

SHAPING THE NEXT GENERATION OF
LEADERS

SUCCESSION PLANNING FROM THE GROUND UP





By Erin Koops, CRP

Throw around the phrase “succession planning,” and most will think only of company presidents or perhaps executive-level management in line to ascend. However, a growing challenge for the mobility industry lies well below C-level. As our industry ages, we’re falling short when it comes to recruiting, retaining, and developing the talented young professionals who will shape and lead us five, 10, or even 15 years from now.

In 2009, my company requested that I attend my first Worldwide ERC® conference in Seattle. On the flight out, the president of my company relayed a fond memory from her first Worldwide ERC® meeting in 1985, during which she stayed out into the wee hours of the morning bonding with three industry colleagues who have since become her lifelong friends. Over the course of the last 27 years they have “grown up together” as mobility professionals, becoming prominent leaders, advocates, and influencers within the mobility industry. I eagerly anticipated similar experiences, and my first conference was a whirlwind of new connections, education, and just the right amount of late-night networking. However, the majority of new friends and colleagues I met were not my peers but industry veterans with 20, 30, and even 40+ years of experience—a far cry from my paltry six years.

I subsequently learned about Worldwide ERC®’s YP40 Committee, the “young professionals under 40” group dedicated to engaging and developing

young talent in the mobility industry. I joined this group in search of professional peer connections, only to learn that young professionals make up a very small percentage of Worldwide ERC®’s membership. Conversations with several company leaders in the industry revealed a concerning trend that, although they continue to hire young staff for entry-level positions, they, too, are seeing among their staff a lack of “hi-pos,” or high potential young talent. As it turns out, this circumstance is not unique to the mobility industry.

THE GROWING GENERATIONAL TALENT CRISIS

The U.S. Bureau of Labor Statistics forecasted a shortfall of 10 million qualified workers beginning in 2010, as baby boomers reach retirement age (see chart, “Change in U.S. Workforce Age Groups,” page 80). Claudio Fernández-Aráoz, an author and senior advisor for global executive search firm Egon Zehnder International in Buenos Aires, predicted that the number of managers in the age bracket for leadership roles would drop by 30 percent between 2006 and 2012. Adds Shanghai-based Mercer partner and Worldwide ERC® Board member Mike Piker, “With the aging population across all industries, there is a need to fill those spaces with trained, well-rounded talent. The mobility industry is aging rapidly, so we need to fill the ranks for the next generation.”

This challenge isn’t limited to the U.S., reports Fernández-Aráoz. According to a global study he

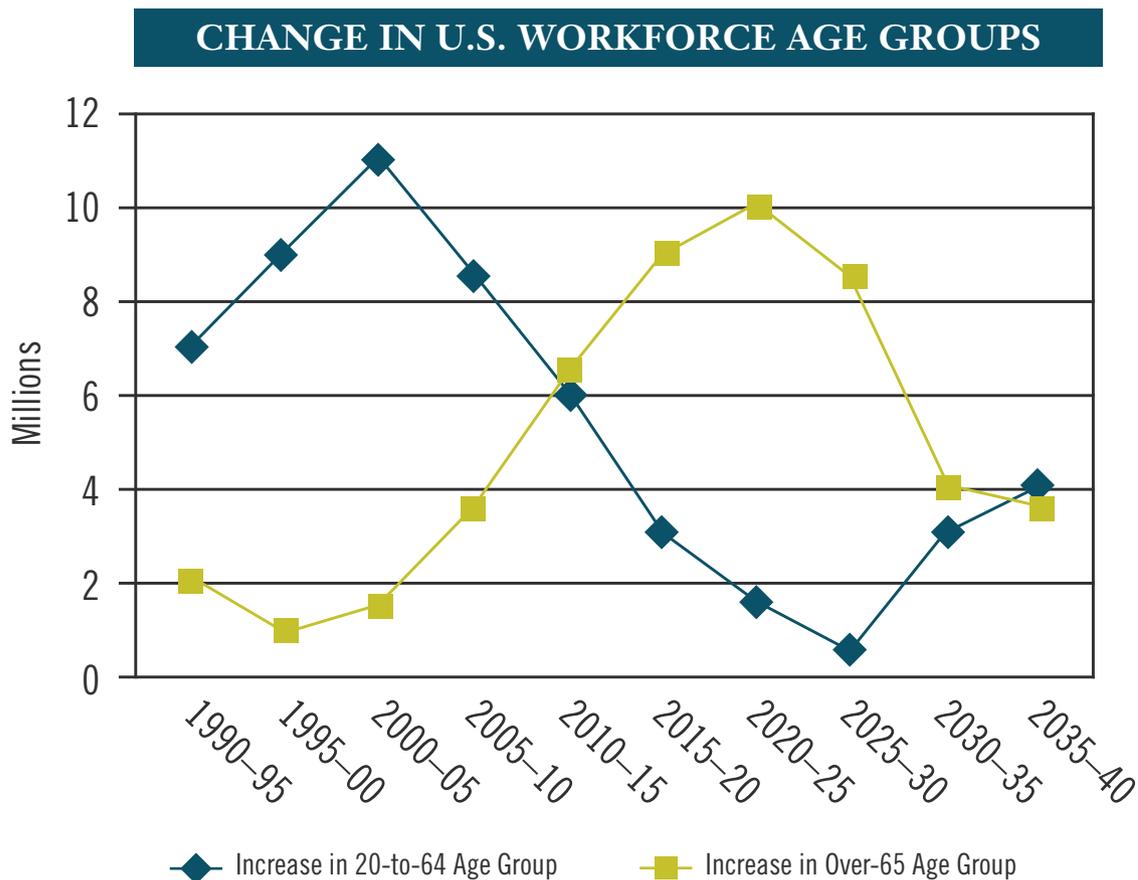
conducted, “Only 15 percent of companies in North America and Asia believe that they have enough qualified successors for key positions. The picture is slightly better in Europe, but even so, fewer than 30 percent of European companies feel confident about the quality and amount of talent in their pipelines. Moreover, in the regions where many companies are focusing their growth strategies—emerging markets—the supply of experienced managers is the most limited, and the shortage is expected to continue for another two decades.”

The problem is exacerbated by the fact that the sluggish economy has made it difficult for our youngest college graduates to find jobs and begin their career path, while older workers are delaying retirement for financial reasons.

In light of the looming shortage of future leaders, it is critical that mobility companies focus their efforts on shaping the next generation of leaders, which begins with identifying, recruiting, and developing young talented professionals.

DON'T IGNORE THE CONSEQUENCES OF FAILING TO PLAN AHEAD

It's no surprise that the mobility industry has been focused on other, more pressing challenges over the last few years. Under economic pressure, most companies shifted to a model of efficiency and “right-sizing,” putting recruiting and talent management on the back burner. However, further delay in implementing an integrated succession planning and management program has exposed our industry to



Source: James J. L'Allier, Ph.D., and Kenneth Kolosh, published Clomedia.com, June 2005

unnecessary risk and resulted in missed opportunities to capture talented future leaders.

Adding to the challenge of attracting new talent is the relative obscurity of the mobility industry. With no formal track or degree at most universities and competition from other industries with decades-old recruiting efforts in place, our high-potential candidate pool will continue to gravitate toward other sectors unless we find ways to attract them to our industry.

If you find yourself thinking the talent vacuum is an issue you can ignore, think again. Here are a few reasons your company should begin to focus on this today:

- **Depth of talent is a pillar of a strong company.** Don't overlook the fact that new and existing clients are constantly evaluating your company's longevity when deciding whether to renew their service contracts. Partners want to see that you're building a reserve of intelligent and capable team members who will develop and move up the ranks, continuing to provide clients with high-quality service for years to come. It's possible you've already lost business or missed out on an opportunity to gain new business because clients have concluded your company does not have sufficient bench strength.
- **Time is also of the essence.** High-potential talent will require years of experience and exposure to ensure they're prepared to take on leadership roles. Skill development may require rotating through several different positions within the company and perhaps even global assignments. Building lifelong business relationships also takes time. How long did it take you to build the relationships that have become the foundation of your business? Networking is an art, but even the best networkers can't forge those ties overnight. Repeated interaction and exposure over the course of years will be necessary for young talent to build their networks while learning how to effectively maneuver through the political landscape present in every industry.
- **Business and staffing opportunities could be impacted negatively.** By delaying your company's talent recruiting and management initiatives, you may be missing out on efficiencies in the near term. Implementing a program that identifies and grooms talent within your

organization will often boost productivity and morale among existing staff who see new opportunities to advance, while retaining high-potential talent on your team who may be feeling undervalued.

BUILDING A SUCCESSFUL TALENT MANAGEMENT PROGRAM

Many mobility companies recognize the opportunity and urgency but are unsure where to start. Paula Cope, president and CEO of Cope & Associates, Inc., a management consulting and training firm based in Shelburne, VT, advises, "The best succession planning and management systems have to serve the organization by providing a continuous supply of appropriate talent while also serving the employee by helping them reach their potential." An examination of Fortune 500 companies with the most successful of these programs reveals another common thread: Companies that excel in this area integrate succession planning into ongoing operational priorities rather than viewing it as a stand-alone initiative.

Creating an effective talent recruiting and development program can be a daunting task, and attracting and retaining talented professionals from Gen X and Y will take more than a standard competitive benefits package.

RECRUITING OR IDENTIFYING EXISTING TALENT

Mobility experts Mike Piker and Jean Strickland, CRP, share just some of the many ways you can begin building your program. "Hi-tech is a great example of an industry that layers in nontraditional recruiting methods to attract graduate talent—including social media, employee referrals, and cloaked interviews," says Piker, a 20-year veteran of HR consulting and corporate human resources who joined Mercer in 2010 to lead the firm's international human capital consulting capabilities. He advises companies to "take a risk with the next generation. The traditional ways of recruiting have fallen short. Develop a really compelling value proposition to this generation through nontraditional means (social media), and think about what really attracts that talent—not just money, but also career progression, mobility, green initiatives, and socially conscious companies."

Strickland, president of Signature Source, a global executive recruiting firm headquartered in St. Petersburg, FL, and a 23-year veteran of the real estate and relocation industry, recommends hiring not only for skills, but also cultural fit, rather than simply industry experience. She explains, “The best companies and leaders in our industry recognize the perfect candidate may not necessarily have mobility industry experience and are willing to take the leadership risk necessary to build that succession plan for the future.” Instead, Strickland advises her clients to “seek out candidates with strong characteristics that fit their company culture, and pursue recruits from other industries that prize those skills to build the bench for organizational success.”

Bob Portale, SCRP, SGMS, president of RELO Direct®, suggests a distinctive talent recruiting tactic. “After identifying our team’s core competency as customer service, we began recruiting from other industries that developed these skills, such as hospitality. Instead of limiting our search to just one industry, we’ve expanded our candidate pool exponentially. The benefit of this shift in thinking has been enormously helpful. Not only have we found great candidates, but they bring with them unique experiences and perspectives that help us grow as a company.”

And don’t overlook college recruiting. The Fortune 500 leaders of tomorrow are graduating today. Strategies to consider are employing college interns, mingling with them at alumni events, offering to speak about the mobility industry on college campuses in classes or business fraternities, posting jobs with college placement offices, participating in young-professional events, and even hosting visits to your offices for college juniors and seniors.

When it comes to identifying high-potential individuals from within your existing staff, Piker recommends watching individuals who repeatedly volunteer for greater responsibility or seek out more challenging work. Jean Strickland agrees and also recommends that companies consider open internal job-posting, even for high-level executive positions, as a means to encourage hidden talent to self-identify their interest. Her experience has shown that by openly communicating

opportunities to work on new projects or initiatives, management can often unearth talented individuals who had not yet been identified as high-potential.

RETAINING AND DEVELOPING HIGH-POTENTIAL TALENT

Piker and Strickland recommend a variety of ways to differentiate your talent development program, a necessity to ensure Gen Xs and Ys remain engaged in your company rather than jumping after one to two years, as has become the trend.

- Make sure high-potential employees know they’re valued by the organization. Strickland notes that many companies have moved away from annual performance reviews, perhaps due to stretched resources. She cautions that “customer service is all about people and relationships, and that starts with your management team’s relationship with their staff. Think about the underlying message your employees may be receiving without a routine means of communicating critical feedback and praise.”
- Work with high-potential employees to outline their career goals and establish a written plan for their future with the company. Not only will this reinforce their value to the company, but it also empowers your rising stars to play an active role in driving their career path.
- Establish a formal mentoring program in which senior leaders are matched with mid-level managers and meet periodically to review career goals. Hold senior leaders accountable for coaching their mentees and making opportunities available to help them develop their skills and gain the experience needed to take the next step in their career path.
- Ensure young talent is constantly challenged through periodic job rotations, diversifying their learning experiences over much shorter time horizons.
- Make global exposure a must. Explains Strickland, “The U.S. domestic arena has rapidly expanded to a global mobility industry and will require more strategic and broad

thinking to develop global service solutions.” If your company isn’t ready for the investment of a temporary global reassignment, consider sending your rising stars to the next international industry conference or arrange e-based job swaps with colleagues or clients abroad.

- Maintain open dialogue between rising stars and management to ensure talented individuals feel comfortable expressing concerns or a desire for change. Too often, high-potential candidates assume management knows where they want to go. However, this isn’t often the case.
- Invest in your younger talent. Involve them in senior management or board meetings both to learn and to add youthful insights. Send them to conferences so they develop exposure to the larger industry and expand professionally. Ask them to report back on what they learned, and encourage them to get involved in a committee or volunteer to speak. There’s always the concern about having good young talent recruited away as others become aware of them, but if they’re not allowed to grow, they’ll leave anyway. Foster loyalty by ensuring they see your company as a source of growth opportunities.

SET YOUR COMPANY APART IN THIS ARENA

Succession planning cannot begin at the top; rather, it must ensure that every level of the organization is filled with talented individuals, to ensure leadership now and going forward. Whether your company decides to implement some of the strategies mentioned above or form a management committee to devise your own, simply taking the next step to accept this challenge as an ongoing operational initiative will set you ahead of your competition and contribute to the future health of the mobility industry. *M*

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TIPS FOR HIGH-POTENTIAL HOPEFULS & YP40S

As a young professional in the mobility industry, no one is better suited to manage your career trajectory than you. Here are a few ways you can show initiative, get recognized, and develop the skills you’ll need to move to the next level.

- Volunteer for new projects and responsibilities, and work to deliver remarkable results.
- Communicate your interest in new opportunities, even if they’re not currently available, and in general, be curious and ask questions about all areas in which you’re not yet proficient.
- If a formal mentoring program isn’t available, seek out a mentor within your company or industry, and plan to meet for lunch at least once every quarter.
- Travel to industry events, and get involved with your local relocation council. If you’re not able to leave the office, join one of the many webinars offered by Worldwide ERC®.
- If you’re not receiving at least annual reviews, consider providing a quarterly management update—either as an e-mail or preferably as an in-person meeting stating your accomplishments over the prior period, your goals for next period, and how management can help you achieve these goals. This proactive approach provides an opportunity for year-round coaching and reviews.
- Work toward one of the many industry certifications available, such as the Worldwide ERC® Certified Relocation Professional (CRP)® and Global Mobility Specialist (GMS)® designations.
- Request cross-training in roles in which you are interested. You’ll show initiative, gain new experience and knowledge, provide backup support and coverage for your company, and make yourself increasingly indispensable.
- For more ideas and to network with your peers, join the Worldwide ERC® YP40 discussion group on LinkedIn.