



THE LEADERSHIP ADVANTAGE

AS THE ECONOMY RECOVERS AND THE TALENT SEARCH HEATS UP, TOP PERFORMERS WILL PROPEL COMPANIES ON THE FAST TRACK.

THERE'S NO SHORTAGE OF ISSUES that keep business leaders awake at night. The looming presidential election, uncertain tax policies, and the nation's stubbornly high unemployment rate are a few of the more obvious. But perhaps no other topic creates the degree of concern—both short and long term—than finding the right talent to staff the company. From *Fortune* 500 CEOs to entrepreneurs, executives agree that the ability to attract and keep the best and brightest workers will be the key differentiating factor between good and great companies in the years ahead.

The reasons are easy enough to understand. Rapid changes in technology, shifting demographics, a global marketplace, and sophisticated consumers who are used to getting what they want—when they want it—are making it increasingly difficult for companies to set themselves apart from the competition. That means the quality of the talent—the folks who set the strategy, make the products, deliver the services, and interact with customers—is the new corporate currency.

A recent report by ManpowerGroup titled *How to Navigate the Human Age* sums it up this way: "The new capitalism—talentism—puts unprecedented value on talent as the driver of business success." Leveraging that talent demands new ways of thinking about the human resources issues that every corporation faces. Among them: bringing potential future leaders on board, reviewing their performance, and managing their training and mobility within the organization.

DRAMATIC CHANGES

A study by Bersin & Associates, a talent management research and consulting firm, drives the point home. Companies that excel at social networking

and informal learning are three times more likely to do a better job with global talent development than companies less skilled in these areas. "The world of work has changed dramatically," writes Josh Bersin, CEO of the Oakland-based company. "People are highly connected, they operate on a global basis, and jobs are far more specialized. These changes have created a whole new management model for companies."

On-demand HR software solutions that can be accessed quickly and inexpensively through the Internet or the cloud are certainly part of the new landscape. They allow companies of all sizes to use web-based applications to be more precise and proactive about hiring, promoting, and educating their workforce.

Although this paradigm shift affects employees at every level of every company, it's especially critical for those in leadership roles. The success or failure of a product launch, turnaround, or acquisition depends in large part on having the right leaders across all levels of an organization, and that includes the C-suite. Companies that truly believe that human capital is their most valuable asset—and make investments to cultivate that talent—are those that will set the pace in the years ahead. ●

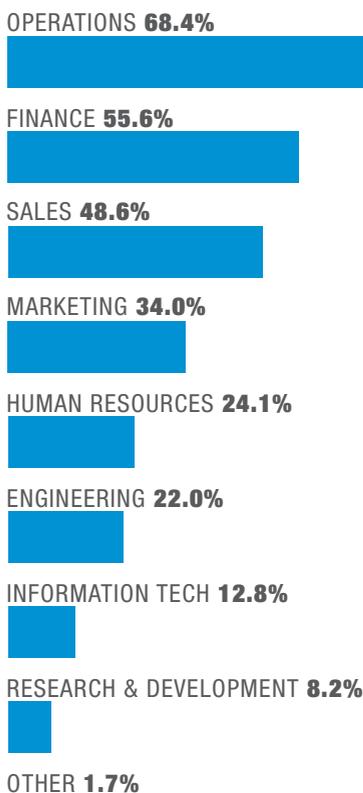


SUCCEEDING IN THE C-SUITE

THE NEW CORPORATE CURRENCY IS A TALENTED WORKFORCE. ITS LEADERS HAVE GLOBAL MINDSETS AND SKILLS TO MATCH.

WHERE LEADERS COME FROM

When asked what functional areas are most likely to produce their C-level executives, more than 1,400 CEOs and HR professionals from 707 companies replied:



SOURCE: WHY GLOBAL LEADERS SUCCEED AND FAIL
RIGHT MANAGEMENT AND CHALLY GROUP WORLDWIDE



DEVELOPING GREAT CORPORATE LEADERS would be simpler if a single, finite competency or set of competencies applied to all situations. That's not the case, however, in the world in which we live and work. Leaders evolve from a wide variety of backgrounds, experiences, and job functions, each bringing a unique prism through which to view the world and business.

To get a sense of the skills and attributes that contribute to the development of effective leaders, ManpowerGroup's Right Management and its partners recently conducted a first-of-its-kind study. They collected data from more than 1,400 CEOs and HR professionals at 707 domestic and foreign companies, ranging in size from fewer than 500 employees to more than 100,000; annual revenues ranged from under \$25 million to more than \$10 billion.

The survey attempted to pinpoint the skills, competencies, and developmental initiatives that help global leaders succeed—and the shortcomings that are most likely to lead to C-suite failure. The key findings:

■ **MOST WESTERN CEOs COME FROM OPERATIONS** (68%), finance (56%), and sales (49%). More specialized functions are less likely to provide a path to the top, with marketing at 34%; human resources, 24%; engineering, 22%; IT, 13%; and R&D only 8% (see chart left).

■ **THE TOP FOUR COMPETENCIES SEEN AS MOST IMPORTANT FOR CEOs:** creating a strategic vision (92%), inspiring others and maintaining leadership responsibility (62%), developing an accurate and comprehensive overview of the business (57%), and decision making (55%).

■ **THE TOP THREE FACTORS MOST LIKELY TO DOOM A CEO:** failure to build relationships and a team environment (40%), a mismatch with the company culture (32%), and failure to deliver results (25%).

MAKING THE INVESTMENT

Looking ahead, the ability to find the right talent in the right place will become more difficult, and the search for high-potential leaders will expand beyond traditional sources. Left unchecked, the talent pools are likely to become shallow and populated with residual talent as opposed to the best talent available.

One of the more critical findings of the survey showed that companies that filled a higher proportion of positions by promoting from within were those that showed a significantly more personal involvement of their CEO in leadership development. Those that reported more promotions from within were also less likely to suffer from a lack of qualified candidates.

The bottom line is that CEOs who invest more of their personal time in developing leaders are more likely to find the right candidate within their company, rather than having to take a chance on a candidate from the outside.

While leaders can come from a variety of disciplines, the survey found one universal: In today's borderless marketplace, the exceptional leader comes armed with not only the skills needed to get the job done but also the global mindset to get it done effectively.

Find *Why Global Leaders Succeed and Fail* at www.right.com/globalleadershipstudy. To learn more, go to www.manpowergroup.com/research/research.cfm.



HARNESSING THE WINDS OF CHANGE IS HUMANLY POSSIBLE

Industry shifts and organizational change had halted growth at a 150-year-old energy company. To restore performance, ManpowerGroup™ implemented talent management and leadership development solutions that increased employee engagement by 46% and led to average growth of 19% over the next three years. See how our Innovative Workforce Solutions can turn change into opportunity at manpowergroup.com



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