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## ***Kenexa HR Thought Leadership®:*** **THE CEO SHIFT**

By Dr. Tommy Weir

**HOST:** Welcome to the Kenexa HR Thought Leadership Podcast series. This series was created to educate, inspire, and fuel the evolution of leadership in our organizations, our communities, and our world.

I'm your host Jace Bonsall.

Global realities require that CEOs today change their perspectives. In fact, the very nature of business has come to a halt. What does this mean for business leaders? To succeed in the competitive and changing world, it means that CEOs must make a sizeable shift.

In the coming years, many businesses will fail. The question is, "will yours be one of them?" This time, we know that CEOs will be held personally responsible for the failure of their organizations. Simply stated, reality mandates that every CEO needs to incorporate these five critical shifts to succeed—Market, Growth, Speed, Talent and Leader Shifts.

In today's episode, we will listen to "The CEO Shift" by Dr. Tommy Weir. Dr. Weir serves as Managing Director of Kenexa Leadership Solutions, specializing in strategic leadership development for fast growth and emerging markets.

**DR. TOMMY WEIR:** I don't think there's any doubting it, denying it, whatsoever at all, the world is significantly different today than it has been in recent years. Matter of fact, it seems that as I reflect back one year ago, the world has changed a tremendous amount in this past year. Obviously I'm speaking about the global financial crisis and the impact that's having on us as leaders and as professionals and business leaders. I don't think, matter of fact, fact would say, it isn't simply the financial crisis that has changed so much in the world. That happens to be the difference when we look upward we see, but underneath that there were several differences that had already taken place. The basis of power had already started moving. I grew up in a country that was once considered to be the single greatest power of the world, and we're starting to see some shifts and some movements happen around that. Countries that we used to look to at one point for power, it's beginning to move, it's beginning to dissipate, it's beginning to change, where the demographics are, where the people are, the size of the world. It has changed greatly over the past few years and it's continuing to. Countries that were closed, are now open. I think about the fact that the Middle East that was once closed by Islam, is now open. China was closed by Communism, but it is now open to the world. On the basis of where the strength and economics are, it is moving.

When we sit here and look at the world today, it is a very different place than it used to be. I'm reminded of between my 4th and 5th grade years of school of going to see the eye doctor. I remember sitting in the doctor's office, there we were, and he's poking and he's prodding, and the doctor's going through and he's doing the standard checkup you get as a kid. And the next thing you know he tells me to sit on this chair and he's covering my right eye, looking at this chart on the wall. And I'm looking up at it, and my right eye is covered, and he says,

“can you read this line?” And I think we all know the chart that I’m referring to here and he points to this line and honestly I look at it and I think, what line? I couldn’t see anything at all. It is completely blurry, and I had absolutely no idea what’s going on. So he raises his hand a little bit and I could barely see his hand and he says, can you read this line, Tommy? No idea, and so forth, and so forth. And he gets to the top and I just happened to know the top letter from memory and he says, “can you read this?” And I’m like E. Alright, cover your left eye and let’s try it again. When he gets done, he looks at me and he says, “I’ve got bad news for you.” You’re nearly blind. For a fourth grader, going on fifth grade, that’s pretty traumatic news there. The next thing you know, your name’s going to be changed from Tommy to four-eyes Tommy. That’s pretty serious news for me, so I’m sitting and I’m like, oh no! So my Mom makes an appointment with Dr. Schubert, and we go to Dr. Schubert’s Office and we go in and we’re picking out glasses and we’re getting all the tests done there, and I find these brown bionic glasses. If I have to wear glasses, I need the coolest ones they have. This is in the 1970s, so we didn’t have a lot of cool glasses to choose from back then. So I get these brown bionic glasses. So this was in the era you had to wait a few days to get your glasses. So a few days go by and we go back to Dr. Schubert’s Office, I get my glasses, and I put them on. Then we’re going back and getting into my Mom’s MGB. We’re going up 10th street. Mom, look, there’s words on the sign. Look, there’s birds in the trees. All of a sudden, I’m telling you, my entire world changed. I began to really see the differences that are going on. Up to this point, there’s some funny things in my life that I didn’t ever have a clue; I had absolutely no idea at all. So I didn’t really know how to respond to it, because I didn’t know they were there. So here are some of them. For example: I thought you had to sit in the front row to see what the teacher wrote on the board. I thought we changed seats so every kid in class would have an opportunity to actually read what the teacher was writing. I had no idea at all. I didn’t know playing little league baseball, that you could see the ball before it hit home plate. I thought that you had to wait till the ball was at home plate to be able to see it. I quickly learned while I was strike-out king, I couldn’t see the ball leave the pitcher’s hand. Now if I got my brown bionic glasses on, all of a sudden I realized you could read the words on the board from the back row. You could see the ball leave the pitcher’s hand. So all of a sudden I went from strike-out king, to actually being able to hit the baseball. My world changed greatly simply by putting these glasses on. The issue is, I didn’t know the reality of the world. And because I didn’t know the reality of the world, I didn’t know what to do.

And over the last couple of years, as I’ve traveled around the world and worked with CEO’s, I’ve worked in 30 different countries and 80 different nationalities across those. I began to realize, you know, a lot of business leaders are a lot like I was between fourth and fifth grade. We were not seeing what was really going on in the world. But we had no idea we weren’t seeing it either, just as though I didn’t know you could see the ball when it left the pitcher’s hand. As business leaders, we’re not recognizing what’s happening and what does it mean for us.

So we begin to get this picture. What we’re going to learn on this podcast today is we’re going to see what’s happening in the business world and what do we need to do about it. I have this really big question. Here I am as a business leader. I’m going to learn some facts of what to do. When I was going into fifth grade, the solution was to put on some glasses, to put on these brown, bionic glasses, and all of a sudden and I saw the world was different. The question for us today is as business leaders, what do we need to do? Obviously glasses aren’t going to solve this. It’s an analogy that’s way over me and it doesn’t even have any meaning any more to say put on your figurative rose-colored glasses.

So what is it we need to do? Well it’s pretty clear we need to make five different shifts. In our conversation today on the CEO Shift, we’re going to do the five shifts we need to do if we want to move forward. It’s pretty serious days we live in; there are a lot of businesses that are failing right now, a lot of them. As a matter of fact, a lot of the businesses that are written up in the book, *Good to Great* are going out of business; the book: *Built to Last* are not lasting. So as we look at this, as we start thinking about it, do we want to go from good to great to grave? Do we want to go from built to last and not to last? I don’t think so. So what we need to do is we need to make five shifts. The five shifts are a market shift, a growth shift, a speed shift, a talent shift, and a leader shift.

So let’s dive into this first one. Pay very close attention because this market shift are the facts that are going to drive all business into the future. If we don’t do this, if we don’t recognize the facts in the market shift, I am fairly confident that in the next coming 5-10 years, our businesses are going to be failing, and as business leaders we

will be held responsible for their failure. One thing that we're going to be sure of that this global recession is going to do is it's going to bring more accountability for the business leader into the picture. So we are going to be held responsible for what's happening?

So the market shift, here it is. The first thing in the market shift is we need to realize where in the world are the markets of tomorrow in this world? The first thing we need to know is the world is getting bigger; the world is growing. That's an obvious statement, but when we really pull it apart and look at it, we realize that the world is growing enormous right now and at a rate unheard of before. So basically here's what's going on. From the beginning of history till the year 1800, it took all this time for the world population to total one billion. So from the beginning of history, whether you take an extremely liberal view, or a very conservative view, it's somewhere between 4,000 and 6,000 years on the conservative end. It took from that point to the year 1800 for the world's population to total one billion. It took 123 years, till 1923, for the world's population to total two billion. Today we add a billion people every 14 years. So all of history to the 1800's for the first billion, a minimum of 4,000 years and upward from there for the first billion, 123 years for the second billion. Now we add a billion every 14 years. I want to put this into perspective, my grandmother was born in 1920. So she has watched the world's population clock cross the 2 billion mark in 1923. She watched it cross the 3 billion mark, the 4 billion mark, 5 billion, 6 billion. Today we're sitting right at 6.8 billion, and if she lives a few more years, she will watch it cross the 7 billion mark. She is going to watch in her lifetime 5 billion people added to this earth.

Another way to look at this is Wal-Mart, one of the world's largest workforces, every 10 days, enough people are born to replenish the entire workforce of Wal-Mart, every 10 days. The world is growing at an incredible rate, and you know how we need to be feeling right now, it's fascinating, it's insightful, but we need to move to the compelling side of this. We need to be asking ourselves the question, what does this mean for me as a business leader? What does it mean? Number one, the world is growing. Number two, the world is becoming Eastern. The focus of the world is no longer on the West. There is disproportionate growth going on in the East right now, if we were to look at this, the West is growing on the average by two people per minute, where the East is growing on average by 151 people. Eighty-one percent of the world lives in an emerging market. An interesting thing about emerging markets though is not only does 81% of the world live there, additionally; those particular markets are extremely young. One third of the emerging market is under the age of 19. Whereas, one fourth of the developed world is over the age of 55. So when you start doing the math here, it is quickly, quickly, evident that that is where the focus of the world is. The majority of the emerging markets are in the East, and it is very clear that that is where the attention is right now, and that's what's going on. Twelve percent of the developed world is under 19. One third of the emerging markets are under 19, almost three times the youth population, by percentage. But keep in mind it is 81% vs 19%. The world is clearly becoming Eastern. The world has moved, Goldman Sachs actually lists China is one of the top ten threats to the world's economy. They list a country, so when we look at these, we start realizing they are very young, and they have a lifetime of buying power ahead of them. The world is definitely moving to the East.

I want you to pause and think about something for a moment. What happens when the West is sleeping? The entire rest of the world is working. And when you start realizing what's going on there, you start going, oh my goodness. We need to do something to survive. When the sun sets in the West, it always rises in the East. And this is not a doomsday statement right now; I am simply reporting the fact of what is going on. So we see that the world is getting bigger, the world is Eastern, the world is urban.

Fifty-two percent of the world lives in a city now. For the very first time in the world's history, we have become an urban setting. In the 20th century, we went from 220 million people living in the city, to three billion. More people live in the city today than lived in the city in 1967, the year I was born. Now the interesting thing is half of the world, 52%, lives in one of 496 cities that have a million or more in population. So we see the density of the world. It is becoming Eastern, but it is becoming dense as well. Nineteen of twenty one urban conglomerates are in the emerging markets. Every single second, key people are moving from the rural countryside into a city. The urban invasion of the world has happened and is continuing to happen. It is projected that by 2020, 60% of the world will live in the city. So as we are sitting here as business leaders today, we need to know that the world is getting much bigger, but it's in very specific locations. It is in the cities in the East where the growth is happening.

And in addition to that, we realize that the world is poor. 1.3 billion people are living inside one of those 496 cities on less than \$2.00 a day. They're making up the saddle of the city. So there they are, they're sitting on the edges of the cities on \$2.00 a day. As business leaders, we typically don't give any consideration to it, but what we find is the most consistent market globally. And number two, it has a one trillion dollar buying power. So maybe we should actually be looking at it and thinking about what is going on.

I guess as we walk forward right now, this podcast can be one of two things. It can give you a lot of answers, but it may not be a fit for you. Or better yet, it can give you some information as to some questions you need to be asking, you need to be taking back to your business, and you need to be asking. I think that is the better approach for us, so here's the question.

The first question for us is what does the market shift mean for you? It's a reality. It's fact. It's true. The question you have to ask is what does it mean for you? Then you need to start asking, what are you going to do about it? So we have a market shift. Really this is the key point, because the market shift is setting up the others. If we don't understand what's happening in the market shift, we will never understand the other four shifts. It's like me sitting in Dr. Whelan's Office, finding out that I was nearly blind. Well I sat there. He revealed some information to me that I just didn't know. And as a result of that, I started doing things differently that ended up becoming very positive for me. So here we are today, and it's like we're reading that chart and we're going, I didn't know that I had no idea that it was a fact that we had a billion people every 14 years. Eighty-one percent of the world lives in an emerging market, nineteen percent in a developed world, where 52%, three billion people, live in the city. 1.3 billion live on less than \$2.00 a day. One-third is under the age of 19; one-fourth is over the age of 55. When we start pulling these facts together, we start seeing the picture of the world. And here's what it's doing. The market shift is creating the growth shift. We have no choice as business leaders but to make a growth shift.

I remember as a kid growing up in Charleston, IL. Charleston is one of the small Midwestern county seat towns with six stop lights, got a McDonald's as I was a kid. It's kind of a classic, small town America, and our tallest building was five stories high. We were really just a two-story kind of town. And I remember in 6th grade having the opportunity to go to Chicago with Mr. Montgomery. There were a bunch of us boys. I don't remember what we did, but we did something good, and we got rewarded by going to the big city of Chicago. And we were going to go to a Cubs game and do all these various things. I remember getting up that morning and jumping in Mr. Montgomery's station wagon. We made the trek up I-57. The first thing we did when we got to Chicago, we got to see the Sears Tower. And I remember jumping out of that car and looking up at this building and standing there and peering up to the sky. Oh my goodness, I could not believe it as you looked up and up and up and up and up to see the top of the Sears Tower. I'd never seen anything like that before. And we went inside the Sears Tower and lobby of the Sears Tower is higher than the tallest building in my home town. We went in, we jumped in the elevator, went up to the observation deck, and there we are on the 103rd floor, and I remember peering out that window. This is one of those days to where there were light clouds and the clouds were low that day so here we are standing in the Sears Tower, looking out the observation window and we're looking down, through the clouds onto the city of Chicago. And I remember standing there and thinking this must be what it looks like from God's perspective; looking through the clouds, back down on the earth. I was just standing there, oh my goodness, unbelievable. As a boy growing up, it was a very impactful moment for me. And that logged in my head as that is the tallest building in the world.

I can remember growing up as a kid and hearing different things, when you'd hear about other buildings being built and other tall buildings coming along the picture, and I remember hearing about Tai Pei 101. And I remember hearing these things, and you know in my mind, the Sears Tower was still the tallest building in the world. I don't care that Tai Pei 101 won the award because I didn't see it. Because I couldn't see it, I didn't believe it. So I was still under the view that the Sears Tower was the tallest.

I remember moving to Dubai in 2007. When I moved to Dubai, we got an apartment right at the base of the Burj Dubai that was being built. And when we moved in there, the Burj Dubai was right at the 97th floor. And I remember watching them work on it, and work on it, and work on it. And all of a sudden one day I grabbed the newspaper and the Gulf news was reporting that the Burj Dubai was now taller than the Sears Tower. I'm looking and I'm realizing it's taller than the Sears Tower, and they're still building it. It's still going on and on and

on. And as I continued watching it grow and get taller and taller until it shattered every single record of the tall tower industry. And if I jumped in my car and zipped up Snake Drive Road, the next thing I know, I found the shopping mall that was bigger than the Mall of America. And I started realizing at that moment, that the growth definition I had worked growing up with, Hollywood being the entertainment hub, the Sears Tower being the tallest building, Mall of America, the largest shopping mall, Disney World being the number one tourist definition. And I started realizing that all of those things were being shattered. Bollywood is bigger than Hollywood. Mall of America, is trumped by Mall of the Emirates, which is now beat by Dubai Mall, and there is plenty in other countries for other malls. The Sears Tower was beat by the Burj Dubai, but even more than that in the year 2005, there were six buildings in the year 2000 that were taller than 100 stories. Five of them were in the U.S. Today's there's 19, and 15 of them are outside the U.S. And you step back and you start realizing the world definition of growth has changed. It's not what it used to be. It has changed drastically when you start recognizing it and figuring it out.

Petro China, most of us have never even heard of the company, but they have the largest market capital, over a trillion dollars, the largest in the world. And you start looking at this and you realize our view of growth has changed. The CEO of their health care, Arthur Higgins gets the picture. He did a conference a few years ago in Dubai and it focused exclusively on the idea of growth. He was recognizing before anything was happening, before the recession, before any real public thoughts of it were going on, that he needed to lead his country to redefine what growth meant. I remember speaking at their conference. And I was listening at the beginning, everybody was talking about where they needed to go, and they needed to do market research, and that they needed to listen. As I sat there, I started realizing that maybe that's the wrong approach to defining what growth is. Maybe going back and listening to people who've already defined it isn't what we need to be doing. In other words, think about this. In the year 2000, who wanted to buy a villa on a man-made island off of the coast of Dubai? I remember saying to the people, and they kind of looked at me and laughed. Let me ask you a different question, in the year 2000, who wanted to buy a villa in Dubai? Let's ask another question, in the year 2000 who knew where Dubai was on the map? Dubai built something at a place you didn't even know where it was, that nobody thought could be built, to give you something you didn't even want, and the next thing you know, they started growing at rates unheard of. As we look to the world today, we have to redefine what growth is. And the reason for that is the catalyst of growth has changed. I would say for the majority of businesses going through the 20th century, what we would be dealing with is we were pushing growth to the market. We were trying to make the market grow. What happened though is the world has changed. There's a *clusterfication* going on right now. The population has moved, so what we have now is the world is getting bigger, it's Eastern, it's urban, and when we start pulling these facts together, I like to call it a phrase called *peopleization*. But because of this *clusterfication*, it is forcing the growth. It's not the business any longer trying to say we need to grow. It's not us being the catalyst; rather what's going on now is from the other end of this. We're in another position in this and what we have is the world markets are saying, if you don't grow, you're going to go out of business, because we require that much more out of you. We have to provide the business services for a billion new people every 14 years. So all the products, all the services, all the solutions, we're adding a billion every 14 years and they have to be cared for. They have to be taken care of. So as a business, you don't have any choice. You have to make the growth shift if you're going to make it. I guess the question we have to ask is similar to what we did at the beginning, what does the market shift mean to you? You need to step back and look at it and you need to be sitting in your boardroom and saying, what do we need to do?

How do we make a growth shift. We're locked where we are today. What do we do? How do we make that happen? So when we start multiplying the growth rate times the population size, we can actually be in a position to compete. We have to become a player, because if we don't, we're going to go out of business.

And the growth shift leads us to the next one, the speed shift. And I find it's a very interesting one because they are similar, but they are very different. Here's one of the key things we do; we have a tendency to spend too much time thinking so that we can mitigate the risk that we missed the opportunity because we aren't going fast enough.

I remember listening to Sultan Bin Sulayem speaking at a management conference in Dubai a few years ago, and I remember him walking in the room. And he walks in, and just behind the room they were meeting in, was

the Palm Island. I guess it was 2007 as well. He walks in the room; he kind of paces for a moment; and he looks up. This was the management team who had built the Palm in the room and he says, "Guys, that's great work." You look out that window and you see the Palm Island. "That is fantastic work. Nobody believed we could do it and we did it. Nobody thought it was possible." He hesitates and looks up and says, "but guys, it's not fast enough." In four years they built an island that was large enough to hold 4,000 villas, 20,000 apartments, and 30 hotels, in four years, an island from scratch in the middle of the sea, and he's saying that's not fast enough. Now as a teenager, I would have loved to have heard that's not fast enough. But in the markets of the world today, we need to be faster.

The President of Syria walked in a hospital on a Thursday afternoon, he looks at me, and he said this is not the standard it needs to be...at all. He was very frustrated. He pulled the administrator of the hospital over, sat down with him, and discussed with him the changes. I want to see changes fast. He came back to the hospital on Sunday and said, "Why aren't the changes made?" He was expecting to see change in three days. We would still be discussing it in three days. And although I look at the world and there's a speed shift here today, I think it's going to be a lot worse.

I don't know about you, but I wake up in the morning and I'm a bit slower as I wake up. I wake up and I'm kind of rubbing my eyes, and my vision is a bit blurry. And I kind of go through the routine of the day. By the time I have my shower, my cup of coffee, and my vision clears, my speed and my energy goes way up. When we look at the emerging markets today, they're still like sleeping giants, they're up and they're moving, but they're not completely awake yet. They're kind of waking up on us and if they wake up, the speed of business is going to change even greater than it is now. What we have to do is we have to make to make a speed shift.

I can remember learning to drive faster. And I've always wanted to drive on the Autobahn. That would be the most fascinating thing in the world to be able to drive a car unbelievably fast. And it's interesting growing up in the states, driving 65-70 mph; and we'll go a bit faster from time to time, but that's kind of the key speed that we sit in. And you kind of get comfortable with the speed you're in, so if you're comfortable driving 70, and you go 85, it feels really fast, and you're starting to get a little bit nervous about it, and you hold the steering wheel a little bit tighter and a little bit tighter. If we would push to 100, we would feel even more out of control. And if we pushed to 110 and 115, we'd be shaking and sweating, and taking deep breaths, and really wondering can we keep going at this kind of speed. If I look at the business world as we see this, the issue is we're going to have to go to those speeds. What we do is we put controls in place to slow us back down, to keep us from going too fast. The problem is we can keep government regulation, we can keep bureaucracy, we can keep controls, we can try to mitigate risk in the last. We can do all of these pieces all we want. But the issue is, in the emerging markets, they're not going on. They don't have any choice but for them to go faster. When you have one billion added to the world every 14 years and 81% of that in the emerging markets, they don't have a choice but to go faster and to go bigger and it's happening at speeds that are uncomfortable. That make us sweat. That make us nervous. But when we start looking at this, we start realizing we have to compete in it. In the business what we have to do is we have to figure out, how do we have the safety that we have in the west, and simultaneous to it, have the speed that's necessary in these markets if we want to make it. Because if we keep growing at the rates we're growing, and not changing our markets and our perspective, we will literally just be passed behind and left in the dust. It's like the cartoon of when the road runner just tears out and leaves all of us in the smoke, and when the smoke clears, we're going to be sitting at the starting line, just moving.

When we look at the fact that China is four times the size of the U.S. and India is three times the size of the U.S., the markets are growing at four times and five times the speed of the U.S. right now. It starts making us ask some questions of how long mathematically before this really becomes an issue. And what we need to do if we want to speed up, we need to learn the road. We need to understand what the road is because if we are able to do that, we are able to make the changes and move forward. I don't have the time today in this podcast, but we could go through example, after example, after example. And if you were in a workshop with this, this is what you would be doing, pulling examples together of companies who have made the speed shift. So you can learn from them how to do it and what you need to do because to pull firmness to get the maximum benefit of this, the facts of the market shift are there. The questions start coming in. How do we make the growth shift? How do we make the speed shift? And looking at the examples and the case studies and getting the learning out of that,

that's the benefit for you.

And this leads us to the next point, the Talent Shift. Kind of a controversial phrase in today's day, but McKenzie coined the phrase of the talent war. Now I'm here to tell you today, the talent war is absolutely over. Most of you say, yes, we know it's over. It's over because of the recession. That's not true though. It's over because of the recession today, and today only, and predominantly in the developed markets. But we're not talking about simply the picture of business today, we're talking about it going into the future. But keep in mind, when the markets are growing at rapid rates, and they're growing to maximum sizes, and they are clustered together, the picture is different. And keep in mind in the emerging markets, don't have toxic assets, so the whole picture changes when you start looking at this. So the talent war is over, but talent has won the war. A lot of us think that the talent war is over, but recession won the war, but the reality is the talent war is over, and talent won the war.

It reminds me of an episode on Gilligan's Island. This is one of my favorite episodes. There is the Japanese soldier who was down in a submarine and he's lost, and somehow he ends up in this island in the South Pacific to where Gilligan's crew is shipwrecked. He sees the Americans there and he sneaks out of his submarine. He has his gun there and one by one, he takes each one of them hostage. In his mind, he's still fighting World War II. He thinks the war is still going on 20 some years later. Nobody had informed him that it was over. So he was fighting yesterday's war and thinking he was winning yesterday's war. And from a talent perspective, the majority of us are still fighting yesterday's war and thinking we're winning yesterday's war. Although we're in the midst of massive layoffs and recessionary times, we're still fighting yesterday's war.

But what we have to realize is globally there are some facts that are going on. Number one, job tenure is shortening. The idea of employment for life is gone. Employees aren't thinking that way. Now it's interesting, even most managers, for themselves, don't think that way. We walk into work and most managers don't think they'll be with the same company for the rest of their life. However, they manage and expect their employees to be employees for life. Between the reality and our thought, we have a conflict, sitting right there, right now. So we have to realize that there is no such thing as employment for life any more: short term job tenures exist now.

I've got a friend who's 33 and he's already worked in six countries for five different companies, at 33, and he's in HR, where we should actually look at that differently. Six countries, five companies, 33 years old, short job tenure.

Number two, there's a global talent shortage. And I know there's kind of an interesting thought and an interesting issue and the fact that the world is growing so fast, yet there's a global power shortage. And the reason for that is the world is very young. Currently, 36% of the world's population is under working age, and 15% of the world's population is in retirement age. So if we start doing the math on that, what we have is 49% of the world, assuming they all wanted to work, are supposed to provide all the business services, solutions, resources, products, for 100% of the world. So 49% is the maximum population basis right now. So there's a shortage of talent, short job tenure. In addition to that we have a very young work force globally, what I call the youth bulge. One-third of 81% is under the age of 19. So you have a very young work force.

Another issue is what I call a reset mentality. If you've ever played Play Station or Game Boy, or if your kids do, and the game isn't going quite the way you think it should, so you don't think you're not going to win the game, what you initially do is you push the reset button. We don't think much about it, so we're playing the game and it's not going to go the way you want, so you hit the reset button. I've watched my kids play these games, and I'm amazed at how fast they can hit the reset button. They hit it instantly. So there they are and boom they hit the button and they start the game over. Now we walk into the work force and we see a generation now in the workforce who is growing up with the reset button in life and this is going to continue for generations to come. And what happens is they get a little bored with their job, and what do they want to do, they want to hit the reset button. I don't like this anymore with marketing, so let's try finance. They get a little upset with their manager, things aren't going like they want and what do they want to do, they walk into HR. Please, I want to hit the reset button. So there's this reset mentality going on. And as we look at this, what we start realizing is that our organizations are not looking at talent in the way it should be today. The talent equation has changed. So we

need to make a talent shift.

Today, 34% of CEOs think that their HR is poor. One third of the CEOs of the world think their HR is poor. And they are looking at the talent strategy. And the reason for that is we aren't making the talent shift in the business community. So what we have to do is sit back down and look at it and figure out first who is talent, what is talent. What does this whole equation mean? Then we can go back and start looking at the solutions. But what we're trying to do now is taking the global best practice and bring it back in and try to force it into the talent markets. Let me ask you a question? What do you do when you have 80 different nationalities working together in one company, in one location? Eighty, this is beyond the concept and the idea of diversity. What do you do when you have people that are moving constantly from one location to another, even inside a country like India? We're not accustomed to this when we're looking at talent equations. We're not accustomed to looking at talent ideals, so what we have to do is understand what do we need to do. How do we solve this? So the question we have to ask here is where are we making the market shift here? How are we making the growth and speed shift. And then we need to figure what kind of talent does it take and rethink how do we address it. There's several solutions on how to address the talent shift, and you need to be figuring out what some of those are. At the time you can't hit those today, but there are great solutions there. So as you are doing the workshop on the CEO shift, you can come together and hit those solutions.

And this brings us to the last one, the leader shift. And we're just going to quickly go through this point, because there's a lot more to be said here. But the idea of the leader shift, is number one, bottom line, there is not a single globalized approach, standardized approach to leading. The emerging markets are fundamentally different than the developed markets. So what we have to do is we have to recognize what the emerging markets need so that we can begin to pull together a leadership model that's necessary for those. And I'm going to walk you through what the points of that model are briefly, and then we will conclude for today.

So what we have to realize is inside there, there are six leadership principles that you need to be adhering to in order to make the leader shift. And they are number one, imagination. Your approach needs to be imaginative. The emerging markets have high levels of ambiguity, constant change going on. They haven't settled into their routines and rhythms yet that work with the linear thinking. So what we need to be doing is we need to walk in, and as a leader you need to have high levels of imagination. It needs to be your thinking approach.

Number two is navigation. Things are not clear. The challenge of doing business, the ranking, the U.S. would be number three. It would be the third easiest place in the world to do business. China is 93, India is 134, Brazil is 121, and the UK is six. So when you start looking at the challenge of doing business being so high in these markets, what we have to realize quickly is that we need to be navigators. We need a lot of direction from a leader to be able to survive and do things there. So we have imagination and navigation.

The next one is magnet. You'd better be doing something to hold talent. The emerging markets are predominantly the area where you are going to be making the CEO shift towards. It is predominantly an area of collectiveness, collaboration, collective nature. So the individualized approaches don't work well in collective nature, in collective environments. So what we have to do is we have to figure out how to be a magnet. How do we hold talent? How do we lock people into our companies so we get the maximum from them?

We need to become multilingual in one language and what I mean by that is just because two people are speaking English, don't be fooled into thinking that they mean the same thing by their phrases, because they probably don't. What we have to learn how to do, although we're speaking a common language, we have to ensure there's a definite understanding there. We have to break out of colonialist thinking and move forward.

The next one is rapid talent development. We have to figure out because of the young population, how do we develop, as a leader, talent earlier. How do we move them up the rank at a rapid pace?

And another one is achievement builder. And the reason that's there is that in the emerging markets we tend to hire technical experts because that's not what's in the market, and then these people get thrust into leadership

positions. And the leader's job is to be building the achievement of other people, so we need to be building achievement there. So the six things we need to be doing are imagination, navigation, magnet, multilingual in one language, rapid talent development, and achievement builder. And as we look at this in particular, the leader shift is going to be the most difficult shift to make. We will have a very difficult time to do it. But it's the one that has to go on.

So in conclusion, what we have is a market shift that is causing a growth and speed shift. And from the market shift, we have an entirely different view of talent. So to lead the talent shift, the speed shift, and the growth shift, we need to make a leader shift. So you can take a look at it this way. On one bookend, look at the market shift. In between we have a speed shift, a growth shift, and a talent shift. But in order to make those happen, we need to make a leader shift. So I guess that's like those brown glasses I got when I was a kid, so all of a sudden you can start seeing the baseball leave the pitcher's hand. If you want to survive and succeed in the future, you need to make the CEO Shift.

**HOST:** Thank you for joining us today for the Kenexa HR Thought Leadership Podcast series, where we seek to educate, inspire, and fuel the evolution of leadership in our organizations, our communities, and our world. If you have questions regarding today's episode, please feel free to email Dr. Weir at [tommy.weir@kenexa.com](mailto:tommy.weir@kenexa.com). We also invite you to visit our website at [Kenexapods.com](http://Kenexapods.com) to find the original transcripts of this episode, that's K-E-N-E-X-A pods.com. This episode was brought to you by Kenexa, a leader in multiplying business success for organizations worldwide.

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