



Are you prepared for the leadership gap?



Fewer employees are aspiring to C-level roles, preferring to use their leadership skills to make a direct impact on their organizations and colleagues from their current positions. What does that mean for the future of your business?



By [Sharon Florentine](#)

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Millions of Baby Boomers are getting ready to retire, many of them from high-level corporate leadership positions, leaving plenty of C-suite vacancies just waiting to be filled by the next generation.

But according to the Global Workforce Leadership Survey released by talent management solutions provider [Saba Software](#) and research and HR advisory service firm [WorkplaceTrends.com](#), no one wants the job.

The [Global Workforce Leadership Survey](#), which polled 1,000 human resource professionals in eight countries, found that less than half (47 percent) of respondents said that they have an adequate pool of talent to fill leadership roles in their company. But the issue is far more complex than a simple matter of demand outpacing supply: The survey also found that a frightening amount of employees are not interested in the corner office, with only 11 percent of those polled aspiring to C-level positions.

"What's concerning here is that, quite literally, the future leadership at some critical global organizations is at risk," says Emily He, chief marketing officer at Saba. "There's more at play than the retirement of Baby Boomers; the fundamental approaches businesses take to find, develop and inspire leaders -- at all levels -- need to change," she says.

There's certainly enough available talent to fill vacancies left by retiring Boomers, but the problem is one of perception, ambition and professional development, according to He. Organizations simply aren't doing enough to develop potential leaders, especially those up-and-comers from the millennial generation.

What is leadership?

Part of the issue, He says, is that the way workers define leadership has changed from generation to generation. While Boomers and even Generation Xers tend to associate leadership with management roles and C-suite titles, for millennials, leadership is less title-driven and more situational.

"Saba did a recent [survey with Harris Poll](#) that showed 68 percent of millennial workers already consider themselves leaders, regardless of their title. They believe they have the ability to exert influence on their organization, to achieve mastery in their area of expertise and to help mentor and guide others," He says.

That said, the report finds that only 11 percent want to be in the C-suite, and only 10 percent want to be in a traditionally defined leadership role. "While businesses are still defining leadership in the traditional way through management titles and executive offices, for most workers, it's situational and it's very personal. Individuals are embracing leadership by virtue of their actions and their impact -- experience trumps title. So companies in turn need to redefine what they mean by leadership beyond job descriptions and begin to see the net impact their future leaders are driving toward," He says.

Unfortunately, most businesses' efforts in developing the next generation of leaders are missing the mark, according to the survey results. Nearly half, or 46 percent, of companies said leadership was the skill hardest to find in employees and only 36 percent of employees listed "leadership" as a strength in their organizations. Of the companies responding to the survey, 39 percent offer leadership development programs, but only 15

percent of employees at those firms feel the training they receive is preparing them for their next position.

Leadership development must be personalized

Today, employees are looking for personalized career direction at every stage, according to the survey results. In fact, most employees are looking for quarterly or weekly feedback and access to career development wherever they are. And they expect content, contacts and courses offered at work -- through digital and online course offerings, collaboration and video -- in much the same way they consume personalized entertainment content at home through Amazon and Netflix, the survey found.

Perception versus reality

The findings show a stark contrast in what employees want from their organizations and their reality; only about half (52 percent) of companies conduct annual performance reviews. When organizations do track performance metrics, 58 percent are still using last-generation technology like spreadsheets to do so. And less than 25 percent of global companies are using advanced technology, like big data, metrics visualization, predictive analytics and machine learning, to gain insights into the best ways to maximize their talent potential.

"What we found is a major disconnect between what employees want and what employers offer in the way of training, continuing development, mentoring, guidance and feedback," says Dan Schawbel, founder of WorkplaceTrends.com.

"Most of the companies are still using books, spreadsheets, manuals, whereas employees are looking for online, technology-focused and [technology] enabled learning online or through their mobile devices," Schawbel says.

And when organizations aren't investing in the professional development resources employees crave, engagement and retention rates plummet.

"If you're in HR, it's likely you're seeing this shift happen before your eyes. You know, probably better than anyone, what you're doing now to further development, training and retention and how closely that maps to what your employees want. But you also must take into account that by 2020, half of your workforce is going to be millennials, and unless you focus now on cultural fit, professional development and succession planning, you're going to be in big trouble," says Schawbel.

3 ways to address the leadership gap

How can proactive businesses head off the leadership gap and the succession crisis? There are three major areas of emphasis, says Saba's Emily He.

First, reimagine the relationship between employer and employee and realize how that has changed from generation to generation. "In the past, employees spent long stretches of time at one employer, working their way through promotions and advancing to leadership

roles. That's no longer the case -- which makes the idea that a company has a pool of leadership talent 'on the bench' completely obsolete. Both companies and workers must understand that the average tenure is less than five years, so there must be clear expectations about what each will get from the working relationship and how leadership qualities can be maximized during that short time," He says.

Second, talent management practices must be overhauled. Promoting employee engagement and improving corporate culture will improve employee happiness and retention rates, which will empower leadership from all levels of the organization. "This ties into employees' desire for more frequent performance evaluations, guidance, mentoring and training and development. By showing your employees you're invested in their continued growth and success, you're increasing engagement and productivity. It's a win for both the employees and for the business," He says.

Third, businesses must take advantage of cutting-edge technology to better manage their talent processes; talent search, attraction, acquisition, hiring, development and training. "The current and future generations of talent are so tech savvy that they offer so much opportunity to use predictive analytics and prescriptive guidance to shape their career paths. By leveraging technology in every aspect of your talent management process, you can help empower leadership, but also identify leaders at every level," says He.

The bottom line

"Companies need to rethink their talent management and employee engagement strategies. Personalized employee career development programs, accessible tools and tracking systems and a focus on redefining and re-engaging leadership -- at all levels -- will help deliver on the innovation and growth that businesses require," says Schawbel.