

The Business Case for Developing Next Generation Leaders and How to Make It Happen

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The webinar will begin at 1:30 p.m. CT



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Administration



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Please provide your feedback at the end of today's presentation.

About the Speaker



Daniel White

Organizational Development Consultant

Expertise in strategic planning,
leadership development and
employee engagement

Experience teaching masters-level
courses in organizational
development



Learning Objectives

Understand why training and development is critical to the success of organizations of the future

Understand what millennials want in training and development – and what they need

Review the options for training and development, and understand the most effective solutions

Polling Question #1





Agenda

- The Need
- The Solution(s)
- The Delivery
- The Implementation

Framework

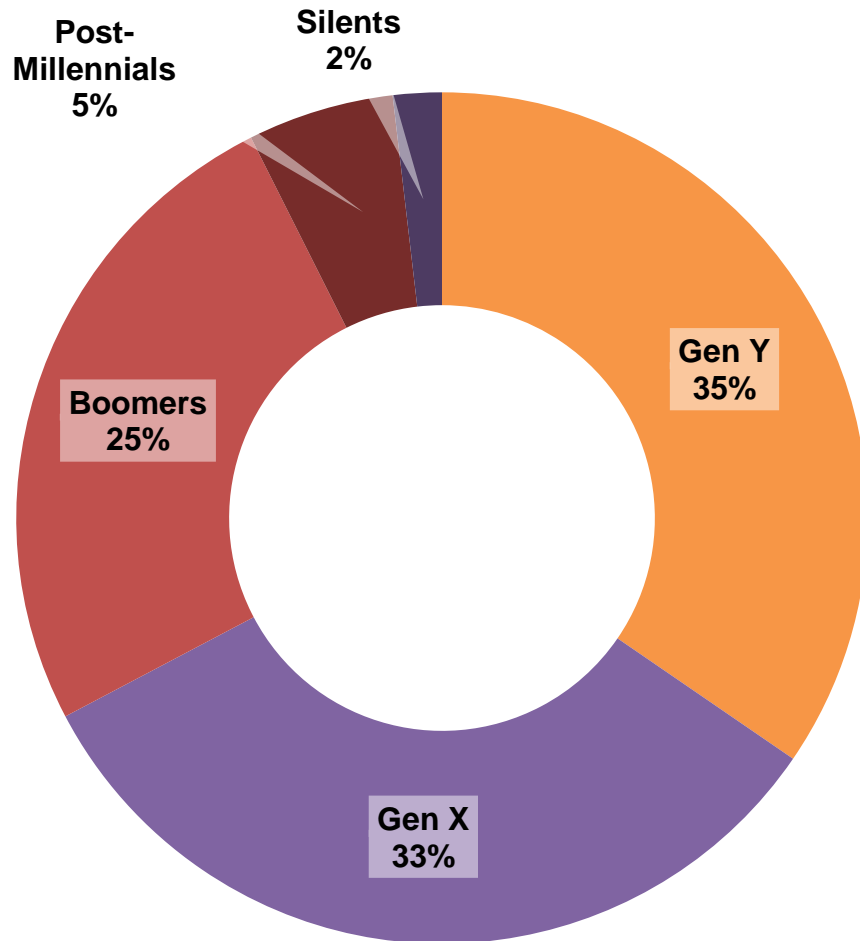


THE NEED

Baby Boomers Retiring

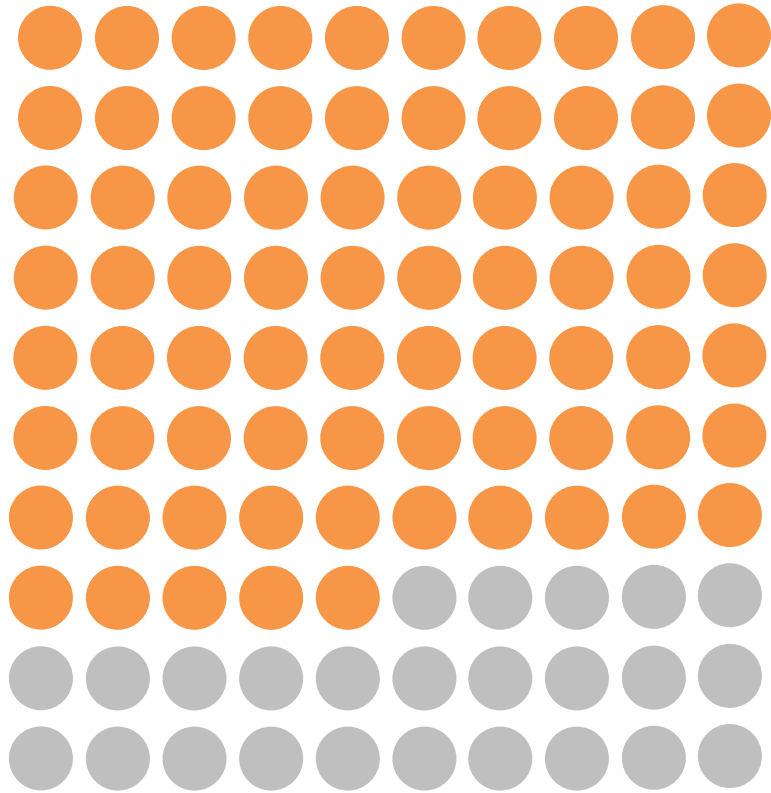


Gen Y in the Workforce



Gen Y is the
largest
generation in the
workforce

Gen Y in the Workforce (cont.)



By 2025:
75%
of workers
will be Gen Y

BUSINESS SUCCESSION



In 2012,
79% of business owners
expected **succession planning**
to be a **significant issue**
in the **next 10 years.**

But – next generation is not ready



Experience gap

Next generation lacks time and exposure to different responsibilities and situations

True of most generation transitions; successors lack experience



Skills gap



Skills Gap – Technical

Technical skills are usually easy to fix

Training/shadowing to teach proper techniques

“Ante for the game” for being an employee



Skills Gap – Soft Skills

Soft skills or emotional intelligence are harder to test for and to teach.

These skills are more important as an employee progresses up the corporate hierarchy.



Top Soft Skills Gaps

Professionalism

- Self-awareness
- Work ethic
- People skills

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Critical Thinking

- Proactive learning
- Decision making

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“Followership”

- Respect for context
- Service
- Teamwork

Who Needs It?

Typically organizations focus on top-level management when succession planning.

However, all levels within an organization need to be a focus.

Senior executives

Middle managers

Frontline staff

Polling Question #2



What does this mean to businesses?



What does this mean to businesses?

Only **30%** of family businesses make the transition

Non-family businesses **aren't any better**



What does this mean to businesses?

Pending **boomer retirements** raise a huge need for talented next-gen leadership.

Talent wars have already begun and many forecast these “wars” will grow.



What does this mean to businesses?

Without development and growth opportunities, your employees will leave.

**Highest potentials
will leave first!**

Plus, you'll be spending
a lot of money to replace
employees.



THE SOLUTION(S)

Can't Hope

Times of transition are **strenuous**...

They are an **opportunity** to purge, **rethink** priorities, and **be intentional** about new habits...

Kristin Armstrong



Development vs Hiring

Develop from within or hire an external candidate?

Hiring is **required** when no one internally is capable of filling the position.

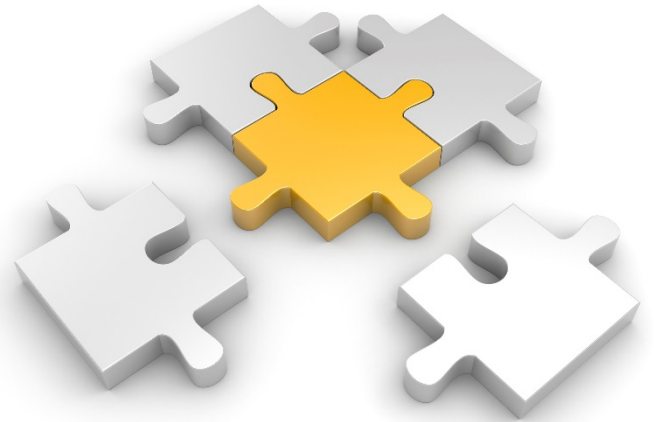
Hiring can yield immediate results, but is costlier and **riskier**.



Determine Organizational Needs

Which areas are missing
strategic expertise?

Which key positions lack an
identified successor?



Determine Organizational Needs



My successor?

Key management successors?

Ask managers about gaps

Determine Individual Needs/Desires

Identify potential successors

Create a **scorecard** and determine development needs for individuals

Sit down with individuals and determine career goals

This comes **after** assessing organizational needs



Create Plan

Assess your organization, department and individuals based on **needs and gaps**.

Identify multiple successors for key positions.

Consider using a scorecard to help **detect** gaps between organizational needs and potential successors' skills



Development: Many Potential Solutions



On the Job Training (OJT)

What **exposure** is needed, what is the right **situation**, and what is the right amount of **time**?

No time for rotational OJT?
Utilize “**stretch assignments**”
to provide learning
opportunities.

Considering **doubling up** for a
soon-to-be vacant key position.



Training

Employee development and training are **synonymous** but **not identical**.

Development is improvement, training is **knowledge transfer**.

Skills-based training is **easy to quantify** and straightforward.



Training

Training for soft skills is more **behavioral** focused.

Focus on how to lead/manage others, manage your time, develop a team, etc.

Still transferring knowledge, but you must **follow up** on behavior change to be effective.



Mentoring

Ad-Hoc

- Just happens
- Mentoring culture
- Program guidelines

Structured

- Recurring meetings
- Assign mentor
- Formalized program

Mentoring

Most mentoring programs are internal.

External mentoring programs are necessary for smaller organizations.



Coaching

Someone hired to work with an employee on **specific issues**.

Internal or external based coaching depending on needs.

Executive coaching and **content specific** coaching available.



Community Involvement

Develop employees through **community involvement**.

Employees gain an outside **perspective**.

Allows them to establish **connections** within the community.



Polling Question #3



THE DELIVERY

Critical Considerations

Focus on the training
needs and desires of
the next generation.

Assess the different
delivery methods
available today.



Training Needs/Desires





Gen X: 1965-1980

**Career
development**

Fairness

Straightforward

Independence

Millennials: 1980-2000



Constant feedback

Growth potential or will leave

Ability as desired / flexible

Aligned with mission

Sense of importance

DELIVERY METHODS

In Person or Online?



On Ground / In Person



Pros

- Customized
- Better interaction
- Better instruction



Cons

- More expensive
- Not as flexible

Online



Coursework
MOOCs
Certifications



Videos
(resource
libraries)



Video
conferencing
(i.e. remote
coaching)



Gamification





Pros

- Cheaper
- Lots of options
- Specialized material
- Flexible



Cons

- Not personalized
- Lack of meaningful interaction

Ongoing vs One-off





Ongoing Examples

Coaching

Mentoring

Year-long
course



One-off Examples

Coaching on
specific issue

OJT for specific
project

Uniform / Customized



Uniform Examples



High potential
leadership program



Standard career
pathway

Customized Examples



Coaching



Specialized Project

Internal / External



Pros

- Knowledge of the culture
- Cost (in some cases)

Cons

- Lack of perspective
- Lack of knowledge / experience (in some cases)

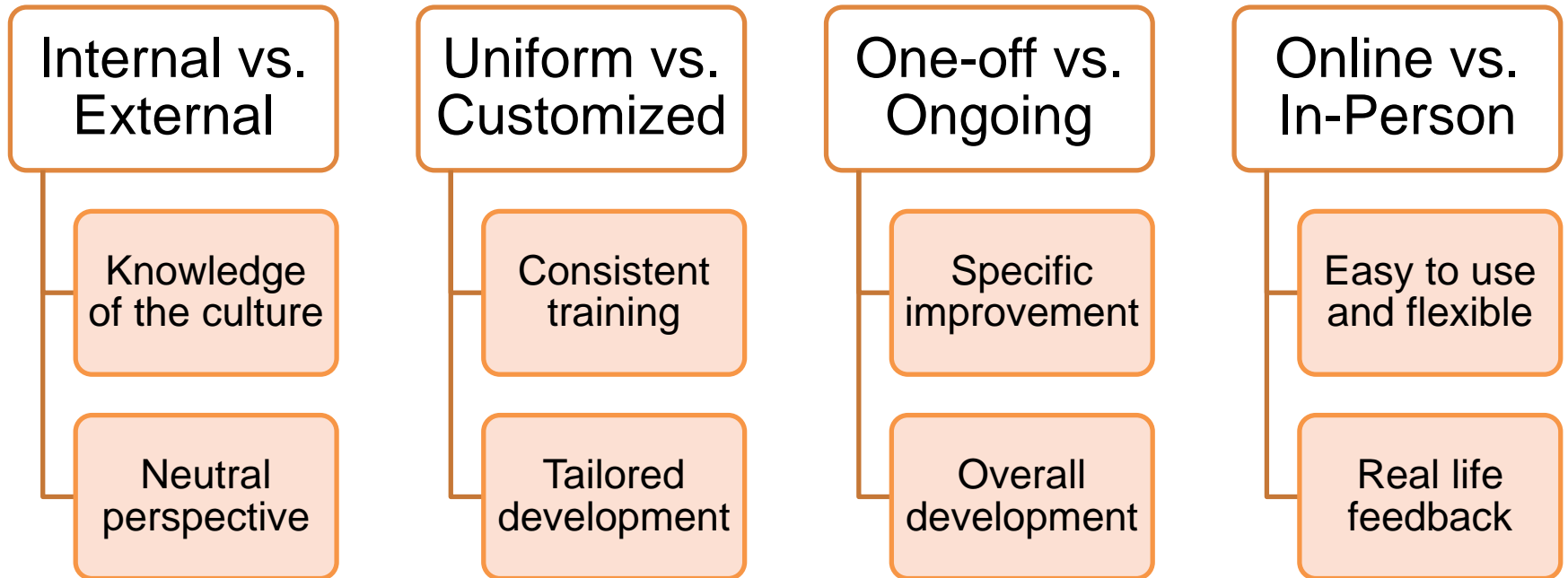
Pros

- “No dog in the fight”
- Perspective

Cons

- Cost (in some cases)
- Lack of situational knowledge

Recap



IMPLEMENTATION

Can't Hope

Times of transition are
strenuous...

They are
opportunities
to rethink priorities, and
be intentional about
new habits...

Kristin Armstrong

Be intentional



Development vs Hiring

Develop from within, or hire an external

Hiring is internal position

**Develop from within
or hire an external
candidate?**

Hiring can yield immediate results, but is costlier and **riskier.**

Determine Organizational Needs

Which areas are missing
strategic

Which key
identified successor?

**Determine
organizational needs**

Determine Individual Needs/Desires

Identify potential successors

Create a **scorecard** and
determine
for individual

Sit down with individuals and
determine career goals

This comes **after** assessing
organizational needs

**Determine individual
needs/desires**



Create Plan

Assess your organization, department, and individuals based on **needs and gaps**.

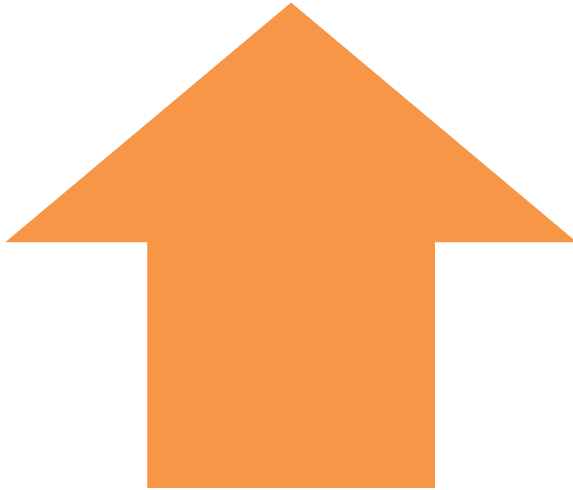
Identify
key positions

Create a plan

Consider using a scorecard to help **detect** gaps between organizational needs and potential successors' skills



Determine Priority



High Priority

- See results quickly
- Impact more people
- More costly (time & money)



Low Priority

- See results over time (if at all)
- Impact fewer people
- Less costly



WHO TO TRAIN?

Potential Options

Position

- New hires
- Certain management level

Tenure

- # of years before training commences

Ability/Potential

- Management/HR identifies potential regardless of tenure/position

Family

- Family members receive preferential treatment

Key Tips

Ensure **clarity** about the decision-making **criteria**.

Be able to clearly **explain** why one person was **chosen** and another was not.



Polling Question #4



Staying On Track

Keep it **front-of-mind**.

Hold people **accountable**.



REVIEW



Review

- There is a huge need.
- There are many “development” and delivery options.
- Choose the right combination based on your needs, timeframe and budget.
- Get an expert to help put together the right “package”.

Resources

- AGHUniversity.com
- Red Light – Green Light Scorecard
- “Bridging The Soft Skills Gap” – Bruce Tulgan

Thank you!



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