolm Gladwell, in his book *Outliers*, indicates that mastery takes over 10,000 hours of practice. That’s why superstars like golfer Tiger Woods and cellist Yo-Yo Ma started practicing when they were kids and logged 10,000 plus hours before they were out of their teens. It looked to us like they were talented and lucky, and they were, but they also invested the time and discipline to get to the top of their field of endeavor. Staying there sometimes proved to be a different story.

### LARRY REICH



*“A financial leader needs to be able to think strategically as well as technically. They need to work with many departments within an organization and strategically position the company in the market. The financial leader can determine how finance can provide the best information to the other departments to support growth.”*

### PATRICK GENDRUE (on the left)



*In today’s world, the financial leader in an organization needs to have a good understanding of how technology supports the financial operations. They need to know how to use technology to protect the integrity of the company’s financials and make sure that their staff is current with technology as well. The financial leader needs to lead the charge for change, manage risk and keep the company’s best interests in mind.”*

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# Tips for Identifying the Next Generation of Leaders\*

True leadership goes beyond skill of performance to the skill of leading performance. True leadership goes beyond execution to the higher level of strategy. True leadership goes beyond finding solutions to creating a vision that makes the problem disappear. True leadership is vision in action.

So, how do you, the current leader, identify the next generation of leaders when you're thinking about investing your organization's time, money and energy? How will you know if they are the best choice? Here are six things to look for:

**1.) Prior Leadership:** The best predictor of the future is the past, so find out if your potential leadership candidate has a history of leadership. Look for leadership experiences in school, with service organizations like Rotary or The Boy Scouts, in church, internships or other organizations. These choices show initiative and natural leadership qualities.

**2.) Engineering the Future:** Does your candidate light up when you have conversations about the future and the opportunities that are possible for your business? Does the candidate have the ability to envision the future and the ambition to make it happen? Ongoing conversations will reveal these qualities.

**3.) No Lone Wolves:** Leaders recognize they operate best when they enlist the help of others: they add value and appreciate the team's input. And, good leaders share

the credit with the team. A business is always bigger than one person, and an emerging leader will show this skill by being a part of something bigger than him or herself.

**4.) Dissatisfaction with "We've Always Done it THIS WAY:"** Emerging leaders look for new ways to do things. They don't necessarily believe that the way your organization has done things is the best way. In fact, they're quite certain it's not. Because they have technology skills on their side, they'll show you a better way to accomplish the "tried and true process." While you might be annoyed with this, it is a sign of leadership, demonstrating constructive and analytical thinking.

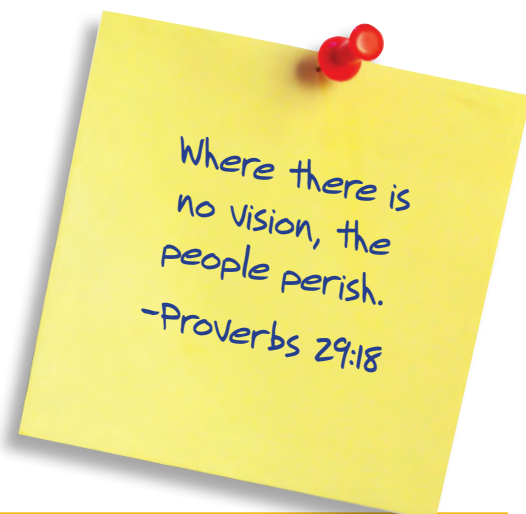
**5.) Accountability and Responsibility:** A trait of potential leaders is that they don't shrink from their responsibilities. They step up to the plate and own up both to what needs to be done and what they've done. They're accountable for failures. But, they also want responsibility because it comes with accomplishment. And, leaders crave accomplishment, contributing to the greater good and acknowledgement for their results. A leader always looks for the next challenge and the next opportunity.

**6.) Mental Toughness:** Sometimes a leader has to make a decision that's not popular, but is necessary. In tough times, leaders face criticism and misunderstanding that can bring about hard and lonely

times. But a leader always does what is best for the organization and the greater good. Your leadership candidates may be early on in their careers, but find out how they've handled tough situations in the past. There's no substitute for feeling the emotions and going through the decision-making process of a lay-off, for example. There's no shortcut to learning mental toughness. Experience is the best teacher.

Potential leaders also need the character and the right setting in which to grow. Once you have identified the right candidates, your organization should have a plan in place to develop your emerging leaders. See our article on Developing Leaders in Your Organization for more information.

*\*This article assumes that your leadership candidates have the required education and skillsets to perform their work as they prepare for leadership.*





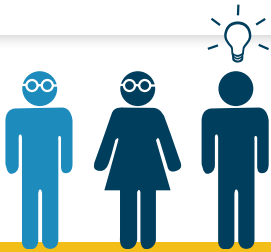
# What Type of Leader Are You?

Leaders come in many sizes and shapes and don't always fit the "tough-guy" stereotype. Every leader is hard-wired at his/her foundation to be a specific kind of leader, and that's where you need to start when you select candidates for leadership development. But, more importantly, what type of leader are you? By identifying your leadership style, you'll better understand how to assist in developing someone else, what assumptions you bring to the process and where your development skills will produce the best results. Here are several key leadership types – which one are you?



## NATURAL LEADER

- Deep conviction about goals
- Determination to execute plans
- Will challenge and change
- Knows when to take risks
- Creates a following naturally
- Sees the big picture and uses context for leadership
- Natural deal maker/rain maker



## TECHNICAL/SKILL LEADER

- Leadership is driven by knowledge
- Excels in niche innovation
- Rigorous dedication to the work
- Excellent follow-through



## COMMUNITY LEADER

- Navigates easily through group and peer dynamics
- Understands complex connections and agendas
- Values human capital above all else
- Dedicated to progress for all



## PEER LEADER

- Draws those who are similar with a clear agenda
- Natural leader but may not be developed
- Driven by age and ambition
- Over time, may develop the "Imposter Syndrome"



## INFLUENTIAL LEADER

- Behind the scenes leader who is sought out for his opinion
- Prefers to control from "behind the curtain"
- Can be the invisible force to make or break a deal
- Generally brilliant, but not hard-wired to lead from the front