

Leadership in the new decade



The Lander Associates White Paper

Background

Today's organisations have to cope with many challenges: Leaner, smarter teams; global markets that move and change at a speed never witnessed before - and the need to continue to attract the best talent in order to grow. Undoubtedly leaders and management teams will be tested beyond comparison. So where should our focus lie? How can we help and resource our people as leaders?

Towards the end of 2009, performance development experts Lander Associates brought together fourteen top business professionals with a passion for leadership, to exchange their views on the challenges and opportunities that leaders will face as we begin a new decade – and to share ideas on how to successfully manage those challenges and opportunities.

This is the first of what we intend to become a series of reports garnering the thoughts and ideas of business leaders from a range of sectors and backgrounds.

Participants

- ★ **Christopher Davies:** Solicitor and Director of Corporate Secretariat with Baker Tilly Revas
- ★ **Alan Dickinson:** Chairman of Sport2Business and former UK Managing Director of Michael Page International
- ★ **Tracey Dunn:** Joint Managing Director and Head of Recruitment Practice at BlueSky PR
- ★ **Zena Everett:** Founder of Perriam & Everett and now a Director of Second Careers – a career coaching business
- ★ **Gilly Franklin:** Principle training consultant with Lander Associates
- ★ **Tony Goodwin:** Founder and CEO of Antal International
- ★ **Helen Harvey:** Coach, mentor and trainer and part of the Lander Associates' team
- ★ **Paul Jacobs:** Former Managing Director of Office Angels and Director of Adecco and now an independent consultant
- ★ **Simon La Fosse:** Former Director of Harvey Nash and now Managing Director of La Fosse Associates
- ★ **Fiona Lander:** Managing Director of Lander associates, performance development specialists for the recruitment sector
- ★ **David Leyshon:** Managing Director of CBSbutler, a specialist engineering and technical recruiter
- ★ **Chris Matchan:** Former senior partner at Korn Ferry and today an independent HR consultant and visiting executive fellow at Henley Management College
- ★ **Daniel McPherson:** Founder of InTime Solutions, a web based back office application. He sold to Baker Tilly Revas in 2008 where he is now a director
- ★ **Gerry Paton:** Director of HRplus, the HR Consultancy arm of law firm Hammonds

Defining the Challenges

There is no doubt that we live in turbulent times and many leaders - let alone managers - have never seen economic conditions like these before. And one of the real challenges is that they remain unpredictable. Change and change management has always been a feature of leadership in an organisation. When economic conditions change then an organisation has to evolve and historically this has meant unfreezing the structure, making the necessary changes and the refreezing the new structure into place. What is different today is that conditions are changing so rapidly that it is difficult to stabilise anything and instead of a frozen structure we get 'slush'. Consequently a number of issues can arise where leaders:

- ★ Become more interested in solutions than why things went wrong in the first place
- ★ Demand innovation - but are unwilling to let people experiment
- ★ Struggle to remain engaged with their people
- ★ Are unsure of how to motivate generation Y - the leaders of tomorrow
- ★ Are focussed on 'just getting through the current economic difficulties' - rather than developing their businesses
- ★ Struggle to retain their vision and therefore lose followers
- ★ Place too much emphasis on short term results
- ★ Allow the organisation to be driven by the structure rather than the talent
- ★ Forget that leadership is about trust not necessarily about the people you like
- ★ Fail to understand that understanding weakness is the key to understanding strength
- ★ Do not *really* listen to customers; both internal and external.

The recruitment sector is a good example of an industry that is struggling with some of these challenges which can be grouped into several areas:

Permission to fail

One of the keys to survival and success is innovation but as leaders it is vital that we create a culture of innovation - but accept that it won't always work. That means having the ability to give permission to experiment and make mistakes - and to accept that any failure is then a shared failure. In one of the businesses Daniel McPherson is involved with, there is a small Research & Development budget devoted purely to innovation and new ideas. It is managed by small workgroups who are given permission to experiment and innovate. The company has accepted that it may lose that money - but it also accepts that it may also result in the 'next big thing'. As Daniel says: "To truly innovate, sometimes you have let others lead – and allow them to do things you may not necessarily agree with."

Motivation and reward

Historically, recruitment has been a sector that people 'fell into.' Recruitment was a voyage of discovery and populated by young guns hungry for monetary success, fuelled by a highly competitive sales environment. In terms of a culture, we have reaped what we have sown and while some organisations still have a 'survival of the fittest' people management strategy, recruitment has become a career of choice for many. There is a real opportunity to develop a new generation of recruiters. And it is those organisations that have been brave enough to be radical in their approach to leadership and culture that will reap the rewards in any recovery.

“Traditionally, recruitment consultancies have rewarded staff by commission, based on hard financial targets, often leading to a purely monetary focus at the expense of softer skills such as teamwork, managing change, problem solving and customer focus”, says David Leyshon, Managing Director of CBSbutler. “We take a holistic approach and have a performance management process which combines both hard financial objectives and also those key behaviours. The outcomes have led our consultants to develop far more holistic skills and competencies and we have seen step improvements in teamwork”.

Retention of Gen Y

One of the main issues that executive coaches have identified in leaders within the recruitment industry is the fact that they are focusing on just ‘getting through’ rather than planning ahead. There are a large number of bruised managers who are frightened to be innovative and forward thinking and who are hoping that momentum and tenacity will carry them through. But hope is not a strategy. Leaders need to be planning on how they are going to use their workforce and in what capacity. Generation Y are the future. And if they cannot see a clear career path, or feel that they are being under utilised then they will move on. Generation Y want to work in a community and will move if the culture is too oppressive and they feel that they have no voice. A large majority of leaders within the recruitment sector are entrepreneurs and historically have adopted a ‘my way or the highway’ approach which in turn has led to a lack of new ideas - and a lack of engagement. Arguably it is very difficult for recruitment leaders relying on visionary leadership (particularly owner managers who make up a large part of the sector) to understand the minds of the people working for them because they have different forms of reference are therefore motivated by different things.

Succession Planning

Visionary leadership is no longer enough in isolation. If organisations are to grow then they need to develop an effective management team - and a management team that can lead change. Leadership development is not about an event or a series of events – and it is not about purely developing people in your own image - it’s an ongoing process. A good example of this in action is ‘The Good Boss Programme’ at technical and engineering recruitment specialist CBSbutler. The programme is designed to improve management performance. Every six months team members complete a 180 degree survey to rate their manager against a wide range of criteria and behaviours. The resultant diagnostics are used to determine improvements - an external management coach then holds one to one sessions with each manager to close the identified gaps.

Looking forward - 2010 and beyond

The issues outlined among the participants lead us to the three main challenges which will need to be managed as we enter a new decade: Change, Innovation and Engagement.

Change and innovation

We have to accept that change that has been forced upon us is also an opportunity. It’s not really change that is the issue - but rather the speed of that change. But change drives innovation - just as innovation can lead change. A great example of this is the Samsung ad for their ‘jet’ phone “impatience is a virtue” which took a negative connotation and turned it on its head

<http://www.youtube.com/watch?v=s8tWLEsLpxs>).

“Waiting doesn’t get the pay rise”, it declares; “Waiting never gets to the front, never finishes first. And then there’s impatience, impatience got us faster cars, microwaves and remote controls. Patience is knowing you’re bored but doing nothing about it - impatience is a virtue!”

Innovation itself creates change and the current market conditions are imposing change not only on our business models but on how we interact with our customers. One thing is sure; that it shouldn’t take a crisis to stimulate change. The fast moving avalanche of technology can swamp us, if we are not ready to embrace the changes that it brings. So it is essential that we create change ready organisations that are more adaptable, more innovative and more engaging.

With tighter budgets, higher competition and reduced resources, our only option is to be more creative. But creativity can only take place if people take risks. The problem right now, is that people are nervous about taking risks. Organisations must create an environment where innovation is actively encouraged.

Engagement

If we become more innovative and prepared to manage change more effectively, we must communicate this change to our teams so they can buy in and engage with what we are setting out to do. We not only need to engage with our existing talent in order to retain the best of the best but we must surely engage with future talent in order to once again grow our businesses as the economy eventually supports growth. Those organisations that have a highly engaged workforce will also have highly loyal customers.

So we also need to address change in the nature of the workplace as well as the economy. We have to engage the hearts and minds of not just our existing people but also our teams of the future. And with workforces that can now comprise of five generations - that could be the toughest challenge of all. Research tells us that Generation Y and Baby Boomers for example want informal and frequent feedback. Generation Y want to join a community not a company. Generation X prefer structure - and what of those born after 1997 - our next generation in the workplace - what will they want? What is absolutely clear is that we will need a much wider leadership toolkit to engage our people in the years ahead.

Leaders must also focus on the survivors of change. While organisations may have had to make some tough decisions around issues such as downsizing, those that remain will need some TLC. Leaders will have spent a lot of time with those that they may have had to let go – what is key is ensuring that over the coming year, those that remain are fully engaged. Unhappy stayers will just bide their time until the recovery and then jump ship. The “They should feel lucky to still have a job” attitude is not a long term talent retention strategy! In fact, recent research from the CIPD and PricewaterhouseCoopers tells us that 1 in 3 of your workforce will consider moving on unless you really engage them. “People engage and disengage all the time”, says Fiona Lander. “The key is for leaders to recognise the early signals and re-engage people quickly before they fly the nest”.

If our organisations are going to be prepared for 2010, we need to push our thinking as leaders. Businesses that win will take risks going forward and create new paths for others to follow. They will not simply respond to change, they will drive it. But most importantly they will recognise that engaging their current and future workforce is the absolute priority that will enable innovation and change to take place.

Food for thought

“Defining objectives against a backdrop of constant change is a difficult task in itself - but once that’s done you then need to inspire your followers and that’s down to communication. Followers need to share and believe in business objectives - and see what’s in it for them - the leaders vision needs to touch the individual.” (Alan Dickinson)

“Emotional intelligence is very important in a leader. Often, leaders are more interested in solutions rather than why something went wrong. But change allows the possibility of experimentation and innovation - and if you want people innovate then you have to accept that it won’t always work - and that the failure is a ‘team’ failure - not an individual one.” (Gerry Hammond)

“Accept that you can learn just as much from the people that work for you as they can from you - true leaders put their ego to one side.” (Tracey Dunn)

“People need to know that their voice is important - and where they feel empowered and so that means trusting them and letting them make mistakes - because it is trust that brings belief.” (Paul Jacobs)

“Work on your self awareness and become a leader based on your authenticity.” (Gilly Franklin)

“Altruism has to be part of the leadership challenge. Success isn’t god given and it’s not your product to keep - if you have reaped all the advantages of success then you have an absolute obligation to put something back.” (Tony Goodwin)

“Leadership doesn’t look any different in tough times than it does in good times but in tough times you find out who the good leaders are. You need to be able to focus through the noise - sometime the loudest voices aren’t always the right ones.” (Simon La Fosse)

“Accepting change is a key challenge - as well as recognising what it is you have to do before you decide how you are going to do it. Harnessing the thoughts of Gen Y will be key.” (Helen Harvey)

“Understanding your weaknesses is the key to understanding your strengths - understand your gaps - and then fill them.” (Daniel McPherson)

“These are turbulent times – the trick is to find tools we can rely on.” (Christopher Davies)

“Leaders need to listen for the right to be heard.” (David Leyshon)

“Many organisations are quite well led but have really bad managers - they are all trying to be leaders and forget how to be managers.” (Chris Matchan).

“Many leaders in the recruitment industry are entrepreneurs. It’s hard for leaders to understand the minds of the people underneath them because often they are just not as entrepreneurial which inevitably leads to a disconnect.” (Zena Everett)

“See that any changed that is forced upon us is always an opportunity, standing still is not an option.” (Fiona Lander)

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