

The Dearth of Executive Talent

Boomer or Bust?

By John V. Jazylo

While the world knows that the Baby Boomer generation is now starting to hit retirement age, what they may not be aware of is the effect it will have on business everywhere.

Baby boomers make up more senior management of leading companies than any other segment of the population. What will happen in business when this extremely important generation shifts their time to the beach, cruise ships and grandkids?

According to recent industry survey findings, more than 15 percent of senior executives with the nation's 1,000 largest companies indicated they were most concerned with baby boomer retirements as a trend that will most significantly alter the workforce in the next decade. Moreover, even as companies contemplate layoffs, many hiring executives also are hunting for new hires to fill those management gaps.

One of the main reasons for this shortfall in talent has been the lack of grooming and training of employees to fill the roles of the retiring - either voluntary or involuntary - baby boomers. So, top executives, it seems, are finally thinking about what knowledgeable people have been saying for some time: The retiring of baby boomers will change the workplace like no other trend in the past several decades.

These potential talent gaps left by boomers (born between 1946 and 1964) will create a training vacuum in that there will be less and less mentors to help guide the next group of senior managers. Forward thinking companies have al-

ready commenced with a formal plan to consider part-time work for senior managerial baby boomers; allowing for flexible work arrangements via telecommuting; and offering them consulting arrangements to mentor and teach their protégées how to continue growing the business.

New Blood or Knowledge

In the United States, as compared to other developed countries, we have a strong penchant of putting our senior executives out to pasture perhaps before their time. Yes, new blood and new ideas are important; however, we are a society that is living longer, and following a healthier lifestyle, perhaps we should be leveraging this strength a little more.

Our company believes that the potential exodus of millions of managerial workers will leave huge shortfalls in all industry sectors and in all geographical areas. Firms will realize that they are scrambling for talent if they're not well prepared for that phenomenon.

Speaking from experience, as a former CEO of a \$450 MM division of a Fortune 50 company, I was consumed with talent management, including training and development; client or customer transition management; smooth integration from one team to another; and, the impact of untested people on bottom line profitability.

To this end, every CEO must be concerned on how to best divide their time between:

- ◆ Finding the right balance of interests of the shareholders; customers; employees and community at large;

- ◆ Setting the strategic vision of the company with the Board of Directors;
- ◆ Acquiring, developing and retaining talent at all levels;
- ◆ Preparing the company for continued profitable growth.

Of course, you can't accomplish any of the above unless you have the right team in place and the right "guidance counselors" (most notably, baby boomers) to continue training and counseling the new leaders of today and tomorrow.

To help execute this, here is a five-point plan to consider for implementation:

1. **Accommodate** your valued baby boomers with flexible positions and/or consulting jobs that keep them challenged with more "people," rather than tactical, assignments.
2. **Implement** a rotational assignment through various jobs so that new managers are better trained and exposed to other functions and, therefore, better prepared to deal with potential problems via decisive leadership.
3. **Assign** internal mentors, including the management committee members, to all mid-level managers and above to provide a sounding board and a healthy

exchange of ideas.

4. **Plan** for your talent needs in a more proactive manner - you should not go to market for talent when you need to have that additional brainpower immediately - the industry leaders will have already scooped up the "A" players and you will have to settle for "B" players at best.

5. **Finally**, keep those baby boomers in play longer - for the lost opportunities and cost of finding, hiring and keeping new talent will be much more than the costs of keeping baby boomers on your payroll ranks in a less than full time role.

Overall, CEOs and other senior managers will be under continued pressure to develop talent; build their bench strength; and have a better succession plan in place. Just look at some of the major corporations in America that had to scurry to find a new leader - and some industry pundits say that many of them settled with their choices.

At the end of the day, be sure you're able to say "I know where I want to go, and I have the right team in place to steer the ship in that direction."

About the Author



John V. Jazylo is a partner in the Financial Services and CIO Practice of Epsen Fuller/IMD International Search Group. Former President and Founder of J|V Associates, John has recruited CEOs, CIOs and other functional leadership for some of the most recognizable global industry leaders in financial services, as well as technology leaders across a broad base of industries. John held senior executive positions with NYNEX, American Express and Warner Communications (now Time Warner) and is the author of several treatises in the delivery of financial services to consumers and corporations and co-author of a textbook entitled "The Elements of Electronic Funds Transfer".