

# Shortage of Smart People

The headline “**PREPARE FOR A ‘SMART PEOPLE’ SHORTAGE**” appeared on a front-page article in the February 2003 publication, “Leadership Strategies.” This article was adapted from “A Worker Shortage? Heed This Dot-Com Survivor,” Cheryl Hall, *The Dallas Morning News*.

## ***The article stated:***

- ♦ Look out! An acute shortage of qualified people is lurking ahead!
- ♦ 70 million baby boomers will begin leaving the workforce over the next 15 years...replacement workers entering the work force will barely number 40 million.

At The Kanning Group, our initial reaction was this validated the belief that companies need to focus on resizing the organization. They need to eliminate mistrust ... and the 50% of non-value added work completed by individuals to protect their backsides - or to self promote themselves to advance in the political systems created by the mistrust.

The more we thought about the headline we found ourselves asking, “Is a shortage of “smart people” all bad?” Smart people have been running corporate America to achieve the following results:

- ➔ 70% of strategies...are never fully implemented.
- ➔ 70% of change efforts...fail.
- ➔ 75% of mergers and acquisitions...under perform expectations.
- ➔ 91% do not sustain...profit or revenue growth of 5.5%.
- ➔ 75% lower profit %...than in 1951.

References: Louis Foringer, Chris Zook, Michael Beer and Niltin Nohria, Prospectus Strategy Consultants, “The Economist,”

Possibly fewer smart people would actually improve the performance of corporate America! We do not think this is the complete answer to improve results, but we admit it is worth thinking about.

To elevate performance, **smart** leaders need to become **great** leaders, and consider:

- ♦ They do not have all the answers. In route to achieving the above results, most leaders invest significant effort in personally making all the key decisions. They believe they can do it all, their intelligence will carry the day, and the decisions of others are not equal to their decisions. They use their intellectual power to demonstrate they are very smart and decisive. Great leaders, on the other hand, are constantly learning and delegate decisions to everyone – in turn making their organizations smarter. All the answers leaders need for the organization’s success are somewhere within the organization. Leaders must tap into the dormant intelligence of the entire organization because organizations that tap into everyone’s strengths outperform those that attempt to be run by a few.
- ♦ Developing skills to get what Charles O’Reilly III, Professor at Stanford’s Graduate School of Business, refers to as “getting extraordinary results out of ordinary people.” We prefer to modify Dr. O’Reilly’s statement to “getting extraordinary results out of *seemingly ordinary people*.” No one per se is ordinary. We believe everyone has special talents that when tapped – lead to the extraordinary results.

Great leaders *generate* extraordinary results. They create organizations that are engaged, energized, aligned, involved, accountable, and responsible at every level. They do not *drive* the organization – they *conduct* the organization. Like any great orchestra, the conductor cannot play all the instruments, but by relying on the individual talents of everyone, he can combine these individual talents into creating great music.

The mark of every great leader is the overall strength of the organization he leads. The evaluation of a great leader is not measured this quarter to the next. It is measured over the long term while he is at the helm and it is measured by the ability of the organization to carry on and continue to generate high results after he is gone.

How will your organization be measured after you are gone? Will the next in line “smart person” take the helm, or will an organization of seemingly ordinary people create extraordinary music? Think about it – it’s your legacy!

THE KANNING GROUP



Questions, comments, or for additional information, call Myron Kanning (866) 933-1899, or e-mail [mkanning@kanning-group.com](mailto:mkanning@kanning-group.com).