

Mastering the FISO Factor[®]

Fit In, Stand Out

The Key to Leadership Effectiveness in Business and Life

BLYTHE MCGARVIE

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by Blythe McGarvie

CHALLENGES FOR TALENT

Brian Wilkerson, Global Practice Director for Talent Management at Watson Wyatt Worldwide, has tracked executive staffing in human resources departments in large companies. Over the last five years he has found that one-third of the top positions have gone to non-HR executives. Wilkerson indicates that there is a trend for large companies to bring managers from outside HR to run HR departments because companies want leaders of HR divisions to understand business. Put simply, traditional HR leaders lack the business and financial savvy that CEOs need. Management has two choices: 1.) go outside your HR division to find a business-minded executive to lead the HR division, or 2.) train your top HR professionals to think like business executives.

The Changing Talent Landscape

Talent management will be particularly challenging this year. Organizations are struggling during this period of economic uncertainty, and HR leaders will play a crucial role in retaining top talent and investing in future talent. Do you have, or are you, an HR partner capable of creating a strategic balance between belt tightening and forward-thinking investments?

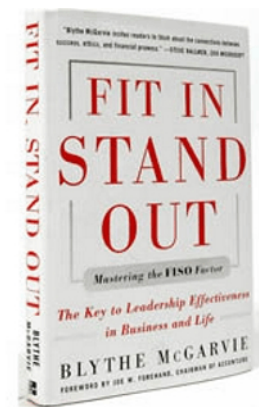
LIF's Lessons

Everything changes,
nothing remains without change.
— Buddha

Leaders face a series of workforce challenges, requiring new talent strategies. As the economy rebounds, demand for talent will outstrip the supply. The gap between the demand for talent and the available labor pool is expected to widen in industry after industry, region after region throughout our country and across the globe over the next decade. The drop in birth rates over the past 20 years means that, in the U.S., the growth rate of the workforce will be nearly one-third lower than we have experienced over the past 40 years. And, the composition of the workforce will also change dramatically – shifting toward an increased proportion of older workers. In the U.S., the number of mid-career workers between the ages



McGarvie with HR professionals,
learning financial acumen.



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amazon.com.

of 35-44 is declining. By the time this decade ends, we will have 9% fewer workers in this age group than we had when the decade began.

LIF's Lessons

A man of courage flees forward
in the midst of new things.
— Jacques Maritain

Five Human Resource Strategies

The limited availability of talent, the aging workforce, and highly diverse employee populations will require FISO leaders with the skills, capabilities, and knowledge to address these complex workforce dynamics. Tamara J. Erickson, a McKinsey-award winner author and the Executive Director of the HR Leadership Development Program at nGenera Corporation, recommends that management make five investments to keep your organization spontaneous, innovative and reflexive for the remainder of the year:

- 1.) Increase your firm's "collaborative capacity" through relationships, trust, and knowledge exchange. Do not intensify the competition among internal teams or reduce investments in learning. (For more, see the November 2007 *Harvard Business Review* article "Eight Ways to Build Collaborative Teams.")
- 2.) Rally the organization around goals that are intriguing, complex and important. Don't narrow the focus to the mundane or over-specify the way teams should approach their challenges.
- 3.) Ensure that your organization has on-going exposure to disruptive insights through diversity and external forays. Be careful not to reduce important business travel or fall back on the old "tried and true" team. Bring in new people and new ideas.
- 4.) Provide everyone with innovation tools: how to brainstorm, use scenario analysis, or create ideas through attribute reduction. Teach employees at many levels in the organization how to be a business innovator so they can improvise in a responsive manner.
- 5.) Invest in your HR leaders this year. Recognize that a strong HR team can serve as the organization's catalyst, coach, and calibrator of world-class talent.

In past newsletters, I have recommended books, articles or websites to develop your FISO Factor abilities. For more extensive development, consider working with a coach or attending a workshop. Leadership for International Finance (**LIF Group**) provides leadership counseling tailored to individuals. Similarly, nGenera hosts a series of 3-day workshops designed to sharpen your competitive abilities. To learn more about their program, contact Joe Grochowski at jgrochowski@ngenera.com. Make sure your HR partner has the skills your business needs.

ITEMS OF NOTE

Cathy Higgins, a LIF affiliate, releases volume 5, issue 1, of the *Straight Talk Coach*: "Don't Break Down, Break Out," and volume 5, issue 2, "Building the Future with New Generation Leaders."

Laura Martin of **Capital Knowledge** releases updated media company research reports on **Disney, TimeWarner Cable**, and **Warner Music**.



The **FISO** Factor®
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The *Mastering the FISO Factor Newsletter* targets leaders who recognize the critical importance of financial acumen and global perspective to achieve outstanding, sustainable results for their businesses. FISO means *Fit In, Stand Out*. Developing the FISO Factor is the key to leadership effectiveness in business and life.
URLs: www.fisofactor.com and www.LIFgroup.com