

# Next Generation Leaders: Competency Deficits and the Bridge to Success

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Remember those pesky word problems in Math class? Well, here's the math:

- ◆ Baby Boomers are retiring at the rate of one every eight seconds
- ◆ The vast majority of organizational leaders are Baby Boomers with the most typical age being 58 years old.
- ◆ There are 11% fewer Gen Xers than Baby Boomers
- ◆ Generation Y (twenty-five and under) will not be management/leadership material for years to come

See the problem?

That's right; the math tells us that we will not have enough people prepared to fill the impressive number of executive seats that will open over the next decade. And, because of the sheer number of seats changing, the incoming group could have a greater impact on business than any other in recent history. Of course the issue really isn't that we can't find people to put in the empty seats. The real issue is that we can't find enough people who are **PREPARED** to fill the seats. This is a problem worth digging into, so we decided to do some research.


To gauge the readiness of the next generation of leadership talent, we asked senior executive development professionals to share their view on where the incoming leadership group - the people who are most likely to fill executive level positions in the next 3-5 years –are strong and where they are weak. Their responses were part of a broader trends and best practice survey (**2009 EDA Trends in Executive Development: A Benchmark Report**).

On the good news side of the equation, our respondents believe the next generation leaders possess many talents. Most notably, they have

- ◆ a high integrity mind-set,
- ◆ the ability to deliver results and prioritize multiple demands of their time,
- ◆ mastery over the operational side of business, and
- ◆ technology skills far more advanced than their predecessors.

But then, there is the other side of the equation – the list of competencies most lacking in next generation leaders. We have ranked the top five, and they are presented below.

TABLE 5

 <b>Top 5 Competencies Most Lacking</b> in the Next Generation of Leaders	
1	<b>Strategic thinking</b>
2	Leading change
3	Ability to create a vision and engage others around it
4	Ability to inspire
5	Understand the total enterprise & how parts work together

The competency gaps boil down to two fundamental capabilities. **One is critical thinking skills**, which drives *Strategic thinking*, the *ability to create a vision*, and the *ability to understand the total enterprise and how parts work together*. Leaders need to be able to comfortably climb to the 30,000 foot view and analyze a dynamic system, while simultaneously and adeptly analyzing information to quickly make decisions across levels. It is not an easy task. In a recent interview<sup>1</sup>, 3M CEO, **George Buckley** noted that “Leaders aren't given the choice between dandelions and roses. It might be dandelions and chickweed. They are forced to make choices with too little time and too little information. It requires courage and a strong stomach. I might be forced to make a decision in five seconds, which will then be studied for months by a team of 40 lawyers. The job that leaders have is difficult, and there are increasingly few people capable of doing it.”

Another thought leader on the topic, Nitin Nohria, a professor of Business Administration at Harvard, analyzed leading business figures in the United States over the past hundred years and concluded that all successful leaders were “shrewd in calculating the impact of factors such as globalization, government regulations and social mores.... What makes a leading business figure is the ability to understand and capitalize on the ...trends influencing the market place of their time.”<sup>2</sup> From this analysis it is clear that the most successful leaders have the ability to stand back from day-to-day functions, sort through the complexity, and see the where value is truly being created.

**The other competency gap is positively motivating and influencing others**, which ultimately drives the ability to lead change, inspire others, and engage employees around a single vision.

Incoming leaders will desperately need to close the gap so they can effectively deal with the Rubik’s Cube-type issues facing business leaders today. Successful strategic leadership will include both critical thinking skills and a keen social intelligence and level of empathy that empowers and energizes healthy momentum and change.

So, what is the answer to our math problem? We have to build a bridge for the emerging leaders that will accelerate their development and prepare them for the soon-coming pass of the baton.

## The Bridge to Success

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In General:

- ◆ ***Start Early.*** Helping future leaders understand and strengthen their critical thinking and motivational capabilities is a good complement (and **perhaps a good prerequisite**) to more intellectually oriented education that teaches business acumen, strategy, and execution. Our best advice is to start early. Strategic thinking and motivational skills aren't developed over night, but more likely over a decade. By the time leaders get to the executive rank it is too late. These skills need to be introduced in the MBA schools, fostered by organizations at the individual contributor and manager level, and then deepened through high-potential development. Incoming generations of leaders need to learn how to listen, how to think clearly and wisely, and how to communicate their view to others. These are core competencies, just like business acumen and operational excellence, and need to be developed as such.
- ◆ ***Implement Leadership Development Programs.*** Once they are inside your organization, don't waste any time getting your emerging leaders into development programs and initiatives. They need to be focused, stretched, groomed and tried in the fire at a much faster pace than the generations before them. Both formal and informal development can become an intentional practice inside your organization and have tremendous impact when it is deliberately embedded in the culture.

More Specifically:

- ◆ ***Practice Critical Thinking.*** Gillian Stamp, founder of the Brunel Institute of Organisation and Social Studies differentiates "tame" problems, those that are complicated but likely to have occurred before from "wicked" problems, those that are ill defined, ill-structured with incomplete, contradictory and changing requirements. Depending on the background someone brings to a situation, a wicked problem can be tamed through a wider perspective. Organizations that give employees opportunities to solve problems and decisions at every level within the organization create employees with perspective to tackle the wicked problems. These experiences serve as real-time training ground for strategic thinking.

The key is to establish an infrastructure that supports thinking and learning. Employees need training and practice in critical thinking. They need to have a clear sense of what is expected of them and the standards for success. They also need someone who will listen to their ideas, will allow them to work their way through issues without interference, but will remain available for guidance. A survey of U.S. employers<sup>4</sup> identified critical thinking as the number one skill of increasing importance in the workplace, so this need extends well beyond the leadership level.

- ◆ ***Teach Leaders to Listen, Reflect, Communicate and Respond.*** Incoming executives have been rewarded for a lifetime of responding quickly and delivering results. They are far less practiced at thinking strategically, listening, and reflecting. So, when the pressure is on they are likely to rely on their muscle memory and "do" instead of "lead". Unfortunately, this is one of the red flags for executive failure. It is very difficult for new leaders to stand back from the organizational fray and sift through strategic implications. Initially these skills can be taught and practiced in classroom settings,

business simulations, etc. (formal development) but to really be effective, the organization must build this type of development into the day-to-day experience (informal development) of emerging leaders and hold them accountable for steady and recognizable progress.

## Conclusions

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The next generation of executive-level leaders will enter a sea of complexity and uncertainty. The fundamental role of leadership development professionals is to make sure they are strong swimmers. To borrow from the Greeks, these leaders need a balance of ethos, pathos, and logos. Ethos being moral character - the source of a leader's ability to persuade, pathos being the ability to move people emotionally, and, logos, the ability to move people intellectually by giving solid reasons for action.

Fortunately, the next generation gets high marks for a high integrity mind-set and good operational skills. So, bridging the gap to success is certainly possible. To make success probable, these emerging leaders will need to supplement their current attributes by building a bridge to strategic/critical thinking and the ability to drive change and motivate others. They know how to perform successfully as individuals, and some have even mastered the skill of managing others, but very few have made the leap to the next level – leadership. But they can... and with the help of exemplary leaders and leadership development professionals, they will.

## References

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# Linkage

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