

Title:

The #1 Killer In Corporate America: Bad Leadership

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Summary:

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Article Body:

The 2007 employment market will be rich in opportunities for millions of job seekers who are no longer satisfied with their current positions. Companies that fail to keep their employees -- including their senior executives -- engaged "will create a fast-moving conduit of quality candidates that feeds their own competitors and their own failure," predicts staffing professional Eva Jenkins.

Jenkins sees a continuing trend towards a wide range of high-quality jobs opportunities offered to a shrinking pool of candidates. "When it comes to employment, it is a true Sellers' Market," she says, an area of major concern for corporate America. "The ability to retain staff will be juts as important as finding new employees."

Jenkins is a leading authority on human capital management, and the driving force at VIP Staffing and VIP Innovations in Washington, D.C. She is also co-author of Conversations on Success, a collection of powerful interviews with accomplished entrepreneurs in a variety of industries.

Jenkins analysis of traditional corporate culture has uncovered a direct cause-and-effect relationship between bad leadership and business failure. "CEO's who are focused solely on a business from a value-per-share perspective have lost sight of something of true value - human capital."

And when any business squanders its assets, it's doomed to "eventual" failure.

"When senior executives began a mass exodus, companies will find themselves 'rotting' from the inside out...empty and eviscerated."

No Longer Married To the Job for Life

The days of earning a gold watch after 25 years of service are long gone. Studies show that the average working American will have three to five careers and between 10 to 12 jobs during his or her lifetime. So compounding the danger of a tight job market, says Jenkins is "eroding corporate loyalty."

Corporate scandals and disappearing pension funds have undermined the faith employees once had in their employers. So have stories of corporate executives who receive larger-than-life compensation packages, sometimes as much as 500% +more than the average staff person. "Employees up and down the ladder are left with the feeling that 'No one is looking out for me,'...and they're right," Jenkins comments. "So they look for greener pastures elsewhere."

CEO's are not completely to blame. They, too, may feel at risk. "Executive Pay Compensation is a double-edged sword," explains Jenkins. "Boards are more than willing to approve astronomical compensation packages because of their own greed and desire for someone to produce profits." However, these same Boards are just equally prepared to oust a CEO if company and stock performance does not fit their financial expectations.

"This means even the best-intentioned CEO's who truly value their workforce will change the way they do business to ensure that Board members and stock holders are happy about company earnings," observes Jenkins. That's why the ugly metamorphoses occurs.

"Formerly humanistic CEO's quickly become self-protective and that makes them short-sighted. Instead of taking a long view of the success of the company they were hired to run, they become little more than greedy robots doing whatever is necessary to show a profit."

The High Cost of Unhappiness

A constant loss of employees at low- and mid-levels has always been a costly proposition for companies, but not a fatal one. The inability to hold senior management, however, will challenge the success of even the most stable company. "The costs of staffing and re-staffing are steep," says Jenkins, pointing to the bottom line impact of constant hiring and training.

When highly qualified, experienced, and vital upper-level executives jump ship,

however, "the negative impact can shake a company to its foundation. The ability to function smoothly is likely to be insurmountable," Jenkins remarks.

"Given not just the quantity, but the quality of emerging employment opportunities, Jenkins urges companies to focus on factors that drive key leaders to jump ship "and make adjustments in their business model that eliminate those factors," says Jenkins.

A Culture of Fear

Research studies have identified common reasons why employed executives are dissatisfied with their jobs: lack of challenge or personal growth, limited opportunity for advancement, and unfavorable company prospects. Jenkins feels they provide the key to effective staff retention, particularly the question of the growth and health of a company itself.

Fear, not support is the dominant characteristic of 21st Century corporate culture, according to Jenkins. She notes that senior level employees worry constantly about the tendency of Board members and CEO to "scapegoat individuals for missed earnings." As a result, senior executives try to minimize bad news and keep a positive profile in hopes of being spared in case of a problem.

"This leads to a tremendous breakdown in communication," says Jenkins. "Executives are afraid to point to problems because they fear being held accountable. So problems are never addressed and, more importantly, never solved."

Communication Trumps Fear

Jenkins cites clear communications as the most effective tool for eliminating the fear factor. She urges leaders to demonstrate the importance of open dialogue and shared problem-solving through their own actions.

A real reality check is that most CEOs rarely hear the candid truth, and if they do, it is sanitized and couched, without the real message getting through. In order to "correct" this obvious and ongoing poor behavior, "CEO's must work hard to keep senior executives informed...aware of the big picture and possess a "truthful, realistic" attitude so that their decision-making can be proactive instead reactive," says Jenkins. "This gives executives the confidence to continue to thrive as professionals. It creates an inter-connected corporate environment that rewards team effort and success, and encourages healthy growth rather than fearful stagnation.