

2010 LIW Global Leadership Challenge Survey



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Talent rises fast in leaders' priorities

The latest poll conducted by leadership consultancy LIW shows a strong shift towards talent being a major challenge for leaders in post GFC world. While systems and processes are steadfast as the number one challenge, 'recruiting and retaining key talent' has gone from afterthought to second in little over a year. Leaders are clearly getting onto the front foot and, compared with sentiment during the crisis are focusing on aligning resources to take on the challenges ahead.

Recruiting and retaining key talent

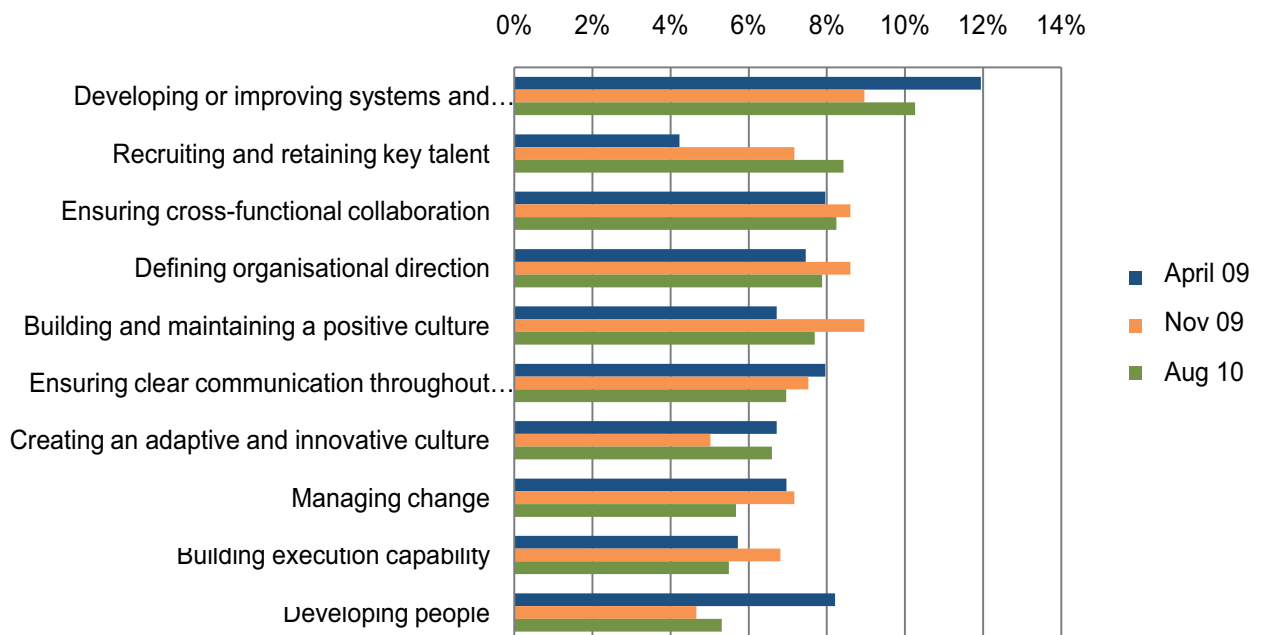
In April 2009, this challenge did not even make the Top 10 concerns for leaders. Since then it has more than doubled in importance and is on track to make number 1. This aligns with the well-known skills shortage which is clearly having an impact. We have spoken to leaders in Healthcare with vacancies open for months and others in the IT sector who report that the options open to potential and current employees dramatically increased in recent months, challenging recruitment and retention. One CEO in the IT industry summed this up: "The biggest challenge today is getting the right people and keeping them in a timely way. They are out there but the skills shortage means things are getting harder." Against this is the drop in 'developing people' from second place last year to today's 10th place. This is an area for leaders to consider in their attempts to retain talent: 'high potentials' expect development and will deliver more as a result of it.

Developing or improving systems and processes

This challenge consistently tops the leadership leader-board but the activities behind it seem to be changing. A year ago, leaders were inwardly focused, making things work efficiently with what they had despite the external challenges. The theme we are hearing now is that, as large corporations stir after the crisis, investments in systems and processes at global level need to be embedded by regional and country leadership.

Other stalwarts at the top of the top 10 are 'driving collaboration' and 'defining organisational direction'. As the business world becomes more complex and opportunities increase, these will continue to be the holy grail for effective leadership.

What are you three leadership challenges at present?



N=183, survey conducted online in August 2010. Top 10 shown.



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Outlook still gloomy

A simple question in the survey reveals interesting insights. When asked the question 'in the next six months do you see your challenges as a leader increasing, staying about the same or reducing?' two out of three of the leaders surveyed stated that they believe their challenges will increase. This result is consistent with past surveys: only a few out of one hundred see things actually getting easier.

In the next six months, do you see you challenges as a leader...



The challenging question is this: if leaders themselves are pessimistic about the future, then how are those around them going to feel? Crucially, how inclined will their employees be to join, or stay with, an organisation where the leadership has a dim view of the future? Is this the ultimate self-fulfilling prophecy?

However, realism about the future is warranted: China declared in 2008 that, to meet its business industrial needs for the coming 10 years in the technology sector, they will have deficit of nearly 70,000 executives. When that demand starts to add to the current shortage, recruitment and retention could become acute.

Dealing with the challenge

To attract and retain staff, senior leaders will have to look far beyond the HR and recruitment functions. Employees, current and potential, still want three things from their employers – a compelling vision and clarity about their role in achieving it, the resources and the culture to help them to get that job done and an opportunity to play to their strengths while building new skills for their own future. To achieve this, leaders will have to take a build an Organisational Leadership Architecture™ that unlocks the potential of leaders at all levels

LIW is a global leadership consultancy which supports companies, countries and communities to succeed by building leadership at every level. We call this the Organisational Leadership Architecture™ and we work with our clients to build it through three offerings:

- Consulting: research and advisory services for the strategic leaders both in large organizations and in private equity environments
- Capability: blended learning solutions both online and offline, connected to real-life outcomes
- Products: online learning and licensing to enable cascade of the common leadership language to all levels

The Leadership Challenge Survey helps LIW to direct these services to best serve our clients and to inform the broader community of leadership issues and solutions. If we can help you to build your Organisational Leadership Architecture™ to overcome any of the challenges discussed here, we would love to hear from you.

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