

# Lead or Be Trampled

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Imagine it is Monday morning. The sun is shining brightly on a crisp summer day, the air is clean and life is good. As you enter your company, you are trampled by 75 percent of your workforce who have just quit your great company.

Sounds, impossible? Well, this is potentially far more possible than you realize. Right now according to research released in early 2007, three quarters of your employees are seeking to leave your company in search of greener pastures. This is almost double the usual 30 percent to 40 percent rate of those currently employed who are seeking new positions.

Now imagine a second scenario with those remaining. Take a look around your business and determine how many are soon to be retiring baby boomers. You are happy because they have been good workers for you. Also, you may be thinking that you can replace them with lesser salaried individuals and save some money. Think again.

Additional research suggests a 30 million shortfall between the 70 million retiring baby boomers and the 40 million available replacement workforce. With companies right now struggling to secure the best and the brightest, will your salary and benefits costs be reduced or will you suffer from the affects of the Law of Supply and Demand?

Let's continue with a third scenario. You have a younger workforce and are not concerned about the pending workforce shortfall. Your employees are good employees or are they? Did you know that potentially 70 percent of your employees are "not engaged" or are "actively disengaged" at work? This business research is the result of an extensive survey conducted by the Gallup Organization. The affects of this disengagement include higher rates of absenteeism, lower rates of productivity and up to 51 percent higher turnover rates.

What each of these scenarios suggest is that your human capital is becoming a greater investment as each year passes. So the question to be answered is "How am I going to get the most return on my investment unless of course I want to be trampled?" Before we answer this question, let's take a few moments to truly understand

the impact of human capital as it relates to each company's value and balance sheet.

If you don't believe that human capital, this intangible asset, is critical to your business success, then maybe the research by Stern Business School may help to convince you. Their study researched the correlation between a company's value and its balance sheet. In 1978, this correlation was an incredible 95 percent. However, 25 years later in 2005, that correlation dropped significantly to 28 percent.

With the 21st economy being all about knowledge and knowledge workers, this turnaround in correlation between a company's value and its bottom line reinforces current market trends. Companies need to develop their people, their greatest asset. To truly embrace this new 21st century model demands shifting of paradigms where the focus was on the tangibles to the focus on the intangibles

We read all the time about Chief Executive Officers (CEO), Chief Operating Officers (COO), Chief Information Officers (CIO) and Chief Financial Officers (CFO). Yet, have we ever heard about Chief People Officers (CPO)? No, because the existing paradigms are still focused on the tangibles and fail to recognize the intangibles.

To overcome this paradigm demands outstanding leaders who are risk takers and are willing to "go where no one else has gone" to coin a popular phrase from an early 1960's television series. By leading their organizations to embrace a new paradigm where people are truly valued and recognized as an incredible intangible asset will truly enhance the bottom line.

Another paradigm is within the crucial balance sheet. Salaries are listed as an expense. This suggests that the value the employees bring to the table is negative and not positive. Maybe this is one reason why 75 percent are considering leaving your business by the end of 2007. Again, effective leadership may need to work within the existing accepted accounting structure, but will take actions to ensure that each employee is viewed as a significant investment instead of a liability.

The final paradigm resides within what is called Human Resources. Traditionally, employees from the top down are educated about a lot of knowledge and skills. Given that the world's collective information is doubling each year, acquiring learning is a good thing. However, when we investigate the reasons for performance failure, more often than not the real reason is poor attitudes and habits. The real question that we need to ask is not "Do they know it?" but "Do they want to do it?"

To develop the desire begins by working with the internal strengths that each employee brings to the table. When these strengths are combined with strategies and tools, the human capital is greatly increased. Unfortunately, very little attention is paid to attitudes and habits, yet bad attitudes are the reason that 68 percent of customers fail to come back to your company.

Innovative leaders recognize that developing great attitudes and consistent habits in a high performance work culture that will allow them to out perform the competition. These leaders are willing to take risks because they have no desire to be trampled.

During the last 10 years, I have had the privilege to work with many individuals who truly understood the intangible value of leadership. One of my favorites is Heather Obora, Chief Procurement Officer for the Chicago Public Schools. She realized that to create a high performance culture in a historically bureaucratically environment that she needed to do something differently. Heather invested in her human capital by developing individual leadership within each department employee. The results of her visionary efforts are many including:

- Workforce that out produces similar purchasing departments by almost three to one
- A program that is generating over \$1 million annually into the general funds for Chicago Public Schools
- High performance team culture where everyone works to help everyone else to achieve the department's goals
- Waiting list for people to transfer into her department

Heather is a leader who will not be trampled. She knows that the value her department brings to the children within the Chicago Public Schools is critical to their educational success. Her goal is to maximize that value at every turn and the most effective way is to invest in her people.

Leadership is necessary in any organization from the small single office to the Fortune 100 companies. This is only confirmed with leadership according to *Training and Development* magazine being the number one choice for companies who are investing in executive coaching for their managers and executives. With the dynamics of the 21st century dramatically changing, companies that want to outlive and outlast the competition must lead by developing leadership in all of their employees or they will be trampled. **N**

*Are you facing lagging sales to can't do attitudes? If you could overcome these repetitive challenges, what would that mean for you? Leanne works with the human capital to develop results driven leadership in people, teams and organizations for sustainable performance improvement. Visit [www.processspecialist.com](http://www.processspecialist.com) or email [leanne@processspecialist.com](mailto:leanne@processspecialist.com).*