TALENT REIMAGINED: LEADERSHIP IN A NEW AGE

INSIGHT AND EXPERIENCE FROM LEADERS, FOUNDERS AND INVESTORS

GORDON & EDEN

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Leadership and learning
are indispensable
to each other.

JOHN F KENNEDY

THE FUTURE OF LEADERSHIP

SOPHIE EDEN & SAM GORDON

We're living in an age of unprecedented change. Everything from the way we live, work and communicate with each other is being transformed. This is an exciting time but it also creates great challenges, including when it comes to building powerful, winning leadership teams – an essential part of any successful business, regardless of size. Challenges facing leaders include:

- **The fast growth of the digital economy means that demand is far higher than supply.**

- **The speed of change in technology means that new skills and roles are required.**

- **People's expectations of the workplace are changing too.**

This new world is difficult for leadership to navigate. As an executive search company enabling both early-stage and corporate clients to scale and transform, we see the challenges facing businesses of all shapes and sizes. Our combined 35 years of experience helping to build powerful leadership teams means we also understand that as new challenges emerge, so too do ways to tackle them.

We've shaped this report to look at some of these opportunities:

- **The new skills needed to navigate today's world of business.**

- **How the role of purpose and mission in business can be a powerful attraction tool.**

- **That diversity can create huge competitive advantage.**

To help us explore the themes, we've brought together the insight and advice of some of the country's top entrepreneurs, leaders and investors – including Sherry Coutu – serial entrepreneur and angel investor, Bruce Daisley – VP EMEA Twitter and Stephen Fitzpatrick – CEO and founder, Ovo.

We hope you find the insights useful and inspiring. Feel free to contact us directly if you'd like to discuss any of the themes of this report further – we'd love to hear from you.

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As new challenges emerge, so too do ways to tackle them.

CHAPTER 1:
SKILLS FOR THE FUTURE

Digital transformation has meant the world around us is changing faster than ever before. Established ways of doing things are no longer relevant and the skills we need to succeed are shifting all the time. According to the World Economic Forum, five years from now, over one-third (35%) of the skills that are considered important in today's workforce will have changed.

So how can today's leaders ensure they have the skills they need to succeed? What should they be looking for when they're building a leadership team around them? How can they ensure they attract the best in the business? This chapter seeks to answer these questions and more.

RESKILL TO KEEP UP

JACQUELINE DE ROJAS CBE, PRESIDENT OF TECHUK AND PRESIDENT OF THE DIGITAL LEADERS BOARD

One thing that I am clear about is that we have a dearth of leadership right now. That might sound dramatic but the reality is, no one has done this before – we are operating in a world where tech is forcing us to move at an unprecedented pace and with that, the idea that it's not the robots we should be worried about, it's how we reskill ourselves to keep up.

For leadership in this scenario, you've got to figure out what skills you will need in this new world and that's pretty hard – automation and commoditisation is upon us. We've got to train ourselves for jobs that don't exist yet and prepare for problems that we don't know the shape of and can't even begin to guess. It's a seemingly impossible task but it leaves us with transferable skills. Those of problem solving, empathy and emotional intelligence – all of the things that machines can't do. These are the kinds of skills we'll need to look for in tomorrow's workplace.

We also have to learn where the outliers are. Machines will certainly be able to take on the obvious but not the things with important nuances. Tools like virtual assistants are great at managing inboxes most of the time but for example, an invite for me to appear on Radio 4's Desert Island Discs was filed in junk by my virtual assistant – so thank goodness I'm a forensic double-checker. We somehow need to iron out these kinks with good old-fashioned human comprehension.

Of course when it comes to ensuring we can attract the right skills – it's not just about understanding what skills we need but how to attract them when we have no idea where the business is going! Clarity and storytelling are really important for this. Companies that are able to tell their story in an attractive, exciting, future-proofed way are going to win. Your chief people officer and chief diversity officer will be your biggest storytellers of the future. That's where your succession and pipeline planning will come from. This is a real human opportunity and one I think could be easily bypassed by companies dependent on process.

Leaders who are looking to the future need to look outwards not inwards by adopting an inclusive strategy. If algorithms are going to decide whether you get a university place, a job interview or a mortgage, we need to ensure they are built with everyone in mind. We must worry about who is building our tech and we must have all voices at the design phase if we are to build a world that works for everyone.

A final thought then... Great outcomes happen when we make room for collaboration. Business seems to have evolved to celebrate the brilliant lone wolf. But actually diverse and collaborative teams are proven to make better decisions. So whatever happens in the future, whether we still come to work in an office or whether we're more spread out and working where our individual projects happen to be – we have to enable the creation of cohorts, the sharing of ideas and experience. Together we are most certainly stronger.

FOUNDER'S VIEW

THE CHALLENGES OF BUILDING A BRILLIANT LEADERSHIP TEAM FROM AN EARLY STAGE

TANIA BOLER, CHIEF EXECUTIVE AND FOUNDER, ELVIE

What did you look for in your founding team at Elvie?

For a start-up, the needs of the leadership team change so quickly. At the beginning it's important to have people who can flex – they need to act at a senior level and also don't mind the detail and getting their hands dirty. At Elvie we started out by hiring generalists and then as we matured were able to bring in key specialists.

For any organisation, regardless of size, the most important thing is to attract the best talent at the top of their game. This is obviously harder when you're a start-up and you have less brand recognition. Most UK start-ups tend to hire very junior people and bootstrap the company from the start. We decided to raise a bit more money to begin with in order to headhunt top talent – bringing in a top engineer from Dyson for example.

What made you decide to take that route?

It seems the antithesis of what you might expect from an early-stage company but it actually created a long-term cost saving getting senior talent earlier on. Elvie is a hardware business – any changes or mistakes made in the R&D stage have large commercial ramifications so it was absolutely critical to try and shortcut those as much as possible. Saying that, as an early-stage start-up, you rarely have the cash to hire the full complement of leadership talent so it is absolutely critical that you can rely on the advice you get from mentors and the board.

What do you look for in terms of soft skills?

The two things I always look for are passion and perseverance. Things can be tough in a start-up – you are always challenging the status quo. In order to do that you need people that have strong resilience, keep persevering and have the passion to aim high.

What are the challenges you faced in creating a start-up leadership team?

When you are very early stage, without brand recognition you have to rely more on your network to find people. In many ways this is good because it reduces risk – often these will be people you already know so you're less likely to have conflicts. That said, when we did this we found ourselves all looking rather homogenous so our next challenge was to bring in more cognitive diversity.

Have investors been helpful in building your team?

As a first-time founder, the mistakes I'm generally going to make will be on the people side – especially when I'm recruiting for functions in which I'm not a specialist in myself. That's where the role of the board and investors is incredibly helpful. Octopus is our VC partner and they've seen many companies scale and have more of a sense about what it takes to succeed. They generally push me to hire more senior people than I had been planning to and each time I have listened to that advice is has borne out well.

Do you think your sense of mission helps in the hiring process?

We're a mission-driven company. It's absolutely critical that everyone who joins us at Elvie truly believes in our purpose to improve women's health through technology. We don't necessarily expect people to have a strong affinity with our specific products but having a sense of the bigger goal beyond commercial is very important. It creates a very strong culture and it's great to see people aligned on that.

This year we're expecting to grow significantly, from a team of 30 to 80 people. Until now our culture has very much permeated to everybody in the team. As we grow, not just in headcount but also geographical location, the challenge of keeping the core values will be critical.

FUNDER'S VIEW

EMOTIONAL AND RELATIONAL INTELLIGENCE ARE KEY FOR START-UP FOUNDING TEAMS

CARLOS EDUARDO ESPINAL, MANAGING PARTNER, SEEDCAMP

What are the ingredients of a strong leadership team?

Someone could write a whole thesis on this but equally I think you could boil it down to two main things in my opinion – emotional and relational intelligence. There are more attributes one could mention of course, but those are my number one(s). If the role of the founder and leadership team is to find the right people to hire and to effectively fundraise, then you're only really able to do that if you have emotional and relational intelligence otherwise you'll mess it up somehow.

How do you judge that in a team?

Every single interaction that you have with a founder helps asses just that. It's a real combination of things. Such as how do they approach questions, how have they hired, what is the relationship like between the co-founders? All these elements matter and build up a picture.

Do those attributes help when it comes to being agile and reacting to change?

Adversity is the number one thing that happens in early-stage entrepreneurship. So having people who can adapt quickly and aren't stuck in their ways is obviously a key attribute of surviving, especially those early years when things are in flux.

What's the next thing you look for?

I think something like complementary relationships or another way of putting it – diversity. That is often associated with gender diversity but it is actually expressed in many other ways too. Socio-economic backgrounds, race, culture, ethnicity and gender – these things mean a team can understand different people in their customer base and create a greater range of ideas.

In addition to not being in tune with customers, the danger of not having diversity is in alienating talent. Talent comes in all shapes and sizes, colours, religions etc. If someone comes for an interview and they have the pick of the litter in terms of where they go – if they get a vibe from an organisation that they will not fit in they'll go elsewhere.

Do leadership teams need generalists and specialists?

It depends if you're talking about an established company or an early-stage start-up. If the company is already in motion, I can't think of a reason why any self-aware leadership team would not try to balance itself out skills-wise and hire people who have what they don't have. In a start-up, where they don't necessarily have the money to hire in those skilled people, this is where that emotional and relational intelligence kicks in so as to be able to attract the right kind of talent. While they may start out without some of the specialties they would wish to have, that emotional and relational intelligence will enable them to attract the people with skills they need faster without relying on big pay cheques.

EFFECTIVE LEADERSHIP TEAMS WORK TOGETHER TOWARDS A COMMON GOAL

SHERRY COUTU CBE, SERIAL ENTREPRENEUR AND ANGEL INVESTOR

Why is it important to have effective leadership teams?

Working coherently as a team is super important. I always think of a rowing analogy – you could have incredibly skilled individuals but if they're all pulling in slightly different directions, you don't go anywhere. I think the work of a leader is to resolve any issues and get everybody pulling in the same direction.

What do effective leadership teams look like?

They have a lot of trust in each other for a start. Frequent interactions are the other thing that comes to mind – so they can quickly diagnose or analyse something if it doesn't go according to plan and figure out a pivot quickly. Communication between the whole team is really important and you have to work harder when you've got people who are working remotely. You can't write everything down. There's a lot to be said for discussing things and not relying on email too much.

What role does diversity play in this?

A huge one. I think part of that is making sure that diverse voices get heard too. The chair or the leader must make sure

that somebody who may be introverted or less pushy still gets heard – because without diverse thought in leadership, we don't understand diverse audiences and that's when you get blindsided. I always worry about somebody not speaking up at a meeting because it's usually the case that they do have thoughts on what you're discussing, but somehow they didn't give themselves permission to share those thoughts. Skilled leaders can get over that hurdle.

What has your experience of building leadership teams been like?

Sometimes it's really easy, sometimes it's really hard – I wish I had the magic bullet. Obviously skilled individuals are essential but I think the most important thing is that the people you bring together want to solve the big problem you're addressing. Whatever the mission is – being purpose-driven is really important and gives you a basis for resolving thorny issues. Getting everyone to agree on the common purpose really differentiates a great team from a mediocre team. With that comes a focus on getting things done for the customer. Great people often measure their worth by the quality of what gets delivered to customers.

Is it immediately obvious when the leadership mix isn't quite right?

It will be immediately obvious but only if you're watching out for it and are attuned to the way things are working. By the time the big signs are showing it might be too late. You've got to be mindful of how people are working together. Once again I think part of this is making sure people are able to voice their opinions. It's critical that you hear everyone's point of view on how to tackle problems.

This is particularly true in tech, where we make things happen that have never happened before – you desperately need diverse views and skills. For example you might have visionary types who communicate the mission, engineers who create the solution and user experience people who can take it even further. You need to hear from all of these people – not just the people who like to make themselves heard. If you've been in a meeting and you haven't heard a peep from the engineers because perhaps they're quieter – make sure you directly ask them to share their views.

Do you look for similar qualities when you're approaching teams as an investor?

As a potential investor, you often ask a leadership team for things – a P&L for example – and you can take a lot from how that comes back to you. Does it take one day, one week or one month? Does it appear that the whole team got behind the task and made it happen? Or are you dealing with a lone entrepreneur or someone who is not supported effectively? If something takes too long to come back you've got to think about how quickly that same team would be able to react to customer requests, or pivot to keep up with competitors. You want to see a team working together and supporting each other to get tasks done.

Do you think the requirements from leadership teams have changed thanks to technology?

I don't think they have changed too much but the extent to which we are geographically dispersed has, which certainly makes it harder to create a cohesive team. It makes clear communication all the more important. I know some leaders who refuse to allow remote working – others recognise that they need to have flexibility to attract talent. I think it's really dangerous for instance, to have the engineering team in one geographic location, the product team or the customer service team elsewhere. It stifles agility and the ability to pivot when you need to.

So if you look at some of the tech teams within the UK's great scale-ups – Raspberry Pi, Privitar, Duedil, Featurespace and Deepmind – they have their product team sitting next to their engineers, sitting next to customer service – all in the same building. That makes it easier for them to progress at speed because they're literally all sitting in the same warehouse. You'd be amazed at how much you can achieve when you're having daily, often informal conversations about what's important.

> " You could have incredibly skilled individuals but if they're all pulling in slightly different directions, you don't go anywhere.

CHAPTER 2:
DIVERSITY OF THOUGHT

The world may be changing faster than ever before but one thing is certain: diverse teams perform better than teams that do not reflect society. Having diversity in leadership provides diversity of thought – it brings essential perspectives and enables a business to carry that balance through the rest of the company – hiring diverse teams at every level.

McKinsey's recent Delivering Through Diversity study found that companies in the top quartile for gender diversity on their executive teams were 21% more likely to experience above-average profitability. The same piece of research found that teams with good ethnic and cultural diversity were 35% more likely to outperform.

So how can today's leadership teams improve and ensure they're creating a pipeline of top, diverse talent? We spoke to some of the biggest names in business to find out.

BUILD GENDER DIVERSITY IN FROM DAY ONE

RUSS SHAW, FOUNDER, TECH LONDON ADVOCATES

Gender diversity should be a given. Management teams or executive teams must have a diverse mix of leaders and not just the token woman - we really should be striving for a 50/50 balance from a gender point of view on every management team and board.

What I've found is making those first steps towards increasing diversity may not be so difficult, getting closer to that 50/50 balance is trickier but absolutely vital.

Why? Women and men approach things in a different way. We want to make sure that we're building products and services that are reflective of the population in which we live and it just seems very short sighted to me if businesses are not operating in this way. On top of that, the business case for diversity and specifically for gender diversity has been proven time and time again.

Many of the men I meet know that this is important and they understand the rationale but still either struggle to move the needle or don't know yet how to go about doing it. So this is where both women and men need to work together to say we can do this – we can move the needle.

I start with men. You know there are so many women out there who are doing a wonderful job raising the issue, so my tactic is to speak to other men. When I'm talking to start-ups and scale-ups, when I'm talking to male entrepreneurs and founders – part of my message is recruit women into your business right from day one and recruit them into some of your most senior positions.

Slack has built a good reputation in terms of creating a diverse company and a diverse management team. I remember hearing the CTO speak and he said we're so glad that we did this from the start because we just built a better business and a better culture.

My other piece of advice is to encourage those in senior positions to mentor and advise ambitious women. I say 'look you know you've got brilliant women in your organisation – offer to be a mentor or an adviser – be that voice in the boardroom when you're looking at recruitment priorities and put gender diversity at the heart of it'. If people see senior leaders, particularly men, doing this it helps to get others over the line.

THE WOMEN ARE OUT THERE – WORK HARDER TO FIND THEM

DEBBIE WOSSKOW OBE, CO-FOUNDER ALLBRIGHT

There are many reasons that we need to be talking about female leadership. Firstly, research showed only two per cent of global capital was allocated to female founders in 2017 and findings from the British Business Bank suggest that only one penny in the pound goes to businesses founded by two women, whereas 87 pence in the pound goes to businesses founded by two men. Women are just not at the table. It feels like entrepreneurship in particular is the last bastion of gender inequality.

It's a problem because it's also a performance issue. The data proves that female leaders deliver better results. A recent study from Boston Consulting Group found that for every dollar raised, women-run start-ups generated 78 cents in revenue compared with 31 cents for men. So diversity has a financial performance impact.

Female leaders not only make a big difference to bottom lines. They also enable greater gender diversity across the rest of the business. Often for women, we have to "see it to be it" – gender role models are important – having women at the top will encourage others and attract greater female talent. Mentoring is also critical and not just from within the sisterhood. We also need enlightened men to be champions of women and help them to rise up the ranks.

When it comes to attracting top female talent, it is looking for the same things as men: a culture that works, something they can have an impact on – greater meaning. Of course, women are also looking for money and that's not something that is talked about enough. A key message for us at AllBright is that women need to get rich, talk about getting rich and deploy their capital to back other women – something men have been doing since the dawn of time. So women should and are looking for meaning, money and impact in the same way men are and that's okay – they need to own it.

For leadership teams looking to bring in more female talent, you have to start by building out your network. That's what we're about at AllBright – creating a space for women to connect with other women and build networks. The skills, the talent, the creativity – they are all out there. If male leaders say they can't find it they really do have to look a bit harder. Go to places where they are connecting anyway – we've got plenty of kick-ass women in our building. If men ask where to find female talent we say we've made it really easy for you – it's right here.

IT'S SIMPLE: DIVERSE TEAMS PERFORM BETTER

PRIYA GUHA, VENTURE PARTNER, MERIAN VENTURES

We've seen the diversity debate shift in recent years. It has gone from something seen as the right thing to do – often a box-ticking CSR exercise – to being recognised as being something that produces better financial results. It goes without saying that this applies to leadership teams. For example we've seen that gender diverse boards outperform those that aren't.

When we consider why there are certain leadership skills that you often see with women, it's important not to fall back on stereotypes. But things like the ability to really listen to a discussion, to bring different perspectives to the conversation and an inclusive style when chairing a meeting are common. Of course these traits are not exclusive to women but they are something you notice on more gender diverse leadership teams.

One of the risks of not having diverse leadership teams is sleepwalking into "group think" – an inability to challenge the status quo or the preconceived direction of travel. This can be dangerous because it means there's a risk of carrying on regardless, irrespective of what's happening around you. It also means potentially missing big opportunities.

I think a great example of a missed opportunity is the femtech sector – products that are focused on female health. It's a $50bn global market that until far too recently had literally no products catering for it. Why? Because non-diverse teams didn't see the opportunity.

My advice to leaders looking to build diverse leadership teams is to take a step back and start by thinking about the skills diversity you need first. Consider what skills you as a leader bring to the table and what might be missing. To do this well requires mature leadership – acknowledging your weaknesses - but it allows you to bring in skills that plug your gaps.
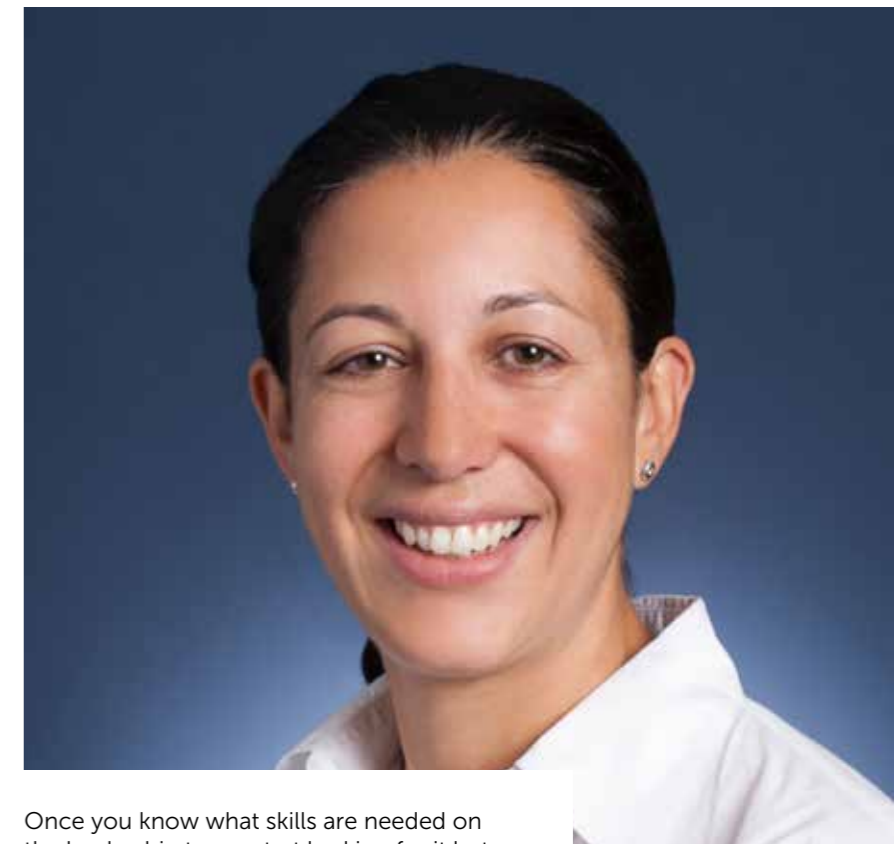
Once you know what skills are needed on the leadership team, start looking for it but with diversity in mind. Who can bring these skills to the table and also bring diversity? Ultimately succeeding as a business is the most important thing you're tasked with as the leader but you can be clever and also build a diverse team.

It's the same whether you're in a small or large business – but the advantage in larger teams is that you might already have the diverse skills you're looking for within the organisation. In this case it's about nurturing and promoting that diverse talent internally.

If the skill sets and diversity you're looking for do not already exist internally or your company is still too small, you'll need to find it. This is one of the big barriers people identify: where can they locate and identify the talent they need? I have two pieces of advice here. Firstly, work with a recruiter who has a track record of finding people from diverse backgrounds (and make a diverse shortlist a prerequisite). The second is to use networks. For example, in the case of gender diversity – ask women you know to recommend someone or approach relevant women's networks. They are a great place to start any search and find that amazing talent which will bring value to your business in so many ways.

DIVERSITY SUCCESS COMES DOWN TO HOW WE MEASURE PERFORMANCE

SIR KENNETH OLISA, LORD-LIEUTENANT OF GREATER LONDON, CHAIRMAN OF RESTORATION PARTNERS

All too often when we talk about diversity and inclusion in the context of business, people switch off because instead of something relevant to their work, they hear "blah blah blah, social justice, blah blah blah". Meanwhile they've got targets to meet, budgets to worry about and deals to close.

But actually, while diversity and inclusion is undoubtedly a matter of equality, it's also of supreme importance to business performance. Put simply, it's a coin with two sides – on one side you absolutely do have social justice, but on the other face sits competitive advantage. Thinking about diversity in the context of business requires you to flip the coin and have the competitive advantage conversation.

Once you've established winning in the market as the main driver, it becomes a lot easier to talk about diversity and inclusion. And it starts at the top. If a senior leadership team is diverse, it sends a clear message to the rest of the business – "we understand the value of diversity".

Happily, the argument for diversity is a really easy one to win. If your organisational culture isn't empathetic to your customers, your suppliers, your potential talent and (if you have one) your regulator – it is totally obvious that you are guaranteed to be less competitive than a competitor that is. Anyone who disagrees with that is destined for extinction.

In many cases that I see – the people at the top genuinely get it – whether their reasoning is based on social justice or clear competitiveness. Either way – they get it and enthusiastically promote policies of diversity and inclusion. But then they leave it to their middle managers to implement across the rest of the business and it all goes wrong. Time and time again, I see organisations that are good at recruiting from a broad spectrum of the population which then become depressed when their talented intake fails to climb the ladder into management.

The easy analysis is that the blockage to increased organisational diversity and inclusion lies in the middle. And this is true – we shouldn't blame the middle people – it's the measurement system that is at fault. Typically, a middle manager has five to ten KPIs on which their careers depend. However, unlike the HR Department's recruitment function, none of those KPIs include diversity. So think about it, you're asking someone to work harder at hiring and promoting people who are probably entirely alien to them, yet at the same time you're holding their feet to the fire to deliver other, more explicit targets.

The solution lies in not focusing people on KPIs (after all, that's the way you programme robots) but on the mission. So when you're assessing those middle managers who hold the key to inclusion and diversity, assess their performance against their contribution to the organisation's mission. Perhaps a simple example will illustrate the point. The brave special forces personnel of the SAS know a thing or two about missions. When they're given one they are true to their motto – who dares wins – and give their all to achieve it. They aren't hampered by worrying about lots of process-related KPIs and spreadsheets. They're 100 percent focused on the mission and truly competitive businesses need to be too.

CHAPTER 3:
THE POWER OF PURPOSE

Attracting and retaining talent is harder than it ever has been. People's expectations of what they want have evolved – the concept of being a "lifer" and staying with one company long-term has gone out of fashion – as has the idea that the best salary will win in the battle for top talent. Rising higher in people's decision making considerations is the idea of company mission and purpose.

A recent study by YouGov study found that more than a quarter (27%) of managers in British companies would accept a salary cut to work for a company with a clear purpose beyond profit. The same study found more than half would consider leaving their job if their company's values and purpose didn't align with their own.

This final chapter explores how mission can enable a business to attract and retain talent along with some of the other cultural conundrums facing leaders as change continues to be the new normal.

THE GENERATION PUZZLE

DR ELIZA FILBY, AUTHOR AND GENERATIONS EXPERT

Multigenerational boardrooms may resemble at times a bad family Christmas dinner, but tackling the diverse demands of the first ever four generation workforce – balancing the digital dynamism of the younger with the experience of the older – is a necessary challenge for leadership teams to overcome.

The primary concern for baby boomers and Generation X is that they will be shut out due to businesses placing their entire focus on attracting millennial and Generation Z talent straight out of education. The terms on offer for younger employees often resemble the type of 'new customer' deals you would get if you were to switch phone provider or insurance company, with far less focus placed on retaining existing talent.

Seeking the next generation of talent is incredibly important for any business to thrive in the future, but they must take a more holistic approach and find common ground between the generations.

Flexible working is one area valued by all, despite the perception it's a younger demand. Increased life expectancies mean that many baby boomers are working well into their seventies, and so a flexible work structure allows them to work to at least some extent for a longer period of time.

For millennials and Gen Z, it is more intrinsically linked to a complete shift in societal culture. Traditional lineal workplace hierarchies are alienating to them; they don't want to work in a world of bureaucracy or boardroom doors, but to express themselves.

This has consequences for traditional methods of feedback. Annual appraisals are viewed by younger employees as uncomfortable and odd, with an expectation of instant gratification, so businesses need to take a more agile style to hierarchies and feedback.

For SMEs this is a slightly easier proposition than large corporations. They have more flexibility to offer more bespoke, personal and intimate solutions to their staff, and more direct collaboration within their workforce than large corporations. On the other hand, they do not have the resources, opportunities and outreach of big businesses, and SME employees have less flexibility in terms of their career path with fewer opportunities to try different roles within one company.

To succeed in housing a four generation workforce, leaders need to use their resources to introduce the flexibility and personality of SMEs to their business practice.

They need to invest in generational intelligence to avoid multiple generations in one workforce misinterpreting each other's behaviour. Part of this is the implementation of 'skill-swaps', whether that's millennial employees educating baby boomers on social media, or Gen X guiding Gen Z on phone and email etiquette.

The lesson is that businesses must cater for all generations. It's not enough to be wedded to the traditional way of doing things and alienating the best future talent, nor is it right to simply be beholden to the younger generations. All four generations have vital roles to play, and through good leadership they can educate one another, rather than clash.

THE FIGHT AGAINST CLIMATE CHANGE ALIGNS OUR PEOPLE

STEPHEN FITZPATRICK, CEO AND FOUNDER, OVO

One of the things that we try to promote is a balance between ownership and teamwork. We want to continue to give people control over what they need to deliver, so they can operate independent of constraints (internal or external) and be empowered to make decisions.

This can be difficult as a company scales. Start-ups find it easier because everybody is aligned around a common goal but when you're growing it doesn't take long before teams start to fragment, you develop structural hierarchies and before you know it people start to lose ownership. That tension is probably the biggest challenge that we face and I think it's probably true for a lot of ambitious, dynamic organisations.

One of the ways to combat this is clarity on mission and purpose. We work in the energy sector which is not something people traditionally think about as inspiring but with climate change and the debate around carbon, increasingly I see it as the most important challenge of our era. When I talk to people about working at Ovo, I find that most people that we attract like working in an environment where their daily activity has real meaning and purpose. I think it's more important than ever for people in the workplace to feel their work has an impact.

Communication plays a big role in harnessing that mission. In the past we have underinvested in this in favour of execution. We have previously spent too much time delivering solutions and not enough time talking internally (or externally) about why and what that means. It's important for people to understand their individual role in the broader mission.

I also find that we attract those who really want to get work done. Smart people like to work together. If you're working on complex meaningful challenges, with a smart, fun team, it doesn't really matter which industry you're in.

Beyond creating that cohesion through the mission, it's also important to listen to people. I think it's difficult for any company to always get it right for their employees or indeed their customers. Organisations change, as do needs, so listening and learning means that you don't always have to get it right — as long as you're able to adapt you won't get left behind.

Finally I would say that leaders need to remember to celebrate successes. We've always tried to do this at Ovo and we've shared some important moments together as a team. Spending time together socially helps to build trust and we find that goes a long way.

THE NEW BREED OF ENTREPRENEURS HAS AN OPPORTUNITY TO BRING POSITIVE CHANGE

SIMON ROGERSON, FOUNDER, OCTOPUS GROUP

Now more than ever I think companies need to be mission-led. As a founder you need to be consumed by what you're trying to build. It needs to come through every pore in your body. From an investor's point of view — the people sitting across the table looking to raise money and build businesses need to feel a fire burning inside them — the need to right something that is wrong.

The world is changing and it's changing really quickly. There have been huge advances across almost every part of our lives. Yet at the same time, we're living through a period of environmental and social crisis. Employees are more disenfranchised than ever before, the planet is dying and customer trust is running at its lowest level in decades.

Almost all of this is down to companies, and their preoccupation with the bottom line. In their quest for ever more efficiency and profits, they've forgotten what's really important. Great companies will always be about how you make your customers feel — and companies with a myopic focus on their bottom line (to the detriment of all the other stakeholders) will fall at the first hurdle.

A new breed of entrepreneur is the answer. They will be the agents of change. The businesses they build will stand up, look around and work out what they can do to make the world a better place. They are the businesses that employees and customers will connect with and want in their lives.

The technology revolution of the last twenty years is giving way to a far more powerful, and fundamental revolution. The human revolution. The walls companies used to build around themselves so people couldn't see what they were doing or how they were doing it are being ripped down. The power has been transferred from companies to customers. The entrepreneurs who recognise this will build businesses with humanity and compassion. They will be businesses with a soul.

TWO VIEWS OF THE FUTURE

TECHNOLOGY CALLS FOR A DIFFERENT TYPE OF LEADERSHIP

JASON STOCKWOOD, VICE CHAIRMAN, SIMPLY BUSINESS AUTHOR OF 'REBOOT: A BLUEPRINT FOR HAPPY HUMAN BUSINESS IN THE DIGITAL AGE'

1 Leadership has a moral obligation

If you look at the horizon today it can sometimes seem pretty bleak. But I take an optimistic stance. If you take the longer view, all of the predictions about the dystopian future and the technological apocalypse are a call out – not just for clear leadership but a different kind of leadership. Leadership that embraces a moral not just management side. The morality is about supporting more balance in people's lives and reclaiming the narrative around technology – making sure it benefits a broader group of people.

2 Create the vision and enable others to make it happen

The old way of working – that the highest paid person comes up with a plan and other people lower down execute against that plan in a linear fashion – needs to change. The world is more changeable and unknowable than ever before – the idea that one person at the top has the perfect view of everything that is happening is an illusion. I believe management is a failure of leadership. The role of leadership now is to create a clear vision and a set of values and then give people the tools and autonomy they need to work towards that vision. That way you no longer have to worry about betting on what the future holds, you create a system that experiments and innovates on a continuous basis. This agility is an insurance policy against the future.

> **"** The role of leadership now is to create a clear vision and a set of values and then give people the tools and autonomy they need to work towards that vision.

3 Bring people on the journey

Apart from creating that clear vision – the essential other role of leadership is to hire great people. To do that you need to paint a vision of the future that people want to inhabit with you and a compelling view of the journey – I think people want a sense of optimism and a sense of success. At Simply Business we work in insurance. No kid wakes up one day and says they want to work in insurance. But we were able to create a vision of what we were trying to do, what we wanted to disrupt and we created a community around it – that's what inspires people. Most businesses have this sense of mission but it's not well communicated or authentic – your vision needs to be both of these things.
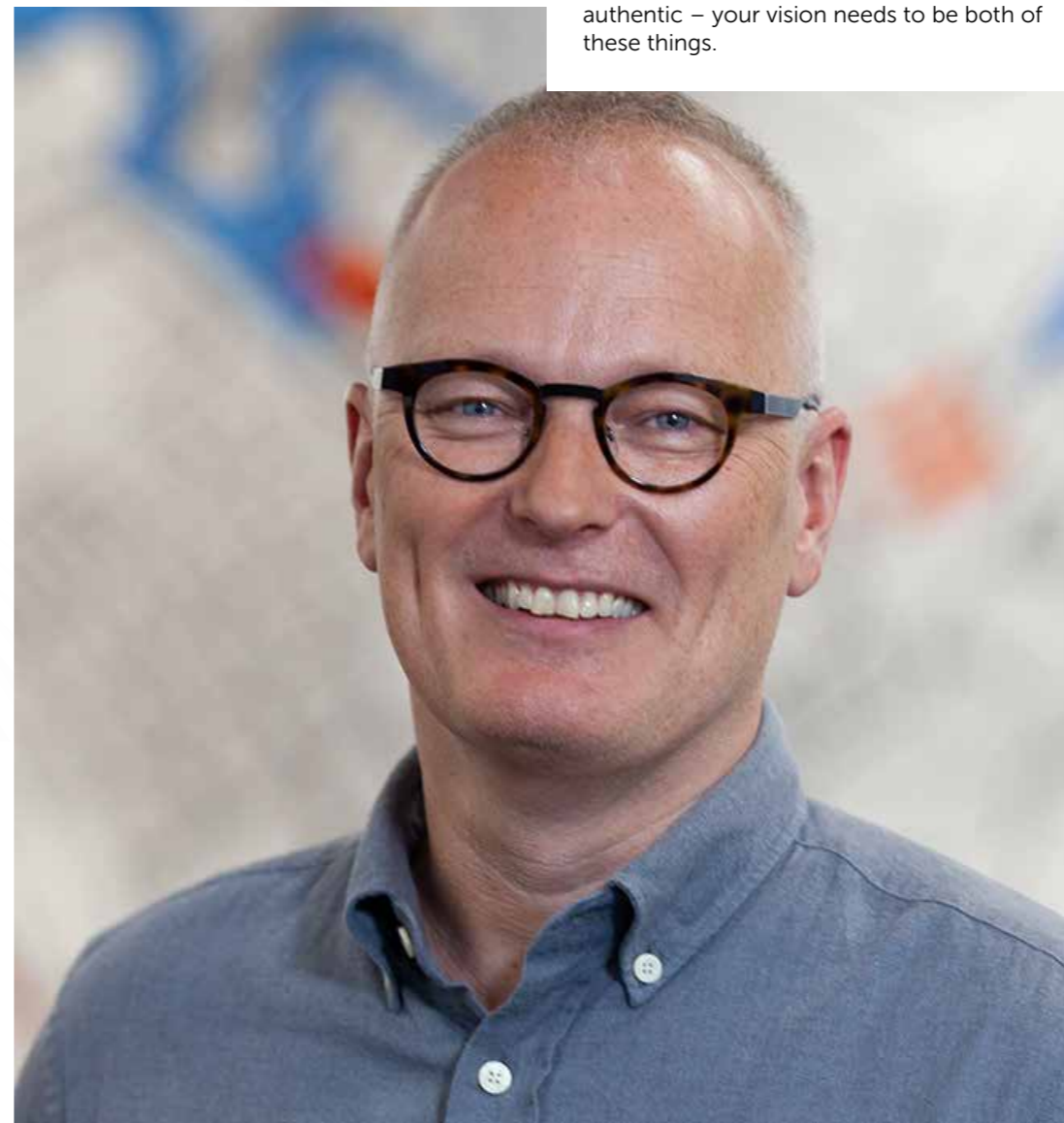
4 Give employees space to retrain

Technology was supposed to liberate us but the digital economy has created an always on, always engaged culture. We're living in this time of great technological change but we haven't thought about what the change we want to create is. The productivity returns we get from technology should be distributed more evenly and I believe there's a way of harnessing technology to enable a greater section of society to work less. We're actually experimenting at Simply Business to see whether implementing advanced technology can improve productivity at our call centre with a view to sharing that dividend – half with shareholders and half towards funding a four-day week for employees. I'm not suggesting every business should do this. But it's important for all leaders to understand why we're doing it. If jobs are being automated, I don't think it's enough to say 'the machines are coming, good luck!' That fifth day could be used for retraining. We need to give people the time and space to think about the future rather than thinking it will be solved by universal income – after all work provides more than financial returns, it provides purpose. So as a stepping stone into the future, I do believe we should try for a four day week – it's a giant leap of faith which is why we're trying to put the data behind it to see if it's possible.

TWO VIEWS OF THE FUTURE

WE HAVE THE POWER TO MAKE WORK BETTER

BRUCE DAISLEY, VICE PRESIDENT EMEA, TWITTER
AUTHOR OF 'THE JOY OF WORK'

1 Recognise that the workplace has evolved

I think the most important thing to do is to acknowledge how work has changed. Most people in leadership positions make the fundamental mistake of thinking 'oh in my day we did it like this'. And it's a real potential pitfall. We're spending up to 70 hours a week connected to our emails and that is a fundamental shift – so a boss might be saying 'in my day we didn't do this', but they're forgetting the fact that their employees have a vigilance and awareness of work that just never existed previously.

2 Let people do their jobs

I came across a really interesting case study. I met a woman who was a foreign correspondent for a national newspaper. She had been based in Rome and said her job was a dream. She would go out in the morning, meet someone who was a source for a story, wander around and have lunch, then file a piece of copy in the afternoon. She felt like she was she was doing the job in the way it should be done. Then she moved back to London. She was given a seat on the second floor of an office building and all of a sudden her boss was giving her jip for not being at her desk at 9am every morning. She couldn't get anything done. She'd gone from doing her job well, to doing what her boss thought the job should look like. Leaders should give employees the space to do the job and not try to control that too tightly just because they think that's their job as a boss.
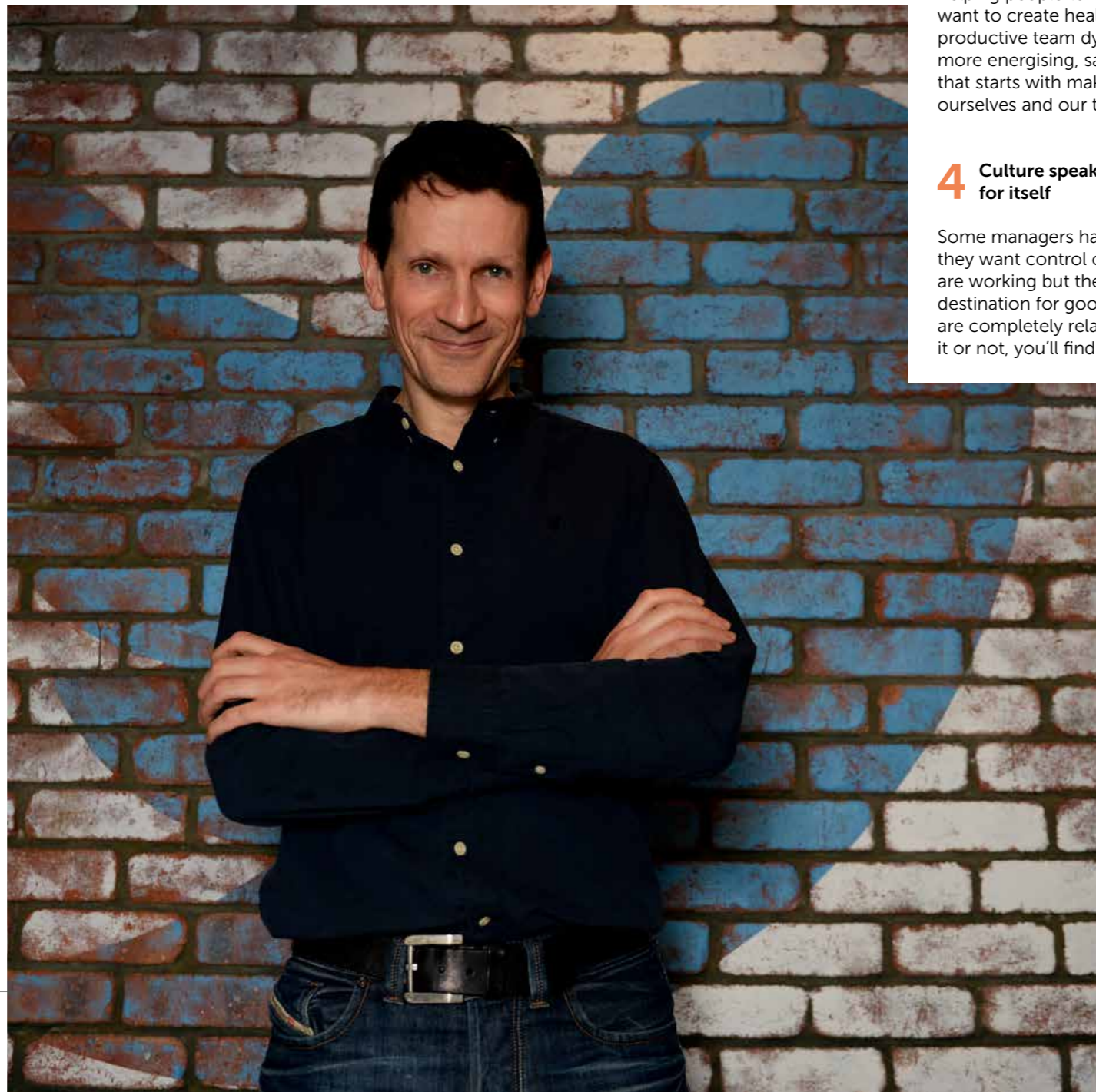
3 Look after people

I think the most important thing when it comes to fixing workplace culture, is fixing workers. The level of burnout and dissatisfaction with our jobs is higher than ever before. You need to try to find a way for people to feel less personally exhausted – some of that is mundane stuff – encouraging people to turn notifications off on their phone in the evening, make time to take a lunch break, don't email at the weekend. They all feel like quite trivial things but they can make a big difference in helping people to feel less anxious. We all want to create healthy team cultures and productive team dynamics. Ones that feel more energising, satisfying, rewarding. But that starts with making sure we look after ourselves and our teams.

4 Culture speaks for itself

Some managers have this dichotomy – they want control over the way people are working but they also want to be a destination for good talent. The two things are completely related. Whether you intend it or not, you'll find that people are talking about your workplace on platforms like Glassdoor or LinkedIn. You need to think about how you can set people up to do their best work because that reputation does extend beyond your office. Once you've spent time trying to get your culture into a good place and thinking about how you can tell that story, it can be really effective recruitment tool.

5 Laughter is a secret weapon

I don't think there are any easy jobs left anymore (and I used to work at Google which people thought was easy but let me tell you there are stressed out people there too). But a big thing for me is fun. People have told me about bosses wandering past and saying 'now is not the time to be seen laughing'. I was really interested in the science because what I found was that laughter improves our creativity and it produces a stronger bond with our team. Laughter seems to be like this incredible device for resetting us and giving us resilience. The bosses who said we shouldn't be laughing in difficult times couldn't be further from the truth. It's pretty much a recipe for everyday success.

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You need to try to find a way for people to feel less personally exhausted.

CONCLUSION

While the world around us is changing and with it our established ways of working, what remains unchanged is the importance of a strong leadership team to enable ambitious companies to succeed and drive progress. Creating the right teams at the top may feel harder than ever, but as this report has proven, there are some clear steps leaders can take to ensure they're in the best possible position to attract and retain the talent they need to navigate whatever the future brings.

Thanks to our fantastic contributors we've explored:

- The skills leaders need to compete in a time of change.
- The power of diversity to create competitive advantage.
- The crucial role mission and purpose play in inspiring teams.

From brilliant advice, to new ideas and some bold takes on how we might navigate tomorrow's working world – we've heard from some fantastic leaders on these pages. We're grateful to each and every one of them for sharing their thoughts with us and we thought we'd leave you with a list of the top takeaways – starting with a couple of our own tips from Gordon & Eden.

TEN TOP TIPS

01 Trust your judgement
If something doesn't feel right it usually isn't. So whether you're in the hiring process or a little further down the line, don't be afraid to speak your mind – the wrong choice in a leadership role can have a wide-reaching negative impact.

02 Be open-minded about experience
Roles are transforming faster than we can keep up with, which means finding people with those exact skill and experience profiles is difficult. We have to look beyond old criteria and be more open and creative about where to find the right people.

03 Empathy and emotional intelligence are key
In a world where technology is playing a more important role in business, leadership teams must have interpersonal skills to create attractive workplaces for talent.

04 Communication is important
We need to ensure that teams are able to communicate regularly with each other and not simply rely on email. Whether that's by creating physical proximity or other opportunities to share thoughts and ideas.

05 Use networks to improve gender diversity
If you're looking to hire more talented women, start by speaking to the women you do know and then reach out to existing women's networks – the talent is out there.

06 Make diversity a KPI
If you struggle to get the diversity your business needs, turn it into a KPI for managers rather than a nice to have. If there is greater incentive it is more likely to happen.

07 Intergenerational skill swaps
With multigenerational workplaces becoming the norm, leaders need to create opportunities for the different generations to show their value and share skills – that way they will appreciate and understand each other better.

08 Ownership and mission
A strong mission and purpose is important for businesses and leaders should reiterate the impact their employees have in achieving that mission. Make their role in the company vision clear.

09 Create a strong vision
Once leaders have outlined the mission and vision for the company they should ensure the teams below them have everything they need to make that vision happen. Leaders shouldn't try to do it all.

10 Look after people
Technology has created an 'always on' culture, leaders should be mindful of the impact this can have on people and try to enable them to switch off where possible to prevent burnout.

GORDON & EDEN