



Leadership of the future

Skills and practices for better performance

Summary report

Background

CEC European Managers, one of the six officially recognised European social partners, has since its establishment put leadership topics on the political agenda. Leadership is relevant both to the managers CEC represents and to the way we conceive political leadership in the European Union. Without any doubt: the strengths of European leadership lie in its democratic foundation, the diversity of actors involved and its capacity to innovate. Leadership at the workplace is strongly influenced by the democracy we live in, but also contributes to democratic practices through social dialogue.

CEC European Managers' research programme on the topic of the "leadership of the future" aims at further investigating which kind of attributes are and will be needed for inclusive and sustainable growth: individually, in organisations and at political level.

As an advocate of the stakeholder model, CEC is particularly keen to analyse how different performance components, including environmental and social performance, are affected by leadership practices in organisations. With the present research, CEC would like to contribute to the improvement of managerial practices in the private and public sector by raising awareness and sharing best practices.

The present Summary Report provides a brief overview on the research design and the survey. The survey* was conducted among more than 1400 managers from the European Managers Panel, as well as other affiliated and non-affiliated managers of CEC European Managers throughout Europe from 15.05.17 to 15.06.2017.

Key words

Leadership, leadership development, leaders, managers, management, human resources, organisational development, innovation, performance, skills, competences

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*About this paper - Disclaimer

The CEC Summary Report on "Leadership of the future" is the short version of the report on leadership. It reflects views of CEC European Managers and includes a non-representative survey of affiliated and non-affiliated managers. The survey comprises a self-assessment of skills, organisational practices and performance. In the document, the term of "organisational performance" is employed for "organisational governance performance" to simplify the reading. For more information about the research, please contact the CEC secretariat.

Summary

In an increasingly complex and fast-paced world where changes become the norm and where orientation becomes a scarce resource, we need competent leaders able to structure and to create a shared meaning of the current developments. Despite an estimated \$130 - \$356 billion spent globally per year on leadership development alone¹, a lot of **leadership development programmes seem to fail** and not contribute to the desired changes². According to a Harvard Business School survey, only 19% of business-line managers believe the programmes they are taking are relevant to the issues they face³.

Furthermore, there seems to be a growing demand for redesigning organisations around employees' competences, company's resources and innovation potential⁴. **Investing in skills and competences** has also become a question of value in the sense that they have to account to more sustainable and inclusive outputs and processes. This is the reason why the Europe 2020 strategy and the European Semester have put a strong emphasis on investing in skills that can build more inclusive labour markets, increase social cohesion and well-being as well as **promote smart and sustainable economic growth**.

Leadership in today's world faces both structural challenges, such as demographic change or digitalisation, as well as a conceptual challenge related to what leadership is about.

To account to the growing network dynamics and the role of knowledge in leading, the research design has used a working definition of leadership as an organisational **learning and exchange process** in which leaders have a particular role as nodes or **connectors**.

In the research paper, it is assumed that a combination of leadership skills and organisational practices lead to higher organisational performance. Organisational practices relate to the way people work and learn together – in other words, it relates more to the how of doing than to the what. It is assumed that certain **practices of reflection, assessment, implementation and collaboration** are far more indicative of performance than the existence of activities (coachings, trainings etc.) as such. On the performance side, the paper takes a multi-dimensional stance on the question by integrating economic, social and environmental performance approaches, among others.

The leadership survey was conducted between 15.5. - 15.06.17 by CEC European Managers among more than 1400 registered panelists of the European Managers Panel and other affiliated and non-affiliated managers from 16 European countries. The survey results demonstrate the importance of investing in skills and of supporting organisations in their leadership challenges.

1 Forbes 2014 and HBR 2016: <https://www.forbes.com/sites/joshbersin/2014/02/04/the-recovery-arrives-corporate-training-spend-skyrockets/#10e84e2ac5a7> ; <https://hbr.org/2016/10/why-leadership-training-fails-and-what-to-do-about-it>

2 HBR 2016: <https://hbr.org/2016/10/why-leadership-training-fails-and-what-to-do-about-it>

3 HBSP 2016: https://www.harvardbusiness.org/sites/default/files/19770_CL_StateOfLeadership_Report_July2016.pdf

4 Mercer 2017: https://www.mercer.com/our-thinking/global-talent-hr-trends.html?utm_source=linkedin&utm_medium=social&utm_campaign=global_talent_trends_2017&utm_content=NONE&sf68526206=1

At individual level, it has been shown that investing in **skills can increase personal performance**. Managers are crucial when it comes to conceiving skills developments in companies and beyond. In fact, they are often the decision makers for development programmes and reflect an organisation's learning ethos. The results of the survey have also underlined the importance of **social skills** for performance, along the lines of major findings on social intelligence (see Daniel Goleman 2006). A supportive and empowering working environment is closely linked to **the "human factor" of leading**.

Trust, constructive inter-personal relationships and job-specific knowledge are a precondition for better performance. Therefore, leadership development programmes should account to a broad range of skills for managers and professionals - in a differentiated and customised manner.

On the organisational side, the survey follows the indications of prior research on factors increasing organisational performance. It is more important to focus on the quality of practices in terms of **purpose, collaboration, assessment and adaptation** than concrete activities as such.

In other words, the fact of companies introducing 360 degree feedbacks says nothing about the quality and potentially beneficial consequences. Our findings show that regardless of the size of an organisation, good quality practices can strongly influence the performance of an organisation. Taking a **strategic long-term approach** to leadership and organisational development can thus become a means to increase performance in multiple dimensions.

Accounting to an increasingly interconnected world, in economic and social terms, means to rethink the way we conceive individual and organisational development. Knowledge networks, the platform economy or smart cities all demonstrate that the times of linear, partial and individualistic understandings of development have become obsolete. If we are to succeed in assuring inclusive and sustainable economic growth, then we need to focus on the **dynamics of networks**. Managers, as connectors or nodes, have a particular role to play in this respect. Seeing, understanding and making use of these networks requires competent, responsible and ethical leaders. Neglecting the importance of human leaders would also mean to neglect the **thriving forces of work**: ideas, motivation and inter-personal relations. If automation processes and artificial intelligence are to serve multiple dimensions of performance, then leadership means to find democratic and intelligent procedures to account to the needs of various stakeholders. Technical solutions alone are all but blind, as recent failed experiences with big data have demonstrated ¹.

The challenge ahead is a challenge of connection: to ourselves, to others around us and to ideas.

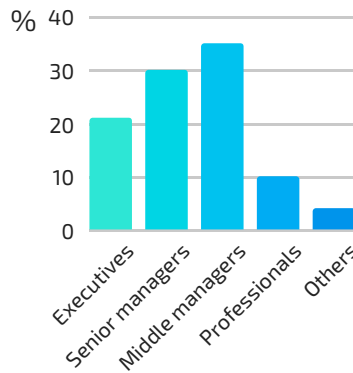


¹ <http://www.cio.com/article/3003538/big-data/study-reveals-that-most-companies-are-failing-at-big-data.html>

LEADERSHIP SURVEY IN SHORT

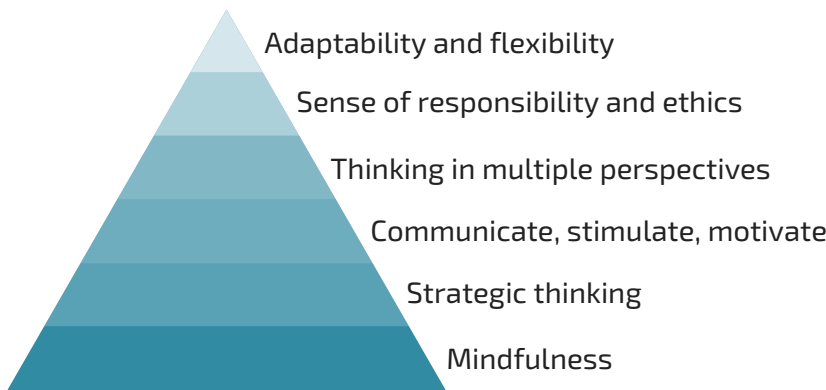
Among affiliated and non-affiliated managers of CEC European Managers

The participants



Leadership skills

Most important future leadership skills



Individual performance



Investing in skills increases individual performance



Social skills are most important to performance
(cf. Daniel Goleman on social intelligence)

Leadership in practice

Connected leadership

- engaging in sharing and learning
- building a feeling of being part of a network
- having a shared interest or common understanding of organisational issues
- trust and loyalty
- managing the interest of various stakeholders
- the constant evaluation, possible customization and strategic long-term orientation of work and development programmes
- accompanying and reflective development processes
- a common understanding of organisational norms and decision-making processes
- a good work climate and team work



Better organisational performance

- economic well-being
- strategic positioning
- the well-being of employees
- innovation
- environmental and social impact
- public image

Recommendations

Individual

- **Change starts with yourself:** practice the cycle of assessment, reflection, planning, and action yourself to show and live the example to follow.
- **And continues with what you have:** consider your human resources (skills, motivation, ideas, initiatives, networks...) and non-human resources (space, time, money...) before starting an initiative. Too often, plans start with wrong assumptions or biased documentation (e.g. to fit certain targets).
- **When you do it, do it right:** focus on few(er) good quality activities - quality in terms of purpose, collaboration, plan and evaluation.

Organisational

Facilitate leadership development and learning throughout the organisation by combining individual skills development with the development of organisational practices, which are shown to increase performance significantly. Leadership development comprises following factors:

- **Knowledge:** acquiring the knowledge necessary for developing a new competency
- **Relationships:** incorporating relationships with others for obtaining the feedback, coaching, and often, the vehicle for practice
- **Vision:** identifying a plan of action for applying and practicing new skills
- **Action:** taking action on the plan through practicing and experiencing the new behavior
- **Personal Mastery:** reflecting on the experience to understand the lessons of experience and revising the learning plan for the next cycle.

Public policies

Creating policy frameworks for continuous learning, experimenting and for more exchanges in Europe and beyond is key to tackle the challenges of the 21st century.

- **Promoting a holistic set of skills:** emotional, social, action-oriented and cognitive to account to an increasingly complex world, where transversal skills are a must
- **Facilitate learning throughout life:** support personal development by providing customised learning opportunities. Create education systems, where personal potential is at the centre. Exchange programmes, multi-lingualism and other tools to foster thinking in different perspectives can help build personality and knowledge by new experiences.
- **Support organisational development in the information society:** provide accessible and relevant knowledge databases with best practices accessible to companies, provide "learning to learn" trainings for employees and managers to help them set up their own organisational learning schemes
- **Encourage new policy model experimenting:** evidence-based policies should more often be tested in experiments to encourage innovation, effectiveness and efficiency in public policy making.