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# Will Your Organization Lose its Moral Leadership?

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It is important that executives understand the issues surrounding moral leadership while building today's dynamic corporations. A moral leader has been defined in several ways, but the fundamental characteristics of a leader have not changed. It is said that to attain leadership, potential leaders must advance from traditional management techniques and study into a broader area of moral economic and corporate fulfillment. Moral leadership, therefore, involves the application of acquired knowledge and foresight, allowing a leader to take the role of visualizing and forecasting the future accurately, and building a fellowship of followers who believe in the ethics of the vision. Selecting and developing strong moral leaders has become an emerging concern for human resource development professionals. Statistics show over the next five to seven years, up to one-third of corporate executive staffs will be lost, with some companies facing losses of up to 70 percent. The primary cause of the reduction in executive staff is retirement. With the average cost of hiring a top leader approaching \$750,000 per year, this may place corporate America in a difficult financial crisis. Birthrate decline in the 1970's show a direct correlation to the population in the workforce shrinking, which can also be tied to a shortage of leaders in the future. As the so-called baby boomers retire, it is anticipated that there will be a shortage of individuals between the ages of 35-50 years-of-age to fill corporate leadership positions (which could be a decline of up to 20 percent in executive positions). This shortage is viewed as a critical problem that organizations are going to face by the year 2010. If a company cannot obtain strategic moral leaders, the company's survival will be at stake. Increasing societal changes, morality, ethics, technology, and paradigm shifts will reduce the effects of the laissez-fair leadership type, which is what many baby boomer executives were accustomed to operating within. Emerging moral leadership in the current day will be more likely to study transformational factors of leadership in the pursuit of a more involved leader-subordinate relationship.

Current executives are recognizing the dilemma organizations will face, and are initiating recruiting programs to locate successors; this should be one of management's highest priorities. In addition to the projected shortage of moral corporate leaders, there is also the issue of leadership and management failure. It is estimated that within the first 18 months of senior executives taking new positions, 40 percent will fail. A recent survey found that approximately 75 percent of companies worldwide are not confident in their ability to effectively staff strategic leadership positions over the next five years, some of the reasons are directly accountable to low ethical attitudes. The shortage can be lessened if current leaders take action now, and start training replacements for the future.

*Statistics acquired by the Corporate Leadership Council, 2002*