LEADERSHIP DEVELOPMENT ACADEMY: WHY EVERY COMPANY NEEDS ONE

BUSINESS INSPIRATION

No business market has ever remained static. As with everything in the world, markets constantly fluctuate because of many external reasons, and they often shift on a month to month basis. As it's the case with every market, the talent market works in cycles too. It too constantly switches from the market being focused on employers to a market focused on employees, and that switch sometimes happens very quickly.

According to the latest statistics, the unemployment rate of the US has dropped to 3.7% in September of 2018, which is vastly different than to the 9.6% of September of 2009 when the Recession was still in effect.

Even though having a low unemployment rate is generally seen as a good thing, it can cause harmful effects to many employers, namely because there is a much smaller pool of potential candidates to choose from. There is a much smaller number of skilled candidates to pick from, and the number of candidates that lack the required skills is increased.

Considering the case and continuing trend of low unemployment rates, it's becoming very necessary for companies to foster and develop talent internally. This means that businesses need to invest in their employees so that they have an increased chance of retaining them.

Kyle Porter, who is a CEO of SalesLoft, recently said that whenever a company loses an employee, it's rarely the individual's fault. Per his words, a company has to create an environment that the employees would prefer to work in, one that would allow them to grow and improve.

When the unemployment rates are higher and the market shifts its focus to employers, paychecks are the biggest driving force behind employee retention. But in today's talent market, most businesses have to poach talent from other companies, simply because the talent pool has significantly dried up.

What can companies do?

Most business can do good to learn from the financial market. The best and most efficient investors usually get creative with how they play defense and offense on the market. Their goal becomes to lose less than the average or get the maximum possible return. This can be the best lesson companies can utilize to keep their talent pool steady.

If the market becomes increasingly defensive, as it's currently doing, possibly the best move would be to play aggressively. Companies like Lippert Components, and their CEO Jason Lippert, have devised a very effective strategy to reduce the number of employee turnover and increase their talent pool. They focused on honing the leadership capabilities of their employees in a very direct and straightforward manner, and to create a company culture that would benefit every individual within its ranks.

With the creation of their leadership academy over a four year period, where they trained employees to become much better leaders, they reached excellent results. The employee turnover rate reduced to 30%, which is well below the industry standard, and they saw an increase in work application. All of this because the company realized that in order to be as efficient as possible they needed to create a culture that would nurture its employees.

Achim Neumann, President of A Neumann & Associates LLC, an M&A Advisory Firm in New Jersey says, "One of the core responsibilities of an employer is to develop and nurture the skills of their employees. It's something that many employees have come to expect and for a good reason. That always leads to a much more efficient business or company."

Every business and company can implement the same idea of a leadership academy. A budget like the one of Lippert Components isn't required, because all it takes is the drive to improve. The business that strives to be as good as possible needs business leaders who will drive the company to gradual success over time. True success doesn't come overnight, and there are three things that every business should be aware of:

- **Feedback is crucial –** one of the worst offenses a leader can make is think they're doing a fine job without any feedback. Employee feedback is something no business should skip out on, as it can create tons of potential situations for improvement.
- Modernization – many businesses the world-over don't modernize at the appropriate rate. This means to create valuable content with modern principles, instead of being stuck in a position where the content doesn't feel relevant and fresh.
- **Learning and improvement –** leadership is a skill that is learned by doing. Simply by focusing on learning as much as possible, a leader can create many opportunities for improvement for every individual in the business.

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