Organisations unprepared for cultural changes as baby boomers retire, study finds

- More collaborative leadership to be major theme among next generation of leaders
- Emotional intelligence, people skills and flexibility to be at a premium among leaders

LONDON – 08 May, 2013 – Organisations are not adequately prepared for the cultural changes that will occur as executives from the baby boomer generation retire and are replaced by their Generation X and Y counterparts, a study has found.

The study *After the baby boomers: the next generation of leadership*, by Odgers Berndtson, the leading global executive search firm, in conjunction with Cass Business School, part of City University London, was conducted by interviewing senior executives across a wide range of industries and geographies.

Richard Boggis-Rolfe, Chairman of Odgers Berndtson, said: “The retirement of the current generation of corporate leaders will lead to cultural changes that most organisations are unprepared for. In order to thrive in the post-baby boomer landscape, companies need to put serious thought and effort into smoothing the intergenerational transition for leaders from generations X and Y.”

Only 41% of respondents believed that their organisations are ready for changing workplace demographics of age, gender and diversity. It was suggested that companies should ease the transition to the next generation of leaders, by the current generation stepping back and focusing on mentoring up-and-coming executives.

Many respondents commented that the retirement of baby boomers from leadership positions would result in a mass exodus of talent over the next 20 years, which will intensify the global war for talent among existing executives.
Although the retirement of baby boomers will lead to a loss of some skills from the workforce, the next generation of leaders will bring their own skillsets to bear on the marketplace.

Foremost among the new leadership skills will be i) emotional intelligence, ii) people skills and iii) flexibility, which will be needed to attract and motivate a more diverse and mobile workforce. This more collaborative form of leadership will be key to helping executives navigate the 21st Century workforce.

Corporate leaders will also need greater diverse cultural awareness due to the increasing economic importance of the BRIC and Next11 countries to many of the companies surveyed. Already, S&P 500 companies derive nearly half of their revenue from international sources and, for many, international revenues are growing faster than their core revenues.

The ability to speak foreign languages, partly as a proxy for cultural awareness, will be increasingly important. 85% of respondents believe that being able to speak foreign languages will be more valuable to future executives than past ones.

Professor Cliff Oswick, Deputy Dean of Cass Business School, said: “The increasing diversity of the global workforce will need to be taken into account by corporate leaders. Cultural awareness will be at a premium and leaders will have to cultivate emotional intelligence and be better attuned to gender differences.”

To watch a video of Richard Boggis-Rolfe, Chairman of Odgers Berndtson, and Professor Cliff Oswick, Deputy Dean of Cass Business School, discussing the findings of the report please click on the link below:

http://www.youtube.com/watch?v=1_FenZcBeel
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Notes to editors:

- Odgers Berndtson is one of the largest executive search firms in the world and the leader in a number of national markets. The firm offers a wide range of specialist and sector expertise in filling senior executive and non-executive positions, including alternative investments and board appointments. Odgers Berndtson operates across Europe, the Americas, Middle East and Asia Pacific.

- Cass Business School, which is part of City University London, delivers innovative, relevant and forward-looking education, consultancy and research. Cass is located in the heart of one of the world’s leading financial centres. It has strong links to both the City of London and its corporate, financial and professional service firms, as well as to the thriving entrepreneurial hub of Tech City – located close to the School. Cass’s MBA, specialist Masters and undergraduate degrees have a global reputation for excellence, and the School supports nearly 100 PhD students. Cass offers one of the widest portfolio of specialist Masters programmes in Europe. It also has the largest faculties of Finance and Actuarial Science and Insurance in the region. It is ranked in the top 10 UK business schools for business, management and finance research and 90% of the research output is internationally significant. Cass is a place where students, academics, industry experts, business leaders and policy makers can enrich each other’s thinking. www.cass.city.ac.uk