

# BUILDING A LEADERSHIP LEGACY

## Planning for a leadership transition amidst a changing generational landscape

### *Executive Summary*

#### **Modern American leaders are approaching a critical juncture.**

*Building a Leadership Legacy* is a white paper written by Gilburg Leadership Institute, Inc. (GLI) that attempts to dissect, diagnose and address the impending leadership crisis this country will likely face in the next ten to fifteen years. As the aging Baby Boom Generation (45-65 years old) moves towards retirement and is followed by the successive Generation “X” (25 to 45 years old), what is becoming statistically clear is that knowledge based fields will experience a tremendous attrition of explicit, implicit and tacit knowledge. Companies and organizations will lose valuable knowledge capital and suffer the consequences of playing “catch-up” in a complex global marketplace.

#### **A chronic lack of succession planning plagues public and private U.S. organizations.**

Despite some alarming statistical data about this trend, very few companies, organizations or government agencies are doing much to institute effective succession planning or knowledge transfer programs in order to ensure a smooth generational leadership transition. GLI poses that there are many factors contributing to this lack of organizational stewardship: shrinking operational budgets; an increasingly transient workforce; a cultural focus on short-term productivity that rewards quarterly profits over long-term investments; and a 24/7, on demand, multitasking, high-tech mentality that, according to a growing body of neurological research, can keep us in a reactive mode and short-circuit our cognitive capacity to think clearly and strategize effectively. Regardless, the data is still clear: there is an inevitable transition that, on the whole, has not been attended to. GLI concludes that at the crux of this crisis is a subtle, and largely misunderstood conflict between two diverse and distinct generational personas.

#### **Baby Boomers define the cultural norm.**

The Baby Boomers, who are firmly ensconced in leadership roles throughout the country, are the architects of the dominant cultural forces at play in modern American society. Throughout their lives, their generation has held the American spotlight, from “Victory Babies” at birth, to the Spiritual Revolution of the sixties and seventies, the Yuppies of the eighties and nineties, and the value wars between the political Right and Left today. Their collective desires, tastes, values, ideals, and purchasing power have defined our culture and serve as the “norm.” As is typical of a dominant generation, Baby Boomers

generally demonstrate little awareness of the diversity issues that exists between themselves and younger generations, or of how younger people experience the workplaces they lead. Baby Boomer leaders currently oversee a workplace culture characterized by intense global competition, corporate downsizing, declining operational budgets, demanding productivity expectations, ballooning executive salaries, epic national debt, and a 24/7 workplace mentality—all enmeshed in an environment of historically low trust of leadership in all sectors.

**Gen Xers have a different perspective.**

Enter Gen Xers, rarely seen in leadership roles and typically on the fringe of mainstream culture. Born in a time when adult needs trumped those of children, Gen Xers made up the latchkey kids of the seventies and eighties, experiencing parental divorce rates of 50% or higher. Many grew up quickly and developed a street smart savvy devoid of any illusion about how the world is. Labeled by mainstream media as under-educated slackers, Gen Xers have graduated college with historic levels of debt to enter a workforce plagued by downsizing and cost cutting measures. Many initially took “McJobs” to survive before securing employment in desired career fields. Today Gen Xers tend to stay at a job or company for an average of three to five years. They are also likely to switch career fields up to four or five times in their lives. As a whole, they tend to be untrained and unmentored in the subtle, implicit and tacit workplace knowledge that is acquired with long-term experience. Gen Xers readily embrace training and career development opportunities when available as a means of increasing their “market worth.” Since they move from one job to the next so frequently, either voluntarily or from downsizing efforts, they tend to prefer short-term benefits to long-term rewards. Additionally, as a generation, they place a high premium on work/life balance and many are willing to take pay cuts or positions of less responsibility to ensure increased family time.

**Generational diversity is having significant impacts on workforce dynamics.**

There is a diversity issue between these two Generations that often goes unnoticed and is rarely addressed. Gen Xer subordinates frequently view Baby Boomer leaders as workaholics who are overly loyal to their companies. They are wary of those leaders who are demanding a commitment to the 24/7 work ethic with little tangible reward, and they resist taking on responsibility when they are not given appropriate authority. Promises of future promotion and stable pensions plans fall on deaf ears if there is no short-term process for improving one’s position, knowledge base or marketable skills, while allowing for a flexible work environment that ensures quality family time. Baby Boomer Leaders often see their Gen X employees as cynical, disloyal and selfish in their needs for short-term benefits. They are easily frustrated by Gen X tendency to ask blunt questions and their shameless maneuvering for promotion and vacation time. They grapple with the realities of shrinking operational budgets and see little benefit in investing in training and development for a cadre of employees who are likely to leave within three years anyway.

Each is circumspect of investing in the other without some kind of change. And yet this subtle and subversive conflict is leaving companies ill prepared for the transitions they

must face. The answer to this problem is not easy, but it is elemental. Hope for the future lies in the alchemy of talents possessed by these two different, but equally valuable generations when they work together towards common ends.

**Leaders need to take a hard look at how they are training future leaders and transferring crucial knowledge.**

Many Gen Xers hold no illusions about who will take care of them. Most do not expect companies or their government to provide for them. Their childhood taught them that they can only count on themselves. Subsequently, their worldview can be cynical, harsh and brutally honest. Nonetheless, their technical savvy and self-motivated, no-nonsense attitude make them some of the most sought after employees in the knowledge base work force. If their needs are not being met in their current positions, impatient Gen Xers will pack their bags and go to a place where those needs will be met. The companies and organizations that understand the reality of this generation and respond with appropriate and credible personnel policies, incentives, and vital training and mentoring programs, will win Gen Xer loyalty, productivity and leadership.

Mentoring is the most inclusive and effective form of organizational knowledge transfer. However, due to the pace of today's work climate and the deferred realization of benefit from mentoring initiatives, this time-honored practice has been largely forgotten. Some companies have initiated mentoring programs only to find them failing for lack of effort, clear direction, or poor pairing of unsuitable, untrained mentors with incompatible protégés. These initiatives are often a delegated task to a human resources department who lack the leadership investment or appropriate authority to implement a truly effective program.

**The Leadership Legacy Project<sup>SM</sup> – Bridging the Leadership Gap.**

Gilburg Leadership Institute has worked with scores of organizations in all sectors. In response to this impending crisis, we have initiated the Leadership Legacy Project<sup>SM</sup>. Our approach is to help organizational leadership employ a process of rigorous self examination:

- What succession initiatives have been undertaken to date?
- What is the cost benefit analysis of those actions?
- What has the leadership team done to identify the kind of knowledge—technical, political, strategic—needed by future leaders of the organizations they steward?
- Who is best positioned to share that knowledge and transfer that information?
- What gaps in knowledge and skill can be bridged with targeted, strategic training programs?

Based on this assessment we help develop the following:

- Targeted training and development for the best and brightest in your organization
- The parameters and scope of a sound mentoring program
- Identify people who are best suited to be mentors and their training needs
- Identify the best protégé candidates and the pairings that make the most sense to maximize that relationship

We will work with the organizational leadership to answer these questions and prepare a targeted, strategic initiative that has a high degree of benefit for the organization. Though the benefit may not be quantified in one or two quarters or even in a year, the leaders will know that their efforts are geared towards the long term success and viability of their organizations. They will know that through this holistic succession and development plan, they are building a leadership legacy that will outlive them.

*View the complete white paper by visiting the Publications & Resources section on our website at: <http://www.gilburgleadership.com>.*