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Talent: Bridging the age and values gap

Food for thought

Anita Hoffmann
Executiva Ltd

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The widening age and values gap

Volumes have been written about the talent age gap in our energy and manufacturing industries. Little has been documented about the widening values gap.

We are all witnessing the immense popularity of Sustainability and Environmental university degrees attracting young high potential leaders and now the rise of Social Enterprises capturing the imagination, passion and energy of both young and more mature leaders.

As a coach and executive search consultant I speak every day to senior executives who are planning their exits long before normal retirement age to either become Non-Executive Directors, Advisors or lead purpose driven companies in e.g. Renewable Energy, CleanTech or with social or community benefit.

With our industries age profiles, and the need to attract and retain leaders of the future, this stream of leaders leaving or in case of young leaders, the decision not to join our companies is a risk to our businesses and future competitiveness we need to address.

This thought piece aims to describe the forces shaping this widening gap and some thoughts on how business and government can develop solutions.

In short - societal expectations of business are changing and this has impact on;

- How business will engage with wider society
- What kinds of projects and activities will become part of their business model
- The way leaders think of their careers and what they want to contribute
- The skills and competencies needed by the leaders of the future
- The way leaders needs to be recruited, developed, promoted and retained

Society expects business to help solve big problems

Society at large is viewing business and its role very differently than it did only five or ten years ago, when it was seen as a fundamentally separate from society. Today, consumers at large, as well as governments, are looking to businesses to help solve some of our big challenges in the world going forward, be it poverty, climate change or employment.

Yet few companies are really addressing this societal chance as part of their core business strategy, it is often handed to 'the CSR department'. In addition, very few are changing the ***leadership criteria*** they use to recruit, develop and promote and thus retain the leaders they need to be successful today and in the future.

Leaders are members of society…

All of us, whether senior leaders or not, are fundamentally citizens and consumers and therefore exposed to and part of the current thinking in society. We cannot park this part of ourselves when we come to work.

Add to this the end of career long employment with one employer and the guarantee of a safe pension pot at the end of our careers. I.e. the risk is all on the employees' side…

As a consequence, many leaders young and mature are looking to;

- Self-determine their lives and careers
- Work for something greater than themselves or profit
- Contribute to solving major world problems
- Use all their experience, skills and abilities
- Be part of innovative solutions and projects

They are increasingly seeing a gap between what they believe is needed for future business success and personal fulfilment and what corporations can offer them in terms of vision of where they are heading and content of their jobs.

I speak daily to leaders who want to change careers and there is one big theme coming through – they want to work with organisations that have a purpose beyond making profit.

I.e. there is a widening ***values-gap*** between society's expectations and what business 'do', what kinds of leaders they need and what these leaders want out of their careers.

Attracting, developing, promoting and retaining the leaders of the future

Companies need leaders that have new skills and competencies to engage with the 'open system' world business now operate in. To attract them they need to have a vision and values that reflect this changing role in society and people processes up to date with this change.

If we don't have a ***compelling vision*** of we want our company to contribute beyond our competitive financial goals, it will become harder and harder to attract both young and mature leaders to our firms. I often hear as the reason a senior candidate turns down a job offer is that they 'don't find the company values compelling or inspiring'. Younger leaders simply say, 'their vision of the future is not my vision of the future'.

If we don't know ***what kinds of leaders we want for the future****, how can we hire the right kinds of people, develop them to be successful or promote the best future leaders? It will also be close to impossible to retain the stars if we continue what most firms do today; recruiting, developing and promoting to a leadership competency framework that was developed for the world we lived in 10-15 years ago, i.e. to yesterday's success formula.

What do leading companies see as the key leadership competencies for the future?

The bottom line: Effective leadership at all levels of an organization—from front-line change agents to senior management—will increasingly depend on a sophisticated ability to identify, engage, and incorporate the needs and interests of a diverse range of internal and external stakeholders.

This as we live in an increasingly complex, volatile and transparent environment, an 'open systems' world.

In our study * leading companies ranked these six leadership competencies as the most important going forward, out of 22;

- External awareness and appreciation of trends (new)
- Visioning and strategy formulation (redefined)
- Risk awareness, assessment, and management (redefined)
- Stakeholder engagement (new)
- Flexibility and adaptability to change (redefined)
- Ethics and integrity (classic)

It is startling that five of the six competencies identified as the most important are either new or, in the opinion of interviewees, requiring significant modification from the classic definitions of what good looks like, if companies are to select, develop, and promote those able to lead in an increasingly economically connected, ecologically interdependent, and socially accountable world.

Narrowing the values gap and nurturing the leaders of the future

What can companies do to reduce this emerging gap, in order to attract, nurture and retain the leaders for the future?

- Incorporate social purpose in the company's vision
- Create new businesses and projects as part of core business to reflect the vision
- Define the leadership competencies needed to deliver the vision
- Refresh recruitment, development and promotion criteria and processes
- Make leadership development a board responsibility

New business activities - most leaders young and mature find an outlet for their social purpose values outside work, as volunteers, non-executive directors, advisors, mentors etc. in NFP organisations. Comparing this to the most important skills going forward; what if their acquired skills and relationships from this work are actually what will be critical to the company's future success? Would that change how we hire, develop and promote leaders? Would this change what kinds of business ideas, projects and activities could become part of our business models and their Roles & Responsibilities? Would this attract more young high potential leaders to our industries and organisations?

New leadership competencies - Companies need to think about this new 'open source' world we live in, what purpose they have beyond financial gain and what kinds of leaders they need to thrive in this new reality.

Refresh recruitment, development and promotion processes – Refreshed processes need to be in place to ensure the company is not recruiting to yesterday's success-model and promoting the old type of leaders whilst losing the future-critical leaders. We also need to re-evaluate if the automated recruitment websites most companies now have in place for graduates really serve their purpose as the key leadership qualities going forward are not, and with difficulty can be, reflected in an automated system. Development programmes need to be put in place that nurtures these new leadership competencies and can be done e.g. via the creation of new business activities as described.

Development and retention processes need updating

Developing younger leaders –The best way to develop is learning by doing; giving young leaders serious responsibilities and real stretch roles. I have noted over the past few years that as the senior ranks get older, there is more reluctant to take a chance on a young leader, forgetting that they were given roles of this magnitude when they were at the same development stage. The way to mitigate this risk could be to assign an experienced executive mentor who is available to test business decisions with. This could create fast track and tailored developmental experiences. In addition individual coaching by experienced external coaches to develop their leadership skills quickly in key areas.

Keeping mid/late career executives – senior women in particular are leaving corporations, 'going portfolio', at a younger and younger age. The reason most quote, in my experience, is that they have become disillusioned with the values and vision of the company they have worked hard many years for. Unless corporate leaders are willing to see that the world is changing and realising that this ***prevalent culture*** in the company is hampering women, men and the company itself from prospering, this will become a ***major talent risk factor*** for organisations going forward.

Creating a 'Third Career' structure – inside / outside the company

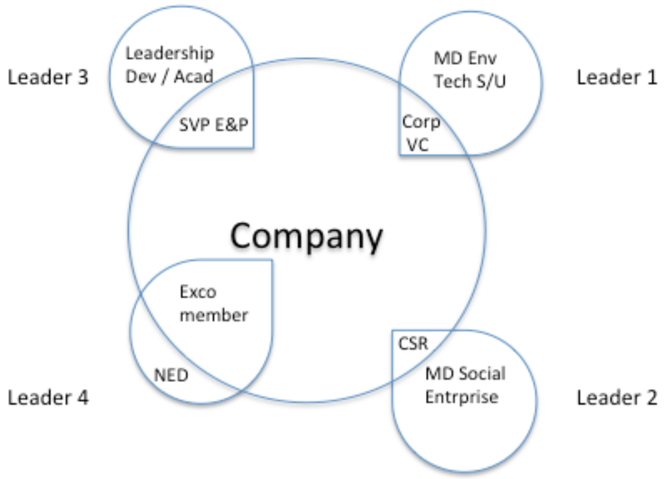
A special mention is needed for the emerging '***Third Career'*** stage. When most of us retire we will probably still have 30+ years to live and be healthy and energetic for probably 20 or more years.

Today no financial or societal structures are in place to allow continued work for this group, but the 'boomers' are arriving to this stage in force and are not about to go off and play golf….they want to 'give back'. Many also have to go on working for financial reasons.

This is a huge untapped resource if we can figure out how to engage them in their previous company or in completely different businesses to e.g. help develop projects and teams that have a social purpose component as part of the mainstream business model.

We could envisage that companies put in place a 'Third career' structure where leaders could stay part time in their existing employer to be a 'safe pair of hands' over seeing projects where younger leaders are fast track developed and on the other part of their time leading new enterprises that are of interest to and have impact on the company and society at large. An example is technology companies a Corporate VC unit has invested in that will enhance their production process whilst leaving a better environmental footprint.

If this was seen by senior leaders as at least for a time 'the way to give back' instead of disappearing to the traditional Non Executive careers of big listed companies, younger leaders would have a tremendous resource to develop and mentor them.



To enable this, governments and financial institutions need to create the policy and financial frameworks and products that will make it possible for us to go on working and creating new businesses well into our 'old age'. This was very successfully done for the wave of 'early retirees' in the 90ies. There is a huge business and tax revenue potential from this career group. Not to mention a massive talent pool whose experience is vital for both existing and new types of business …

****Executiva/BSR***: Sustainability – Leadership Competencies for Business Leaders
http://executiva.co/downloads/sustainabilityandleadershipcompetenciesforbusinessleaders.pdf