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Leading into the Future: Critical Skills for Next Generation Leaders

By Wendy C. Nakamura

As changes in our business environment continue at an ever-increasing pace and seasoned leaders plan for their retirement, developing the next generation of leaders will be a major priority for organizations in the coming years. Tomorrow's leaders must be prepared to respond to the opportunities and challenges of a global marketplace, increased competition, heightened expectations for social and environmental stewardship, new customer demographics, a shrinking and changing workforce, and rapidly advancing technology.

The development of our future leaders will continue to be shaped by each organization's purpose and objectives, as well as trends specific to each industry. There are, however, core skills which will be critical to the success of all future leaders. These may not be new skills, but they will become more important and relevant than ever before, and many will need to be applied in new and different ways.

Make Personal Connections

The capacity to build a workforce of diverse individuals has long been a requirement of leaders. Future leaders, however, will have to go far beyond traditional, compliance-driven, diversity management to inspire, motivate, and retain the diverse talent pool that is taking shape in our workplace. The assertion that "people are our biggest asset" is no longer just rhetoric; it is a business imperative.

Tomorrow's leaders will need to "connect" with all of their stakeholders, including their employees, on an individual basis to let them know they are valued. They will need to know and truly understand each employee as an individual, taking into account the many factors which influence their values, preferences, needs, and motivators. These factors include each individual's generation, family/life priorities, culture, gender, religion, education, past experiences, and work style.

Raquel Hicks Craven, Director of Organizational Effectiveness at Hawaii Pacific Health, notes, "One of the best managers I ever worked with had a large department and spent the first 15 minutes of her day 'making the rounds' to say good morning to each employee. She would ask about their son's soccer game. She not only knew every one of her 300 employees by name, she also knew the names of their spouses and children." This small investment of time and energy sent a clear message to employees about her interest in them as individuals. As a result, "employees would do anything for her."

As organizations encourage their employees to capitalize on their natural work style and strengths, leaders must hone their ability to communicate with, and influence a broad spectrum of individuals. They must be highly skilled at adapting their style to suit those they are leading. Therese Dickerson, Vice President and Manager, Leadership & Employee Development at Bank of Hawaii, sums it up well when she says, "It's not peanut butter." "Managers can't treat everyone the same. It's an individualized approach that managers need. Managers need to know their own perspective and realize that everyone has different motivations. We need to be 'chameleon-like' without impacting our integrity."

The next generation of workers seeks purpose and personal meaning in their work. Leaders must be skilled at translating their organization's vision and objectives into a compelling message to appeal to each individual employee. To tap into employee's aspirations and truly engage and retain them, leaders will need to be more discerning and flexible than ever.



Ideas for developing this skill: start by building your leaders' self awareness. Feedback and assessments are often the most effective means of helping leaders understand their values, needs, strengths, and limitations. Once leaders understand themselves, they can begin to understand and meet the needs of their constituents.

Exercise Systems Thinking

To effectively respond to an ever-expanding and changing marketplace, successful future leaders will actively exercise a systems-oriented, 360° perspective. In addition to focusing inward on the organization's operations, systems, and measures, future leaders will have the ability to simultaneously look outward and forward to the future.

Successful leaders will view their organizations as part of a larger economic and social system. The years ahead will bring greater requirements for corporate social responsibility, environmental stewardship, and an ever-increasing influx of rapidly changing technology. It will be imperative for leaders to continuously and pro-actively scan their environment to identify and act on opportunities and challenges that will impact their enterprises.

To accomplish this, leaders will need to actively explore best practices within their industries, identify opportunities to participate in new markets, uncover needs and plans within their communities, and remain current on global events and trends. Craven observes, "Sometimes we think we have to reinvent the wheel because we are so unique (here in Hawaii), but we can still learn from others."

Our leaders will need to extend their reach beyond the boundaries of their offices and the isolation of our geography. They will need to rise above the clutter of their day-to-day activities to see possibilities and make connections between seemingly unrelated business and social concepts.

Ideas for developing this skill: make forward-thinking resources (e.g., publications, conferences, thought-leaders) available. Require leaders to engage each other, employees, and customers in discussions about the future. Encourage leaders to spend at least one hour per week in an outward or forward focused activity, and "clear their mind space to think," as Dickerson notes.

Lead Change

Change is the new status quo. Regardless of industry, location, or size, an organization's ability to survive and prosper, will more than ever, rest on it's leaders' ability to transform the organization to respond to its changing environment. Successful leaders will craft and communicate a compelling vision of the future, engage others in the vision, and focus on both business processes and people as they facilitate change.

Frequently, leaders focus on the changes to the business processes at the expense of attending to the needs of the people who are tasked with implementing the changes. To successfully lead change, leaders must understand the process which employees go through as they comprehend, grapple with, and eventually, accept and embrace change. Too often we involve employees, customers, vendors, and other stakeholders too late in the process. For example, an insurance company about to implement new call center software explains the change to the call center staff at a training session for the new system which will "go live" in two weeks. The call center staff is told that they must now abandon their old system (which many of them designed and have used for many years) with virtually no explanation or preparation. The managers then wonder why the call center employees are resistant and won't embrace the transition to the new system. Craven has seen similar scenarios and explains, "Managers call me and ask me to train their employees to stop resisting change. I tell them that I can't do that, but I can teach them (the managers) how to lead change."

Effective change leadership requires introducing and obtaining input and buy-in for change from all who will be impacted as early in the process as possible. "Employees, especially the next generation of employees, need to understand the rationale for change. Managers often try to sell the solution, but forget to tell people what is not working and why change is needed," notes Craven. Leaders need to be skilled at articulating the "why" of change along with the "what" as they engage their employees in their vision of the future.



Leading into the Future: Critical Skills for Next Generation Leaders Continued...

Ideally, leaders' vision of the future should be crafted with input from their constituents, but should also clearly reflect their own personal values and aspirations for the organization. Leaders must be able to share their vision with feeling and heart. The days of blind compliance and obedience to a manager's directives are over. Tomorrow's employee will not embrace changes and follow a leader into the future unless that leader can share a heartfelt vision that is personally relevant to both leader and employee.

Ideas for developing this skill: learn by doing. Involve leaders in projects and assignments that require leading increasingly broader and more complex changes. Ensure that leaders focus on leading the changes to the business process, as well as leading employees, customers, and stakeholders through the change. Teach leaders William Bridges' Transition model on the "people side" of the change process.

Manage Complexity & Accept Challenges

The future will bring with it an unprecedented and exhilarating array of options, opportunities, and a mind-boggling quantity of information. Global markets, increasing customer demands, new technologies, and an uncertain political and social context are requiring organizations to find innovative ways to organize and deliver their products and services. Multiple locations, a global workforce, remote and matrixed reporting, and crisis management initiatives are already commonplace challenges for many organizations and their leaders.

The ability to process great quantities of information and "hone in" on the relevant factors will be crucial. Leaders will also need to have a high degree of comfort with uncertainty. They must be able to move forward and make decisions based on oftentimes incomplete information. This will require a laser-like focus on the organization's values and core objectives to maintain a clear perspective and stay on course.

Successful leaders will also need to demonstrate a willingness to take on challenges, experiment with new approaches, innovate, and navigate through unfamiliar terrain. Ruby Menon, Director of Human Resources at Hawaii Biotech, cites the importance of the "ability to change, innovate, and take a stand on a direction," especially for a start-up business. "Nothing is static," she says, "We must look at ways of innovating and contributing as things change." Menon, who ventured into the biotechnology industry when she joined Hawaii Biotech last year, speaks from personal experience. "I had to get a heck of a lot more comfortable with risk. The environment moves quickly, like nothing I had ever experienced before." Her willingness to take risks comes from her confidence in the company's strategy and the people that she works with. "I manage my risk by asking, 'Who is at the helm? What is the strategy? Can I build my Human Resources practices around the strategy?'"

The lessons to be learned from leaders of start-up and high-tech businesses are equally applicable to other industries. Leaders of these fast-paced enterprises are experienced at managing risk and complexity at a level which many other industries are only now encountering. They know that organizations must foster the development of these skills by creating an environment which encourages questioning, exploration, and risk-taking. Menon notes, "It is important for employees to brand themselves with these skills," and she is leading the way. Success in the future will require personal and organizational courage.

Ideas for developing this skill: take risks in the developmental process itself. Entrust leaders with decisions and tasks which will stretch them and test their mettle. Provide mentors to guide them and give them a safe place to land if they stumble.

Manage and Develop Self & Others

This is the foundation upon which leaders' potential for future success rests. To respond effectively to a dynamic business environment and develop critical skills such as those discussed above, leaders must continuously evaluate where they are as a leaders, where they need to be, and how they will bridge the gap. They must have a high level of self-awareness and be willing to "own" their strengths, as well as their shortcomings. And they must be disciplined in their efforts to continuously improve their leadership capabilities.



They must also be driven by a sincere desire and ability to develop others. They must possess the communication and motivational skills needed to help others see themselves clearly and serve as a coach and mentor to those under their stewardship. Leaders must understand and commit to their role in developing others.

Ideas for developing this skill: hold managers accountable for their own development and the development of others. Provide a process and tools for leaders to use in assessing and developing themselves and their employees. Reward and recognize leaders who excel at growing people.

Our next generation of leaders must master the paradoxical ability to look inward for self-understanding, courage, and passion, and focus outward on the needs of others and the opportunities and challenges of the marketplace. Building these newly defined skills will require a commitment to disciplined and continuous development by individual leaders and the organizations they will lead into the future.

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Leadership development is a topic that will be included in "Facing our Future," our SHRM Hawaii State Conference scheduled on October 8, 2007. Please mark your calendar and watch for registration information via email and on our website at www.shrmhawaii.org.