



Investment in Leadership during a Recession

Investing in leadership talent during tougher economic periods is more important than ever!

Chicago, IL (PRWEB) September 17th 2008 – Over the last few years companies have become increasingly savvy with regard to investing in their leadership team and measuring, monitoring and managing the connection and return on that investment with improved organizational and financial performance. However given the recent changes in global markets, brought on by events such as the sub-prime fallout, increasing commodity prices and rising inflation, there is a tendency to react by reducing or eliminating this investment. Steven Meredith, Global Knowledge Director at Talent Intelligence said, “Our research and insights, from advising Global Fortune 500 level companies, indicates that it is more important than ever for organizations to invest in their leadership during recessionary periods so that the business not only survives but emerges stronger than the competition”.

Steven added, “Many people may ask what leadership risk management is?” He explains, “It is the factors linking an organization’s succession management with business continuity and performance. There are four components to leadership risk namely: Retention, Readiness, Integration and Alignment. All four pillars are linked and in play at any given time within a company.”

It is non-negotiable that the Board, CEO, executive leadership team, and those responsible for strategic human resources management, must know, on demand, what their leadership risk is and what is being done on behalf of stakeholders to mitigate the risk now and over the longer term to protect business continuity, create market advantage and improve the value of the company. There are numerous examples of icon firms either filing for bankruptcy or being acquired at bargain basement prices due to poor risk and leadership investment.



During tougher economic times many organizations often drift in to a period of decision inertia around leadership investment. An example is a “hiring freeze”, or as one business leader recently coined, a “hiring frost”. The thought process is that this approach saves money but in fact it is the wrong business lever to pull as the opposite occurs through increased leadership risk. Examples include increased turnover, poor employee engagement and disenfranchised teams. This approach is flawed and does not actually address the underlying and ongoing leadership risk issue of having highly engaged leadership and aligned capability within the business to deliver against the increased market pressures brought on by the external environmental factors.

Steven commented, “By not **aligning** talent to the business strategy, market conditions and forward direction of the company the process of keeping the existing leadership team is a dangerous approach. By not continuing to focus on building a talent rich **readiness** organization the company is exposed to a thin pool of talent that will be truly tested in the current market conditions. By not having effective **integration** processes the risk of failure of appointing any new executives in to key roles in such an environment is increased dramatically. By not filling planned or unplanned key **retention** (vacancies) quickly and accurately the ability for an organization to sustain optimum performance and respond to changes in the market is significantly hindered”.

Instead, a sharpened focus on the structure, composition, performance and potential of the leadership team and depth within the company has to be more of a priority than ever if the business is to not only survive but outperform competitors.

Steven said, “During boom times companies can make do with a less than stellar leadership team and as a result carry greater leadership risk. But when the tide turns as it has, and who knows how long for, **now** is the time to act to ensure best practice leadership risk management is in place.”



About Talent Intelligence:

Talent Intelligence (www.talentintelligence.com) is the premier provider of Leadership Risk Management solutions.

We apply proprietary competitive intelligence methodologies to our client's succession planning and talent management strategies so that for the very first time the Board, CEO and senior human resource team have the ability to include benchmarked external talent and related actionable intelligence against planned or unplanned changes in the structure, composition and performance of their own leadership team on a continual real-time basis.

Talent Intelligence currently has long term agreements with leading companies from the Global Fortune 500, major private companies and private equity firms. Talent Intelligence has regional headquarters in Chicago (Americas), Sydney (Australasia), Hong Kong (Asia) and London (Europe).

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