

Dr. Judit Szilágyi:

How to stop fluctuation? Providing more fruit or better leaders?

(summary)

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Organizations of the 21st century spend giant sums on the development of their mid- and upper level leaders.

Meanwhile they all hope that these organizations become better and more effective.

- There is a large industry built on executive development.
- But it is hard to understand why **the majority of developmental projects leave out frontline leaders.**
- **There is no time to wait for the leader identity and knowledge to develop in an organic way.**
- The role of frontline leaders is not negligible, as **they are the ones leading and motivating the employees, the most important resource of the company.**
- Their role and position in Shared Service Centers (SSC) is even more paradoxical and full of challenges.

Budapest and the biggest university cities of Hungary are still among the most popular locations of global and regional SSCs.

- What is so attractive: highly qualified and multilingual workforce, highly developed infrastructure, low office costs.
- In the last few years the more than 100 Hungarian SSCs employ as many people as the population of an average city.
- These service centers have **the same special challenges: attracting and retaining employees are among the top issues of this sector.**

SSCs are seeking highly qualified, multilingual, mobile, creative young people, but at the same time their retention is their biggest challenge, as **they are the ones changing jobs relatively quickly.**

- Programs aiming to increase employee loyalty are similar within the sector, the young workforce knows what to expect from any employer.
- Elements like trendy offices, common areas with beanbag chairs, free coffee, Fruit Thursdays: not bad, but **concerning long term engagement they are almost completely useless.**

Real commitment is only possible through real leaders!

- No leader can entirely eliminate fluctuation and make young employees stay 10-15 years at the same company, but **they can motivate them to work realizing their full potential for 3-5 years.**
- The leadership culture of rapidly growing SSCs faces several challenges due to the lack of slow organic development.

There is no time to train the next generation of leaders, but these large organizations need numerous frontline leaders.

- A good performer can suddenly become a team lead only after a year of working experience – even at the age of 25-28.
- They receive some obligatory leadership trainings, some online modules, but based on our experience these only help at operative tasks.
- **The majority of frontline leaders, like footsoldiers on a battlefield, try to learn how to lead teams, motivate, support, hold employees accountable, manage conflicts or communicate as a leader.**
- Leader identity and the new way of thinking, the needed paradigm shift are absent even after years of practice.
- Even the official titles do not support the change of attitude of leaders, **many organizations call their frontline leaders “supervisors”. It implies control instead of real leadership.**

The training of frontline management layer has only recently received significant attention globally.

- As **they are responsible for translating organizational goals to daily tasks, leading motivated teams, and they are the primary representatives of management**, they must receive extraordinary attention and resources.
- They play an enormous role in **influencing effectiveness, efficiency, customer satisfaction or fluctuation**. It is even more true when flat organizational structure and agile organizational culture are more and more widespread.
- Let's not forget that they are the **pool for future mid- and upper level leaders**.

Training frontline leaders requires new methods and tools.

- Beside (or even instead of) transferring theoretical knowledge, **development programs focusing on the current environment, the current challenges faced by the leader and practical problems will become more relevant**.
- The new way: development paths created using "push and pull" online microlearning courses, mentoring and knowledge sharing programs, group coaching and individual business coaching.

Business coaching for supervisors!

- Realizing all of the above, **the Hungarian SSC of a multinational oil company started a complex developmental pilot project** where frontline leaders received development programs beyond the classic leadership trainings and workshops, like business coaching (which is still considered exclusive in Hungary).
- **60 leaders participated in the 5-8 session long processes** where they worked on their own challenges with the help of their coaches.
- Digital transformation, introduction of the agile organizational culture, increasing expectations of the business or even fluctuation are all challenges that require frontline leaders to step up.

The goals of the thoroughly analyzed coaching processes are leadership development, determining their own career path, personal well-being.

- Our research based on the anonymous closing reports shows that **the ROI of coaching as an organizational development tool is outstanding**.
- The 7-month long coaching processes delivered **so many direct and indirect results that are unimaginable after a classic training**.
- In the 21st century leadership development must take a more personalized and more rapid form.

In the Hungarian SSCs fluctuation can only be eliminated with magic, but a good team lead can significantly improve and extend the time an employee spends at the organization. To achieve this, frontline leaders need support, leadership skills and keeping their own motivation high. **Let's not try to save money on them!**



About the author

Dr. Judit Szilágyi

senior organizational development consultant,
executive & business coach
partner and owner at FranklinCovey, ComeandGrow

The original article is available in Hungarian:

<https://forbes.hu/uzlet/mi-allitja-meg-a-fluktuaciót-tobb-gyumlcsot-vaqy-jobb-vezetoket-adjunk/>