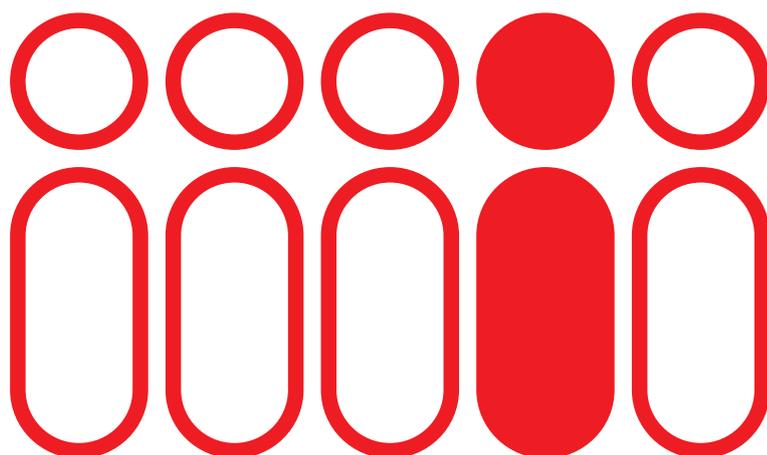


Creating future leaders



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Foreword

The search for talent is one of the great challenges facing organisations and, as globalisation increases competition, strong leadership becomes even more important for businesses in the future.

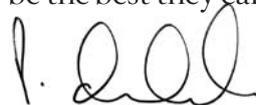
Central to success or failure will be the people who lead these companies; those who are currently in senior roles and those who are being primed for future leadership positions.

With this in mind the Institute of Leadership & Management set out to explore what employers want their company's future leaders to look like. We surveyed 50 HR professionals from commercial organisations, the majority employing over 1,000 people. We asked them what skills they need to possess, the personal characteristics essential for success and how they develop these qualities in the people they view as leaders.

The terms 'whole package' and 'natural leader' were raised repeatedly in our discussions with HR professionals. On the surface, this is perhaps unsurprising, but when deconstructed a clear picture emerged. They want their future leaders to possess the right personal characteristics over and above all other factors. Certain skills, knowledge and experience are essential, but individuals with the ability to inspire and motivate, and those with high levels of self awareness are particularly highly valued.

The catch is most leaders aren't born, they are made. Professional experience, investment in education and development, as well as a level of self confidence established through previous successes and failures, all contribute to the chemistry of what a good leader looks like.

ILM believes the traditional model for what constitutes a good leader is changing and, therefore, how we develop our leaders must change. UK plc needs bright, emotionally intelligent, skilled future leaders to ensure we continue to compete globally. Good leaders are able to transform their business and the people who follow them. ILM both supports and develops those leaders so they and their organisation can be the best they can be.



Penny de Valk, Chief Executive
Institute of Leadership & Management
June 2010

Executive summary

Succession planning is an essential for any business intent on long term survival and is critical to ensure the future leadership of the organisation. That's why ILM set out to find how businesses identify and develop the people who will become their future leaders, and what potential future leaders could do to improve their career prospects.

Whether the aim is to develop potential leaders for the organisation internally, or to recruit the most talented external candidates to nurture and promote, in an increasingly competitive world, the search, retention and development of the leaders of tomorrow is complex and challenging. We conducted in-depth interviews with senior HR professionals in predominantly large corporate organisations and consulting firms. The sample size was large enough to provide a breadth of coverage, while the approach ensured a richness and depth of response which meant that the subtleties of the respondents' different approaches were captured.

Leadership traits

First and foremost, the senior HR professionals we approached emphasised a distinct set of personal characteristics that future leaders need to possess. These were principally in the relationship and inter-personal domain – they sought visionary, motivational and inspirational people who are emotionally intelligent, trustworthy, natural leaders and communicators, and who are also driven and ambitious. While these factors combine to define the most talented people,

for the HR professionals the ability to motivate (36%), emotional intelligence (34%) and being a natural leader (24%) were the most important characteristics when recruiting senior leaders.

What's more, they emphasised that future leaders needed to demonstrate a broad mix of all these characteristics if they were to be able to progress to the top. Strengths in one area do not compensate for weaknesses elsewhere.

Skills and knowledge

Future leaders also need a range of skills and knowledge to support their personal characteristics. These fall into three main strands. The first, cited by over half of respondents (56%), is appropriate technical and professional skills in relevant areas like law, accounting or engineering. The second strand comprises commercial and financial skills (54%), so that future leaders understand how business works and can demonstrate high levels of business acumen. The third strand largely supports the personal characteristics the respondents identified, and includes skills in people management and development (26%), communication (24%), coaching and feedback (20%), and team management skills (20%).

Depth of experience

The right mix of personal characteristics supported by the appropriate skills and knowledge are necessary but not sufficient – those young managers keen to advance their careers to the top of business also need to ensure that they have a broad range of experience.

This experience should encompass different roles and, where appropriate, different industries. What's more, future leaders need to show that they can cope with pressure and failure with nearly a quarter (24%) of respondents stressing the importance of being able to deal with difficulties and challenges. A path of unbroken success suggests that they haven't really been tested.

Education and training

Although it is expected that future leaders will have a good standard of education (a first degree is generally taken as a given, but the right personal qualities trump any gaps in the educational record), most businesses see it as their responsibility to develop leadership and management abilities. Primarily this development is through in-house, modular programmes that are closely tied to the business's own operations,

culture and goals, using their own developers or external training providers who know them and understand their industry.

What's more, they want training that will transfer into improved performance, and will employ coaching and secondments to enable this learning transfer. Knowing about leadership and management isn't enough – future leaders have to be able to put what they know into practice.

Business schools

When asked about the role of business schools and MBAs in developing future leaders, the respondents are equivocal. Half of respondents were neutral about the effectiveness of business schools, while 36% thought they were effective.

While they recognise that business schools had some strengths, their major weakness was that they do not have that deep understanding of the business and its particular characteristics that they looked for in training providers. These perceptions encourage them to see business schools as more relevant to the needs of individuals rather than for businesses seeking to build their future leadership capacity.

When it comes to MBAs, they acknowledge that they demonstrate that the holder has acquired appropriate knowledge but were critical of the disconnect between what is learnt in business schools and the workplace. They might give some support to an individual wishing to take an MBA, but that sits apart from their leadership development strategy, which is focused on creating potential future leaders who can cope with the realities of the workplace.

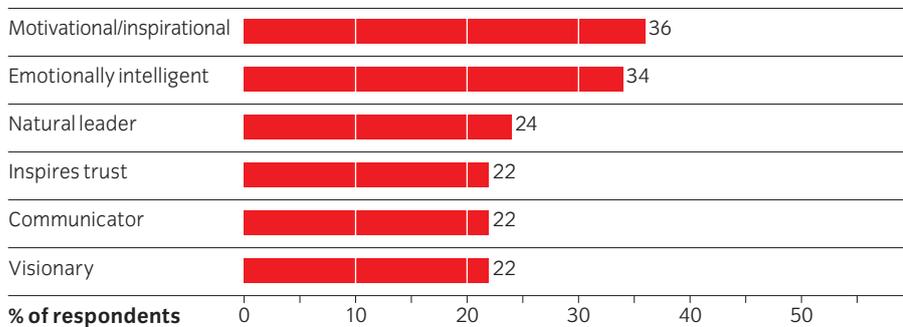
So an MBA is not seen as a necessary requirement for advancement, although it could give an advantage when competing for a post when all the other requirements, especially the personal characteristics and experience, were equal. From their perspective, an MBA demonstrates that the person has the intellectual capacity to lead, but not that they have the actual ability to do so.

In the search for successful leaders, HR professionals are looking for a blend of experience, knowledge and skills, many of which can be learnt and developed both on the job and in a formal training context, but ultimately it is a rich mix of skills and experience which will differentiate future leaders.

Section one: How to identify leaders

Brilliant leadership can be the difference between outstanding organisational performance and disappointing failure. Great leaders steer organisations to success, inspire and motivate followers, and provide a moral compass for employees to set direction. They spearhead change, drive innovation, and communicate a compelling vision for the future.

Figure 1: What characteristics define a leader?



In a world where talented individuals are a scarce resource, it is no surprise that exceptional leaders are in even greater demand. Poor leaders can inflict considerable damage on organisations, demoralising staff and destroying value. It is crucial, therefore, that organisations understand the elements that contribute to great leadership, so that they are able to identify and develop untapped leadership potential, and nurture and hone the ability of existing leaders.

At a time when business leadership is paramount, as we deal with some of the most difficult economic times for generations, we canvassed 50 HR professionals for their views on leadership and what employers look for in future leaders.

The survey respondents were senior HR decision makers: nearly half were HR directors, with the balance predominately HR managers, heads of talent, or heads of learning and development. The majority of respondents came from large organisations, with 44% working in organisations with more than 1,000 employees.

Identifying talent

So what did the HR professionals tell us about future leaders? First, we asked them to identify what they looked for in senior business leaders and managers. In particular, what personal characteristics, skills and knowledge are most important in defining good leaders?

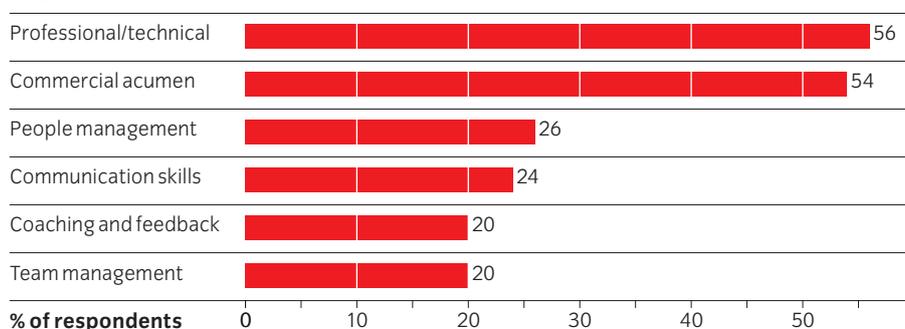
The response was unequivocal. Possessing the right personal characteristics is paramount.

Leadership is about participation and engagement.

HR professionals want leaders who can understand, inspire and motivate people. The ability to motivate and inspire others (36%) was the characteristic most commonly cited as important when recruiting senior leaders. Almost as important was possessing high levels of emotional intelligence and having the ability to deal with people (34%).

The third most important characteristic was natural leadership (24%), closely followed by trustworthiness, being a natural communicator, possessing vision, and being driven and ambitious (all on 22%). By contrast, problem solving (4%), and being entrepreneurial,

Figure 2: What are the preferred skills and knowledge?



intellectual or insightful (6%), were considered relatively unimportant characteristics.

The whole package

The most important personal characteristic, though, said the HR professionals, was not actually a single personal trait, but rather the ‘whole package’. The message is clear: you need a combination of personal characteristics to be a successful senior leader. These leaders are multi-faceted. They are resilient, driven and authentic. They are able to motivate, inspire, and empathise. They appear to lead naturally.

Certain skills and knowledge are also essential and those skills relating to the motivation, inspiration and understanding of others are the most important.

Understandably some of the skills and knowledge required may depend on the role or area of practice.

A majority (56%) of HR professionals cited technical and professional skills, specifically experience in particular areas of practice such as law, accounting or engineering. At the same time, the importance of a deep understanding of broader business issues and commercial acumen was essential (54%).

People management

Beyond these, however, there a number of key characteristics which were of significant importance. Most of these traits were people related skills: people management and development (26%), communication (20%), coaching and feedback (20%),

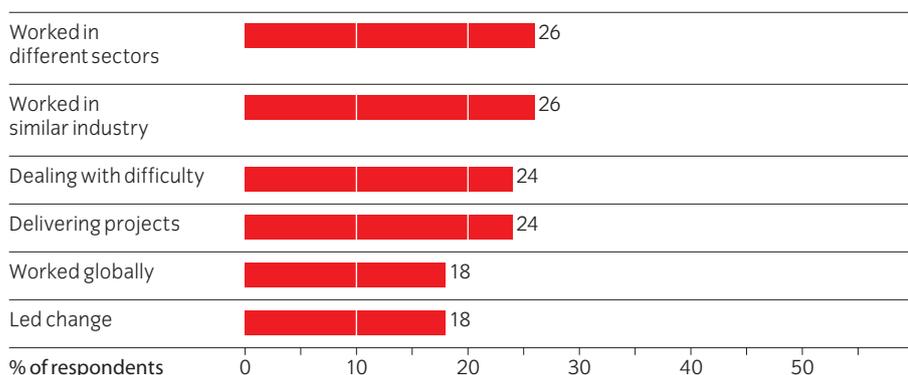
“Our managers have very different backgrounds. Skills need not necessarily be sector specific, depending on role”

“It is very much down to people’s performance, ability and drive, and what they demonstrate within the organisation”

“They should have experience in the field in which we are operating, maturity and an ability to cope”

Section one: How to identify leaders

Figure 3: What experience defines a leader?



and team management skills (20%). The exception was financial acumen (20%).

Valuing experience

While leadership skills and management ability are the core foundation, experience is equally important and completes the mix of elements desirable in a senior leader. The most important defining element of leadership is the depth and breadth of experience. HR professionals want leaders that have worked in a variety of roles, sectors and industries (26%), while there was equal support for those who had worked in a similar industry (26%). The responses did not reflect strong preferences either across industry sector or size of organisation; however, it is clear that experience is absolutely key to the development of strong leaders.

Dealing with adversity

Success is not the only defining factor in identifying a natural leader. One in four (24%) stressed that the ability to deal with difficult and challenging experiences helps to create good leaders. Wisdom acquired through failure is seen as an advantage. 'It is important to have had difficult experiences and to know how to deal with them. A younger person might not have this maturity,' said one respondent.

Experiencing failure and dealing with difficulty (24%) is key to demonstrating experience and is ranked third in the terms of priority, as important as the ability to deliver and implement projects (24%). In an increasingly fast moving and competitive global economy, international experience was also considered an advantage, as was the ability to lead change and deliver and implement projects.

All-round skills

The strong message is the need for complete leadership – effective senior leaders or managers blend characteristics, skills, knowledge and experience in a balanced, all-round approach. Natural leadership ability needs to be coupled with technical skills and commercial awareness.

It is a message reflected in ILM's model of effective leadership and management – Knowing, Doing, Being (see page 15). Leadership is about skills and knowledge, experience and openness, emotional intelligence, credibility, authenticity and trust. Even those individuals who are natural leaders must build on those innate qualities, by gaining experience, and developing skills and knowledge, on their journey to becoming a complete leader.

“Ideally, they will have had a range of experiences early in their career across different functions”

“It is helpful if they have experienced things that have gone wrong to see how they managed. If they have been in a relatively tame role, they won't be able to cope”

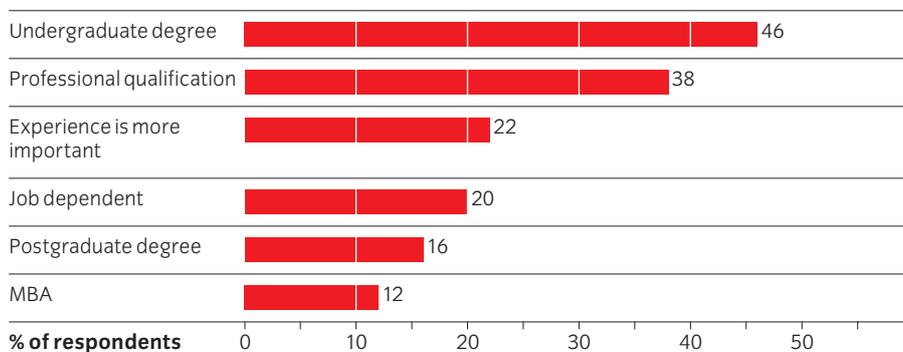
“Our managers need to demonstrate an extreme ability to communicate and to live the values of our firm – co-ownership, equality and generosity”

“Because we are a very tight business, chemical fit is very important”

Section two: How to develop leaders

Are leaders born or made? It is a question that underpins one of the longest running debates in leadership development, whether it is possible to teach someone to become a great leader or not. It is not just a topic for academic theorists, either. In a global market, where talented individuals are increasingly in demand, discovering and acquiring exceptional leaders is time consuming and expensive.

Figure 4: How important is education and training?



Where possible, it is far better to train and develop leaders from an organisation's existing talent pool, where there is already a huge depth of relevant organisational experience.

Developing the great leaders of the future is one of the most pressing and difficult challenges facing organisations in the 21st century. Fortunately, although nearly a quarter of HR professionals said that being a 'natural leader' was important when recruiting senior leaders, there is still hope for would-be leaders who find leadership comes less naturally to them.

Natural leadership

When it came to defining what 'natural leadership' meant, terms like gravitas and presence

were frequently cited, but natural leadership appeared to be a catch-all for a variety of leadership traits.

Many of the most desirable personal characteristics, such as the ability to motivate others, emotional intelligence and being a good communicator, for example, can be learnt. Skills and knowledge can also be acquired, stressing the importance of learning and development to organisations.

Leadership development

While there is a general acceptance that many aspects of leadership can be taught, how can we equip aspiring leaders and managers with an all-round leadership perspective? The research shows that there is certainly a training and development need.

From the responses of the HR managers it is clear that there is still a challenge to improve the skills and abilities at senior management level. Asked whether senior managers possessed the qualities considered most important, the majority (94%) identified clear development needs in their current leadership teams.

There were a variety of reasons why senior management was falling short. Half of the HR professionals identified clear development needs in their current leadership teams. For others the fact that senior managers had been in the organisation and their current role for a long time was a downside.

As a result, their experiences were one dimensional and no longer up to date. This may hinder their ability to adapt to current

Section two: How to develop leaders

business conditions during periods of rapid change. Others felt that the transition from functional to leadership roles gave rise to capability gaps for some leaders.

Experience and education

A comprehensive approach to leadership development is vital. The research results suggest that both experience and academic theory have important roles to play in training and developing leaders. When asked what education and training they looked for in their senior leaders, the HR professionals favoured formal academic qualifications, professional qualifications and experience.

Just under half (46%) of the HR professionals expected their senior leaders to have a first degree. Others stressed the importance of a relevant professional qualification (38%), while one in five cited experience (22%). Most respondents believed that at a senior level, ability could not be measured by educational achievement alone.

Training needs

When asked in more detail about the types of training and development required to develop individuals for senior leadership, a number of issues were emphasised. The training needs of senior managers were often workplace related, reflecting the current state of the organisation.

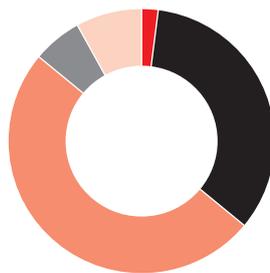
Figure 5: Do your senior managers possess the key leadership skills?



Key

■	To a limited extent 6%
■	To some extent 48%
■	To a great extent 46%

Figure 6: How effective are business schools at developing future leaders?



Key

■	Extremely effective 2%
■	Quite effective 34%
■	Neutral 50%
■	Quite ineffective 6%
■	Don't know 8%

Senior managers in organisations going through periods of change, for example, placed an emphasis on training related to change management. Similarly, in the current economic climate, senior managers need more in-depth entrepreneurial skills and knowledge.

The HR professionals stressed the importance of focusing on people management. Many respondents regarded people management and development skills as critical to good leadership, and these were identified as a prime target for training and development efforts.

Businesses face a variety of complex challenges, many dependent on the nature of the business itself. As one individual commented, 'no two department heads will be the same and will face different challenges.'

Consequently, the HR professionals identified a need in the modern business world for a more bespoke style of training, tailoring the training of potential future business leaders to individual needs.

Several respondents also preferred a more practical approach to training and development. A large proportion of respondents clearly valued the practical relevance of on-the-job training as a way of ensuring development was embedded directly in the business.

Flexible approach to training

Where the development of senior leaders is concerned it is not a case of one size fits all. The HR professionals identified a number of factors which are critical in order to develop senior managers such as flexibility and a modular approach to training. Equally, they favoured a range of training methods, dependent on several key factors including the size of the organisation, time and cost.

Flexibility was seen as very important. Senior managers lead pressured lives, and with the fast pace of working life, time is at a premium. Employers want tailored, flexible learning that allows them to fit in with their day to day needs.

E-learning and online training delivery were viewed as an effective way of overcoming time constraints and targeting training gaps, for example, as the use of online resources allowed executives to undertake the training when convenient. Modular programmes were also seen as valuable as they allowed training to be integrated into the working day, or structured around work.

External training providers

There were also differing attitudes about the merits of internal and external training provision. Internally, for example, coaching was seen as a way to address individual development needs

at senior level. Secondment also offered exposure to other organisations and ways of working without involving external training providers.

Opinions on the value of external providers for developing future business leaders were mostly positive. External providers were seen to bring fresh perspectives, were unbiased and were able to challenge individuals.

Cultural fit

However, the most effective external training is dependent on the trainers' understanding of the culture of the organisation and their ability to tailor their programmes to meet the very specific requirements of the organisation. In particular, external providers met training needs, whether delivered inside or outside the organisation, where there was a lack of internal capacity or expertise. Trusted consultants, long term partners, and former company employees with specific, defined expertise, were also a popular choice with some HR professionals.

Ultimately, though, the success of external providers depends on whether they have sufficient knowledge and understanding of the way their client organisations work, and whether they can tailor training materials and the learning experience to directly relate to the business needs of their clients.

“There is no specific tick list of education. We look for people who have managed their development so that they are improving”

“Specific functional roles need to see the bigger picture and collaborate. Getting leaders to do this is very difficult”

“Every individual has different development needs so we need a more bespoke style of training”

“We're always wanting to upskill from a people perspective so that managers can effectively manage performance”

“We have to have external input for credibility and to get people's attention”

“People need time to do a short burst of training and then put it into play”

Section three: The role of qualifications

HR directors advocate a mix of training and development methods for developing senior leaders, but when it comes to qualifications one of the most frequently discussed is the MBA. Given that MBAs are often held up as a gold standard in business education, we asked the HR professionals how they perceived the value of business schools and the MBA in terms of senior leadership recruitment.

Figure 7: How important is an MBA when recruiting?

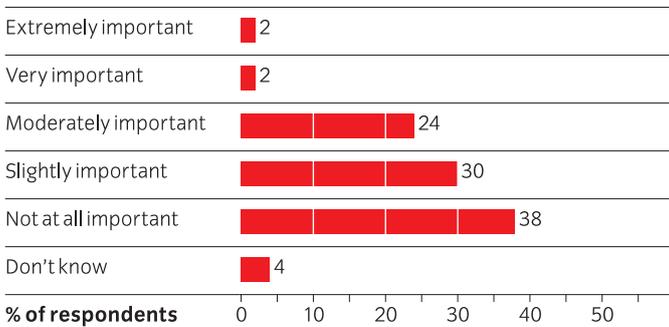
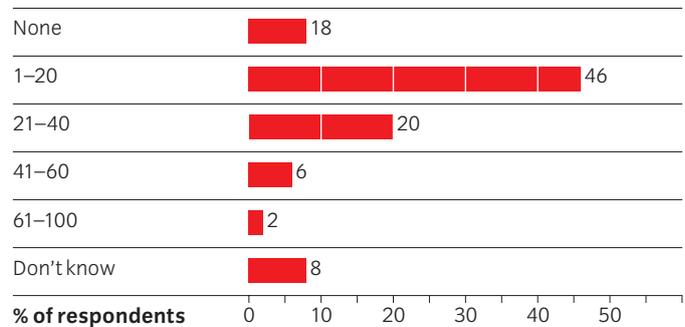


Figure 8: How many of your senior management team have an MBA?



When we asked the HR professionals about business schools they were fairly ambivalent about their effectiveness in developing the required characteristics of future business leaders. Half were neutral; a third (34%) opted for 'quite effective'.

When asked about the importance of MBAs when recruiting for senior management positions, 68% thought the MBA was 'not at all' or 'slightly' important. Across the board experience was cited as more important. However, a third of respondents estimated that between 15% and 40% of their senior management team possessed an MBA.

Strengths and weaknesses

While 28% of HR directors acknowledged that an MBA

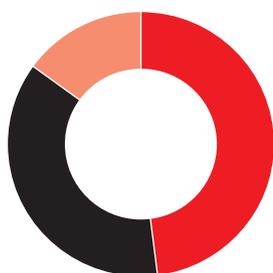
was at least moderately important when recruiting managers into a senior position, they expressed a number of reservations about the merits of the qualification. While they saw the MBA's strengths as providing a theoretical understanding of business and a structured approach to development, not to mention the benefit of diverse networking opportunities, on the downside they cited a lack of practical application and a weakness in developing personal characteristics.

There are a number of popular conceptions about MBAs; one is that they have an arrogant attitude. While thousands of MBAs would dispute this, a number of HR directors suggested that some candidates with MBAs expected to be seen in a favourable light just

because they had the qualification. Some of the respondents also felt that the MBA created unrealistic expectations of ability.

Another area where the MBA is often criticised is that it falls short in terms of its practical application. Many business schools would argue that they have tried to address this weakness, but it is a criticism echoed by some of the HR professionals who said the MBA taught material that did not translate into practice. There was a general preference for management training in the workplace, coupled with good work experience, over an MBA. This finding underlines the HR professionals' emphasis on the 'complete' leader, combining theoretical knowledge and practical skills.

Figure 9: Do you fund MBAs?



Key

- Yes 48%
- No 37%
- In the past, not now 15%

While the MBA is typically a qualification taken after several years' work experience, there is a tendency in some business schools to attract less experienced students. A few individuals surveyed felt that an MBA had less value as a qualification if taken at the wrong stage of a career.

Personal development

HR professionals were also asked how they viewed the MBA in terms of its ability to develop both the required personal characteristics, and the skills and knowledge of senior leaders. There was a marked difference in their replies, with the MBA seen as far weaker in terms of development of personal characteristics.

So nearly a third (30%) of the respondents felt that the

MBA was 'quite ineffective' or worse at developing personal characteristics, but only 14% felt it was 'quite effective' or better. For developing skills and knowledge, however, 16% of the respondents felt that the MBA was 'quite ineffective' or worse, while 28% felt it was 'quite effective' or better. Replies from the HR professionals questioned included comments such as 'MBAs don't teach how to handle people or deal with conflict,' for example.

On the plus side, HR directors identified the provision of broad business knowledge and academic theory, as well as networking opportunities, as MBA positives.

Rankings

The majority of business schools consider their position in MBA rankings as hugely important to enhance their reputation and attract participants. However, the message from HR professionals was mixed. While 80% of respondents considered the reputation of the business school 'fairly' or 'very important', half indicated that it wouldn't make a difference to their choice of appointment if a candidate had an MBA from a business school which was not highly rated.

“Our leadership and development work is more behaviour based; I veered away from business schools because of this”

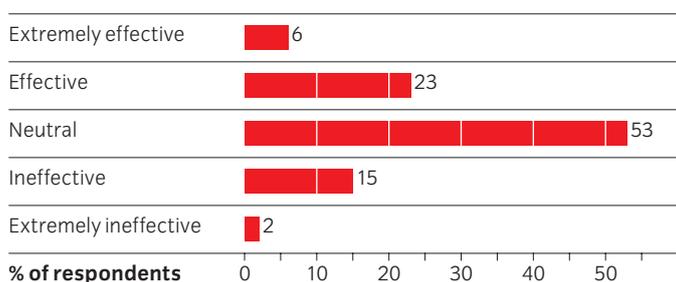
“MBAs deliver a very structured approach that gives a very good academic introduction to strategies”

“I don't think MBAs have moved at pace with the changes in the world of work – they are only just beginning to come to grips with the flexibility of business”

“A lot of it is very strategic and it would be good to start seeing some more stuff coming through about ethics and values”

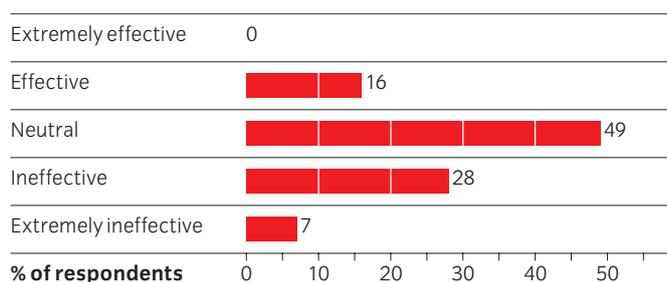
Section three: The role of qualifications

Figure 10a: How effective is the MBA at developing senior leaders' skills?



Figures rounded to whole numbers

Figure 10b: How effective is the MBA at developing senior leaders' personal characteristics?



There were also mixed messages about corporate funding of MBAs. Encouragingly, there appeared to be an appetite to commit resources to leadership training and development.

Almost half of the HR professionals questioned (48%) funded people through an MBA, while 37% had done so in the past. In addition, where organisations did not fund MBAs, the respondents suggested that if individuals were to ask for funding when it had a specific purpose for organisational and individual development, it would be considered.

However, employers feared that employees would leave after completing the MBA. 'It is pure charity – they usually go off somewhere else,' said one respondent.

Balanced approach

Beyond the MBA route, there are a number of other management development options which can work in place of or in partnership with business schools.

From the HR professionals' perspective, there is an enthusiasm for a balanced approach to the training and development needs of leaders which is highlighted by

the awareness of a range of qualifications and educational experiences offered by external providers.

Among the options available, the HR professionals highlighted the accreditation available from professional bodies, as well as business school executive education in the form of short open programmes. These external providers can be used in tandem or alone to provide a blend of training and development aimed at creating rounded and complete leaders.

And while a fifth of the individuals surveyed said that they had experience of using external providers for qualifications, about half of those who had not used external organisations for qualifications – other than business schools – indicated that they would consider using them in the future. They highlighted the perceived benefits such as providing credibility and motivation, serving as a benchmark of achievement, and being more transferable than internal training.

With recognition of the depth and scope of training required, it is clear that a holistic, modular approach to learning is integral to the successful development of future leaders.

“Internal general management training in some blue chip organisations with a good CV and experience is worth more to me”

“Business schools provide a good basis of knowledge depending on where you go but a lot of it is how it interlinks with the individual”

“MBAs don't teach how to handle people or deal with conflict”

“Experience would override an MBA”

“It is about tailoring the learning to where you are in your career”

Conclusion

To succeed in an increasingly competitive world, where the search for talent is a constant challenge, aspiring managers and the leaders of the future need to offer a blend of strong personality, depth of experience and the ability to develop and build a strong set of leadership qualities to outshine the competition.

For organisations providing the development opportunities to help aspiring leaders in their career progression, the message from our research is clear.

The winning formula for career success is a blend of experience, personality and strong professional skills. This combination of attributes identified by the senior HR managers may present a challenge, but it is one that those with the potential to reach the top will be able to meet.

Experiences can be gained by actively managing a career and the skills and knowledge required can be learnt, but the personal characteristics are partly hard-wired – such as personality – and partly developed from early childhood through socialisation.

The understanding of others, the ability to motivate and inspire, and high levels of emotional intelligence, the qualities that many of our respondents described as ‘natural leadership’, are not so easy to acquire.

Identifying talent

Having identified potential future leaders, the senior HR professionals see it as their responsibility to invest in their development.

The approach they advocate is designed to ensure that the development matches the needs of both the future leaders and the business.

There is a clear appetite for a modular approach to development needs. Rather than putting future leaders through a long, structured programme, they use short, focused events which are designed to address specific needs. These are either delivered wholly in-house – in leadership academies, for example – or by using external providers who have an in-depth understanding of their specific business or sector.

Management philosophy

Our respondents’ comments closely reflect the Institute of Leadership & Management’s position and approach to developing leaders, both in the style and nature of the future leaders that they are looking for and in the delivery of their development.

ILM uses the triad of knowing, doing, being to describe the essential characteristics of leadership and management.

Knowing refers to the skills and knowledge that are required to be effective in the leadership and

management role; doing is the ability to apply that knowledge in the workplace. However, the third dimension, being, is both the most challenging and most personal. It is the combination of attitudes, values and other personal characteristics that give someone the motivation and ability to translate their skills into practice, to turn knowing into doing.

Modular approach

Similarly, ILM has encouraged a modular approach to leadership and management development for nearly two decades, and was instrumental in the adoption of the unitised qualifications that are the basis of the Qualifications and Credit Framework. The ability to accredit relatively small chunks of development and build up credit towards a full qualification clearly fits the requirements of employers.

At the same time, ILM’s emphasis on assessing learning through its application in the workplace reflects the concern of our respondents. They stress that learning has to translate into practice if it is to be of real value in the workplace.

Role of MBAs

In this context, the role of academic qualifications, especially

Conclusion

MBA's, should not be ignored. The ambivalence of our respondents reflects their recognition of the undoubted value of MBAs in developing complex knowledge and understanding about leadership and management, but also their doubts about how well that learning is integrated into practice.

For individuals, an MBA can make a real difference to their careers, as long as it is added to those personal qualities and the experience which are essential for progression to

top management. The sound grounding in management theory and strategic planning provide the basis for a strong academic base.

But without those essential personal qualities and experience, an MBA appears to add little value. It is certainly not a short cut to the top. An MBA can help make the difference when competition is tight but only if all other criteria for selection have been met.

Challenging times

Potential future leaders must demonstrate that they can apply what they know and that they

have experience in dealing with significant challenges. In a time of economic uncertainty the ability to respond to change and deal with difficult circumstances in a rapid and professional way is one of the key attributes. Most importantly, they need to show that they have learnt from the experience, whether it was ultimately a success or a failure.

With the right support and ongoing development opportunities, future leaders will be able to drive their organisations forward and achieve success in an increasingly competitive landscape.

Knowing, doing, being

Good leaders can be born, but most are made. There are a small minority of natural born leaders with the innate qualities and capability to succeed.

The vast majority of individuals can, with the right support and training, develop an effective style that suits their personal characteristics, attributes and traits.

Good leaders and managers are self aware, they understand that no matter how good they are, they can

become better, and as the world and the environment they work in changes, so too must they.

ILM sees leadership and management development through the lens of a unique learning and development model focused on three dimensions.

These dimensions are defined as knowing, doing, being:

- Knowing is the body of knowledge that you need to lead and manage effectively – technical know-how

around finance, marketing and planning, for example

- Doing is about putting that theory into practice – the practical skills and characteristics to perform in the workplace. It is about actually being able to lead a team, or manage a project, not just knowing how it should be done
- Being is about who you are – the self awareness, integrity and emotional intelligence needed to engage others and engender trust

Methodology

The Future Leaders report is based on the findings of a qualitative survey of senior HR directors working in the private sector and not for profit organisations, conducted by research consultancy FreshMinds in March and April 2010, and commissioned by the Institute of Leadership & Management.

ILM commissioned FreshMinds Research to conduct qualitative research to understand what organisations look for in their future business leaders and senior managers, and what development opportunities exist to prepare them for their roles.

During March and April 2010, FreshMinds successfully completed 50 telephone interviews with HR directors, senior HR managers, heads of talent, and heads of learning and development.

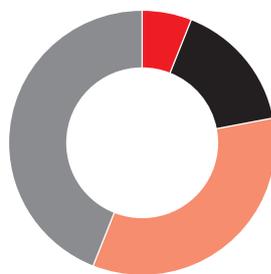
The research sample included 48 respondents from private sector businesses and two from not-for-profit organisations which operated in a similar manner to private sector companies. Respondents came from a wide spread of industry sectors, organisation sizes and areas of operation.

Respondents were recruited through ILM and FreshMinds' networks, through a purchased sample of HR directors and desk research. Respondents were screened to ensure that they had responsibility for the talent management of senior leaders.

The survey included both open and closed questions, and was designed collaboratively by ILM

Figure 11: Size of organisation

Number of employees



Key

<75 6%

75–249 16%

250–1000 34%

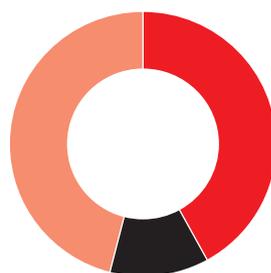
>1000 44%

and FreshMinds to define the senior management needs of businesses. Open responses were coded and themes were drawn out through qualitative analysis.

Job title and organisation size

We spoke to 50 respondents from a range of organisations. Nearly half of the respondents (48%) were HR directors. The rest were mainly senior HR managers, heads of talent or heads of learning and development. The majority of respondents came from large organisations. Of those, 44% worked in organisations with more than 1,000 employees, 34% had between 250 and 1,000 employees, and only three came from companies with less than 75 employees.

Figure 12: Geographic operation



Key

UK only 42%

UK and Europe only 12%

UK and rest of world 46%

Industry sector and geography

Respondents came from a wide range of industry sectors. Professional services and consulting accounted for the largest proportion of respondents (20%). The next largest sector was manufacturing and engineering (16%). Retail and financial services were also well represented with 10% of respondents from each of these sectors. Respondents came from organisations operating mainly in the UK (42%) or worldwide (46%), while 12% operated in the UK and Europe only.

About ILM

The Institute of Leadership & Management (ILM) is the UK's largest management body, combining industry-leading qualifications and specialist member services.

ILM is founded on the principle that skilled managers and leaders hold the key to creating productive workforces that deliver organisational and economic success.

Our qualifications and membership services combine to drive up the standards of leadership and management, and improve individual and team performance.

Last year 90,000 people enhanced their leadership and management skills with an ILM qualification, while over 30,000 ambitious management professionals secured increased professional recognition and support through ILM membership.

www.i-l-m.com

About FreshMinds

FreshMinds Research works across industries to help their clients better understand their markets, competitors and customers and to explore new market opportunities. Their strength lies in providing strategic insights through comprehensive and robust research, and their holistic approach enables them to deliver analytical and creative solutions

to meet a wide range of needs. FreshMinds' innovative approach to research and consultancy has not only seen them named the Market Research Society's 'Best Agency' two years running, but they were also the 2008 London winners of the Bank of Scotland's £35m Entrepreneur Challenge.
www.freshminds.co.uk

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