

# Developing Leaders for the 21<sup>st</sup> Century

AN EXECUTIVE BRIEFING

**Launch strategy**

We need to do more to help employees appreciate the impact of digitization on their business.

**Hiring strategy**

We need to actively seek out employees who demonstrate a positive, can-do attitude.

Employees need different learning at different stages of their careers.

Actively look for opportunities to increase your exposure to other countries and cultures.

Organizations need to implement interpersonal development programs.



ASHRIDGE  
EXECUTIVE EDUCATION  
HULT



# INTRODUCTION

## **What does it take to be a successful leader in today's Volatile, Uncertain, Complex and Ambiguous (VUCA) world?**

It's a question organizations across the globe are grappling with, as they enter uncharted digital territory, where the rules are constantly changing and markets are disrupted overnight.

The challenges facing today's managers are immense:

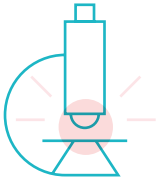
- They are unable to predict with any certainty what is likely to happen tomorrow, let alone in five years' time.
- They have to operate in a world that is full of paradoxes, problems and ambiguity.
- They are increasingly working across global boundaries, with all the cultural and communication challenges that brings.
- They are expected to take account of the bigger picture, while at the same time focusing on the detail and delivering 'business as usual'.

The pressure on organizations to develop leaders capable of dealing with these complex challenges has never been more pressing. They need agile, resilient and adaptable leaders, who can thrive under pressure and adversity – but they need them **now**. There is simply no time for the traditional, lengthy, management development approaches of the past.

A shift in the age profile of emerging leaders is exacerbating the issue. Managers are stepping into senior roles younger and less experienced than has been the case before. Research shows that current CEOs, for example, are typically two years younger than previously.

A radical shift in the way we think about leadership – and what it takes to develop it – is clearly long overdue.

As two organizations committed to developing the global leaders of tomorrow, EF Education First and Ashridge Executive Education have joined forces to produce this white paper, exploring the current leadership landscape and how best to address the implications for businesses and individuals. This paper summarizes some of the latest Ashridge research on development needs and approaches, and makes practical recommendations for international organizations, who as we enter the Fourth Industrial Revolution, are facing challenges on an unprecedented scale.



## OUR RESEARCH

Ten years ago, Ashridge Executive Education conducted a major piece of research, looking at what leaders wished they had known much earlier in their careers. It was an influential project, which informed the business school's thinking about how it could help leaders be the best they could be, and underpinned development of its flagship program '*The Leadership Experience: Leading on the Edge*'

A decade on and so much has changed. Who could have imagined that Artificial Intelligence (AI) would be on course to wipe out jobs and automate processes in industries ranging from engineering and marketing to caring and accountancy? Nor that we would be so close to widespread use of biometric data, collected through clothes, watches or chips in our bodies, to monitor our emotional responses and changing moods.

Ashridge was curious to find out how things had changed in the years since its original study. It wanted to develop its understanding of what challenges leaders on the front line found themselves facing now, and what skills they felt they needed to meet the demands placed upon them.

Researchers also wanted to know how managers had been developing their skills to date, and what experiences in their past career had been most instrumental in shaping them as leaders.

A group of 528 managers, from every continent, and across a range of ages, gender and organizational level, were surveyed to find out where they felt they were lacking, how they wanted to learn, and what was most likely to derail them during their career journey.

The findings have revealed the hopes and fears of the next generation of leaders. They provide a fascinating snapshot of what it is like to be a leader right now, and what organizations can do to better support the people who will take them into the future.

## Key findings



Organizations are leaving it too late to develop the vital relational skills that will help leaders collaborate, negotiate and innovate.



One-size-fits-all learning doesn't work. Development needs to be tailored to age, gender, level and region.



More needs to be done to help employees appreciate the power and value of 'learning by doing'.



There are significant differences between cultures in attitudes towards technology and the way learning is delivered.



Failure is as important as success in shaping people as leaders.



Learning agility is a key quality that will set future leaders apart from the crowd.



The ability to understand and adapt to new technology is critical to future success.

These are explored further below, via the six key questions that we asked managers, and which shaped our research:

- **Question 1:** What do you know now about leading others and being your best at work, that you wish you had known 10 years ago?
- **Question 2:** What critical incidents during your career have taught you those important leadership lessons?
- **Question 3:** What do you still need to know to get you to the next level in your career?
- **Question 4:** What will enable you to develop these missing skills?
- **Question 5:** “What do you think is most likely to derail your career progression?”
- **Question 6:** What differentiates the people in your organization who are progressing well – and what is holding people back?

## “What do you know now about leading others and being your best at work, that you wish you had known 10 years ago?”

Managers said:

- Better **relational skills** would have helped them communicate change, drive innovation, build networks, collaborate and deal with difficult situations more effectively.
- Stronger **people management skills** would have allowed them to improve performance, productivity and motivation and get the best out of their teams.
- An ability to **quickly adapt** to emerging technologies, such as AI, Big Data and Biotechnology, would have helped them to accelerate growth and better meet client needs.
- A higher level of **Emotional Intelligence (EI)** would have equipped them with the patience and resilience to work successfully in challenging contexts.
- The **self-confidence** to speak up, trust their gut feeling, say no and know when to ask for help would have helped them progress faster in their careers.
- An understanding of how to navigate **internal politics** would have helped them avoid roadblocks and get better results.
- Better **business acumen** would have helped them understand the strategic priorities of their organization more effectively.

“I’ve learned the importance of not taking things personally when working across international boundaries and cultures.”

“Poor relationships meant I had a difficult time getting positive responses from people when I needed their help and co-operation.”

“If I could have understood and mastered this technology 10 years earlier, it would have helped me carry out my work more effectively”

Organizational Skills

**Technical Skills**

Leading others Experience

Critical thinking Confidence

Self-awareness

# Relational skills

Business acumen

Adopting new technologies

**Emotional Intelligence**

Growth mindset Politics

Purpose and focus

**Training and development**

## REGIONAL PERSPECTIVES

**Adapting to technology** topped the list of skills managers wished they had acquired earlier in Asia. This is perhaps unsurprising given the fact that Asia has long been a market leader in technology. Better **relational skills** and more advanced **Emotional Intelligence** dominated the agenda in most other regions.



**North America**  
Emotional intelligence



**UK**  
Relational skills



**Europe**  
Relational skills



**Middle East**  
Relational skills



**Asia**  
New technology

## “What critical incidents during your career have taught you those important leadership lessons?”

Managers said:

- Their **cumulative experience**, gathered over the years, served to shape them into the leaders they are today.
- The times when things didn't go well – because of their own or other's **failures** – often provided the most valuable learning.
- **Personal development** – via a combination of formal courses, self-directed learning and feedback – had been pivotal to their growth as a leader.
- Working with people from **diverse cultures** and walks of life had helped them appreciate other perspectives and approach problems from a different angle.
- Good (and bad) experiences of **being led by others** had helped them understand how to get the best out of people.
- An inability in their earlier careers to always **see the bigger picture** had helped them appreciate the importance of context and strategy.
- **Major life events**, such as illness, redundancy or recession, had helped them appreciate the importance of looking after themselves.

“Getting a new boss empowered everyone to feel more confident .... they invested time with us one to one and took a genuine interest in what we were doing.”

“I made myself ill by getting stressed about work, deadlines and hierarchy.”

“I had a high responsibility mandate at a young age and learned the hard way that even if you have the answer, it is not always good to offer it without respecting your immediate environment.”





## REGIONAL PERSPECTIVES

Managers in Asia said their most important lessons had emerged from their use of **technology**. Learning from **experience** – and through **failure** – were rated more highly by all other regions. Chinese-speaking managers were more likely to have learned through **personal development** than their English-speaking counterparts.



**North America**  
Experience



**UK**  
Experience



**Europe**  
Experience



**Middle East**  
Failed projects /  
bad decisions /  
mistakes



**Asia**  
Technology

## “What do you still need to know to get you to the next level in your career?”

Managers said:

- They needed to up their **technical know-how** significantly to help future proof their careers and drive digital transformation in their organizations.
- They wanted to get out of their specialist niche and develop a deeper understanding of the **strategic direction** and operations of the companies they worked for.
- They recognized they would benefit from understanding how to **motivate others** more effectively.
- They saw **communication** as a key skills gap, particularly in relation to influencing others, negotiating and dealing with difficult people.
- They were aware they lacked understanding of the wider economic, political and industry **context** they were working in.
- They needed to get better at regulating their **emotions**, keeping calm, being more patient and listening more effectively.
- They wanted to improve their **critical thinking** and problem-solving skills.

“I have learned a lot about strategy and planning but sometimes think I have lost touch with what motivates people early in their career.”

“I need a better understanding of how digital innovation will transform my job and how I can reposition myself.”

“I need to know how to manage stakeholders in multiple locations with limited face-to-face contact”



## REGIONAL PERSPECTIVES

**Technical know-how** topped the list of skills managers felt they needed to get to the next level in the Middle East, North America, Europe and Asia. Managers in the UK placed **leadership skills** at the top of their wish list.



**North America**  
Technical knowledge



**UK**  
Leadership skills



**Europe**  
Technical knowledge



**Middle East**  
Technical knowledge



**Asia**  
Technical knowledge

## “What will enable you to develop these missing skills?”

Managers said:

- Expanding their knowledge and **learning on the job** by getting involved in new activities or stretch projects would be key to their development.
- **Learning from others**, through mentoring, networking and working alongside more experienced colleagues – would help them build confidence and experience.
- **Formal development**, ranging from recognized qualifications to online learning, would be valuable in developing job specific knowledge.
- **Self-directed learning**, ranging from research online, reading books and keeping up with thought leadership, was seen as a must.
- Developing a **growth mindset** (the belief that it is possible to develop new skills through perseverance and hard work) would be fundamental to helping them develop.

“I make use of spare time to study. You can’t keep pace with the times if you don’t.”

“I have learned through stretch projects and volunteering for work outside of my normal duties.”

“I am being more honest with myself and taking time to audit what I need in order to regain or stay motivated.”

# Extra-curricular learning

Emotional intelligence

Working environment

Learning through people

Growth mindset

Time

Formal development

Learning by doing

Creative thinking

Self-development

Relational skills

## REGIONAL PERSPECTIVES

Managers from the Middle East and Asia rated **formal development** highest when it came to learning new skills. All other regions felt **'learning by doing'** was most valuable. English-speaking managers valued on-the-job learning, while their Chinese-speaking counterparts placed higher priority on **formal development**.



**North America**  
Learning through people



**UK**  
Learning by doing



**Europe**  
Learning by doing



**Middle East**  
Formal development



**Asia**  
Formal development

## “What do you think is most likely to derail your career progression?”

Managers said:

- Lack of **language skills**, in particular greater proficiency in English, was potentially holding them back.
- Low **self-confidence** – or in some cases over-confidence – could hamper their progress.
- A lack of **personal drive**, including lack of enthusiasm for learning, was a cause for concern.
- **Diversity and discrimination**, in terms of age, physical health, gender and educational background, could have a negative effect on their careers.
- Poor interpersonal relationships and lack of **networking skills** meant they were in danger of being passed over.
- Being **resistant to change** was getting in the way of their ability to move forward.
- Their desire to maintain a sensible **work-life balance** was not always viewed positively by others.

“I notice how vital it is to invest in peer work relationships.”

“I fear something going badly wrong and not being able to deal with it.”

“I cannot compete now against the younger generation that accept a lesser salary for a similar post.”

“My family comes first and this is often not respected.”

**Not adapting to new technology**  
**Lack of personal drive**    Work-life balance  
 Educational background  
**Poor communication skills**    Lack of broader view  
 Lack of resilience  
**Lack of confidence**    Being outspoken  
**Lack of knowledge and expertise**  
 Resistance to change  
 Over confidence  
**Lack of emotional intelligence**  
 Time management skills  
 Internal politics and networks    Diversity and discrimination

## REGIONAL PERSPECTIVES

**Lack of knowledge and expertise** came out as a key derailer in Europe and Asia. Managers in the Middle East felt lack of **Emotional Intelligence** could take them off course, while **lack of confidence** was identified as a key issue in the UK. Once again there was a split between Chinese-speaking managers (who were worried about knowledge and expertise levels) and English-speaking managers (who cited poor Emotional Intelligence).



**North America**  
 Not adapting to new technology



**UK**  
 Lack of confidence



**Europe**  
 Lack of knowledge and expertise



**Asia**  
 Lack of knowledge and expertise



**Middle East**  
 Lack of emotional intelligence

## “What differentiates the people in your organization who are progressing well – and what is holding people back?”

Managers said:

- Colleagues who were well **networked** were better able to fast-track their careers.
- The front-runners in the business had a demonstrable **commitment** to their job.
- A flexible, **adaptable** approach helped to set people apart.
- The ability to **integrate new technology** was helping people future proof their careers.
- Having a strong **personal brand** helped to build respect and credibility
- Arrogance and a lack of **self-awareness** were having a negative impact on people’s careers.
- **Toxic behaviors**, such as gossiping, bullying and taking credit for others successes, were hindering colleagues’ progress.
- Those who were **complacent** and allowed themselves to get too comfortable in their roles were not well-regarded.

“My peers and colleagues have realized that digital transformation is now disrupting all industries and that they need to cultivate or upgrade skills that move at pace with the shift.”

“Being open to change and being flexible is key to getting on. Naysayers to change do themselves no favors.”

“One of my ex colleagues has successfully built his personal brand and it definitely catapults him into roles.”





## REGIONAL PERSPECTIVES

Participants in Asia and the Middle East felt a commitment to **personal development** was key to getting on, compared to other regions, who considered personality and **soft skills** had proved more important for their colleagues. English-speaking managers felt **managing relationships** had helped to propel their peers to success, while Chinese-speaking managers had observed that **learning and development** had played an important part in their colleagues' careers.



North America  
Managing relationships



UK  
Managing relationships



Europe  
Commitment



Middle East  
Development



Asia  
Development

## COMPANY SPOTLIGHT

### Developing managers at DeLaval

DeLaval is a worldwide leader on milking equipment and solutions for dairy farmers, which makes sustainable food production possible, warranting milk quality and animal health. DeLaval employs approximately 4,500 people in more than 100 countries across the globe.

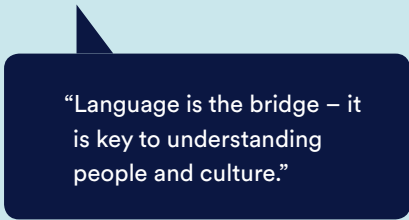
DeLaval is an early adopter of Artificial Intelligence (AI), and is already using sophisticated farm management software to automate the milking process and collect and analyze data on everything from yield to supply and demand.

The business is also using technology to support the development of its people, and has introduced virtual coaching to reach across geographical boundaries and develop leadership skills.

HR Director Grace Liu believes that strong communication skills are critical to managing successfully in a culturally diverse business like DeLaval. “We operate in more than 100 countries and the cultures and the people are very different. It is crucial to be able to listen and communicate well. As I have become more experienced myself, I have realized that it is more important to listen and understand than to immediately try and find a solution or fix things.”

Grace also emphasizes the importance of well-developed language skills. “Language is the bridge – it is key to understanding people and culture,” she says.

DeLaval believes that career mobility is key to breaking down cultural barriers. “We provide plenty of opportunities for our managers to work and lead in different cultures because we find this is the most effective way to build acceptance of diversity,” says Grace.



“Language is the bridge – it is key to understanding people and culture.”

## COMPANY SPOTLIGHT

### Setting managers up for success at Sandvik

Sandvik is a global engineering group providing cutting-edge products and services to the steel, mining and construction industries. It is comprised of 19 divisions, employing 42K people worldwide.

Digital innovation is key to Sandvik's success. It is using Artificial Intelligence (AI) to pioneer new services, such as predictive maintenance, and to develop 'intelligent' tools that are able to predict risks and enhance safety in industries such as mining.

Executive Vice President and Head of Human Resources Johan Kerstell believes that to succeed in today's competitive climate, managers need an increased understanding of how AI can be used to improve productivity, drive innovation and provide added value to customers.

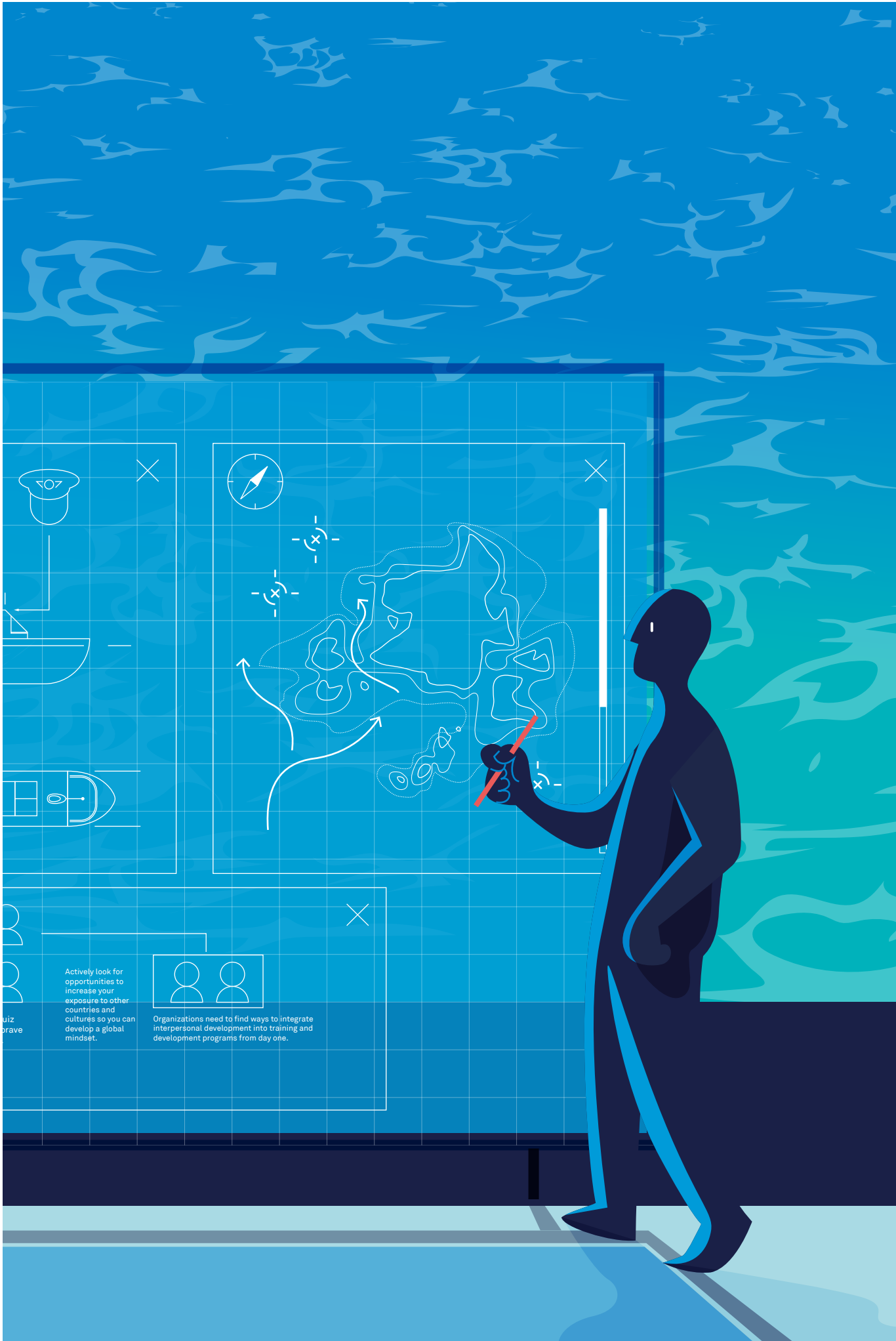
He stresses, however, that soft skills are equally important: "The key is to be able to balance leadership and interpersonal skills with an ability to see how new technology can support business growth," he says.

Sandvik places strong emphasis on learning, encouraging employees to take charge of their own development and offering a range of opportunities for people to build their professional and leadership skills.

The business believes that language skills and cross-cultural awareness are vital for its staff, who are increasingly operating on a global stage.

"We offer language training and development to support managers working in inter-cultural settings," he says, adding that awareness of cultural differences was a skill he wished he had been able to develop earlier in his own career.

**"We offer language training and development to support managers working in inter-cultural settings."**



Actively look for opportunities to increase your exposure to other countries and cultures so you can develop a global mindset.



Organizations need to find ways to integrate interpersonal development into training and development programs from day one.

## MEETING THE CHALLENGE

**The research findings provide a fascinating insight into the challenges and opportunities faced by managers who are in the leadership hot seat right now, as well as those who will be guiding their organizations in the future.**

The overall picture is of a cadre of leaders who are battling against a tide of constant change and unpredictability, and who frequently feel they lack the skills and knowledge to meet the challenges being thrown at them.

How should organizations respond? What do they need to do to ensure their leaders don't sink amidst the turbulence and have the skills and resilience to move with the tides of change?

It is clear there needs to be a radical rethink around leadership development, not just in relation to what people learn, but also to how they learn. Where people learn is also key. Recent Ashridge Executive Education research has underlined the value of experiential learning and shown that soft skills can be developed just as effectively in the virtual environment as face-to-face, provided the conditions are right.

The scale of the challenge means that these pressing development needs cannot be addressed by the organization alone. Yes, corporates need to provide formal learning opportunities and give employees the time and resources to acquire critical skills and capabilities.

The pay-back for investing in training is not just about developing a highly skilled workforce. There will be a return on investment in terms of motivation, engagement and retention too.

But individuals also need to accept responsibility for driving their own learning, and for finding ways to work in partnership with the business to make sure they are equipped for the challenges of their role.

The catalyst for this shift in mindset will be current leaders role-modeling the values, behaviors and characteristics they want to see in their people. If those at the top of the organization exhibit adaptability, flexibility and learning agility, the people they lead are more likely to follow suit.

Below are some recommendations for both organizations and individuals who want to embark on this journey, as well as some key questions for both parties to consider.

## Recommendations for organizations

### **Prioritize relational skills for emerging leaders**

Investment in leadership skills often doesn't happen until later in people's careers, when they are already in management positions. But employees need to develop those critical influencing, negotiation and communication skills much earlier on. Organizations need to find ways to integrate interpersonal development into training and development programs from day one.

### **Recognize and reward digital awareness.**

Leaders at all levels cannot be expected to master the myriad of new technologies impacting their organizations and markets. What is important, however, is that they have enough of an understanding to feel confident to hand over accountability for maximizing those technologies to their digital and technical colleagues. Organizations need to do more to help employees appreciate the impact of digitization on their business, and to acknowledge this emerging skill by making it a core competence that is recognized in performance reviews.

### **Hire for, encourage and reward a growth mindset**

Organizations need to actively seek out employees who demonstrate a positive, can-do attitude and see challenges and opportunities rather than issues and problems. People who are equipped with the agility to learn quickly and pivot on the spot will be able to help your organization respond more quickly to market and client demands. This is particularly important when it comes to the ability to adapt quickly to new technologies.

### **Take a tailored approach to learning**

Employees need different learning at different stages of their careers. Younger managers, for example, need to focus on building the relational skills that will help them work in and build high performing teams. More experienced managers need to focus on business acumen, high-level leadership skills and developing a strategic perspective. The key is for the business to provide a wide-ranging portfolio of formal development, balanced with self-driven development and informal learning.

### **Emphasize 'learning by doing'**

The value of learning on the job, alongside more experienced colleagues, has long been recognized. Younger employees are often hungry for formal training, but organizations need to consider how they can provide more opportunities for 'learning by doing'. Stretch assignments, secondments, coaching and mentoring are good ways to ensure people develop new skills while getting the feedback they need.

### **Be more tolerant of failure**

If people are to be encouraged to experiment and push boundaries, they need to know that there will not be career-damaging consequences if they get it wrong. Organizations need to ask themselves if they are creating cultures that are tolerant of failure and help people employees improve their understanding of what is an acceptable level of risk.

### **Implement a strategic language training program**

Language training, especially in English, will remove barriers to progression for your talent and reduce misunderstandings that could hold back productivity, collaboration and innovation. Organizations need to treat the development of linguistic skills, together with inter-cultural understanding, as a priority, rather than a 'nice to have'.

## **THREE QUESTIONS FOR YOUR BUSINESS**

1.

What are we doing to help people learn from mistakes and support them in building confidence and self esteem?

2.

Is lack of language skills or poor inter-cultural awareness hampering communication or stopping important leadership messages reaching all employees?

3.

How can we ensure people value 'on the job' learning as much as formal development?

## Recommendations for individuals

### **Get tech savvy**

Make sure you understand the impact digitization is having on your industry and your role. You don't need to learn to code or understand the intricacies of biometric technology. But you do need to understand the implications of AI, what new technologies are on the horizon and how this is likely to affect the market your business operates in.

### **Seek opportunities to learn on the job**

Put yourself forward for secondments, project teams and new activities that will take you out of your comfort zone and help you develop new skills. The key is to find the sweet spot where you will have to stretch yourself and learn new skills, but are still able to deliver what is needed.

### **Feel the fear and do it anyway**

Young managers in our survey told us that the best learning often comes from projects that don't go according to plan. Don't be afraid to experiment with new approaches and ideas, but make sure you capture and share the learning from those that fail, as well as from those that succeed.

### **Build a diverse network**

Proactively build connections with a diverse range of people, from both in and outside the business. Volunteer for cross-functional projects, join a mentoring program, arrange social activities or even organize a hackathon. Leveraging knowledge and opinion from as diverse a range of fields and backgrounds as possible will help you develop new perspectives and build knowledge.

### **Get flexible**

Change is uncomfortable, but in today's environment, the ability to cope with ambiguity and uncertainty is key. Focus on developing an adaptable mindset and be seen to welcome change with open arms rather than trying to resist it at all costs.

### **Develop inter-cultural awareness**

Organizations are increasingly working across global boundaries, which means that an appreciation of cultural diversity is key. Actively look for opportunities to increase your exposure to other countries and cultures so you can develop a global mindset.

### **Look after yourself**

The pressure to look after yourself in a fast-moving and uncertain world has almost become a stress in itself. But dedicating time to techniques such as mindfulness and meditation, and ensuring you keep your work-life balance in check, are key to thriving in a busy working world.



## QUESTIONS FOR INDIVIDUALS

1.  
Am I taking every opportunity possible to ask for feedback from managers, colleagues and clients?
2.  
Where are the gaps in my network, and what do I need to do to fill them?
3.  
Do I know enough about how emerging technology is likely to affect my industry tomorrow, next year and five years ahead?
4.  
How can I improve my readiness for the global workplace?

## WHAT'S NEXT?

**Ashridge Executive Education** is using the findings of its research to update its leadership development programs and inform the design of new experiential learning simulations for current and future managers.

**EF Corporate Solutions** uses research findings such as these in the evolution of its training programs used by millions of professionals worldwide. In response to the needs outlined by this report, in 2019 EF will release a course on inter-cultural communication as part of its virtual platform EF English Live, and continue to investigate methodologies to prepare the next generation of leaders for success.



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