

# Leadership Vacuum: A Self-made Crisis in Organizations

**OWEN FERNANDÉS**

COMENIUS UNIVERSITY IN BRATISLAVA, BRATISLAVA, SLOVAKIA

## **Abstract**

Leadership development is a topic more discussed than actually worked upon. Lack of grooming leaders in time to succeed fading ones could result in serious short and long term implications, damaging organization credibility. Unfortunately, businesses sometimes struggle to come up with the budgets necessary for strong employee training and development programs that emphasize leadership and growth. This paper aims to highlight some of the measures to be put in practice that could eventually avoid this crisis.

## **Keywords:**

Leadership development. Sucession planning. Vacuum.

## **1 Introduction**

A quick scan of current business environment reveals a great need for leadership because of the fact that organisations require certain hard-earned virtues that entail: innovation, speed, value, responsiveness, quality, productivity as well as teamwork. Achievement of these virtues lies only in the leadership province. Good leadership brings clarity of priorities and direction. According to Blohowiak (2003), leadership sustains life in an organization which struggles to handle demanding consumers on one side and fierce competition on the other. Inappropriate leadership could expose any organization to perish and, finally, to death, and thus it is necessary to see that succession and development of new leaders among the ranks give options to companies to change gear and survive if the need arises.

Vacuum is a term more related to the subject of Physics, stating some lack, and it finds its appropriate meaning in tangible things and industries like mining, mechanical engineering, literature just to name a few. This term can equally be applied to the topic of leadership. Lack of leadership skills can give rise to the vacuum of guidance, direction and motivation, which in turn will be the most adverse situation for an organization. According to Ungar, leadership vacuum can prove to be the most dangerous vacuum of all, which is because of its long lasting effects (Ungar). But the crucial question here is finding the real cause of leadership vacuum in an organization. How can one stop this self-destructive tendency arising from complacency and lack of leadership development? The following paper helps in “analyzing the causes of leadership vacuum in an organization and what an organization can do to avoid this vacuum?”

## **2 Need for Leadership Development**

Deloitte’s 2015 Global Human Capital Trends report involving surveys and interviews with more than 3,300 business and HR leaders from 106 countries highlights the need for building leadership. Figure 1 shows key areas of talent trends and the organization readiness to meet the same. The highlighted portion concerning leadership shows that the gap has actually widened and is the highest among other trends mentioned. In comparison to the same report published in 2014, the data also suggest that organizations have made little or no progress since the last year (O’Leonard, Krider, 2014). The capability gap for building great leaders has widened in every region of the world as seen in Figure 2.

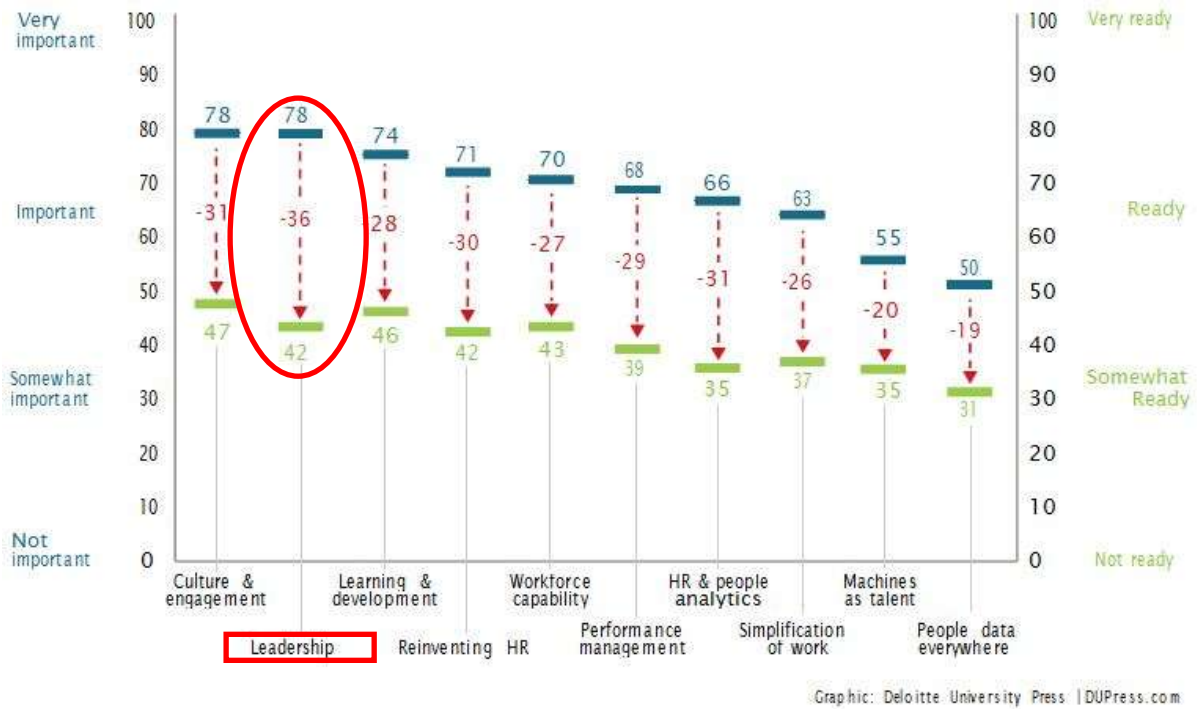


Figure 1: Talent trends: Global importance vs. readiness



Figure 2: Capability gaps in selected areas, 2014 and 2015

The Leadership Development Factbook did research and collected data from 248 U.S. organizations between October and December 2013. The findings show a trend, and the research concludes that organizations are struggling with leadership gaps at all levels—from first-line supervisors through top leadership. It suggests that these gaps can only be filled through sustained commitment that identifies potential leaders early on, nurtures the skills of young leaders, and continually develops midlevel and senior leaders. Companies should invest in not just their current leaders but also their future leaders - to build the pipeline at every level of leadership. It concludes that organizations invest in building the capabilities of first-level leaders to succeed in these initial management roles and to set the stage for future responsibilities.

The world today has almost half the population, i.e. three to four billion people under the age of 21, that need to be provided and immersed in leadership skills. The millennial generation (born between 1984-2002) is passionate about changing the world. While they can seem to be self-absorbed and impatient, they are optimistic, relational, and adept with technology (Hanyzewski, 2014). This Leadership Vacuum is not only apparent but in practical terms it has been a devastating phenomenon to global aspirations.

### 3 Signs of Developing Vacuum

Global Industry forecast reports for 2014-2015 measured the leadership readiness across industries and found out that some industries lack a sufficient supply of leaders prepared to lead in fast changing, technical environments. As seen in Figure 3, the pharmaceutical industry and the IT industry are heading for a crisis in leadership if good succession planning measures are not implemented.

According to “Many Challenges, Few Leaders” and “Headed in the Wrong Direction”, industries can consider expanding the pool of candidates to attract leaders from other industries and provide intense onboarding experiences (e.g., coaching, mentorship, networking opportunities) to encourage their integration into the organization (Mitchell et. al, 2014). In response, organizations need to provide acceleration programs for leaders in their leadership pipeline or attract new leaders from nontraditional external sources. A sufficient supply of leaders gives organizations a stable labor market although recruiting top talent will likely remain competitive.



Figure 3: Leader quality and bench strength trends by industry

Despite the effort within many companies to improve succession planning, the overall pipeline for leaders looks weak. Deloitte Consulting LLP has come up with some interesting research saying that large companies in the US especially are guilty of not filling in the gap through a concerted effort - “priming the pump”, with successors identified for just 10 percent of their first-level leaders and 19 percent of their mid-level leaders. The pipeline at higher levels also looks weak within these companies, with successors identified for just 26 percent of senior-level positions and 36 percent of executive positions. The weakness in succession planning has widespread ramifications, including costs, retention, and overall organizational performance (Schwartz et al, 2014).

Changing minds.com cites various reasons for leadership vacuum to take place and states that companies suffering from it show some of the effects of lack of leadership which can be detected if observed carefully. Some of them include:

- People working within themselves and in solitude, with little collaboration between individuals.
- Lack of drive and low levels of coordination between groups.
- People working mostly together, but ineffectively, inefficiently or without a clear purpose.
- General sense of poor directives leading to no substantial progress and growth direction.
- Lack of respect for leaders, blame gaming, limited motivation and personal agendas coming to the fore.
- Conflict between groups and their leaders as each seeks limited resources and a position of higher status and control. ( The Leadership Vacuum, 2014)

#### **4 Leadership Vacuum: An Internal Issue to Be Introspected**

The development of effective leadership abilities and skills can make a real difference to the success of an organization. Therefore, good leadership serves as a foundation for the success of an organization. Even after this, organisations are unable to cater their leadership needs because of many reasons for which organisations themselves are responsible. According to research conducted by CIPD, around one-third, which means 36%, of line managers do not receive any training to play their role successfully (Lawrence, 2013). Certain research studies have also revealed that organisations fail to retain staff because of perception that they do not possess adequate leadership development opportunities (Bendelta, 2014). As per the study by Towers Watson, 41% of candidates that are identified as high potential employees by employers leave organisations for the sake of growth and advancement in their career because of lack of resources in their current organisations (Bendelta, 2014). Majority of companies nowadays talk about development of leadership abilities among employees, but very few actually reward leadership development (Ashford & DeRue, 2010). There are many reasons and weaknesses on part of organisations that restrict them in developing efficient leaders.

One of the major reasons is the fact that leadership is not at all related to any designation or position. Most organisations concentrate only on crafting development programs for senior executives. They do not try expanding their focus to developing of leaders throughout the company. The major reason behind the existence of leadership vacuum is that organisations operate with a typical thought that leadership is about designation or being at the top of a hierarchy. However, it is very important for them to understand that leadership is an attitude which is far away from designation. According to Varghese (2008), leadership is an attitude that actually puts people above any physical process or infrastructure (Varghese, 2008). It is about considering the fact that people are not in the periphery but in the center of every activity and employees are not the means to end the journey but they themselves are the end. So, it is not always necessary that a person who holds the highest designation can become a great leader because the actual impact of leadership can be seen outside the realm of one's designation. Therefore, a person with a lower designation with such a people-centric attitude can also be a great leader. Organisations make the biggest mistake when they try to develop leadership skills only in senior executives. It is also true that resources for developing leaders are limited and, therefore, developing every person is not practical and is not possible at the same time. Therefore, it is also necessary for organizations to look for people who have the ability to provide the greatest value to the organization before arranging any development program for them.

Another reason responsible for creating the leadership vacuum crisis in organisations is complexity in leadership, which is created by the companies. Instead of providing the key talents with development priorities and clear metrics to realize their potential to lead, companies create complex competency models that specify diverse competencies across different leadership styles, which, instead of providing leaders with a clear roadmap, make them confused (Ashford & DeRue, 2010). This complex structure is another reason why people trying to grasp all these competencies are unable to get even a single one with perfection. Organisations in such situations do not diagnose the actual needs of leadership. They do not focus on the purpose of leadership or what exactly the job demands, which ultimately results in investing in a wrong leader at a wrong time (Vaughn, 2013).

In addition to this, we often hear that training is a recursive process and not a one-time program. Even so, majority of the organisations, which also include top training companies, create leadership training and development programs only once. There might be a number of reasons behind that, which may include time as well as budget constraints. When it comes to a small organization, the budget and time are really huge constraints, but developing the skills is something that should be improved and streamlined on a continuous basis. For that purpose, organisations are required to understand that investing in leadership will prove to be a long-term investment for them. Companies with strong leadership development programs have 1.5 times more chance to get a top admired place in Fortune magazine (Ember Carriers Leadership Group, 2010).

Furthermore, organizational culture is another constraint that hinders the development of leadership. The organizational culture actually comes from its senior executives. For employees to develop leadership qualities, support of their immediate boss is of utmost importance (Pohl, 2009). These are some of the reasons that restrict the development of leadership in an organization, hence creating leadership vacuum. In order to avoid such crisis, it is also necessary for an organization to take certain measures.

## **5 Measures to Avoid Leadership Vacuum Crisis**

The constraints discussed in the development of leadership can prove to be long-term and structural. Therefore, it is necessary for the company to diagnose its need at the very initial stage. In order to do so, first it is necessary to know about the leadership requirements associated with a particular job. This will help in deadline with the issue of capacity and the exact leadership role required to accomplish the job successfully.

Moreover, as discussed earlier, resources of development in an organization are limited, and in such a case, teaching leadership tactics with a limited budget and time constraints is impractical. However, there is one thing that every person in an organization can learn – that is how to make it possible for them to learn leadership from their personal experience. Instead of teaching people leadership vacuum theories, one has to start with a practical approach of teaching leadership from real-life experiences (Ashford & DeRue, 2010); they, in turn, will last long in their minds and will become their natural habits. This will also help in avoiding the issue of leadership by designation. Employees can easily learn from their experience without incurring additional costs and time. Also, it is valid for every employee at all levels, and it has nothing to do with high designations and positions.

Furthermore, in order to overcome the budget constraint, Pohl (2009) recommends that organisations can spend 2% of the annual compensation of an employee on his formal training and development annually. As per him, investing 2% of wages of an employee is a small price for his development that helps in retaining him for a long time and hence in preventing a great cost in the long run (Pohl, 2009).

Another important point that should be considered by organisations is keeping the concept of leadership simple. Instead of making very complex models to promote employees, organisations can simply provide potential candidates with a straightforward roadmap and clear metrics to realize their actual leadership potential.

## **6 Conclusion**

Organizations realize that the 21st-century leadership is different, and they are investing in development opportunities to build the capabilities needed for today and tomorrow. As organizations engage in more complex, dynamic, and creative work, they have to rely more and more on leadership from all levels. Good leadership qualities include, among others, the intuition to direct, decide, adjust, adapt and prioritize to fulfill customer expectations. On the other hand, weak leadership creates leadership vacuum, which is one of the major hindrances in growth and success of an organization. Most of the time, leadership vacuum is a self-created issue within an organization. The major reason is poor or lacking development of leadership.

A key characteristic of business in the twenty-first century will be speed and turbulence of technological change, forcing leaders to take big risks betting on emerging and unproven technologies. Technological obsolescence will be another consequence of rapid technological change. In such a situation, leaders will have to learn to manage technological change and transitions. In the twenty-first century, most organizations will consist of knowledge workers, with their own distinct characteristics and demands on leadership. The leader's role will become akin to that of a coach or a facilitator, guiding teams of knowledge workers to perform effectively and consistently. Leaders who are likely to succeed in the future will be the ones who are best able to (1) provide direction in uncertain times; (2) manage change and provide exceptional customer service and quality; (3) build

successful relationships with new constituencies; (4) make use of diversity on a global scale; 5) inspire their followers; and (6) be a leader of leaders, especially in managing knowledge workers.

## Literature

Ashford, S., & DeRue, S. (2010, June 2). *Five Steps to Addressing the Leadership Talent Shortage*. Retrieved March 19, 2015, from hbr.org: <https://hbr.org/2010/06/5-steps-to-addressing-the-lead/>

Bendelta. (2014, July 30). Leadership development 'lacking at many organisations. Retrieved March 18, 2015, from bendelta.com: <http://www.bendelta.com/development/leadership-development-lacking-at-many-organisations/>

Blohowiak, D. (2003). Who's Guiding Your Corporate Destiny? In *Business* (pp. 216-217). Perseus Publishing.

Ember Carriers Leadership Group. (2010). *ROI – The Reason to Invest in Leadership Development*. Retrieved March 21, 2015, from embercarriers.com: <http://embercarriers.com/roi.htm>

Hanyzewsk, D.( May 2014).The Leadership Vacuum. Retrieved March 16,2015 from <http://www.recruitingtrends.com/thought-leadership/203-the-leadership-vacuum>

Lawrence, J. (2013, September 26). *Lack of support for managers leads to leadership problems and crisis of organisational culture*. Retrieved March 20, 2015, from hrzone.com: <http://www.hrzone.com/lead/change/lack-of-support-for-managers-leads-to-leadership-problems-and-crisis-of-organisational>

Mitchell, C., Ray, R.L., & van Ark, B. (2014, January). *The Conference Board CEO challenge 2014®: People and performance*. New York: The Conference Board.

O"Leonard K.& Krider, J.(2014, May 5).The Leadership Development Factbook 2014: Benchmarks and Trends in U.S. Leadership Development,Bersin by Deloitte.Retrieved March 22,2015 [from www.bersin.com/library/ldfactbook](http://www.bersin.com/library/ldfactbook).

Pohl, R. (2009, September 9). *Training Process Constraints: Money, Time, Culture*. Retrieved March 21, 2015, from mmsonline.com: <http://www.mmsonline.com/articles/training-process-constraints-money-time-culture>

Schwartz,J;Bersin J et al (2014, March 20 ).Global Human Capital Trends 2014, Deloitte Consulting LLP and Bersin by Deloitte / [https://deloittenet.deloitte.com/PC/PracticeComm/functions/Consulting/SASL/HC/Pages/Global\\_Human\\_Capital\\_Trends\\_2014.aspx](https://deloittenet.deloitte.com/PC/PracticeComm/functions/Consulting/SASL/HC/Pages/Global_Human_Capital_Trends_2014.aspx)

Schwartz,J;Bersin J et al (2015, March 8 ).Global Human Capital Trends 2015, Leading in the New World of work. Deloitte University Press

The Leadership Vacuum (2014, October 29). Retrieved March 21,2015 from [http://changingminds.org/disciplines/leadership/articles/leadership\\_vacuum.htm](http://changingminds.org/disciplines/leadership/articles/leadership_vacuum.htm)

Ungar, L. G. (n.d.). *Nothing Good Happens in a Vacuum of Leadership: 5 Steps to Lead through Presence*. Retrieved March 19, 2015, from electricimpulse.com: <http://www.electricimpulse.com/resources/nothing-good-happens-in-a-vacuum-of-leadership.php>

Varghese, S. (2008, June 27). *True leadership is an attitude, not designation*. Retrieved March 21, 2015, from economicetimes: <http://economicetimes.indiatimes.com/magazines/corporate-dossier/true-leadership-is-an-attitude-not-designation/articleshow/3170314.cms>

Vaughn, A. (2013, July 31). *10 Reasons Leadership Development Programs Fail*. Retrieved March 20, 2015, from clomedia.com: <http://www.clomedia.com/articles/10-reasons-leadership-development-programs-fail>

**Contact data:**

**Owen Fernandes**

Comenius University in Bratislava

Faculty of Management

Odbojárov 10

P.O.BOX 95

820 05 BRATISLAVA 25

Slovak Republic

**Email:** [owenfernandes68@gmail.com](mailto:owenfernandes68@gmail.com)