As highlighted in this report, the realities of a tsunami of change and uncertainty has brought into sharp relief a critical number of leadership skills and attributes, such as the following, that are essential components of a leader’s tool kit.

**AGILITY**

Agility is likely the answer to all leadership challenges in the future. Models of leadership have a short shelf life; the complexity is increasing rapidly. In this context, being able to anticipate and adapt will be the most critical capability in a future with accelerating unknowns.

**RESILIENCE**

The pandemic has only heightened the need to help leaders figure out how to manage their energy so they can lead others with consistency, predictability, and stability. This is closely connected to creating an environment for others that feels inclusive, safe, and open to risk-taking.

**INCLUSION/PSYCHOLOGICAL SAFETY**

What started as a movement in the U.S. is now seen across the globe. This is seen as critical for unlocking capacity, creating connectedness, and getting the full potential of the talent base. And, with a fierce war on talent, it is also a factor in retention.

**COMMENTARY**

**DIgITAL LITERACY**

This is something with which many organisations are struggling. There is a sense that it is a fundamental worldwide shift, but no one is quite sure what it means from a talent/hiring perspective. The question is whether organisations should hire ‘digital experts’ or train their employees to be digitally oriented.

**COURAGE/MANAGING CONFLICT**

Learning to speak up, give honest feedback, and address issues in a transparent and non-passive-aggressive way is still one of our most frequent workshop requests we receive. It is becoming even more critical in teams to constructively manage tension to harness divergent perspectives.

**FUTURE ORIENTATION**

Leaders are besieged by activity, meetings, urgency, and so on. As a result, they are less thoughtful, intentional, and able to look ahead. The discipline to be choiceful about where their time and attention goes is a huge need if organisations are going to be prepared for the future.

**INSPIRATION AND ENGAGEMENT**

The ability to engage and inspire people, create energy, bring the hearts along with the minds is not new, but there is greater focus on getting more discretionary effort and creativity out of our teams. Interestingly, across all of our assessments, this factor continues to be the lowest scoring for leaders.

While these skills and attributes are not new, they have evolved from being developmental aspirations of leaders to key differentiators of success. It is these factors that should drive the leadership development agenda of the future.

Simon Callow, Senior Partner & International Regional Leader
EXECUTIVE SUMMARY

The last two years have been among the most challenging for leaders who have had to lead through immense upheaval and uncertainty. They have had to embrace reinvention on a mass scale and maintain motivation in a hybrid work environment, while attending to their own and their teams’ wellbeing. Emerging from the pandemic is an opportunity to rethink the role of leaders and reset expectations. The purpose of this research is to explore how organisations’ expectations of leaders are changing and what that means for leadership development.

The pandemic has created great uncertainty for organisations. However, this came on the back of a business context of ongoing disruption and rising economic and geopolitical uncertainty. Leaders also have to contend with increased scrutiny from the public, media and investors, greater prominence of the ESG agenda, a shrinking and ageing workforce, and the opportunities and threats of technology-driven change.

While the pandemic has not fundamentally changed our views of good leadership, we contend that today’s highly dynamic context does require leaders to adopt different mindsets, behaviours and skills. Remote working has required leaders to find different ways of establishing trust, creating high standards, motivating and monitoring performance.
We identified nine principal shifts in leadership, organised around three key dimensions: how leaders set direction; the organisation infrastructure they need to build for rapid and adaptive strategy execution and how they relate to others.

1. **Outside-in thinking.** Leaders need to develop their capacity for foresight, scanning their external environment for market signals, identifying patterns and developing insights.

2. **Adaptive strategy development anchored to purpose.** Leaders have to set up their organisations to be adaptable and responsive while remaining focused on a consistent vision and purpose.

3. **Making sense of complexity.** Leaders need to be able to chart a way through highly ambiguous situations, connect the dots between seemingly unconnected elements of the system and make decisions based on incomplete or conflicting information.

4. **Leading in an age of activism.** The social contract between organisations and their stakeholders including employees, governments, the media, investors and the communities within which they operate is shifting. Leaders need to be prepared to be increasingly visible and transparent.

5. **Building capacity for agile execution.** Leaders have to respond fast to emerging competitive threats and shifting customer expectations by building agility into processes for decision making and execution.

6. **Develop a culture of learning and experimentation.** An experimental mindset, which enables a range of different options to be prototyped before taking a risk on full implementation, is needed when the context is uncertain. In practice, this is difficult for organisations and leaders who are not used to seeing value in ‘failure’.

7. **Leading remote and hybrid teams.** Hybrid working is here to stay. Leaders have to become adept at establishing authentic human connection and team cohesion through virtual technology, ensuring fairness between remote and in-person teams and maintaining performance and motivation remotely.

8. **Leaders as enablers of others.** We are witnessing an ongoing shift in expectations away from leaders telling people what to do towards a coaching style that enables others to define their success and deliver against their objectives. Leaders need to demonstrate empathy, curiosity and humility to accept that they may not know all the answers.

9. **Fostering inclusivity and wellbeing.** Creating an inclusive culture that allows people to perform to their highest potential regardless of background has become a priority. Similarly, supporting employee wellbeing, particularly when working remotely, has become a leadership imperative.

As organisations grapple with the new demands of leaders and consider how to update their strategies for leadership development, we highlight a number of emerging trends.

- A realisation that leadership development needs to support leaders on an internal journey to develop self-awareness, explore how they ‘show up’ as a leader, understand their impact on others and build their capacity for dealing with complexity. This has implications for the design of leadership interventions, the make-up of cohorts and the skills required of those who design and facilitate these programmes.

- We have seen a major shift away from face-to-face towards blended leadership development that combines in-person and virtual delivery. While we are seeing some return to in-person learning as organisations address a pent-up demand for human connection, organisations have had positive experiences of virtual delivery and are keen to retain the benefits. The more thoughtful organisations are being deliberate about which types of leadership development – in-person or online – are most effective in addressing their learning objectives and are designing blended programmes accordingly.

- Experimenting with new ways of delivering experiential learning. Immersive or experiential learning can be effective in helping leaders practise the new capabilities they are expected to demonstrate. Immersive learning is increasingly being delivered virtually or using technologies such as virtual reality that allow leaders to experience highly uncertain environments.

- Leadership is a collective endeavour, and yet leadership development tends to focus on developing the individual leader at the expense of leadership teams. However, we are seeing an increase in demand for intact team development, where existing leadership teams undertake development together. Scheduling executive team development has been made easier by the use of virtual meetings and virtual interventions have proved more effective than expected in exploring team dynamics and other relational-based leadership interventions.

- Innovative approaches to action learning, which avoid the ‘make work’ we often see in these programmes. These are leading to better alignment between the strategic business challenges organisations need to address and the development leaders need to prepare themselves to deal with these challenges. We describe this as ‘action-doing’ rather than ‘action learning’.

In summary, the last two years compelled the leadership development professional to ask ‘what is possible’ rather than ‘what has been proven effective’. The pandemic has been an opportunity to experiment and the leadership development community has shown openness to trying new things. Technology-mediated innovations are coming to executive education and bringing new possibilities and exciting opportunities. Balancing open-mindedness with not chasing the hype, we come back to the fundamental question: how can we help organisations to develop effective leaders who can thrive in the present and lead into the future?
MAKING A PARADIGM SHIFT IN LEADERSHIP DEVELOPMENT

1.0 INTRODUCTION

The last two years have been among the most challenging for leaders who have had to navigate through immense upheaval and uncertainty. Leaders are still having to steer their organisations through the biggest pandemic for a century, maintaining motivation and focus in a hybrid work environment while embracing reinvention and restructuring on a mass scale. All this while attending to their own and their employees’ wellbeing.

The purpose of this research is to explore how organisations’ expectations around leadership capabilities are shifting as we emerge from the pandemic, and how these shifts are impacting the practice of leadership development.

The themes of disruption and uncertainty that underpin this research are not new. Indeed, according to the World Uncertainty Index, which captures economic and political uncertainty, uncertainty has been steadily rising over recent decades. However, in addition to and in some cases as a result of the pandemic, other factors are coming together to make the current era among the most challenging for leaders. For example:

• Rising inequality and political and economic instability. Across the major liberal democracies, the middle class is shrinking, with wealth being concentrated in the hands of an ever smaller population.

• Productivity has stagnated, trade disruption is signalling a potential retreat from globalisation, and the war in Ukraine is pushing up the prices of staples such as wheat. We have only just started to see the impact of rising fuel and food prices on the world economy.

• Companies are facing increasing scrutiny from the public, media and investors. Leaders must now both deliver financial performance and ensure the company is run with broader ESG interests in mind. Employees and consumers also expect business leaders to take a stand on social, political and environmental issues which are often tangential to the organisation’s business model or mission.

• An emerging challenge for businesses is the shift to Carbon Net Zero which is speeding up. Governments are beginning to set binding targets which will have significant implications for businesses across industries.

• Politics and the media are becoming increasingly polarised, exacerbating political unrest and factionalism. Trust in politicians and media organisations is decreasing while trust in companies and corporate leaders is on the increase.
• The ‘Great Resignation’, combined with longer-term population changes leading to an ageing and shrinking workforce globally, are limiting the availability of talent and putting upward pressure on wages.

• Technology is both an opportunity and a factor exacerbating uncertainty as it lowers barriers to entry in many industries, widening the envelope of competition.

While contending with all these macro factors and more, leaders have to continue running their businesses, delivering against quarterly earnings targets while planning for the longer term. This is leading to a shift in expectations around what it takes to be effective as a leader. David Astorino, Senior Partner, RHR International said: “Until recently, the dimensions of leadership hadn’t changed much for a long time. When we create leadership profiles for companies, typically it was 85% similar across organisations. But now we sense that something that has been consistent for a long time is starting to shift.”

Emerging from the pandemic is an opportunity to reset expectations around leadership. As Professor Ronald Heifetz of Harvard and colleagues pointed out in their 2009 Harvard Business Review article ‘Leadership in a (Permanent) Crisis’, written during the last financial crisis, people who practice what they call ‘adaptive leadership’, “seize the opportunity […] to hit the organisation’s reset button. They use the turbulence of the present to build on and bring closure to the past. In the process, they change key rules of the game […] and redefine the work people do.”

Our survey shows that CRF members are recognising that the concept of leadership is in flux. Just under a quarter (23%) of respondents to our survey considered the capabilities required of leaders as we emerge from the pandemic to be ‘fundamentally’ or ‘mostly’ different, and 38% considered them to be ‘more different than similar’. See Figure 1.

This is leading companies to update leadership frameworks and competency models to reflect changes in leadership expectations since the pandemic. 43% of respondents to our survey have already updated their leadership models and a further 38% are planning to do so. See Figure 2 on next page.

The intention of this research is not to review the entire field of leadership, but rather in Section 2 we focus on the ways our research suggests the role and expectations of leaders have changed over the pandemic, and are likely to continue to change. In Section 3 we consider the implications for leadership development: how have the practices of leadership development adapted to the new context? How can we make sure our approaches to leadership development are meeting the needs of future leaders? What lessons can we draw from the experience of the pandemic?
HAS THE PANDEMIC CHANGED OUR VIEWS OF GOOD LEADERSHIP?

The short answer is ‘no’. We still need leaders who are effective strategists, good communicators who can unite people around a common vision and purpose, with deep self-awareness, the ability to motivate others and so on. The fundamentals of leadership remain constant. However, leadership has to adapt to the context within which it is exercised. As Tomas Chamorro-Premuzic, Michael Wade and Jennifer Jordan pointed out in a 2018 Harvard Business Review article “Leadership evolved through thousands of years, so its foundations are unlikely to change. On the other hand, one cannot deny the potent influence that environmental changes may have in reshaping the critical skills and behaviours that will make leaders effective.” Today’s highly dynamic context requires leaders to have different mindsets, behaviours and skills.

For example, in a hybrid working environment where leaders do not have visibility of what their teams are doing on a day-to-day basis, leaders have to find different ways of establishing trust, creating high standards, motivating and monitoring performance. The ‘soft’ elements of leadership – the ability to build emotional bonds despite the distance of virtual working, to help others achieve common goals or a shared purpose and to lead with empathy – are becoming more important. In contrast, qualities such as deep technical expertise, decisiveness and authority are playing second fiddle.

The way work is done is also changing, which has implications for leadership. The speed with which businesses had to respond to lockdowns and supply chain disruption led to a loosening of normal approval and sign-off processes, and meant agile working practices and experimentation came to the fore. As working practices reset post-pandemic, leaders will need to maintain the benefits in terms of speed and devolved decision-making while managing risks.

Followership is also changing, as shifting workforce expectations impact the practice of leadership. Employee wellbeing has become a key concern for leaders, with openness around mental health becoming normalised.

FIGURE 2

Have you updated your leadership model/competency framework to reflect changes in leadership expectations since the pandemic?

- **43%** Yes
- **38%** No – but we are planning to update
- **19%** No – no plans to update

Source: CRF Leadership Development Member Survey 2022

RESEARCH METHOD:

This report is based on the following data sources.

- Interviews with 32 thought leaders, academics and practitioners in the leadership field. Research participants are listed in the Appendix.
- An online CRF member survey, completed by 59 respondents in March-April 2022. Respondents were predominantly HR Directors, Heads of Leadership Development/Talent Management and senior HR and leadership functional experts. Respondents covered a wide range of industry sectors, with the highest representation from financial services (15%), professional services (15%) and retail/ consumer businesses (14%). 41% worked for organisations with 10,000 employees or more. Three-quarters (75%) were UK based, the remainder predominantly from Europe and North America.
- A review of relevant academic and practitioner literature. See the References and Reading List in the Appendix.
WHAT’S HAPPENING TO LEADERSHIP COMPETENCY MODELS?

77% of survey respondents report that they have a leadership model or a defined set of leadership standards or competencies. In practice, we see a trend away from complex, detailed leadership competency models towards a more simplified approach. A number of companies reported that they had abandoned models which set out in detail leadership expectations for each layer of management and leadership. Instead, they are favouring looser frameworks which reflect the values of the organisation but can be interpreted within the context of different business units.

For example, Shell now has a simplified leadership framework with a mindset and behaviours that apply to leaders at all levels, including informal leaders, having moved away from its previous model that was differentiated by multiple leadership levels. RS Group’s Amazing Leaders framework, developed during the pandemic, has three elements focused on passion, humility and trust. One survey respondent commented: “We have abandoned a static leadership framework. We consciously removed leadership competencies and now focus on context as the key driver of behaviours. We are promoting leadership discussions on the strategic priorities of the organisation and what are the consequences for the leadership behaviours of that particular leadership team in their context.” Bupa’s framework has twelve core leadership competencies which underpin its leadership development strategy. Bupa shared the list with its top 700 leaders and asked them to vote on their top priorities, which is driving the focus and content of development programmes and is also helping the team curate suitable resources for their communications and learning platforms.

This shift away from detailed models with ‘precise’ descriptions for different levels of leaders to loose frameworks perhaps reflects the environmental uncertainty organisations face as they look to the future. Historically, leadership competency frameworks were often backward-looking, overly detailed or focused on the attributes of today’s successful leaders. They also presumed there is one best way of leading, and that this remains stable over time. Looser frameworks can be used to highlight the values and behaviours the organisation values, and to build a common language around leadership for the future.
2.0
IN WHAT SPECIFIC WAYS ARE THE EXPECTATIONS OF LEADERS CHANGING?

Much has been written over the last two years about leaders and leadership, tracing how the expectations of leaders have changed and identifying skills leaders have had to demonstrate during the pandemic. In the survey and interviews we conducted for this research, we tested out a number of the recurring themes. In this section we explore what we discovered about the specific ways in which leadership expectations are changing.

Our survey tested a number of emerging leadership capabilities to determine to what extent their importance had evolved as leadership criteria over the last two years. The results are displayed in Figure 3. Unsurprisingly, leading hybrid or virtual teams came out top, with 64% of respondents saying it ‘significantly increased’ as a leadership criterion for their organisation. Similarly, reflecting the prominence of physical and mental wellbeing in the pandemic, creating psychological safety and trust came second. None of the criteria we tested had become less important, although criteria such as focusing on sustainability or developing a coaching-based leadership style scored lower, perhaps reflecting the fact that these were already becoming leadership priorities before the start of the pandemic.

<table>
<thead>
<tr>
<th>Leadership Capability</th>
<th>Significantly Increased</th>
<th>Increased Somewhat</th>
<th>Stayed More or Less the Same</th>
<th>Decreased Somewhat</th>
<th>Decreased Significantly</th>
<th>Not Used</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leading hybrid or virtual teams</td>
<td>64%</td>
<td>32%</td>
<td>2%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Creating psychological safety and trust</td>
<td>57%</td>
<td>30%</td>
<td>13%</td>
<td>13%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supporting wellbeing of employees</td>
<td>53%</td>
<td>43%</td>
<td>4%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Creating organisation agility/ flexibility and responsiveness</td>
<td>51%</td>
<td>34%</td>
<td>15%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Communicating effectively with remote teams</td>
<td>51%</td>
<td>36%</td>
<td>11%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ability to lead through complexity</td>
<td>47%</td>
<td>34%</td>
<td>19%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Focusing on own wellbeing as a leader</td>
<td>45%</td>
<td>42%</td>
<td>19%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ability to develop/implement strategy in uncertainty</td>
<td>41%</td>
<td>38%</td>
<td>21%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Creating inclusive teams/ working environments</td>
<td>32%</td>
<td>51%</td>
<td>15%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Developing a learner mindset/culture</td>
<td>30%</td>
<td>43%</td>
<td>26%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Developing a coaching leadership style</td>
<td>30%</td>
<td>32%</td>
<td>38%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>External orientation/ outside-in thinking</td>
<td>26%</td>
<td>36%</td>
<td>34%</td>
<td>4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Planning and preparing for multiple business scenarios</td>
<td>26%</td>
<td>38%</td>
<td>34%</td>
<td>4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Focusing on sustainability</td>
<td>24%</td>
<td>36%</td>
<td>38%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Experimentation as a vehicle for innovation or performance improvement</td>
<td>21%</td>
<td>39%</td>
<td>36%</td>
<td></td>
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</tr>
</tbody>
</table>
“While notions such as the leader as coach, focusing on wellbeing and empathetic leadership were all factors that were in play beforehand, the pandemic accelerated and amplified them, making them a mandatory component of leaders’ toolkits.”

**GUY COHEN, HEAD OF TALENT AND ORGANISATION DEVELOPMENT, TT ELECTRONICS**

Our 2019 research *Digital Disruption: Exploring the Implications for Leaders and Leadership Development* examined leadership in the digital age to understand how the demands of leaders were changing and how our models of leadership needed to evolve. We explored how the expectations of leaders were changing across three dimensions:

1. How leaders set direction
2. The organisational infrastructure they need to build for rapid and adaptive strategy execution
3. The new relational skillsets required

We have adopted the same three dimensions to organise the themes that emerge from our 2022 research. Breaking each element down, there are both similarities and differences between what we found to be the emerging priorities for leaders in the digital economy and the challenges for leaders as we emerge from the pandemic.

For example, the ability to sense and respond rapidly to changes in the external environment and to handle complexity were essential leadership capabilities in both studies, as was the shift towards a coaching (as opposed to directive) leadership style. However, the pandemic emphasised the need for leaders to become skilled in leading virtual and hybrid teams to a degree we did not envisage in 2019 (although we did flag in 2019 that leaders needed to master digital communication tools and work out how to build trust with remote teams).
During the pandemic, organisations were faced with handling a crisis situation which for many was unprecedented. This required rapid changes of business direction, switching into new markets, reconfiguring operations and supply chains, and moving swathes of the workforce to remote working, often in a matter of days. Traditional processes for determining strategic direction – typically top-down, hierarchical, multi-year and formulaic, went out the window. While the immediate impact of the pandemic is receding, the volatility and rapid change that characterised the business context for most businesses is not showing signs of slowing down. Therefore, the ability to identify and evaluate strategic opportunities dynamically and respond and change direction at speed will continue to be a necessary strategic capability. Our research found the following elements of how leaders set direction are becoming more important.

**OUTSIDE-IN THINKING**

As the speed of change accelerates, so too does the need for openness to the world outside the boundaries of the organisation. Leaders need to develop their capacity for foresight. This means developing organisational capability to scan for weak market signals, identify patterns and develop insights. It’s no longer enough to do this as a one-off exercise or as part of a two-year planning cycle. It needs to be an ongoing activity – an organisational muscle shaped through regular practice.

The point is to gather as much customer, market and other relevant data as possible and make sure it is available to those who are best placed to act on it.

Leaders need to develop this capacity themselves, but they also need to make sure it is distributed throughout the organisation. For example:

- Having flatter structures with fewer layers, minimal hierarchy and broader spans of control, so messages about market changes get to decision makers more quickly.
- Designing the organisation to have ‘maximum surface area’ with the external environment: customers, partners, suppliers, regulators and other stakeholders. For example, at W L Gore, the multinational manufacturer of fluoropolymers and maker of Goretex, product engineers sometimes accompany surgeons during procedures to understand how the products are used and could be improved.

**ADAPTIVE STRATEGY ANCHORED TO PURPOSE**

Developing and executing a strategy that enables the organisation to achieve its business objectives is still a core leadership deliverable. What has changed is the speed at which leaders need to develop strategic responses, adapt and course correct as circumstances change, and take account of the uncertainty in their environment.

Leaders have to contend with a polarity: on the one hand they need to be ready to reorient in response to threats and opportunities. But at the same time they need a clear, consistent sense of vision and purpose. An increasingly dynamic environment requires greater autonomy and distribution of decision-making. But to avoid chaos, leaders need to draw a broad strategic outline – a framework for individuals to evaluate decisions against the broader organisation purpose. For example, French luxury group LVMH’s values of creativity, excellence and positive impact enabled it to switch its perfume factories to produce hand sanitiser for French hospitals within 72 hours at the start of the pandemic.

“It’s crucial for our leaders to have curiosity and openness to understand the broader perspective of external trends, but also the different viewpoints and perspectives of our customers, and how those are changing.”

LOUISE CAVANAGH, HEAD OF CAPABILITY, TESCO
The idea of having a clear vision and purpose is not new. But what has become more essential is for leaders to create clarity around the boundaries of the vision. The culture of experimentation that’s required for innovation runs the risk of meandering. The more decision-making is devolved, the more people need a way of evaluating ideas against the core organisational vision. Leaders need to articulate a vision but also set some guardrails that establish discipline. For example, at W L Gore, associates have a high degree of autonomy to experiment and innovate. This has led the business into disparate markets, including medical devices, clothing and pharmaceuticals, but they are all based on the same underlying technology, the PTFE polymer. One of Gore’s four founding principles, which is instilled in all its associates, is the concept of ‘waterline’. Using the metaphor of a boat, associates are encouraged to experiment, but to exercise judgement. Associates undertaking any experiment that has the potential to hit the company below the ‘waterline’ and therefore to sink the ‘boat’, have to check with colleagues before proceeding.

MAKING SENSE OF COMPLEXITY

One of the critical responsibilities of leaders is sensemaking, defined by Karl Weick as structuring the unknown in a way that serves as a springboard for action. As the amount of information that leaders have to process and the associated level of complexity increases, this becomes an even greater priority for leaders. RHR International’s David Astorino commented: “The role of top leaders has always required high level information processing, pattern recognition and making sense of complexity, but now it’s on steroids.” Leaders’ ability to chart a way through highly ambiguous situations and make decisions based on incomplete or conflicting information was tested to an extreme degree during the pandemic. Developing systemic thinking in order to join the dots between elements which can appear to be unconnected will continue to be a key leadership requirement. “Leaders have to roll with ambiguity and uncertainty, which means they need the disposition to view things holistically so they can see the connections between different parts of the overall system, and work iteratively to test out possible solutions,” said Paul Sharp, Learning and Resourcing Director UKIMEA, Arup.

Leaders also have a responsibility to help their teams navigate complex and ambiguous situations, even though they may be feeling uncertain themselves. According to Burak Koyuncu, SVP, Head of Learning & Development at LHH, “Effective leaders can create calmness and a feeling of safety in high uncertainty.”

“Change has become so fast-paced that leaders are dealing every day with the paradox of leaving a piece of the legacy behind while continuing to run the machine and optimise the existing business. Dealing with paradoxes is becoming an essential skill for all leaders.”

BURAK KOYUNCU, SVP, HEAD OF LEARNING & DEVELOPMENT, UK & IRELAND, LHH

Many of our interviewees raised the need for leaders to contend with ‘paradoxes’ as a key leadership challenge. Paradoxes are situations which on their face appear to be in contradiction, and yet leaders have to find ways to reconcile conflicting drivers. Addressing paradoxes requires a ‘both AND’ mindset where leaders pursue two or more seemingly conflicting goals at the same time. As Professor Roger Martin describes in his book The Opposable Mind, exceptional leaders: “have the predisposition and the capacity to hold in their heads two opposing ideas at once. And then, without panicking or simply settling for one alternative or the other, they’re able to creatively resolve the tension between these two ideas by generating a new one that contains elements of the others but is superior to both.” Martin calls this capacity ‘Integrative Thinking’.

Examples of some of the paradoxes highlighted in our research include:

• For an executive team in the hospitality industry, the desire to recognise and celebrate having weathered the storm of the pandemic while at the same time making the leadership shifts necessary to maintain momentum on recovery and growth.
• Being an inclusive leader while working remotely.
• Balancing short-term results with innovation and growth longer term.
• Leaders are increasingly expected to lead with purpose and passion. However, the relentless pace of work means leaders are rarely afforded the time and space for the reflection that’s required to answer questions such as ‘What’s my purpose?’
• Adopting an ambidextrous mindset to, at the same time, run daily operations with exacting efficiency while creating slack within the organisation to innovate and experiment.
LEADING IN AN AGE OF ACTIVISM

A major development in leadership expectations is the need for organisations to consider the needs of a wide range of stakeholders in determining and executing business strategy. Increasingly, leaders are expected to demonstrate that the organisation has a meaningful purpose beyond making money, and this has become an important factor in companies’ ability to attract talent.

This has been a growing trend over some years with the rise of the ESG agenda. Sustainability, Carbon Net Zero, racial inequity and social inequality are becoming mainstream concerns.

Employee activism is on the rise, and leaders are increasingly expected to have a view and take a public stand on these topics. The Edelman Trust Barometer has shown that, while trust in government and the media has gradually fallen over time, trust in corporate leaders is at an all-time high. Its 2021 survey found that 86% of respondents expect CEOs to speak out publicly on societal issues, and 68% think CEOs should actively step in when governments fail to do so. Leaders can no longer claim to be ‘apolitical’, and if they do this may backfire.

Take Basecamp, the software company. In April 2021, CEO Jason Fried wrote to employees that there would be “no more societal and political discussions on our company Basecamp account.” He stated: “It’s become too much. It’s a major distraction.” This led to a backlash which resulted in roughly a third of the company’s employees leaving. In short, according to Reitz and Higgins: “Leaders will need to get more comfortable learning about – and taking positions on – issues that are beyond the traditional workplace boundaries. And they will need to become more skilled at developing considered responses to employee concerns about social and environmental matters.”

Leaders will need to respond by listening to employees’ concerns, engaging in dialogue, seeking out different viewpoints and inviting employees to challenge the company’s position. Options for opening leaders’ minds to others’ views and experiences include reverse mentoring and engaging employee representatives on sensitive topics. Reitz and Higgins also recommend considering activism – which issues the company may need to consider and what its stand will be – as part of strategic planning.

The combination of increased transparency and visibility of leaders, the need for outside-in thinking and the expectation that leaders take a stand on broader stakeholder issues such as sustainability means leaders need to start developing an outside-in perspective earlier in their career. According to Mary Pender, Head of Talent at global investment company abrdn:

“A shift I’m seeing is that leaders need to think about the broader stakeholder perspective earlier in their career. Executives have always had to do that, but everything we do is much more open to scrutiny than in the past. This requires leaders to pay much more attention to the external brand and to have broader insight into the different drivers of the business. So they have to build that skill much earlier on their leadership journey than in the past.”

BUILDING THE ORGANISATION INFRASTRUCTURE FOR RAPID EXECUTION

The pandemic was an object lesson in just how quickly and dramatically market conditions can shift. Some businesses saw demand drop to almost nothing over a matter of weeks while others experienced an unanticipated and sustained surge. Key to surviving and thriving in the pandemic and beyond is the ability to respond quickly and flexibly to market feedback. This involves building and sustaining a leadership system with the right ‘hardware’ – the processes, systems and skills needed to rapidly execute strategies and pivot as needed – and ‘software’ – a culture that supports experimentation and enables learning from failure.

BUILD CAPACITY FOR AGILE EXECUTION

It’s not sufficient to detect changes in the market that require a change in strategy; leaders have to be able to take action to respond to competitive threats or shifting customer expectations quickly, and adapt in response to what the data tells them. Leaders need to build agility into processes for decision-making and execution. Research by McKinsey found companies that had launched agile transformations prior to the pandemic performed better and moved faster than their peers. They had an edge because they had processes and routines already in place that allowed for rapid reconfiguration of the organisation and the workforce. The building blocks of agility and adaptability that leaders can create include:

- Designing the organisation to maximise contact with the external environment, speed up decision-making and empower as much as possible employees who are closest to customers.
- Explicitly developing the ‘lateral’ organisation to enable collaboration across organisation boundaries and silos. For example through creating cross-functional teams or networks or management processes that enable work to progress rapidly without being slowed down by the need to refer decisions up the chain of command.
• Developing a system-wide capability for rapid execution or change. Having a broad and deep capacity for managing change is a way organisations can stay ahead of their competition. Deploying collective processes such as agile project management creates common work methods that speed up action. Agile involves rapid prototyping, customer co-creation, testing and reiterating. Agile development methods are suited to conditions where customer preferences change frequently, problems are complex, solutions are unknown, and time to market is important.

DEVELOP A CULTURE OF LEARNING AND EXPERIMENTATION

In times of rapid change when the path forward is not clear, it’s important to have a range of different options which can be developed, prototyped and evaluated before taking a risk on a full implementation. Adopting an experimental mindset can be an effective way to execute strategy in high uncertainty.

We have seen an increased openness to experimentation during the pandemic. For example, CRF’s research *The Realities of the New Working Environment* details how some organisations have taken a test-and-learn approach to designing new working practices post-pandemic and encouraging employees to return to the office. They have developed prototypes and evaluated data such as employee attitude and performance measures to determine which options might work for different employee groups and to understand any potential downsides.

However, in practice we find there is often an attitude gap. While leaders might recognise the value of experimentation and learning from failure at an intellectual level, they find it hard in reality as they feel their career will suffer if they are seen to have ‘failed’.

The problem with many organisations is that the desire to get things done fast, ‘right-first-time’ and at lowest cost gets in the way of experimentation, iteration and learning. The processes and systems that enable rapid execution won’t succeed unless leaders create a culture that encourages and values behaviours related to iteration and experimentation.

Innovation requires a higher tolerance for risk than we might see in steady-state operations. This in turn means accepting ‘the right kind of failure’, and being open to learning from it. At the foundation, a key challenge for leaders is to foster ‘psychological safety’. It also requires leaders to establish and maintain trust. Trust is difficult to establish – it requires consistent behaviour over time – and is easy to break.

The features of a culture of experimentation and learning include:

• A leadership style that encourages people to speak up, share ideas and ask questions, welcomes challenges to received wisdom, promotes the reporting of mistakes and displays humility and curiosity. People should not be penalised for asking for help or admitting to a mistake.

• An inclusive leadership style that values diverse perspectives. The body of research on diversity suggests that diverse teams can be more rewarding. Although they can be harder to manage than homogeneous teams, diverse teams managed well can produce better results.

• Culture derives from repeated behaviour that becomes a habit over time. Leaders need to develop structured approaches for analysing non-judgementally the causes of failure – as well as the drivers of success. This could be after-action reviews or retrospectives. The key is to create space for people to pause and reflect on what went wrong, what worked and what learnings can be used to improve the next iteration. In essence, leaders have to be highly effective at promoting a culture of feedback.

• Helping people understand the different types of failure. Preventable failures in routine operations are to be avoided. ‘Intelligent’ failures, which occur when trying to find solutions to problems that haven’t been encountered before, can provide valuable new knowledge.

• Recognising that failure is a necessary by-product of experimentation. It’s important to pay attention to what gets rewarded – acknowledging attempts as well as rewarding results. Some organisations even celebrate failure: W L Gore, for example, has been known to throw beer and champagne parties when initiatives are killed.

• Encouraging learning from experimentation and failure is not an excuse to tolerate low performance standards. There is an important balance to be struck here: leaders need to create a psychologically safe environment that acknowledges where there are areas of uncertainty, while also holding people accountable by setting high performance aspirations.
“In our work we find now that developing a climate of inclusivity, creating psychological safety and trust, and showing up authentically are three core elements that are becoming integral to all our leadership programmes, especially how you action these in a virtual environment. These were scarcely on the radar three years ago.”

RAVI BHUSATE, PARTNER, BTS

Over many years we have seen a gradual shift away from top-down, command-and-control leadership towards a more coaching-driven, technology-enabled, networked style of leadership, founded on trust and influence rather than positional authority. The pandemic significantly accelerated this trend, as several years’ worth of change to working practices was compressed into a few weeks. As leadership expectations are reset post-pandemic, we expect these trends to continue.

LEADING REMOTE AND HYBRID TEAMS

One of the biggest impacts of the pandemic was the rapid shift to remote and hybrid working. The pandemic showed that, for those roles where it’s possible, hybrid working has been accepted and is most likely here to stay. CRF’s The Realities of the New Working Environment research found that few organisations intend to return to pre-pandemic levels of office working. Leaders will therefore have to continue to develop skills in leading people who they may rarely or never meet in person. This includes:

• Learning how to ‘show up’, establish a human connection, and be present, accessible and authentic as effectively using virtual technology tools as they would in person. Often that also means managing their own energy as their days may be filled with back-to-back video meetings. As one interviewee commented: ‘It’s exhausting to project your care and authenticity all day long through a screen.’

• Ensuring fairness so different workforce groups – remote vs. office-based – feel equally included and valued.

• Setting performance standards and expectations, monitoring performance and motivating people remotely.

• Increasing frequency, transparency and consistency of communication to support remote team members in feeling ‘seen’ and engaged. Making sure communications with remote workers are two-way.

• Paying attention to employees’ wellbeing, both physical and mental.

• Building team culture, cohesion and rituals that work well online.

• Making sure remote employees have opportunities to learn from and shadow more experienced team members.

LEADERS AS ENABLERS OF OTHERS

Many of the conversations we had for this research explored how the role of the leader has shifted from directing and telling people what to do towards coaching and enabling others to define their success and deliver against their objectives. Leaders have always had to strike a balance between being expert in their own right and enabling others to develop and bring their expertise to their work. However, as the speed and complexity of work increases, industries converge and all companies are forced to become digital businesses, the nature of work is becoming ever more complex. Particularly in knowledge-driven businesses, leadership is less about telling others what to do and more about creating a context for others to do their best work, make good decisions and grow. The task of the leader becomes about unlocking their people’s knowledge, motivation and creativity, not just focusing them on completing tasks.

“The leader as coach is the fulcrum for all the other emerging leadership capabilities. It supports creation of the fast-paced organisation you need to deliver innovation, but is also the foundation for psychological safety.”

NAOMI ATTWOOD, DIRECTOR OF TALENT, LEADERSHIP, ENGAGEMENT AND INCLUSION, BUPA
The beauty of a coaching style of leadership is the acknowledgement that leaders don’t have to have all the answers: by asking good questions and helping their people find the answers, they can get to better solutions overall.*

BURAK KOYUNCU, SVP, HEAD OF LEARNING & DEVELOPMENT, UK & IRELAND, LHH

This evolution in the practice of leadership has a number of corollaries:

- Leaders need to demonstrate empathy, self-awareness and emotional intelligence. Empathy does not mean compromising on performance outcomes. Leaders need to set high standards, hold people accountable and challenge them to reach their potential. They also have to meet individuals where they are, listen and understand their needs.

- Leaders need humility to accept that others might know more than they do and a mindset of curiosity and openness to learning from others. Roger Minton, Head of Leadership Development, Anglo American, said: “We’ve talked about humility for a few years now but it’s become clear in times of massive change and unpredictability, how important is the willingness to accept you might be wrong. The pandemic has blown up a number of things, but most especially the idea that I can tell you exactly which direction we need to go in, you can just follow me and it’ll be fine.”

- Comfort with not knowing all the answers. This has been a particular challenge for leaders during the pandemic, as it’s much harder to know what your people are doing when you are not physically present together. Tim Wilson, Executive Development Manager, Associated British Foods (ABF), said: “You don’t have the same immediate feedback loops when you’re working remotely. It is important leaders develop reciprocal trust and will also have to learn to be OK with the discomfort of not knowing everything. That means focusing conversations on understanding and supporting progress, not exploring every minutia.”

- One implication of the previous point, which also connects with the need for outside-in thinking discussed above, is that leaders need to invest in being widely networked and connected both inside and outside their organisation. While leaders may not know the answers, being well-connected means they are more likely to be able to open doors for their teams to help solve their problems.

The discussion of humility in the context of leadership is interesting: it’s not always a characteristic associated with effective leaders in practice. Indeed, we would observe that humility can be perceived as a double-edged sword. Once you have proved yourself as a leader, humility can be seen as a positive thing: “Look at all the success they’ve had, and still they manage to be humble.” In contrast, as someone progresses towards a leadership position but is not yet established as a leader, humility can hold them back.

This observation is backed up by a meta-analysis conducted by Tim Judge and colleagues (Judge, Bono, Illies, and Gerhardt, 2002), which examined personality factors that determine leader emergence (who gets appointed as a leader) and leader effectiveness (how well someone performs as a leader once they are in a leadership role). They found that Agreeableness as a personality trait (the ability to get along well with others and put others’ needs ahead of their own) was negatively related to emergence, but positively to effectiveness. Thus, leaders are more effective when they are altruistic, empathetic, and diplomatic, but having those qualities makes it harder to emerge as a leader. Instead, this research suggests, being more selfish, cold, and brash is more likely to propel people to leadership positions in the first place.

FOSTERING INCLUSIVITY AND WELLBEING

The final theme to highlight from our research is the need for leaders to create a working context that promotes inclusivity and employee wellbeing. The pandemic has increased the expectation that leaders demonstrate empathy, authenticity and inclusivity.

For the purposes of this research we define an inclusive culture as one where people, regardless of background, mindsets and ways of thinking can work effectively together and perform to their highest potential to achieve organisational objectives. In an inclusive environment, each person is seen as an individual and is able to thrive as such.

The topic of inclusive leadership has been on the agenda for some time, but it has both been elevated and taken on additional nuances as a result of the pandemic. Leaders not only have to create and sustain an inclusive environment, but also do so in the context of hybrid working. This creates a paradox for leaders: on the one hand, the pandemic humanised the experience of leadership. We saw people in their home environment with their family and
pets, contending with homeschooling and shielding vulnerable family members. Leaders became more open to talking about their feelings or concerns. Remote and hybrid working also opened up diverse talent pools that would otherwise be difficult to access. On the other hand, it can be hard to be an inclusive leader when your team is hybrid or working remotely. How do you make sure a remote team member who you might only see in person occasionally feels as included as someone you see in person on a regular basis?

Another nuance on inclusivity is the rise in importance of employee wellbeing. It is natural that, in a global pandemic which the World Health Organisation estimates to have resulted in 14.9 million excess deaths worldwide, employee wellbeing would be a major concern for leaders. For the most part, organisations were quick to adapt as lockdowns were implemented, taking necessary physical safety precautions for frontline people and rolling out support for employees and managers working from home. The pandemic also allowed the conversation to open up around mental health. CRF’s research on The Realities of the New Working Environment concluded that attention to wellbeing has become mainstream and will remain so, as many new practices that were implemented during the pandemic have become embedded and sustained. There is a higher expectation now that leaders pay attention to the wellbeing of their teams. For example, Naomi Attwood, Director of Talent, Leadership, Engagement and Inclusion at Bupa said: “We are teaching leaders their job is to have conversations to break the ice around mental health concerns and are backing this up by offering Mental Health First Aid training for leaders. Our most senior leaders also act as role models by talking about mental health issues on our communications platforms.”

There is another paradox here: leaders are expected to show care and compassion even though their own resilience may be suffering. Many leaders are experiencing anxiety, exhaustion, empathy overload and even burnout. Even though 91% of organisations in our survey are providing their leaders access to mental health support, the burden of leading through crisis, growing the business and supporting others can be immense.

| 91% | of CRF survey respondents have put in place access to mental health support for leaders through the pandemic and beyond |

“Inclusion will be at the heart of leadership moving forward. It’s even more important when you think about hybrid working, because as a leader you have to make sure that everyone, both in the room and outside, has a voice.”

- Louise Cavanagh, Head of Capability, Tesco

Underpinning this is the need for leaders to create psychological safety in their teams. A psychologically safe environment is one in which team members value each others’ contributions, have input on how the team carries out its work and feel able to speak up when they have ideas or concerns. Research by McKinsey emphasises the importance of leader role modelling: “By setting the tone for the team climate through their own actions, leaders have the strongest influence on a team’s psychological safety.” McKinsey’s research found that a positive team climate can pay additional dividends during times of change: a positive climate had a stronger effect on psychological safety in teams that experienced a greater degree of disruption than in those that experienced less change during the pandemic. McKinsey’s research also found that authoritative leadership behaviours are detrimental to psychological safety whereas consultative and supportive behaviours promote it. Inclusive leadership behaviours – such as seeking out opinions that might differ from leaders’ own and treating others with respect – are positively linked with psychological safety.

“As we go into a new year, the collective focus of employee engagement results for leaders is on inclusion. We see it as a personal thing: personal growth, personal support and personal resilience.”

- Naomi Attwood, Director of Talent, Leadership, Engagement and Inclusion, Bupa
As we outlined in the previous section, the expectations of leaders in terms of capabilities, mindsets and behaviours are shifting. In order to support leaders in developing the required capabilities, strategies for leadership development also need to evolve. During the pandemic, lockdowns, travel bans, budget constraints and the need to focus on managing the immediate crisis meant that many organisations paused or pared back their leadership development programmes. For others, the constraints of the pandemic were an opportunity to rethink, experiment and be inventive, for example using virtual communications tools in ways that would not have been imagined previously.

In this section, we summarise trends in leadership development that emerged during the pandemic and consider how to design leadership development to address the new demands of leaders. Effective leadership development needs to be rooted in the principles of adult learning. Therefore we begin by recapping some key principles and examining how they might be applied to address the contemporary leadership challenges faced by organisations.

### 3.0 Leadership Development Trends Post-Pandemic

**We need greater clarity about what outcomes we are trying to achieve through leadership development.** Leadership development and business strategy should be closely intertwined, but in our experience they often aren’t. We need to be clear about the business questions we are trying to answer through leadership development, and how we will measure whether the required outcomes have been achieved.

**Leaders develop through experience, provided there are vehicles to discern and embody new insights.** Leadership development has to recognise that, while formal leadership development programmes may be helpful, the only real way to develop as a leader is through on-the-job experience. It’s not possible to plan every experience, but organisations can design processes to help leaders build the right types of experience at the right time in their
career. Coaching, which can increasingly be offered cost effectively at scale through online platforms, can help leaders reflect on what they are learning and how they can apply that in their day-to-day work.

Achieving mastery takes purposeful and deliberate practice over time. Professor Barbara Kellerman of Harvard University in her 2018 book Professionalizing Leadership, said: "It takes years to learn how to lead or, at least, to learn how to lead wisely and well. It takes, among other things, education and training, practice and experience, reflection and maturation." The typical 'sheep dip' approach we see in many organisations is not sufficient. Practice and repetition are important elements of learning design, enabling new neural pathways to be built and maintained through repeated use.

Learning has to be highly relevant to the job. Learning is more likely to stick when it can be applied and practised straight away. Learning interventions need to be designed to minimise the distance between learning and application – ideally taking the learning to where the challenge is. This can be done in multiple ways: the physical location (with the team in the normal run of work rather than at a hotel or retreat); timing (when the need arises, for example when a leader is appointed to the role); relational (involving the learner’s line manager in designing and embedding the learning). The learning content also needs to address the challenges leaders face today, not a scenario they may have to deal with at some unspecified point in the future. Unless the learning can be immediately applied, there is a high risk it will be quickly forgotten.

In practice organisations find this hard to do. Leaders are selected for learning programmes on spurious grounds – ‘it’s their turn’. Insufficient consideration is given to how learning will be needed, and to time interventions so people start the experience at the time they are ready for it. Schneider Electric turned this issue on its head by using data and analytics to target development precisely at the point of need. The company analyses data such as job changes to identify when people are making a move from individual contributor to first line leader, from team leader to manager, and so on. The data are used to target development at the point when the learner is most likely to need it. Schneider Electric has found that targeting learning at the point of need increases the impact of the learning by 37%.

Leaders need to understand how they learn. The principles of adult learning and helping individuals consciously develop strategies for learning and practice that work for them can increase their capacity to learn.

Context is key. Make the learning environment resemble the working environment as much as possible. This can include getting people to imagine barriers they are likely to encounter when they put the skills they are learning into practice, and work out strategies for overcoming those barriers in advance. It’s also important to take into account the ecosystem around the individual learner, including their line manager, a sponsor if they have one, and those who follow them.

It’s important to engage learners in multiple ways. Learning is both an emotional and a cognitive or rational experience, and the design of learning needs to reflect this.

- Learning needs to tap into the learner’s motivation: getting people to think about how the learning will help them achieve their goals can stimulate this.
- Storytelling, imagery, humour and immersive experiences can make learning more memorable and enhance retention. For example, Joel Casse, Global Head of Leadership Development at Nokia is experimenting with comic strips which set out a case study for learners to discuss. "Learners can read it and grasp the key elements in ten minutes," he said. "You can read so much more into the images than you would get in a written case study, and it immerses the learner in the scenario and gets them to think about how to handle it as a leader. It enganges them in the emotions of the situation so they consider their reactions and the possible reactions of others too."
- People need to make meaning of what they are learning in order to process it effectively, for example encouraging learners to link to their existing knowledge and experience, making new connections and drawing analogies.
- Learners need to experience the right amount of discomfort to challenge their thinking and push them to try new approaches. There’s a fine balance to strike: too much challenge leads to stress, causing people to shut down and learning to stop. Not enough challenge and people might enjoy the experience, but it doesn’t motivate them to do something different as a result. Each individual learner will have a different challenge ‘sweet spot’ which requires skilled learning design and facilitation. TT Electronics’ Guy Cohen commented: ‘It’s a bit like doing push ups. It might be uncomfortable to do one more, but that’s where growth comes from. We need to explain to leaders that the experience they’re going through may stretch them, and that if they are prepared to lean into this, the return they and their organisations will get will be far greater than if they repeated the same thing over and over again.”

Apart leadership programme invites leaders to attend together with one of their direct reports. During the programme, they both look at the aspects of a good working relationship. They break out and talk about what’s missing or not working and then come back together to hear each other’s insights and co-create a plan. Some line managers have found that it creates such a great foundation, that they have come back with multiple reports to do it again. But to be effective there needs to be lots of trust and psychological safety in the organisation to allow these candid conversations to take place.
Malcolm Knowles was, in the second half of the 20th century, one of the central figures in the development of understanding of adult learning. He identified six principles that underpin how adults learn.

1. Adults need to know why they are learning something.
2. They learn through doing.
3. They need to be responsible for their decisions on education and involved in planning and evaluating learning.
4. They learn most from subjects that are immediately relevant to them.
5. Effective learning is oriented towards problem-solving rather than content or theory.
6. They respond better to internal than external motivators for learning.

In our research we asked companies how they were rethinking their approaches to leadership development to help leaders adapt to the changing expectations they face. Below, we describe some of the emerging trends and set out practical examples.

Our survey also asked CRF members to what degree the content of their leadership development activities evolved over the pandemic. Responses suggest two schools of thought: some organisations have made major changes to their content whereas others have only tinkered around the edges. Just under half (49%) said their content had significantly changed or was completely new, whereas 35% reported small amounts or no change. See Figure 5.

A more consistent message from our survey is that the ways of delivering leadership development have significantly changed. 78% of respondents report that their delivery methods have either significantly changed or are completely new. See Figure 6.
Digging deeper, the biggest change is a shift away from in-person delivery of leadership development towards fully virtual and blended programmes and self-directed e-learning. See Figure [7]. While this is a trend that has been going on in corporate learning more generally for some time, many organisations had presumed that leadership development required a higher-touch, bespoke, in-person experience that might not translate well to virtual learning. As we discuss later in this section, in reality companies have had a more positive experience of virtual and blended leadership development than they expected. Now, rather than a wholesale shift back to in-person leadership programmes, the more thoughtful organisations are working out which leadership development objectives can be met effectively online (e.g. basic skills, business simulations), and which require people to get together in person (e.g. exploring team dynamics), and designing leadership programmes accordingly.

In the rest of this section, we set out the findings of our research around how organisations are rethinking their strategies for leadership development to address the new leadership challenges described in Section 2. We also review how organisations have adapted their leadership development through the pandemic and explore some of the emerging trends.

1. THE INNER JOURNEY TO LEADERSHIP

“Leadership development has to start with self-insight.”

ROWAN FYFE, HEAD OF LEADERSHIP & TALENT, RS GROUP

We return to a recurring theme of this report that leadership is as much about who you are and how you relate to others as what you do as a leader. In our interviews we observed that leadership development practitioners are recognising that the process of leadership development needs to support leaders on an internal journey. This includes helping them develop self-awareness, understand the impact they have on others and how to use that to shape others’ development. This also often involves individual leaders exploring their attitudes and beliefs, how those relate to their practice of leadership, and how they ‘show up’ as a leader. “We’re looking at this like a guided expedition,” explained Shell’s Richard Bish. “While we will still focus on the core leadership skills where needed, it’s more about individuals exploring what it means for them to be a leader, guiding them towards working out the answers for themselves.”
This gives rise to a number of implications:

- **Programme design.** The content, sequencing and pacing of programmes need to allow for people to go on a personal exploration, with time for individual reflection and processing. Development activities need to be customised and personalised to enable leaders not only to develop new skills, but also to let go of some of the skills and behaviours that have enabled them to get to where they are, but might hold them back from being effective in the role.

- **Cohorts.** Cohorts need to be carefully selected so people at a similar level of development work together and support each other. This may mean cohorts are put together differently. Rather than bring people together who are at the same stage of the leadership pipeline or at similar job levels or grades, an initial diagnostic might identify shared development needs. Consider designing cohorts to give people the opportunity to work together on the burning issues for them with a guide who’s experienced in those areas rather than experiencing a ‘sheep dip’ generic programme.

- **Facilitation and support.** The role of the facilitator shifts from the ‘teacher in front of the class’ to facilitating the learning journey for people, being led by the needs of individuals and the group. “We don’t just need trainers in ‘tell’ mode,” said Nokia’s Joel Casse. “You have to be able to facilitate good conversations using coaching questions.” Facilitators need deep expertise in supporting leaders through a psychological journey. Coaching may be required alongside to help leaders make sense of and process what they are experiencing and help them plan for how they might act differently as a result of what they are learning.

- **Selecting people with the right leadership potential.** It’s generally more difficult to unlearn unhelpful leadership habits later in a career than it is to develop good habits from the outset. This is why it’s important to identify people early in their career who have the potential to develop the leadership capabilities that will be valued in the future. David Astorino of RHR International suggests identifying people early and working with them to understand their impact on others and develop their leadership presence. “Helping leaders early on to build the muscle of self-awareness, to let go of unhelpful stories such as fear of failure or the need to be perfect, and develop openness to experience, curiosity and the humility to seek out others’ viewpoints is essential,” he said.

- **Contrast ‘learning leadership skills’ and ‘developing leadership capability’.** Many organisations are choosing to deliver basic leadership skills training on topics such as conducting effective performance conversations as bite-sized content via virtual learning. Some companies have leadership learning pathways which individuals can work through at their own pace.

- **Building Resilience.** Increasingly, leadership programmes need to help leaders understand and manage their stress behaviours and balance stress and recovery. According to David Astorino: “Leaders have to fill up their tanks across four types of energy: physical, emotional, mental and spiritual. This is particularly important as leaders have to show up with presence, humility, authenticity and transparency on nine Zoom calls over the working day. It’s exhausting!”

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**LEARNING TO CREATE PSYCHOLOGICAL SAFETY**

Another aspect of the internal leadership journey is learning how to foster and promote psychological safety. What can leaders do to create an environment of psychological safety? Research by Professor Amy Edmondson of Harvard Business School and others suggest practising the following behaviours:

- Communicate (by words but, more importantly, through their actions) that they respect employees, and the skills and expertise they bring.
- Be fully present in conversations and focused on the interaction.
- Actively encourage speaking up and reporting mistakes.
- Be accessible and approachable.
- Acknowledge that they don’t know all the answers, as this shows humility and encourages others to follow suit.
- Be inclusive in decision making, soliciting input and feedback from team members.
- Acknowledge their own fallibility.
- Use failures or mistakes as opportunities for learning.
- Use direct, actionable language, which creates the kind of straightforward discussions that enable learning.
- Set clear boundaries around what is acceptable behaviour. Vague or unpredictable boundaries make people feel less psychologically safe.
- Invite participation from all team members, and actively bring in those who naturally tend to hold back.
- Autocratic behaviour, inaccessibility, or failure to acknowledge their own vulnerability all work against psychological safety.

McKinsey suggests a critical enabling skill leaders need to master is dialogue: creating space for ‘grown-up’ conversations; getting differences out in the open so they can be discussed and resolved; and making sure everyone in the team has a voice. McKinsey suggests that: “Focusing on a handful of specific skills and behaviours [such as teaching open dialogue skills] can improve the likelihood of positive leadership behaviours that foster psychological safety.”

For example, Tesco takes a collaborative learning approach that brings mixed groups of leaders together to have a dialogue around leadership, including sharing case studies from both within Tesco and outside the business. Louise Cavanagh commented: “There’s something powerful about using real colleague and customer stories that helps us connect the why, what and how to make sense for our leaders.”

Reverse mentoring is another way some companies are encouraging leaders to develop empathy and become more inclusive. Tesco’s Cavanagh said: “Reverse mentoring can create an environment where leaders feel it’s safe to say: ‘I don’t understand this – can you show me?’.”
MAKING A PARADIGM SHIFT IN LEADERSHIP DEVELOPMENT

2. DEVELOPING LEADERS’ CAPACITY FOR COMPLEXITY

One of the essential features of the current business context is complexity. The nature of a complex environment is that the outcomes of a particular action cannot be predicted. Leadership in complexity becomes more about understanding multiple perspectives and balancing seemingly irreconcilable polarities, rather than providing definitive answers. Leaders’ capacity to handle complexity needs to match the complexity of the situation. As F. Scott Fitzgerald, the American author, wrote in 1936: “The test of a first-rate intelligence is the ability to hold two opposed ideas in mind at the same time and still retain the ability to function.”

Therefore, as the context within which leaders have to successfully operate becomes more complex, so too does leaders’ capacity for dealing with complexity need to be developed.

The field of adult development has sought to answer the following questions: can leaders’ capacity to deal with complexity be developed, and if so, how? Experts in adult development have sought to define the various capacities that determine an adult’s ability to handle complexity and how they might be developed.

Generally this is seen as a progression that individuals make on their own terms at their own pace. However, some companies are exploring whether adult development can be applied at scale as part of leadership development to support wider cohorts of leaders in developing their capacity to handle even more complex work situations.

For example, Nicolas Ceasar, Head of the Leadership and Coaching Faculty, NatWest Group, is developing a pilot programme which is aiming to support leaders in developing their capacity to handle complexity.

The theory underpinning NatWest’s pilot is set out in Karen Ellis and Richard Boston’s book Upgrade: Building your Capacity for Complexity. Ellis and Boston argue that upgrading is not the same as developing a new skill or absorbing new information. Taking the smartphone as an analogy, they argue that adding new skills or knowledge is like adding apps. However, upgrading in the context of adult development is like updating the mobile phone’s operating system (OS) in order to run more sophisticated software and apps. “Most workplace learning and leadership development focuses on adding apps,” they contend. “That’s important. After all, with no apps, your phone, tablet or computer isn’t much use to you. However, if you’d had the same phone for ten years and hadn’t updated its OS, your phone wouldn’t be able to keep up with the pace of change.”

Ellis and Boston outline four capacities which the field of adult development suggests leaders need to enhance in order to create capacity for handling complexity. The four capacities were synthesised from the work of leading scholars in the field of adult development, including Robert Kegan, Bill Torbert, Jane Loevinger and Elliot Jaques. These are:

1. Sensemaking: observing, understanding and processing the complexity of a situation in order to stimulate action.
2. Perspective shifting: ‘zooming out’ to benefit from a more realistic and multi-faceted understanding of the situation or relationship.
3. Self-relating: observing, understanding, regulating and transforming yourself, e.g. making sense of your own reactions, thoughts and feelings.
4. Opposable thinking: responding to the dilemmas and conflicting ideas and paradoxes that can create tensions within us and/or between us and other people.

The experiment is taking a cohort of 16 people through a programme that helps them develop these four capacities. Ceasar said: “Typically these capacities are easier to develop through one-to-one coaching, because people are in very different places in terms of their own capacities. So doing this as a cohort is quite a challenge.” The programme is designed as four half-days, each one exploring a different capacity. In the two-week gap between sessions, participants work in learning pairs on experiments to help each other develop each capacity. Participants also have access to reading materials, podcasts etc. to support their learning. The programme will be evaluated together with participants to determine whether and how it can be scaled more widely across the bank.

Ceasar is also experimenting with Leadership Circle, a 360-feedback tool which measures behaviours which have been found to be good ways of showing up in a complex environment and can be used for development.

3. EMERGING APPROACHES TO EXPERIENTIAL LEARNING

The principles of adult learning explored above suggest that the most effective learning is highly experiential, engages learners in multiple ways and creates a degree of discomfort which can be a springboard for action. Immersive or experiential learning puts learners in unfamiliar situations which replicate real-life scenarios in order to stimulate learning. It has for some time been commonly used in leadership development to help leaders learn new skills and to shift their mindsets. For example, CRF’s 2015 research Leadership Development – Is It Fit for Purpose? found that 68% of CRF member organisations were using immersive learning experiences in developing leaders, and that it was seen as one of the most effective modes of learning.

Our research found many organisations are using experiential learning to help leaders develop better outside-in thinking or to expand their capacity for dealing with complexity.
MAKING A PARADIGM SHIFT IN LEADERSHIP DEVELOPMENT

We also found that the ways in which experiential learning is delivered are becoming more sophisticated. While restrictions over the last two years have made it difficult to bring cohorts of learners together for in-person immersive learning experiences, the pandemic has spurred companies to be more creative about finding ways of delivering experiential learning. These are increasingly delivered remotely and involve a variety of emerging technologies, including virtual reality, simulations, gaming and artificial intelligence. Some examples from our research include:

- **Virtual reality and the metaverse.** IMD Business School and others have been experimenting with virtual reality scenarios and immersive learning experiences run in the metaverse. In one example at IMD, groups of leaders wearing VR headsets are marooned on an alien planet and have to make sense of the situation, work out what to do and collaborate to achieve their objectives. The experience has shown that virtual reality is a good way of getting leaders to experience vulnerability. For most leaders, this is their first experience of using this technology. They don’t know how to use the VR tools and have to ask for help. It also requires them to practise sensemaking. They can’t just go straight into problem-solving mode as they might do in familiar working situations.

- **Virtual company visits.** Visiting unfamiliar environments has been a mainstay of experiential learning for some time. For example, visiting companies in Silicon Valley or China or taking executives to the slums of India to experience life from a completely different perspective were common. However, these were not possible during the pandemic. Several companies have successfully replicated company visits virtually. Anglo American’s Roger Minton said: “We’ve been able to run immersive learning through virtual company visits to Silicon Valley and India without people having to leave home. It’s actually made the experience more inclusive for many people, in particular those who would otherwise struggle to travel due to family commitments.”

- **Business simulations.** Simulations can be a good way of giving leaders experience of the ambiguity and trade-offs they are likely to face in their organisation, and to practise with peers in a safe environment. “They can also help leaders bring purpose to life,” said Ravi Bhusate, Partner at BTS which runs leadership simulations. “We start by getting leaders in small groups to discover their purpose. When they move into the simulation environment, the groups hold each other accountable around being true to their purpose as they’re making difficult trade off decisions in the simulation. The coach will stop the simulation when they see there are learning points to bring out in the moment.”

- **Virtual customer collaborations.** Some companies involve customers in their leadership development programmes, for example pairing customers with cohorts to work together on solving specific customer problems. We have also seen these programmes move online, making it easier to connect customers globally and give emerging leaders wider exposure to customers.

It’s important to note that, while new technologies are often exciting and highly engaging, there is little data available about their efficacy or impact on learning. Much more work will be required to assess their impact on learning outcomes.

4. VIRTUAL AND BLENDED APPROACHES TO LEADERSHIP DEVELOPMENT

“We have been really surprised at how effective and impactful virtual leadership development programmes can be.”

**RESPONDENT, CRF MEMBER SURVEY**

One of the biggest trends in learning over the last decade has been a move away from face-to-face, classroom-based learning towards virtual learning – delivering learning content online and blended learning which combines access to online learning resources with learning together with others either in-person or in virtual cohorts. While leadership development has seen a similar move towards virtual and blended learning, before the pandemic there was still a perception that leadership development was different, requiring more face-to-face contact between leaders and teachers and among cohorts of leaders. The pandemic upended this assumption, as all face-to-face learning was suspended, and learning functions had to rush to repackage leadership development as online programmes in the early days of the pandemic. Our survey results reflect this, showing a significant increase in virtual, self-directed and blended learning while in-person learning substantially decreased.

Taking stock as we emerge from the pandemic, we find that leadership development professionals report that the online experience, while not entirely satisfactory, has been a more positive experience than many expected. Leadership development functions are keen to retain the benefits of virtual learning while being purposeful about bringing leaders together in person where there is benefit to doing so. As one interviewee commented: “The pandemic has shown that we can make virtual learning work for leadership development.”

“Moving our global leadership programme online was strongly resisted at first but is now fully embraced. It saves time, is better for the environment and family life and enables far greater inclusion.”

**RESPONDENT, CRF MEMBER SURVEY**
“Companies are starting to get leaders together in person again but are being really clear about why. They are recognising there’s a benefit to human connection, shared experiences, reenergising, creating the spark that fires innovation, building emotional hooks that stimulate learning.”

**ADAM PACIFICO, PARTNER, HEIDRICK & STRUGGLES AND HOST OF THE LEADERSHIP ENIGMA PODCAST**

We make a number of observations from our research:

• Companies have invested in virtual leadership solutions, learning hubs or similar which they will continue to leverage. For example, Anglo American’s digital leadership hub serves content against various leadership attributes. The digital content is reinforced through live sessions, run on Microsoft Teams, where leaders have the opportunity to explore how to apply the content in practice. It has enabled the company to bring high quality learning content and courses to a much wider global audience.

• The more thoughtful organisations are being deliberate about which types of leadership development are best suited to online vs. in-person learning. Some interviewees contrasted ‘learning’, focused on acquiring skills and knowledge and ‘development’ which is often about moving to a different level of experience, going through a mindset shift, or developing the organisation culture. Learning lends itself well to virtual delivery, as it can be delivered in bite-size form on-demand in the flow of work. Development, in contrast, involves deep reflection, discussion with others, processing and practice, often with leaders working together as a cohort. Also, whereas core leadership skills are often fairly generic and can be learned through standard courses, development needs to be more closely and explicitly connected to the business strategy, which generally requires a higher degree of human contact. The challenge for leadership development functions going forward is to be selective about budget and resource allocation: choosing where it is worth investing in higher-touch interventions and being clear about the objectives to be achieved when people do come together.

• While blended learning that combines in-person and virtual elements can work well, split cohorts, where half attend in person and the others online, do not work well at all. Virtual participants complain of having a poor experience compared with in-person attendees. In whatever form learning is delivered, it should be the same for all attendees.

• There’s a pent-up demand for human connections that needs to be satisfied. In our interviews we often heard that leaders are tired of online learning. Joel Casse said: “What we saw during the pandemic was over-usage of learning pathways and online solutions. Leaders are now telling us: we don’t want self-paced, self-driven learning with videos and articles. We’re dying to connect with others, to share experiences, to learn new frameworks and methodologies together. It doesn’t have to be face-to-face, but we want to do it together.” While we hear messages that leadership teams are reintroducing leadership meetings and retreats and are travelling again to get together, companies are being much more selective about why, when and where they get together. For example, KPMG’s programme for developing future country leaders would previously have brought them together six or seven times in different locations over 18 months. Now, it’s four sessions that are in person, with the others being delivered virtually. Additionally, pressures on sustainability and carbon footprints are making it harder for leaders to justify business trips. While we are seeing some increase in demand for in-person leadership development, it is unlikely to return to pre-pandemic levels anytime soon.

• The ways in which learning was delivered during the pandemic encouraged social and peer-based learning. Many organisations have had to be creative around how they organise cohorts to support each others’ learning. Nokia’s Joel Casse described this as a shift from a ‘tell’ to a ‘coach’ style of learning. “We set up cohorts as triads of learners,” he explained. “The three work together between the formal parts of the programme to apply what they learned and coach each other. Previously, there was much more leaning on the trainers. Now participants are helping each other to keep up the momentum and revisit things that they’ve learned. They keep each other honest and it keeps the learning going in the gaps between modules.”

• Virtual learning is enabling companies to scale up offerings in ways that were not previously feasible. For example, ABF’s career conversations masterclass would previously have been run as an annual face-to-face event touching at most 25 people flying in from businesses across the globe. Moving the programme online during the pandemic enabled the company to not only quadruple the numbers of people it touched. It also had the benefit of making it easier for people to make connections with different parts of the business and across geographies in ways they otherwise would be unable to do. “It has helped both to build the internal network and to promote inclusivity,” said Lizzie Harris Executive Development Manager.

• Another element of development that is being significantly scaled up is coaching. Companies are increasingly making use of virtual coaching, which allows them to offer it as an integrated element of leadership programmes, not just a stand-alone intervention for a select group of the most senior leaders.
5. **DEMAND FOR INTACT TEAM DEVELOPMENT**

When we consider that leadership is a collective endeavour, it’s surprising that so much leadership development focuses on developing the individual leader at the expense of leadership teams. As Louise Byrne, Vice President Global Talent at Intercontinental Hotels Group put it: “We still seem to put a lot of focus on the individual leader, and one to one leadership. Yet where there seems to be most opportunity to multiply the impact of leadership development is at the team or collective level, either within intact teams or across networks of leaders.”

As we have noted throughout this research, the job of leaders is becoming increasingly complex, both as a result of dealing with the pandemic, but also due to the general business context. The work that leadership teams have to deliver has become more complex and all-encompassing, but at the same time it’s become harder to maintain connections between team members while working remotely. Now, many companies are reporting a desire to re-establish and rebuild connections among leadership teams and to ignite a sense of community and connectedness. One of the trends we noticed as we surveyed the state of leadership development post-pandemic is an increase in demand for intact team development. This is where an existing leadership team undertakes development together, as opposed to development programmes involving cohorts of leaders across multiple teams. For example, LHH has run “Intentional Development” programmes which use a group coaching methodology to work in small groups with clients’ teams and address issues around their own paradoxes, ways to develop empathy for themselves and others, and develop self and group awareness by helping them see the ripples they are creating with their actions. This type of intervention also creates a social learning environment where people build bonds and make collective commitments.

We discuss above that many companies found virtual and blended leadership development to be much more effective than they had expected. Similarly, many leadership teams were able to work on their own development in unexpected ways during the pandemic. We see demand for these types of interventions continuing.

Our research highlighted the following:

- Changes to executive team practices over the pandemic made it easier to schedule intact team work flexibly around the existing rhythm of the business. Anglo American’s Roger Minton said: “You can bring together intact teams for short sessions in ways you couldn’t if you had to transport them around the world to get together, for example tacking them on to the end of a leadership team meeting.” Inger Buus, Group Leadership Talent Officer at Cap Gemini, described how she implemented a senior team effectiveness programme during the pandemic, which was designed to help leaders get to know themselves and each other at a deeper level in support of their current business challenges. “Previously we would have asked for two days off-site – without business interruptions. We didn’t have that luxury in the pandemic. We had to work with what was possible. We ended up with a highly focused series of 90-minute sessions spread over the course of the year, designed around the flow of executive team meetings.” Tesco has found it valuable to bring senior leaders together virtually for sessions of up to three hours to explore different leadership topics with some external stimulus. “Doing these virtually has helped us be more inclusive and bring the different markets closer together,” said Louise Cavanagh.

- In terms of interactions among leaders, virtual worked better than expected, even for highly relational interventions such as exploring team dynamics. Inger Buus observed: “It was totally possible to work with senior intact teams virtually. They were surprisingly open to being vulnerable with each other, engaging with role plays etc. They even came to see it as necessary for recovery and reflection in the midst of the crisis.”

- Leadership teams have an appetite to work both on the business strategy and their leadership at the same time – working collectively on the business agenda and on determining the leadership priorities flowing from that. Particularly for senior leaders, we are seeing an increase in demand for integrated team journeys, where leadership professionals work with a leader and their team together to explore collective mindsets and beliefs, work on team dynamics and understand their impact and shadow they cast within the organisation. “It’s an opportunity to work and learn together with your colleagues, which means you open up the door to transparency and collaboration,” said Inger Buus.

- These types of team interventions can also be used as a mechanism for driving culture change. Shell’s Richard Bish said: “The other shift for us is seeing our leadership development ambitions as an integral part of the cultural journey we’re making as an organisation rather than being seen as a separate thing. Leadership development should therefore make a positive impact on the culture shift you’re looking to achieve.” Mary Pender at abrdn commented: “As we move towards leadership development being more about engaging leaders in our culture change, we are moving away from outsourcing development programmes towards more co-creation and facilitation by our leaders, who can put development in the context of where we are going as an organisation.”

We see this trend towards more integrated development of intact leadership teams as a positive development and an opportunity to better integrate leadership development into the development and execution of the business strategy.
A number of companies have taken the idea of action learning but approached it from a different direction:

- At Schneider Electric, instead of assigning learners to a project put together for the purposes of the programme, each individual learner brings a business challenge they are working on which forms the basis for their learning throughout the programme. See the Case Study on page 30.
- New partners at KPMG use an action learning approach to support them in developing their business plan and business model when they are first promoted to the partnership.
- Bupa’s Eco Disruptive programme teams participants in its development programmes with startups who are competing for venture funding from the company. See the Case Study on next page.
- abrdn is piloting its internal talent marketplace to better align the talent and learning agendas and deliver development at the point of need. The company is taking a novel approach to business-critical projects by turning them into gigs that can be used to create development opportunities for future leaders. The Talent team works with the business to identify upcoming projects that could become development opportunities for future leaders. Mary Pender, Head of Talent, said: “We’re approaching development the other way round to what we might have done historically. We used to start with the person we wanted to develop and then create business projects to support them. Now we’re making use of technology so that we can start with live and real business requirements and integrate the development alongside you as you deliver the project.” The Talent team works with the business to identify upcoming projects that could become development opportunities for future leaders. These projects are advertised on the company’s internal talent market. People can volunteer for the projects, or individuals earmarked as high potentials may be offered the opportunity to grow their skills and experience. Participants receive relevant learning and support when needs arise as the project progresses.
The purpose of Bupa’s Eco Disruptive programme is to use investment in start-ups in the sustainability space as a springboard to both support future leaders’ development and reinforce the company’s new sustainability strategy. The programme teams up high potentials with start-ups in the sustainability space who compete to secure funding from Bupa’s venture fund. This is a global programme running across four locations in Australia, Spain, Chile and the UK. Each of the four locations votes to select a regional winner, and one of the four finalists is selected to receive incubator funding from the company.

In the first phase, programme participants search for start-ups whose proposition aligns with Bupa’s sustainability strategy and who are looking to secure funding. “The brief was to look at start-ups who are not yet advanced in their development and see if Bupa could partner with them to create something scaleable,” said Naomi Attwood, Director of Talent, Leadership, Engagement and Inclusion.

Programme participants are emerging talent and future leaders who can apply to take part or be nominated by their business. In the most recent programme 124 participants across the four locations contacted 900 start-ups in total. Each of the four locations whittled their selection down to one. At the final stage a global winner was selected. Ultimately Bupa chose to invest in three of the finalists, and continues to work with seven of the businesses.

The programme runs for six months. During this period, participants work in teams to select the start-ups and get their business to a stage where they are ready to pitch for funding. The programme gives participants business responsibility with real impact. As well as supporting their start-ups, participants have to engage the whole Bupa organisation to gain the support of colleagues in voting for the projects.

The learning objectives for participants are to give them experience of achieving a business outcome in a highly ambiguous situation while developing skills around agile working, collaboration, working across boundaries and effective communication. The teams are provided with a learning playbook and have regular support from the L&D team to check their learning is on track. “More and more leadership development is happening by throwing people at business problems to solve in less structured ways, which requires people to connect and work on challenges together,” said Attwood.

The impact of learning is measured through a 360 assessment completed by participants at the beginning and end of the programme, which particularly focuses on their capacity to lead through agile ways of working. The Talent team continue to track their career progression through the organisation. “Now when we are looking to fill a new role, we can go to the list of people who have taken part in Eco Disruptive, as we now have a pool of people who have learned to cope with the ambiguity, flexibility and hard work associated with developing a start-up,” said Attwood. “It’s as if we’ve created a talent pool by stealth.”

Each cohort has the opportunity to mentor the next cohort to share their experience and learning. They can also continue to work with their start-up if that’s suitable for their career development.

"Now when we are looking to fill a new role, we can go to the list of people who have taken part in Eco Disruptive, as we now have a pool of people who have learned to cope with the ambiguity, flexibility and hard work associated with developing a start-up.”

NAOMI ATTWOOD, DIRECTOR OF TALENT, LEADERSHIP, ENGAGEMENT AND INCLUSION, BUPA
Schneider Electric is a good example of how leadership development can be designed to connect the business strategy with the learning agenda and to integrate individual leader development into the flow of work. The company launched a new strategy focused on becoming a global company and leading the industry shift towards digital solutions and services. Schneider’s senior executives realised the strategic shift required a change in leadership mindset, focus and behaviour at all levels.

This led to a new strategy for leadership development, championed by Peter Hope who was then Vice President of the Schneider Leadership Academy. The result was a multi-level system of leadership development programmes, tailored to the challenges of each managerial level, and customised to Schneider’s new strategy. The underpinning idea was to build a series of development experiences that were both formative for people at the level they were in the organisation but also allowed room to grow as they took on a bigger and more complex level of responsibility. The design combined a digital learning curriculum, immersive learning experiences and action learning. The balance of online and in-person depended on the level of the programme — more senior cohorts spent more time together in-person.

The programmes were designed to reflect the reality of how leaders learn:

- At every level participants brought a ‘strategic experiment’ into the programme to put their learning to work. “The way we could make one programme work for everybody was to flip the traditional learning model upside down, put everyone’s individual learning challenge at the centre and design the learning process around the business challenge,” said Hope. Participants worked on their own learning challenge with a coach over the duration of the programme. They had to show progress against their goal and the coach would give them feedback on the quality of their work. At the end, participants completed an impact review, which they shared with their line manager, HR partner and the executive vice president of their business. “This created accountability and a culture of celebration,” said Hope. “Because the project was directly linked to their work as opposed to an action learning problem given to them by someone else, participants had a lot to gain from their project succeeding. Their managers were also happy because it helped solve their business problems — line managers were invested in the success of the programme.” The strategic experiments replaced group action learning projects which the company had previously included in leadership programmes. “Although people enjoyed doing them, they tended to be ‘edge of the desk’ work and most failed to get traction in the organisation once they had been completed,” said Hope.

- A core digital learning curriculum was developed to underpin the programme. Content needs were specified following a thorough learning needs analysis. The learning design focused leaders on framing and making progress on their business problems without burdening them with a huge cognitive load from an over-stuffed curriculum. For example, one chapter, which taught leaders to empower their teams, covered elements such as goal setting and defining performance standards.

- The content elements were delivered digitally with a gamification element which awarded points and badges when participants completed various elements. There was also a competitive element as participants could see how they were progressing relative to their peers.

- Hope’s team played a key role in keeping learners on track with their development. His team developed an algorithm to highlight who wasn’t making sufficient progress with their learning. They would then follow up with the participant using the learner’s preferred method of communication — an email, a phone call, etc. — to encourage them to stay on track.

- Participants were invited to join the programmes based on their learning needs. Hope’s team used data analytics to understand when people were making a move from individual contributor to first line leader, from first line leader to second level leader and so on. Interventions were targeted at that point of need, based on predictions of who would benefit. This allowed the L&D budget to be allocated much more precisely. It also meant people got the experience when it mattered to them and when it was likely to have greatest impact on their effectiveness. “In the old-fashioned way, you go out and search high and wide for nominations, or there’s jostling for who gets in. We didn’t have any of that,” said Hope.

- The programme facilitators helped participants think about how they could work with their boss to most effectively embed what they were learning in their day-to-day work. “We coached people to anticipate that, while they had an intention around changing their behaviour, the way they talked to colleagues about their experience might come across as clumsy, and to plan for how they might deal with that,” said Hope. “We also coached their managers and EVPs to expect this. Our aim was to help both sides of the relationship to have better conversations about how to apply the learning.”
As we reflect on the experiences of the last two years, it’s an opportune moment to take stock of how leadership and leadership development are evolving. Leadership has to adapt to the context within which it is exercised, and as we have outlined in this research, that context has shifted considerably over the last two years. We can also expect the business environment to continue to be characterised by uncertainty and disruption for the foreseeable future.

Are we witnessing a paradigm shift in the expectations of leaders? Our conclusion would have to be ‘yes and no’. The fundamentals of good leadership such as setting an effective strategy, the ability to unite people around a common purpose and communicate, motivate and engage, for example, remain constant. However, the shift towards hybrid working, increasing pace of change, global macroeconomic and sociopolitical developments and technology-driven disruption suggest leaders have to develop some new mindsets, behaviours and skills. In particular, leaders need to:

- Develop their openness to the world outside their organisation and their capacity to implement new strategies at speed.
- Create organisation capacity to adapt and respond when the way forward is not clear.
- Learn how to lead hybrid teams purposefully and authentically.
- Lead by enabling others based on mutual trust, influence and coaching.
- Prioritise inclusivity and the physical and psychological wellbeing of their teams.
The new leadership capabilities we identify in this research are not necessarily a radical shift from one thing to another. They are largely accelerating and amplifying trends that were already underway.

Leadership development also has to keep up with the changing business context and evolving demands of leaders. During the pandemic, lockdowns, travel bans and budget constraints pushed some organisations to severely curtail or suspend leadership development. Others experimented and innovated, finding ways of delivering virtual and blended leadership development, adopting new technologies, and turning strategic business challenges into vehicles for learning. Leadership teams who were missing in-person connection took time to work together virtually on team dynamics and leadership challenges. A key challenge for leadership development functions, as they consider strategies for leadership development post-pandemic, is to build on the successes and lessons learned.

While the business environment is changing rapidly, it's important to recognise that humans don’t change so fast. Although technology is playing an ever greater role in learning delivery, that will only take us so far. The principles of adult learning that should underpin any well-designed leadership development strategy have not changed. Development needs to both equip leaders with key leadership skills and take them on an internal journey of understanding their purpose and impact as a leader. Learning needs to be integrated as much as possible in the flow of work. And the learning environment needs to provide opportunities for leaders to address strategic business challenges while deepening their leadership skills.

Consider what opportunities the pandemic has presented to think differently about the expectations of leaders and the practice of leadership development in your organisation. How will you capture what you learned through the pandemic and use it to update your strategy for leadership development? Is it time to review your leadership frameworks and models? How might the trends outlined in this report help you challenge your thinking?

How is the context of your business changing and what does that mean for leadership? Does your organisation’s process for developing business strategy include discussions about the implications for leadership? Are your models and criteria for leadership updated along with the business strategy? Consider how you might initiate these conversations in your organisation, perhaps using our framework to stimulate discussions.

Are you clear about what mindsets you expect leaders to have, the skills they need to develop and the behaviours they need to demonstrate? How big is the gap between where you are today and where you need to be?

Consider reviewing the allocation of your budget for leadership development to make sure it reflects the leadership needs and priorities for your business. Where are the biggest leadership gaps? Does the amount of spend being allocated to those issues reflect their level of priority for your business? How much budget is spent on top team development vs. first and front line leaders? Does this reflect your desire or intention in terms of developing a strong pipeline of future leaders?

Make sure you get the balance right between developing individual leaders one at a time and supporting the development of leadership teams. Are you doing enough to help intact leadership teams develop together? Does your leadership development function have the skills necessary to work on top team effectiveness, team dynamics and group coaching?
It may be necessary to rethink your criteria for selecting future leaders. The earlier you can catch someone on their leadership journey and get them to develop and practise the right behaviours, the more chance you will have of them developing the core leadership skills and mindsets you value. For example, it might be important for your business that leaders move away from a command and control style of leadership towards a coaching-based approach. How are you seeking to identify potential leaders in their early career who have a coaching orientation? How are you encouraging and promoting early-stage leaders who have the right mindsets and values? Are you casting the net wide enough – are the talent pools from which you recruit future leaders sufficiently diverse?

One of the positive benefits of the pandemic has been an openness to trying out new working practices. In what ways can you harness that experimental mindset in the design of leadership interventions? Consider how you might harness the trends outlined in this research to update your methods for delivering leadership development. Have you got the balance right between virtual and in-person delivery? Are you clear about the outcomes you are looking to achieve from each intervention and which modes of learning are best suited to each outcome?

Make sure there’s joined up thinking between learning, talent and resourcing. Consider how to use your internal talent marketplace to provide opportunities for high potential future leaders to work on business challenges that will both support their learning and address strategic business challenges. Are you prioritising action-doing rather than action-learning?

Are the skills of your leadership development professionals up to date and suited to the leadership challenges for your business? How well do they understand your business strategy and what that means for leadership development? Are they up to speed with the latest technologies? Are they skilled in curating and packaging relevant content? Do they have the required facilitation and coaching skills? Do you have the right external partners on board to deliver the development you need?
RESEARCH PARTICIPANT LIST

Jayne Antrobus, Group Head of Talent, Marks & Spencer
Tom Armitage, Head of Talent & Performance, The Telegraph
David Astorino, Senior Partner, RHR International
Naomi Attwood, Director of Talent, Leadership, Engagement and Inclusion, Bupa
Ravi Bhusate, Partner, BTS
Richard Bish, Head of Senior Executive Development, Shell
James Blaker, Vice President, Strategy Execution & Business Transformation, BTS
Inger Buus, Group Leadership Talent Officer, Cap Gemini
Louise Byrne, Vice President Global Talent, Intercontinental Hotels Group
Joel Casse, Global Head Leadership Development, Nokia
Louise Cavanagh, Head of Capability, Tesco
Nicolas Ceasar, Head of the Leadership and Coaching Faculty, NatWest Group
Guy Cohen, Head of Talent and Organisation Development, TT Electronics
Karen Ellis, Author of Upgrade: Building your Capacity for Complexity
Andrew Francks, CHRO Chief of Staff & Global Talent and Leadership Strategy Director, Intercontinental Hotels Group
Rowan Fyfe, Head of Leadership & Talent, RS Group
Lizzie Harris, Executive Development Manager, Associated British Foods
Louise Harrison, Director HR Centre of Expertise, Direct Line Group
Peter Hope, Former Vice President of the Schneider Leadership Academy, Schneider Electric
Adam Howe, Heidrick & Struggles
Burak Koyuncu, SVP, Head of Learning & Development, UK & Ireland, LHH
Briony McKinn, HR and People Development Director, easyJet
Roger Minton, Head of Leadership Development, Anglo American
Talia Nikpalj, Head of Executive Development, Associated British Foods
Adam Pacifico, Partner, Heidrick & Struggles and Host of The Leadership Enigma Podcast
Mary Pender, Head of Talent, abrdn
Louisa Roberts, Leadership & Talent Development Lead, KPMG
Sam Screpis, Head of Learning, Talent Development & Engagement, easyJet
Paul Sharp, Learning and Resourcing Director UKIMEA, Arup
Judith Ward, Executive Coach & Practitioner Supervisor
Tim Wilson, Executive Development Manager, Associated British Foods
David Young, Managing Director, DPY Associates

MAKING A PARADIGM SHIFT IN LEADERSHIP DEVELOPMENT

COMMENTARY

IMD
REAL LEARNING, REAL IMPACT