

# Trusting times

A report into  
the skills and  
attitudes of  
future leaders

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“The opportunities and threats ahead will not come neatly parcelled to fit the department or division or sector or culture or even country in which we have arranged ourselves. They will cross boundaries and come through walls - and our leaders need to be able to do this too.”

Julia Middleton, Founder and Chief Executive, Common Purpose, from her book *Beyond Authority: Leadership in a Changing World*

This survey was conducted online in January 2007 and project managed by a full member of the Market Research Society. It comprised of a nationally representative sample of 507 leaders who were identified as such through a series of questions about their current roles in and outside of work.

# Executive summary

**As the Founder and Chief Executive of international development organisation Common Purpose, I talk to people everyday who tell me that what is demanded of them as heads of businesses, schools, hospitals or communities is changing.**

They recognise that they need to broaden their influence across whole organisations or outside them if they want to compete in the modern world. However, when they try to do this, the leadership skills and techniques that have always worked for them suddenly don't serve them as well. And they fail, often spectacularly.

The motivation behind this research was to find out how common this is by exploring how UK leaders perceive their roles developing in the future and how well-equipped they feel to face new challenges.

I wasn't surprised to find out that there is an awareness of the growing importance of a new set of skills that requires leaders to quit their comfort zones and operate far beyond their traditional boundaries and, crucially, work in partnership with other leaders who may do things differently. The ability to spot opportunities and threats from outside, lead diverse teams and influence beyond their organisations are all highlighted by respondents as skills on the rise. This tells us that leaders still need to focus, but also that they are starting to recognise that the boundaries between departments, organisations, sectors, cultures and countries are blurring and that they can't afford to operate in isolation from the world around them anymore and expect to stay at the top of their game.

Worryingly, respondents admit that rather than facing up to the challenge, they approach the unknown with a lack of confidence, or worse, take a step back. Our research uncovered a deep mistrust of the unknown among UK leaders and an unwillingness to take the plunge. In a world of vast organisations, complex networks, cross-sector partnerships, virtual teams, outsourcing, stakeholder management and an increasingly multicultural workplace, how can we possibly expect to lead when we aren't prepared to leave our comfort zones and engage more with the outside world?

Unless employers give future leaders the support and development they need to break out of their narrow specialisms and silos, they will miss out on the opportunity to develop the next generation of leaders who can face the challenges of the future without fear and spot the opportunities and threats ahead.

As I write in the introduction to my book, "The opportunities and threats ahead will not come neatly parcelled to fit the department or division or sector or culture or even country in which we have arranged ourselves. They will cross boundaries and come through walls – and our leaders need to be able to do this too."

Julia Middleton  
Founder and Chief Executive, Common Purpose

# Key findings

## Over half (53%) of UK leaders won't work with people they don't already trust.

This is at odds with the new set of skills, ranked by leaders as important in the future, requiring them to work across organisational boundaries and extend their circles of trust well beyond the confines of their own organisations or departments.

When questioned further about these future leadership competencies, leaders revealed a lack of confidence in their ability to deliver them with over half doubting they can influence outside their organisation or department.

Worryingly, the top four confidence crushers for leaders are the same four skills that the leaders have earmarked as important for the future.

Moreover, most leadership training doesn't help develop these new skills and leaders are unwilling to take the plunge and practice on the job.

# Facing the future as a leader

## The rise of outward looking skills

The ability to demonstrate more outward looking leadership will become more important in the future.

Leaders were asked to rank the importance of ten leadership skills now. They were then asked to rank the importance of the same set of skills to their role in the future.

Skills identified as more important in the future than now



Spotting opportunities and threats outside the organisation (+8%), leading diverse teams (+7%) and influencing outside organisations/departments (+5%) all see percentage increases in importance for future leaders.

The importance of more established leadership competencies remains unchanged in the future.

These results show that leaders are aware that a set of new and more demanding leadership competencies will contribute to their future success.

## Sector variations

There are some marked differences between the attitudes of leaders in different sectors to the importance of skills in the future.

In the public sector, spotting opportunities and threats outside the organisation sees a 13 percent increase in importance in the future.

Private sector leaders believe that managing diverse teams and influencing outside organisations will become significantly more important in the future – increases of 10 and nine percent respectively.

In the not-for-profit sector, leaders predict that motivating and engaging staff will see the greatest increase in importance over the coming years with this skill increasing in importance by seven percent.

# The confidence factor

## The confidence gap

The top four skills identified as more important in the future is the same set that leaders lack the confidence to deliver.

Therefore, we could see trouble at the top in boardrooms and organisations across the UK in the coming years if this gap isn't bridged.

### Top four future skills for leaders

1. Spotting opportunities & threats from outside
2. Leading diverse teams
3. Influencing outside my organisation/department
4. Networking across sectors

### Top four confidence crushers

1. Influencing outside my organisation/department
2. Leading diverse teams
3. Networking across sectors
4. Spotting opportunities & threats from outside

## Lack of confidence

The results reveal that leaders lack the confidence to deliver the skills of the future with over half (51%) citing influencing outside their organisation as very difficult to do.

Other top confidence crushers are: leading diverse teams (49%) networking across sectors (42%) and spotting opportunities and threats outside the organisation (42%).

Fewer leaders lack the confidence to deliver more established leadership skills. Only 22 percent find demonstrating operational and functional credibility difficult to do and only 31 percent are struggling to motivate and engage staff.



## Men versus women

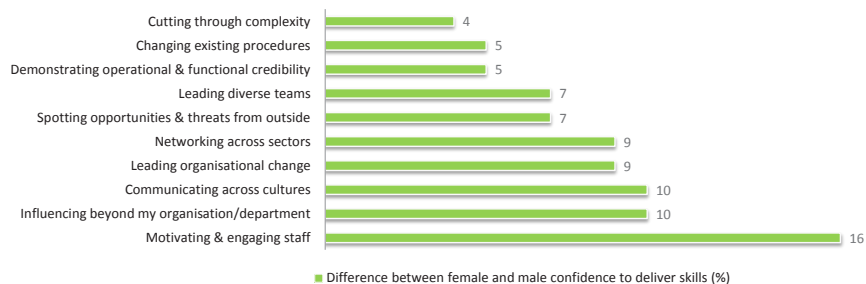
Women are feeling better equipped to face the leadership challenges of the future than male leaders.

Women say they feel significantly more confident performing the following skills compared to men:

👩 73%	👨 57%	Motivating & engaging staff
👩 49%	👨 39%	Influencing beyond my organisation/department
👩 68%	👨 58%	Communicating across cultures
👩 57%	👨 48%	Networking across sectors
👩 65%	👨 56%	Leading organisational change

Greater female confidence to network across sectors and influence beyond organisations/departments means women will find it much easier to perform the outward looking leadership of the future.

### Female leaders' increased confidence to deliver



## SME confidence

SME owners are the least likely to doubt their ability to struggle with any of the ten leadership skills we asked about. This shows that leaders of larger companies may have a lot to learn from their smaller relatives.

## Future confidence by profession

Leaders working in health and education are particularly lacking in confidence, with 30 percent and 20 percent respectively feeling ill-equipped to deal with future challenges.

Private sector leaders are feeling better equipped to face the future, with only 10 percent admitting that they don't have the right leadership skills to deliver future success.

# Taking the plunge

## Unwillingness to take the plunge

Leaders aren't willing to take the plunge and learn on the job - 53 percent say they won't work with people they don't already trust and 40 percent say they won't lead in an area that they aren't already familiar with.

When presented with eight leadership challenges, leaders revealed trepidation about tackling the unknown, particularly when it involved them leaving the security of their own organisations and trying to influence outside.

The risks and adaptability leaders must have demonstrated in their earlier careers appears to have been forgotten as soon as they land the top job, with 40 percent saying they aren't prepared to lead outside their usual spheres of control in areas where they haven't previously established their credibility.

In an era of outsourcing and cross sector partnerships, it is worrying that a quarter of leaders aren't willing to work in difficult partnerships to achieve results.

In it for themselves? 36 percent of leaders admitted that they wouldn't be prepared to lead a project where they personally might not get any credit for its success.

## Unwillingness to take the plunge into the unknown

Leadership challenges	Level of unwillingness
Working with people you don't already trust	53%
Taking a leading role in an area you are not already familiar with	40%
Managing a project that you won't necessarily get the credit for	36%
Leading individuals who you have no allocated authority over	35%
Taking over complicated projects that others are wary of	28%
Working in difficult partnerships to achieve results	26%
Managing upwards to get things done	22%
Dealing with a problem or issue, before being asked to	18%

## Sector stories

A greater proportion of leaders in the private sector (52%) are willing to work with people they don't already trust compared to leaders in other sectors (40%).

Private sector leaders are also more willing to take over complicated projects (80%) compared to leaders in the public sector.

SME owners are less willing (64%) than other leaders (76%) to work in difficult partnerships to achieve results.

## Courage and age

According to the results, younger leaders are less risk adverse than their older counterparts. The willingness to take over complicated projects decreases as leaders get older – 80 percent of 18-34 year olds are willing to do this compared with 67 percent of over 45 year olds.

# The training gap

## A look at leadership training

When questioned about the leadership training they had received, it was clear that it is failing to bridge the gap between future skills and confidence.

The majority of leadership training received focussed on skills within the organisation - 72 percent of leaders have been taught how to develop a vision and strategy for their organisation.

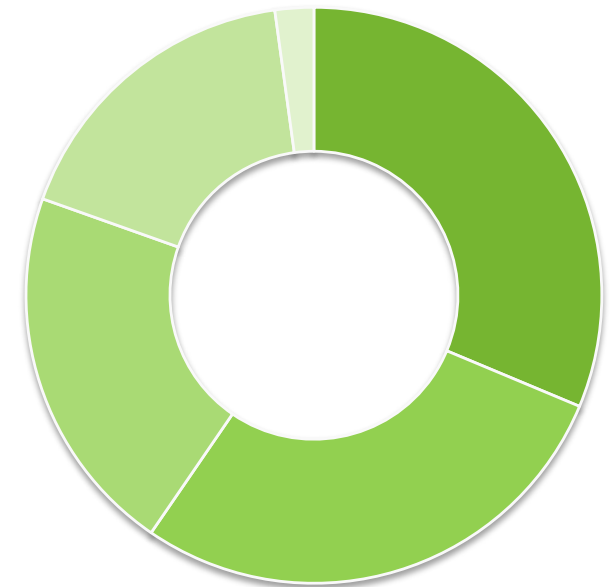
The second highest skill developed through training focussed on the mindset of the leader themselves, with 65 percent saying that their training to date had transformed the way they think as a leader.

**In stark contrast, well under half (40%) have received training to help manage external stakeholders.**

These results highlight a need for leadership training that broadens leaders' horizons well beyond the confines of their own organisations or teams.

Skills covered by leadership training

- Developing a vision & strategy - 72%
- Transforming the way I think - 65%
- Leading diverse teams - 48%
- Managing external stakeholders - 40%
- None of these - 5%



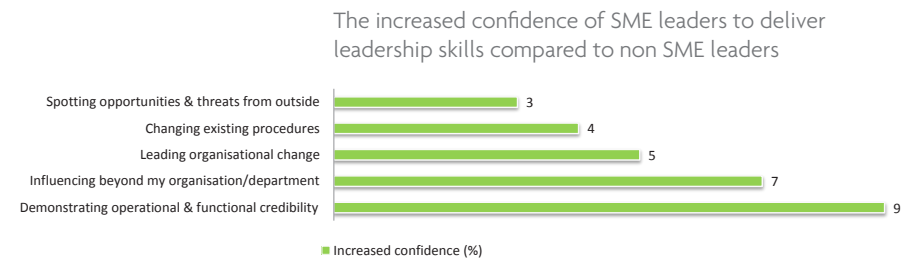
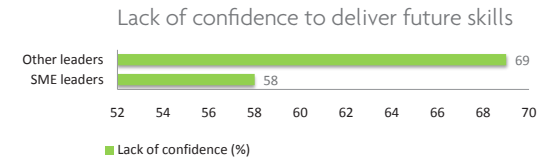
# The SME effect

Owners of SMEs are least likely to have undertaken any form of leadership training (32%).

However, they are feeling more confident about their ability to deliver the kind of leadership required for the future. Only 58 percent of them lack confidence delivering any of the set of skills. This figures rising to 69 percent among other leaders.

Looking at SME confidence to deliver individual skills, the only two that they feel less confident in delivering than other leaders are communicating across cultures and motivating and engaging staff.

SME owners and other leaders rate their abilities to build cross sector networks as the same.



# Leaders on leadership

All quotes taken from *Beyond Authority: Leadership in a Changing World* by Julia Middleton.

“There are centripetal forces in human nature. People look inwards rather than outwards and the further you go out, the harder it gets. Leadership development needs to seriously invest in taking people off the tramlines and out of their comfort zone.”

Sir Derek Higgs, Chair, Alliance and Leicester plc;  
Chair of the Independent Review of Non-Executive Directors

“It happens again and again. Bright, aggressive managers move quickly up an organisation and then, quite suddenly, find themselves becalmed. The skills that seemed to be serving them so well are just not enough.”

Sir David Bell, Executive Director of Pearson plc;  
Chair, *The Financial Times*

“All of us find leaving our comfort zones hard: we see it almost as leaving the Earth’s atmosphere. Perhaps we need reminding that a move to another sector or subject won’t be utterly unrecognisable.”

Moira Wallace, Director General,  
Crime, Policing & Counter Terrorism, Home Office

“Most of us are developed to be followers, agents of organisations. We are encouraged to stick to our core circle and to try to keep away from the boundaries. At the most, we go into boundary management, watching the outside world from in here and trying to analyse it. Then, suddenly, we get appointed to the top job and have to deal with the outside world.”

Sir David Varney, Chair, HM Revenues & Customs; former Chair of O<sub>2</sub> and prior to that Chief Executive of Shell and Chief Executive, British Gas

“Let’s face it, many leaders don’t like it when they are not the boss. They have worked hard to get where they are, and they want to enjoy it. But, for me, one of the key roles of a leader is to push the boundaries out. Leaders have to make people feel uncomfortable. To do this, you have to feel uncomfortable yourself.”

Diana Parker, Chair, Withers Worldwide

“Everyone can think of all the other amazing things you should be doing. Somehow you have to do the right ones, and be brave enough, and independent enough, to say no to the wrong ones.”

Sir Gerry Robinson, Chair, Moto Hospitality Ltd and star of TV series ‘Can Gerry Robinson Fix the NHS?’

I learnt that it was not just about having the right idea: you had to influence and persuade and you needed others to be on board if you wanted to achieve anything, and I had to trust people.”

Sir John Rose, Chief Executive, Rolls-Royce plc

“Even in the big organisations, with highly professional employees, it’s like leading volunteers because you are not paying people enough to stay just for the money.”

Chris Mathias, partner, CMG Partners and Arbor Ventures

“Only the most arrogant individuals use the credibility and even the mystique of their success in one world to claim credibility in a new one. Leadership skills are transferable to new areas to some extent. But first, you need to assess the landscape, understand the issues, become familiar with the power sources, and most importantly, understand the culture. This takes considerable time and commitment.”

Douglas Miller, Chair, European Venture Philanthropy Association

# Facing the future as a leader:

## tips for tomorrow

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1. Leave the comfort of your own team or organisation and meet and learn from people who work in different areas to you.
  2. Take risks and be prepared to tackle the unknown.
  3. Don't rely solely on intellectual rigour to justify your ideas. Passion wins arguments and gathers supporters.
  4. Build turbulent networks of people who see the world differently to you and who will challenge as much as support you.
  5. Become a 'silo-slayer'. Discover where there are needless barriers between teams or organisations and break them down.
  6. Don't be afraid to be a rebel. Challenge everything and don't accept that the 'way we do things around here' is always the right way.
  7. Become a bureaucracy-basher. If a process is needlessly complicated, learn to bypass the time-wasters.
  8. Power lies in unexpected places and not always at the top. Recognise this and if you're trying to change something, find out who really has the power to help you.
  9. Learn to navigate across the whole organisation and between different organisations and sectors. By widening your radar you'll be better equipped to spot new opportunities and threats to your organisation or team.
  10. Grow a thick skin. If you're going to try and change something that doesn't automatically fall under your remit expect to be asked the question 'by what right?'

# Growing future leaders:

## tips for employers

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1. Protect the rebels. Genuine change-makers are rare and have the potential to do great things.
  2. Give rising stars in your organisation the chance to work on cross-organisational projects that will get them widening their experience.
  3. Avoid building a culture where employees are encouraged to 'stick to their own knitting'. Think about ways to share ideas across the whole organisation.
  4. Look for leaders in unusual places. Recognise that new ideas can come from anyone anywhere in the organisation and make sure the processes are in place so that these are heard.
  5. Encourage people to step outside their comfort zones and set individual targets to insist that employees can demonstrate how they have done this.
  6. Avoid the instinct to see the leaders with simple and tidy solutions as the most effective. Resisting the urge to tidy is an important skill for leaders who want to extend their influence beyond their circles of control.
  7. Don't recruit the usual suspects into leadership positions. Recognise that leaders from other sectors or organisations will bring with them new skills that will benefit the organisation.
  8. Listen to passionate people and don't only allow yourself to be persuaded by intellectual rigour.
  9. Encourage and support employees who take up leadership roles outside of work. Recognise that the skills they will learn will make them a better leader in work too.
  10. Invest in leadership development that will help your leaders focus on external issues such as stakeholder management.

# About Common Purpose

Common Purpose is an independent leadership organisation that improves the way organisations and society work by developing leaders of all ages, backgrounds and sectors. Common Purpose operates throughout the UK and worldwide in Ireland, Sweden, The Netherlands, South Africa, Germany and Hungary.

Since 1989, more than 20,000 leaders from across the UK have graduated from one or more of its programmes and over 70% of the FTSE 100 companies have used Common Purpose for professional development.

Dubbed the 'street-wise MBA', Common Purpose participants go out into the communities where they live and work to grapple with real-life issues together.

**For further information visit [www.commonpurpose.org](http://www.commonpurpose.org)**