## 2010 LEADERSHIP – A TIPPING POINT

There is a tipping point emerging in 2010 as the demands and effects of managing the economic downturn are replaced by a set of people management challenges. Companies can expect more employees to be less committed to staying with their companies, to be less enthusiastic about their work and unsatisfied with the efforts taken by the C-suite. This will be more acute for women and other diverse talent.

Coming out of a period where people have dealt with a lack of operating flexibility, actions to reduce costs and headcount, increased responsibilities, changes in hours, higher levels of stress, fewer promotions, uncertainty around career paths and many forms of compensation reduced, eliminated or constrained, how do you keep and re-energise the best people?

Leaders may therefore need to complement their focus on productivity improvements with increased efforts to retain, engage, motivate and develop not only those who are implementing business growth initiatives, but others critical to the long-term success of their businesses.

**Insight**: Efforts by leaders to communicate with and motivate their people are not as effective as they could be as most talk about corporate values or direction and financial performance. A focus on the big picture can be insufficient for motivating those grappling with operating frustrations and retrenchment programs in an atmosphere of anxiety. Promises made in times of growth and actions taken in economic downturns are fresh memories.
**Solution:** It is more effective to make individual connections with people, not forgetting the value of a collaborative leadership style, informal time and conversations, mentoring, coaching and more meaningful 'stay interview' dialogues. In addition, it is important to remember that personality guides different approaches to motivational drivers, incentives and feedback. You cannot create motivation, you have to tap it. Executives act based on intrinsic motivation and energy. There are two critical business motives – drive for improvement and drive for influence – and you will not always be able to judge which is primary.

**Insight**: The key to people contributing and fulfilling their capability is also a question of personal alignment – of the individual's beliefs and intentions to the company's promises and actions.
**Solution:** The strongest driver of engagement and belonging is feeling valued and involved. Involvement in decision making, including their own careers; the extent to which they can voice their ideas; the opportunity to develop their role; and having managers who listen to these views valuing their insights. A concern for their wellbeing build on engagement levels. Given what people want to achieve in all domains of their life, work-quality will mean more than work-life flexibility. The expectation will be for the tools, programs and executive coaching to achieve quality career paths with a work experience that has greater levels of energy, balance and satisfaction.

**Insight**: New business models are highly likely to emerge from this cycle and will redefine talent priorities. There is a real need to identify where change matters most for the talent agenda to be most effective.
**Solution:** One approach is to focus on identifying where talent - which is better than the competitors - is needed for the business strategy to work. Efforts to retain, engage and develop the right talent should be directed at lead-business lines, critical market segments, current key client groups or targeted new clients. Developing capability for the business drivers of client value, new revenue streams, emerging business-models, cross-silo collaboration or innovations will ensure a company can come out of this business cycle better positioned.

*The Talent Advisors*
*growing / capability*

**Insight**: Talent management is seen as developing current and future leadership. In 2010 and beyond, the real requirement will be for a seamless and integrated set of practices to build sustained capability.
**Solution:** Take a **commercial-centric** context to talent capital to direct efforts where strong, distinctive core competence is needed. Provide **change management** skills for leaders and individuals so they can strategically address the structural changes that are occurring within and across the business with a new level of thinking. Build **capability** for the new and inevitable business models needed for the business to succeed. Exploit cross-silo **collaboration, innovation** and **information sharing** so that all opportunities are explored.

**Insight**: People look for companies with reputations to identify and develop talent as this personally impacts on their individual growth and promotion prospects. Executives can act on their rhetoric about people creating competitive advantage if they have a deep and genuine commitment to learning, development and career options.
**Solution:** A firm-wide lens and a more inclusive approach involves thinking of the workforce as a collection of talent segments that actively create or apply knowledge. Leadership matters and so does a sustainable leadership brand that is valued by both the marketplace and the people within. Offer depth and breadth of development experiences - let people try new things, experiment and tackle real problems with other diverse talent to broaden learning and exposure. Offer career planning support that covers lateral moves and more options. Determine the critical experiences necessary for success. Use action-learning. Establish a learning circle or network for reflection and insight.

**Insight**: Most talent investments are not extracting real value and typical talent practices fail to deliver what is needed. Boards, CEO's and Executive Committees are highly aware of the need to improve their ability to find and develop better executives so their business performance will not suffer. Yet, awareness is not unified execution.
**Solution:** The specific accountabilities of leaders at all levels, starting with the C-suite, must be set through a goal-related talent-scorecard that links to incentives and consequences. Governance procedures should unify delivery across silos, assessing risk and execution gaps.

## FROM INSIGHTS TO ACTION

In 2010, talent capital strategies relating to retention, development and engagement will be as critical as planning for business growth. Specifically: **1.** Communication that connects on an individual level and includes informal time, mentoring, style of leadership and a more meaningful 'stay interview.' **2.** The strongest driver of engagement and belonging is feeling valued and involved. **3.** Work-quality will mean more than work-life flexibility and will need to include career planning. **4.** New business models are highly likely and as a result will redefine talent priorities. **5.** A seamless and integrated set of talent practices is needed to build sustained capability across the organisation. **6.** The reputation to identify and develop talent will be a differentiator. **7.** Accountability measures, governance practices and risk management approaches will be needed for unified talent management execution.

*To discuss our talent capital consulting and executive coaching experience call Dianne Jacobs on 0400 806 336.*


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