TALOGY

LEADING IN THE FUTURE WORLD OF WORK

An international research report

Foreword

When we conducted this research project into leading in the future world of work in 2021, the world was emerging from the effects of the global pandemic. This event placed huge demands on leaders as they navigated through this crisis and there were many leadership lessons to take from this. We also envisaged it was likely to accelerate some existing trends such as hybrid working which would mean leadership would need to evolve. All of this meant that it was an ideal inflection point to conduct research and reflect on expectations of leaders moving forward.

The findings and themes from this research are just as relevant today as when we originally released this report. The world of work continues to change at a rapid pace and sometimes in unexpected directions. Other major world events have impacted the global economy and organizations. Digitalization and advanced technologies such as generative AI continue to bring significant disruption, innovation, and opportunity across industries. Customers increasingly expect companies to consider the triple bottom line and demonstrate a genuine commitment towards sustainability which stands up to scrutiny.

At Talogy, we continue to work with organizations, leaders, and employees to conduct research into the continually evolving nature of leadership, critical challenges that leaders face, and the key qualities they need to be effective. This research report and our ongoing research program has provided the foundation for Talogy's own InView leadership framework and our range of leadership assessment and development solutions. Our mission is to provide a scientific yet intuitive perspective and approach to leadership, that will help organizations to select and develop outstanding leaders.

We hope that you find this research report both insightful and useful.

Dan Hughes
Senior Director of R&D, Talogy

"
The ever-evolving work environment and navigating these changes will require leaders to be agile and adapt to the context they are in. It will require self-awareness and humility to be able to accept feedback, recognize mistakes, and be willing to learn and improve. Leaders who can truly embrace this mindset will be well positioned to respond to the future challenges of the reshaped world of work – driving sustainable success for their organization and the employees that they lead. "
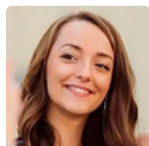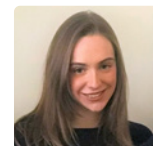
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Introduction

In a constantly changing world, the role and attributes of leaders continue to be debated and reviewed. Changes around expectations of leaders have been accelerated in the years since the pandemic, highlighting the impact of leaders on the employee experience, in terms of motivation, engagement and well-being of staff.

At its heart, leadership is an interactive, reciprocal process of influence, in which the leader, their followers and the specific organizational context all play a key role.[1] This highlights the critical importance of the employee perspective and the current working context in determining what effective leadership looks like now and in the future. Someone can only truly be a leader if people want to follow them; it is not enough simply to rely on formal status.[2] Leaders must be able to engage employees to work together towards achieving key organizational goals, and in turn drive results, retention and innovation. If employees feel that their leader is not acting in their interests or supporting their needs, then performance will be negatively impacted.

Leaders also need to shift and evolve their approach as employee expectations and the working context changes. Organizations have seen some lasting changes since the pandemic, as well as what employees value and want from their work.[3] We are now at the point where it is important to revisit what defines effective leadership in the reshaped world of work.

"

Leaders need to understand and be prepared that what employees and businesses need from a good leader is drastically and rapidly going to change over the next five years. "

Employee
Pharmaceutical and Healthcare Sector

4
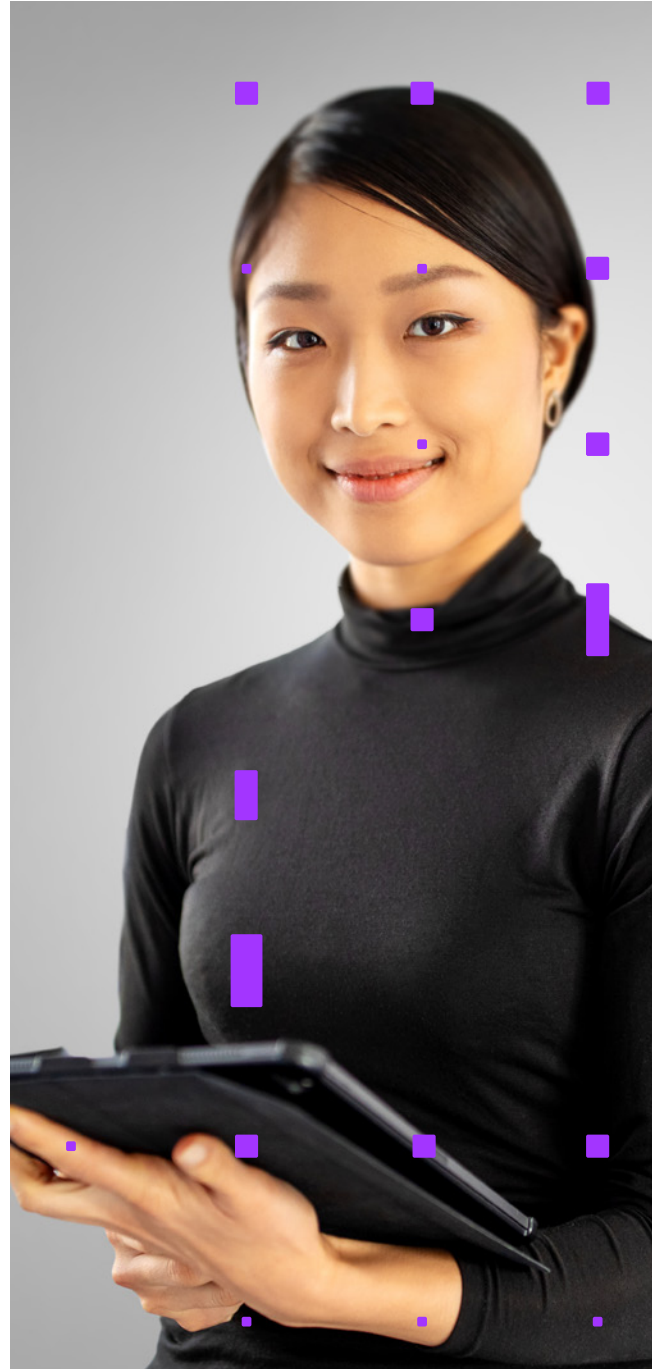
To explore the changing facets of leadership, we conducted an international research study involving **1950 respondents**, investigating different perspectives and key questions about leadership now and in the future – with a focus on **four major research themes:**

Research themes

1 **The impact of leadership on organizational performance**
- How important is leadership for organizational performance?
- How effective is leadership currently within organizations?
- What leadership behaviors are most important for achieving results?

2 **The impact of leadership on the employee experience**
- How do employees need to feel to perform at their best?
- How important is a positive employee experience for organizational success?
- What is the current quality of the employee experience within organizations?
- What leadership behaviors make the most difference to the employee experience?

3 **Lessons learned from leadership in the pandemic**
- How effective were leaders in dealing with the impact of the pandemic?
- What did leaders do best when responding to the pandemic?
- What could they have improved on?
- What did leaders do differently in the pandemic that employees want to see them continue to do?

4 **The future of leadership – critical challenges and how leaders can respond**
- What are the key challenges for leaders over the next five years?
- How prepared are leaders for these challenges?
- What leadership behaviors will be most important in the future?
- What will leaders need to do differently?

To provide a comprehensive view of what is important for leadership now and in the future, we collected data from multiple perspectives – employees, leaders themselves, and the organization. This provides an opportunity to identify recurring and consistent themes as well as differences in viewpoints.[I]

Research methods

Leadership perspectives

- The employee's view
- The leader's view
- The organization's view

The employee view

Online survey of **1077** employees in different organizations

Sample from **21** countries
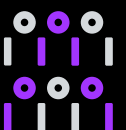
Variety of jobs, sectors, and organization sizes

The leader view

Online survey of **838** people in positions of managerial responsibility

Sample from **34** countries
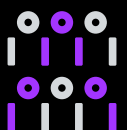
Variety of leadership levels, jobs, sectors, and organization sizes

The organization view

Structured in-depth interviews with **35** HR leaders in different organizations
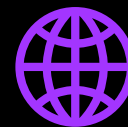
Sample from **9** countries
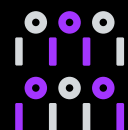
Variety of sectors and organization sizes
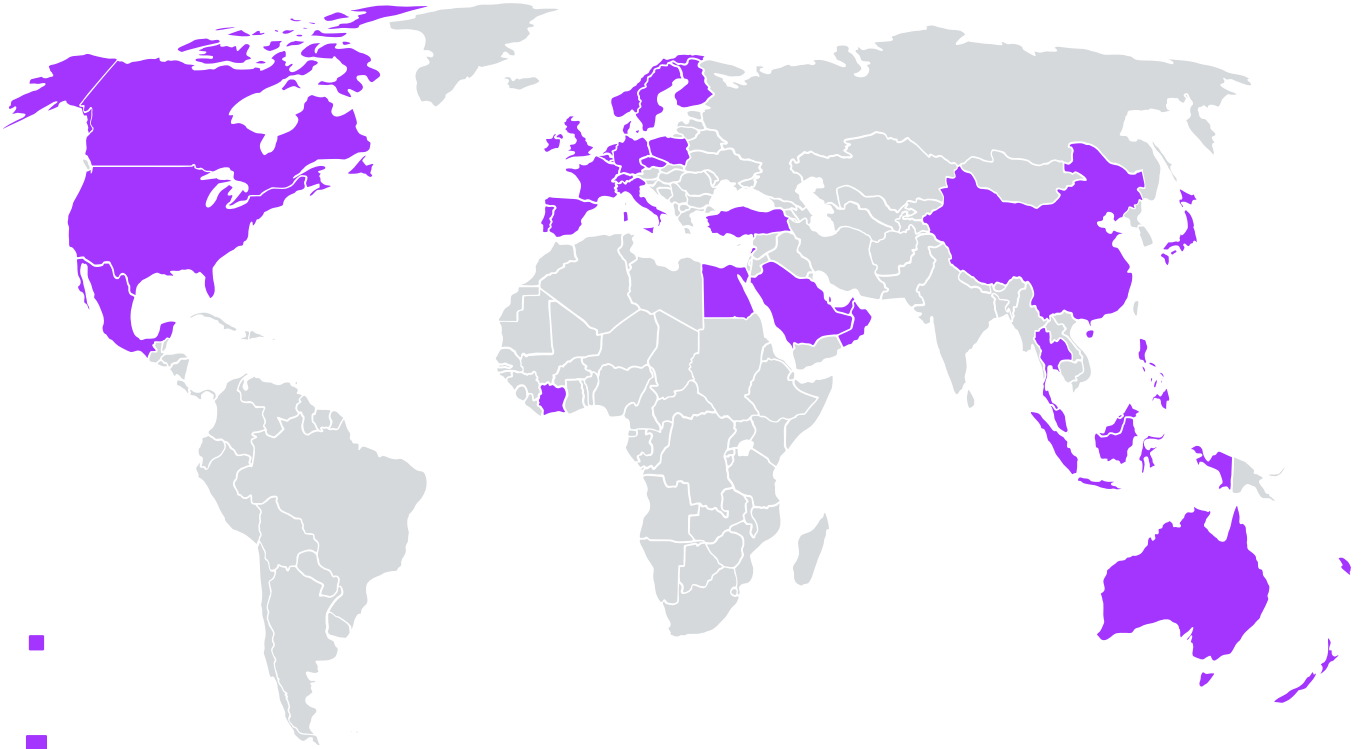
Perspectives on leadership are shifting. Our research provides some valuable and important insights for leaders themselves, HR professionals and organizations as they look ahead to the future, to help identify, support and develop outstanding leadership that can drive organizational success and a positive employee experience in the reshaped world of work.
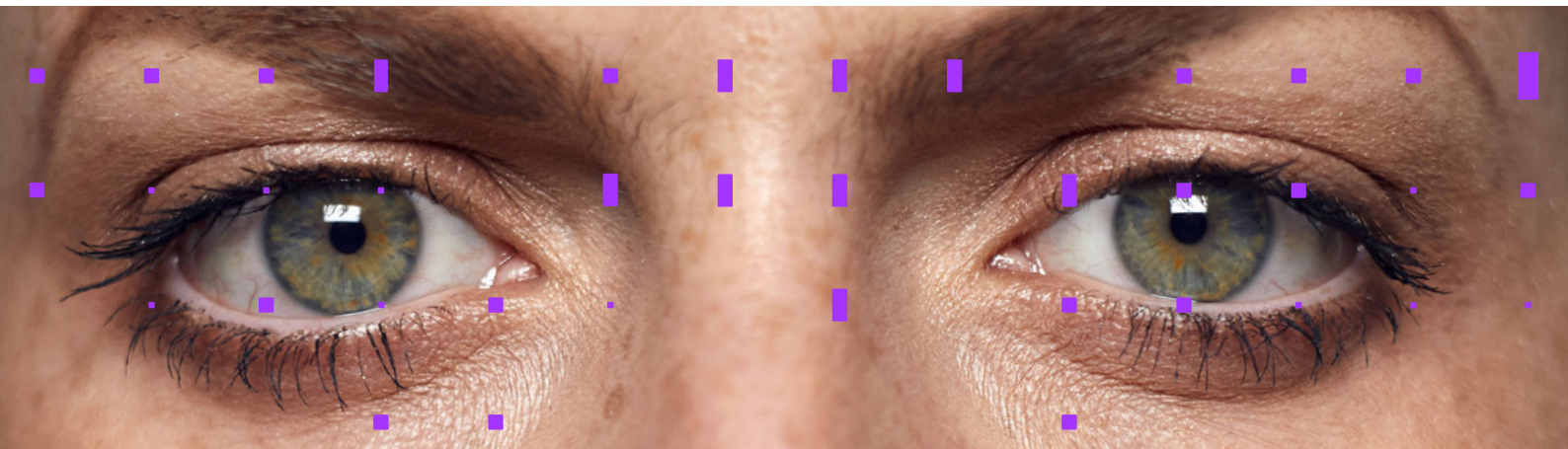
Executive summary

Attracting and retaining employees is seen as the biggest challenge for leaders over the next five years.

This is not a new challenge, but the shift to remote/hybrid working following the pandemic is likely to create wider opportunities for talented individuals and less geographical limitations on job choice. Social and political changes as well as the pandemic has also prompted many people to re-evaluate their careers and work aspirations, with some organizations and commentators highlighting concerns about 'The Great Resignation'. As focus on well-being, inclusion and ethical business grows, people are looking to work for organizations with clear environmental, social and governance (ESG) strategies and an inspiring purpose, as well as flexibility and innovation around work patterns, recognition and reward. Great leadership is going to be a key differentiator for retaining high performers and ensuring business sustainability.

ATTRACTING and **RETAINING TALENT** is the number 1 leadership challenge for the future, selected by:

56% of employees

57% of leaders

INSPIRING, MOTIVATING, and **ENGAGING** people was the number 1 attribute for:

✓ Achieving results

✓ Enabling a positive employee experience

✓ Leadership in the next five years

Motivation and engagement are still firmly at the heart of what employees need to perform at their best.

'Inspiring, motivating, and engaging people' was consistently called out in our research as the number one behavior that leaders need to demonstrate both for a positive employee experience and organizational success. Leaders need to understand the expectations of the individuals that they are leading and create purpose, meaning and involvement, to encourage employees to form an emotional attachment to their organizations and work. Given hybrid working and increasing competition for talent, organizations will need to innovate around engagement and enable leaders to motivate and inspire.

There has been a gradual shift of emphasis and expectations towards a leader's own character and values (who they are as a person and what they stand for).

Leaders need to be open, authentic, ethical, and inclusive, and act in 'the greater good' of the team they lead and their organization, rather than in their own self-interest. Inauthentic or divisive leadership creates a toxic environment that harms the employee experience, productivity, collaboration, and innovation. Leaders need to be mindful of their behavior and demonstrate responsible leadership in order to build trust and commitment with and between employees.

Standout qualities

of leaders from organizational interviews:

- Authentic
- Humble
- Create psychological safety
- Look beyond own area and encourage collaboration

The pandemic has accelerated the focus on employee well-being, with organizations increasingly recognizing the link to engagement and performance.

In the fast-paced, complex work environment, this will mean leaders need to make difficult decisions about priorities, ways of working and resourcing, to protect work-life balance for their teams and ensure a healthy working culture. In other words, leaders will need to be much more conscious of the impact they have on the physical, mental, and emotional health of their employees.

Employees increasingly expect more human-centered leadership in their organizations.

They want leaders who show empathy and compassion, communicate openly, and connect with people on an individual level as well as a team. Human-centered leaders stood out in dealing with the pandemic, showing care and concern for those they were responsible for. Employees and organizations want leaders to maintain the level of personal contact that they had with their teams during the height of the pandemic and have seen tangible value in leaders checking in with people on a more regular and personal basis.

EMPLOYEE WELL-BEING

was highlighted as a key leadership challenge for the next five years by

52%
of employees

one of the top three leadership challenges according to employees

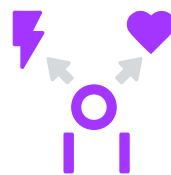## Key behaviors

of effective leaders in the pandemic:

- Concern for employee safety and well-being
- Flexible to people's individual circumstances
- Empathy and compassion
- Open, frequent communication
- Connection with people on a personal level

The disruptive work context will need leaders to demonstrate an openness to ideas, willingness to embrace change and to drive innovation and agility.

The nature of challenges faced by leaders today and in the future can no longer be solved by 'heroic' leadership where they try to have all the answers – leaders need to be adaptable, humble and open-minded. Successful change management will require leaders to be emotionally intelligent as well as strong communicators, so they can create a positive culture where change is expected and actively embraced.

TOP THREE THEMES that leaders said they must do differently for future success:

1. Embrace, adapt, and drive change
2. Learn and innovate
3. Be open and accepting of ideas

Leading hybrid and remote teams has altered demands on leaders.

For many leaders, this will require a rethink about what effective communication and collaboration look like in this new working context. Hybrid and remote working require leaders to show greater trust in employees and empower them to work autonomously to deliver objectives. Alongside this, it also creates challenges for leaders in terms of maintaining connection with individual employees, as well as promoting feelings of social belonging and inclusion within teams. In a hybrid working context, leaders will need to manage the impact of 'proximity bias', ensuring remote workers are given the same opportunities as other employees who are in closer contact with the leader.

These evolving demands and context of the reshaped world of work will require leaders to show a growth mindset and learning orientation.

Leaders need to have the humility to be open to feedback from employees of all levels and backgrounds, as well as having a continuous desire to develop and improve their leadership skills. They need to acknowledge the need for input from diverse perspectives to solve the complex problems of today, where no single person will have the abilities and insights necessary to identify the best solutions all the time. On a personal level, leaders will specifically need to develop in areas such as Personal Resilience, Digital Dexterity, and Emotional Intelligence to respond effectively to future demands in the world of work.

REMOTE and **HYBRID WORKING** selected as a top five leadership challenge for the **next five years**

KEY DEVELOPMENT AREAS FOR leaders to be successful in the future

Growth Mindset

Personal Resilience

Emotional Intelligence

Digital Dexterity

1 The impact of leadership on organizational performance

Scientific research conducted over decades has demonstrated that positive leadership styles (e.g. transformational leadership, servant leadership, authentic leadership, and ethical leadership) result in better organizational outcomes. These leadership styles correlate with higher levels of employee task performance, organizational citizenship behavior, innovation, and lower levels of counter-productive behavior.[1]

We explored perceptions of leadership impact from the perspectives of leaders, employees, and the organization. Specifically:

- How important is leadership for different aspects of organizational performance?
- How effective is leadership currently in respondents' organizations?
- What leadership attributes are most important for achieving results?

How important is leadership for different aspects of organizational performance?

We asked employees and leaders to rate the importance of effective leadership on overall organizational performance as well as on several specific performance metrics (Figure 1.1).

FIGURE 1.1:
Importance of leadership effectiveness

Employee view

Legend: Extremely important | Very important | Moderately important | Slightly important | Not important

Metric	Extremely important	Very important	Moderately important	Slightly important	Not important
Overall performance	51	39	7	2	1
Adapting to change	44	39	12	3	1
Employee retention	47	32	15	4	3
Innovation	28	36	23	10	4
Quality of product/service	32	39	21	6	2
Customer service	24	31	29	12	5
Collaboration	36	40	16	5	2
Productivity	31	45	17	5	2

Please note that due to rounding, percentages may not always sum to 100%

Leader view

■ Extremely important ■ Very important
■ Moderately important ■ Slightly important ■ Not important

Overall performance

| 64 | 31 | 5 |

Adapting to change

| 52 | 36 | 10 | 2 | <1 |

Employee retention

| 48 | 33 | 15 | 3 | 1 |

Innovation

| 36 | 36 | 20 | 7 | 2 |

Quality of product/service

| 42 | 41 | 14 | 2 | <1 |

Customer service

| 34 | 34 | 22 | 8 | 2 |

Collaboration

| 51 | 35 | 11 | 2 | <1 |

Productivity

| 42 | 44 | 12 | 2 | <1 |

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%
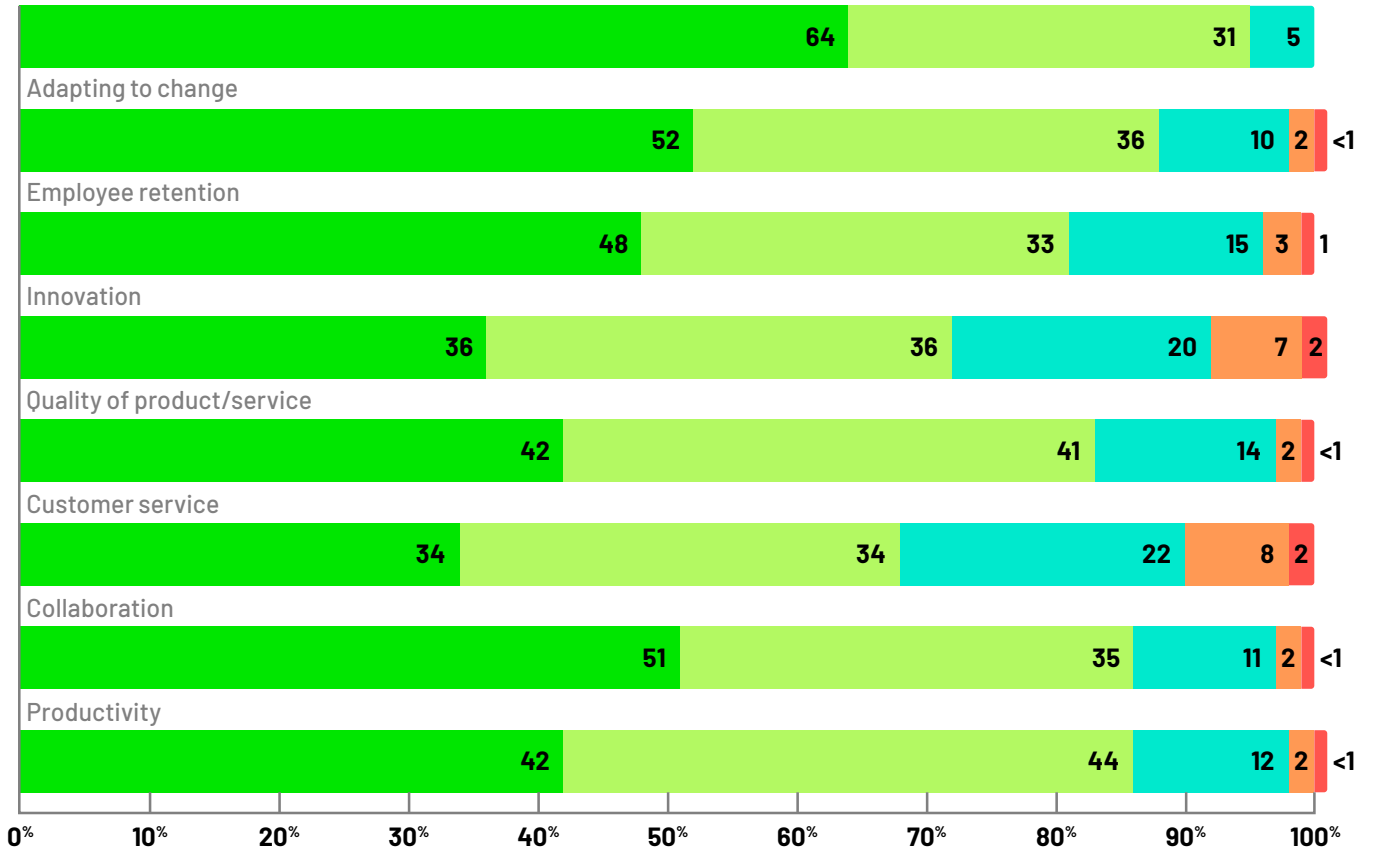
It is perhaps unsurprising that when asked, 'How important is effective leadership for the overall performance of your organization?' over 90% of both leaders and employees who completed our leadership survey felt it was very or extremely important. This underlines the critical importance of effective leadership within organizations and the value of investing in leadership selection and development.

In terms of more specific factors that impact organizational performance, there was clear agreement between both groups that leadership effectiveness is significant for success in all areas. Across the performance factors, between 68% to 88% of leaders indicated that they felt leadership was very or extremely important and for employees this ranged between 55% to 83%.

Taking a ranking lens on the data, both leaders and employees agreed leadership effectiveness was most important to 'Adapting to change' while also agreeing it was less important to 'Customer service' relative to the other performance factors.

While there is definite alignment between the groups, it is worth pointing out that leaders did rate the importance of leadership effectiveness slightly higher both for overall organizational performance and across all factors individually. This suggests that leaders have a greater belief in the impact they can have compared to employees' views, or that leaders are able to see the link between their performance and results more clearly. This pattern seemed to emerge across the survey results as will become apparent in the rest of the report.

Views of current leadership effectiveness in organizations

We then wanted to explore how effective both groups felt leadership was within their organizations currently (Figure 1.2).

Leadership effectiveness

■ Very effective   ■ Effective   ■ Slightly effective
■ Slightly ineffective   ■ Ineffective   ■ Very ineffective

Employee view

| 9 | 46 | 27 | 8 | 7 | 2 |

Leader view

| 11 | 52 | 25 | 7 | 3 | 1 |

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

Overall, leaders rated effectiveness slightly higher than employees (Figure 2.2). 63% of leaders and 55% of employees felt the organization's leadership was effective or very effective. Perhaps more interestingly, a quarter of both groups felt it was only slightly effective, suggesting clear room for improvement. Furthermore, 17% of employees felt leadership was ineffective to some extent compared to 11% of leaders, highlighting a slight gap in perception of current leadership effectiveness between both groups.

To probe more specifically into the leader perspective, we questioned this group directly on how effective they felt their personal leadership was and whether their organization's climate enabled them to be effective (Figures 1.3 and 1.4).

Personal leadership effectiveness

■ Very effective   ■ Effective   ■ Slightly effective
■ Slightly ineffective   ■ Ineffective   ■ Very ineffective

| 11 | 66 | 20 | 2 | >1 | >1 |

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

Organization's climate leadership effectiveness

■ To a very large extent   ■ To a large extent
■ To a moderate extent   ■ To a small extent   ■ To a very small extent

| 10 | 41 | 36 | 11 | 3 |

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

For the leaders we surveyed, 77% rated themselves as effective or very effective. Despite this positive self-appraisal, only half of leaders (51%) felt their organization's climate enabled them to be an effective leader to a large or very large extent. Considering this alongside the observation that leaders rated their own personal effectiveness higher than they rated leadership effectiveness generally within their organizations, it could be argued that leaders feel limited extrinsically in their capacity to perform at their best.

These results suggest there is an opportunity within many organizations to improve in terms of providing their leaders with the foundation to succeed. Clearly issues relating to climate may vary, so it is important that organizations explore what might be holding back leadership effectiveness within their own organization. For example, a heavy focus on hitting short-term revenue targets may make it difficult for leaders to pursue longer-term objectives and innovations or provide a climate that supports constant change management and employee retention.

"
The main problem I face is with my leaders being inconsistent and changing, thus, I then struggle to lead effectively. "

Leader
Government and Public Service Sector

Which leadership attributes impact most on achieving results?

While objective measurement of leadership impact on organizational performance is notoriously difficult to achieve, the impact of leadership effectiveness continues to be a popular area of research. We analyzed several recent meta-analyses and systematic reviews[1,2,3] and concluded that Transformational and Charismatic leadership styles appear to be more commonly associated with objective measures of organizational and task performance while more values-based styles such as servant, authentic, and ethical leadership impact performance indirectly through employee engagement, trust and commitment, as well as encouraging creativity and more responsible behavior.

To investigate this further, we wanted insight into which leadership attributes both groups felt had the most positive and negative impact when it comes to achieving organizational results. All respondents were given a list of 16 positive and 16 negative leadership behaviors based on various leadership styles and asked to choose their top five for each. The full list of behaviors and details of how the behaviors were selected for the research are described in Appendix 2. In both cases, employees and leaders were very aligned and identified the same top five behaviors for this question (Figure 1.5 and 1.6).

Employee view*

1	Inspiring, motivating, and engaging people	**60**%
2	Fostering collaboration, trust, and respect	**45**%
3	Empowering people to deliver	**42**%
4	Coaching and developing people	**41**%
5	Being open, authentic, and ethical	**37**%

Leader view*

1	Inspiring, motivating, and engaging people	**63**%
2	Empowering people to deliver	**57**%
3	Fostering collaboration, trust, and respect	**44**%
4	Coaching and developing people	**42**%
5	Being open, authentic, and ethical	**39**%

FIGURE 1.5:
In your experience, which of the following leadership behaviors have the most positive impact on achieving results in your organization? Top five behaviors shown in rank order of frequency chosen

From a positive impact perspective, **'Inspiring, motivating, and engaging people'** came out on top, indicating real clarity on the core of a leader's role. While 'Empowering people to deliver' and 'Fostering collaboration, trust, and respect' also reflect motivational leadership qualities, they bridge the way to more values-based, others-oriented leadership. Such behavior then comes into play more so with 'Coaching and developing people' and 'Being open, authentic, and ethical'. This is aligned to recent research which evidences the impact of more values-based leadership styles on wider aspects of organizational performance, such as encouraging prosocial behaviors within organizations and reducing counterproductive behaviors.[1,2]

Employee view*

1	Being aggressive, demeaning, or intimidating	**59**%
2	Micromanaging or being over-controlling	**51**%
3	Setting unrealistic goals or expectations	**47**%
4	Playing internal politics and focusing on self-interest	**44**%
5	Being unclear about goals and priorities	**39**%

Leader view*

1	Being aggressive, demeaning, or intimidating	**58**%
2	Micromanaging or being over-controlling	**48**%
3	Playing internal politics and focusing on self-interest	**45**%
4	Setting unrealistic goals or expectations	**44**%
5	Being unclear about goals and priorities	**40**%

FIGURE 1.6:
In your experience, which of the following leadership behaviors have the most negative impact on achieving results in your organization? Top 5 behaviors shown in rank order of frequency chosen

*Percentage of respondents who chose this behavior as one of their top five.

Leadership behaviors that the groups felt have the most negative impact on achieving results seemed to split into two groups (Figure 1.6). Three of the five behaviors reflect characteristics of an autocratic, self-serving leader, who is overly controlling, hostile and prioritizes self over others. The remaining two focus more on goal/task management and the lack of clear direction along with unrealistic expectations.

While the latter two are arguably more obvious influencers of organizational results, it is important to highlight that leaders agree with employees on the impact that negative personal characteristics can have. This shows that leaders themselves recognize the damage their behavior can have and emphasizes the significance of including Emotional Intelligence within leadership assessment and development initiatives.

This is further supported by our interviews with HR leaders who said that being authentic, communicating a clear vision, and fostering collaboration through systems thinking are the leadership attributes that differentiate strong leaders from others. Leadership humility and creating psychological safety were also key attributes cited by HR leaders as important, which is the opposite of a leader who is confrontational and micromanages employees.

The organization view – HR leader interviews

"
What makes the most effective leaders in your organization stand out?
"

Authentic

What they say and what they do are in alignment.
"Their values shine through, so they are authentic and genuine."

Humble

Accept what they don't know and are willing to learn from others.
"What they learn from employees they use in their ideas, execution of plans, and in the strategies that they create."

Create psychological safety

They create an environment where it's safe to challenge.
"People can freely confront and freely talk."

Communicate a clear vision

Simplify complexity into a clarity of purpose so that employees know what is expected of them and how this contributes to the overall vision.
"Articulate what their teams need to achieve amongst all the noise of the organization."

Adopt systems thinking

Take a broader perspective, encouraging collaboration across departments to drive more creative solutions and accelerate change.
"They have a wider mindset than their area."

Key points

- Leaders and employees agree that leadership effectiveness is critical for organizational success, especially regarding adapting to change and overall performance.
- Although over half of both groups felt current leadership within their organization was effective or very effective, there is room for improvement.
- Leaders themselves were largely positive about their personal leadership effectiveness but were less positive about this being enabled by their organization's climate.
- There was complete alignment between leaders and employees on what they considered to be the top five leadership behaviors that have the most positive and negative impact on achieving results in their organizations.
- 'Inspiring, motivating, and engaging people' was the most frequently selected positive leadership behavior for achieving results while, 'Being aggressive, demeaning, or intimidating' was the most frequently selected negative behavior.

2 The impact of leadership on employee experience

Leaders have a critical influence on how employees feel at work. Scientific meta-analyses of hundreds of research studies have shown that positive leadership styles and good relations between the leader and individuals are associated with higher levels of trust, employee engagement, organizational commitment, job satisfaction, and psychological safety.[1,2,3] In contrast, destructive or toxic leadership can have a negative effect on employees, affecting their attitudes toward work, increasing stress, harming well-being, and reducing desire to stay in the organization.[4]

At Talogy, we have always viewed leadership through the lens of the organization as well as employees, so we were interested in exploring current perceptions around leadership and the employee experience within organizations. For the purposes of this research, we use the term 'employee experience' as a collective term to describe an employee's level of work engagement, job satisfaction and general well-being at work – how employees feel at work and about their organization. We collected data on the perceptions of both employees and leaders in terms of:

- How do employees need to feel to perform at their best?
- How important is a positive employee experience for organizational success?
- What is the current quality of the employee experience within organizations?
- Which key leadership behaviors have the most positive impact on the employee experience?
- Which key leadership behaviors have the most negative impact on the employee experience?

How do employees need to feel to perform at their best?

To understand both the perspectives of employees themselves and leaders in terms of how employees need to feel to perform at their best, we asked them to indicate five words of their own choosing. The results are shown in Figures 2.1 and 2.2 and indicate the frequency that specific words were used, with larger words being referenced more often.

FIGURE 2.1:
Employee view

FIGURE 2.2:
Leader view

There were many consistent words used across the employee and leader perspective, suggesting a shared understanding and recognition of what employees need to be able to perform at their best. Employees tended to use some key words very frequently; leaders had a slightly less distinctive shared view and there was more variation in responses, although prominent themes were still visible.

Employee view

1. Motivated
2. Happy
3. Valued
4. Supported
5. Appreciated

Leader view

1. Motivated
2. Valued
3. Happy
4. Trusted
5. Supported

FIGURE 2.3:
Top five needs for employees to perform at their best (in rank order)

Looking at the top five most frequently used words (Figure 2.3), what is striking is that four of the five words were the same for employees and leaders, despite this being a free-response question. None of these words are necessarily surprising, and these results provide a straightforward, important reminder to leaders about how employees need to feel at work in order to perform at their best. It reinforces the importance of an employee's work engagement (Motivated and Valued), well-being (Happy and Supported) and job satisfaction (Trusted and Appreciated) as critical considerations for effective leadership.

"

Motivation and support are key to successful employees. A happy worker will strive more than employees constantly being deflated by leaders. **"**

Employee
Manufacturing Sector
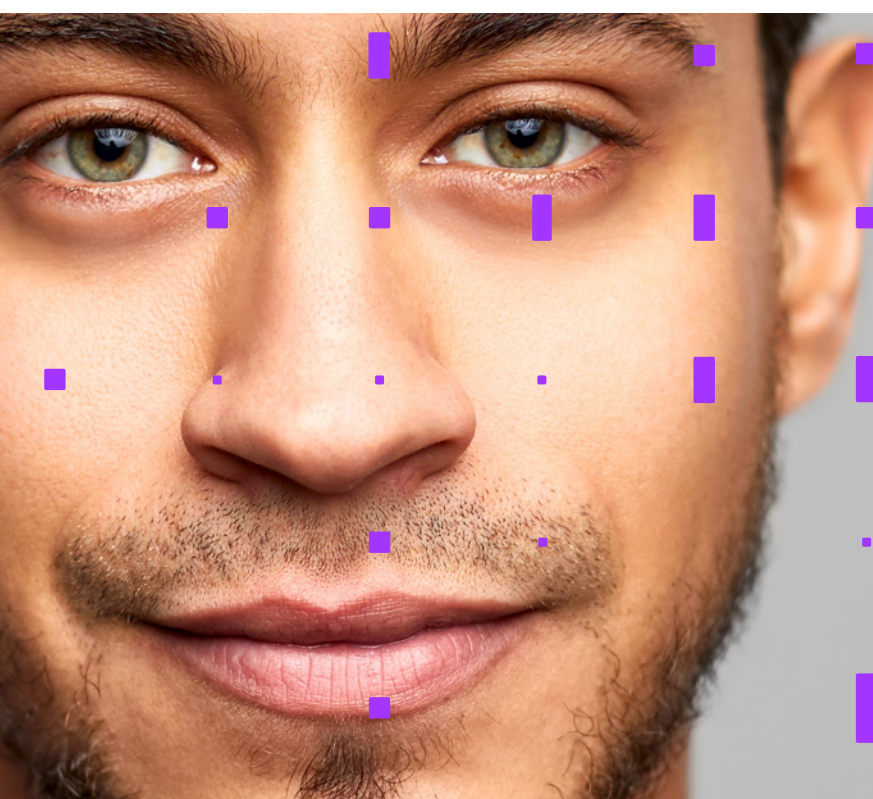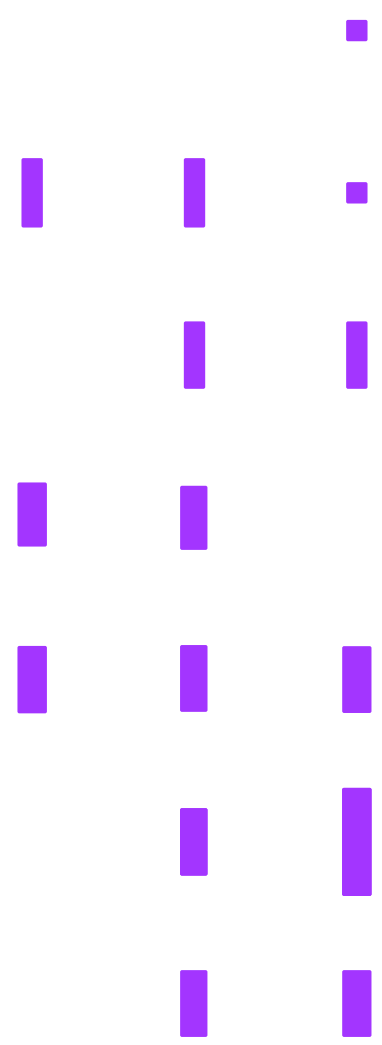
Current views on the employee experience within organizations

Importance of positive experience

■ Extremely important   ■ Very important
■ Moderately important   ■ Slightly important   ■ Not important

Employee view

| 53 | 38 | 7 | 1 | <1 |

Leader view

| 60 | 33 | 5 | 1 |

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

When we asked respondents about the importance of a positive employee experience in achieving organizational success (Figure 2.4), there was resounding agreement, with 91% of employees and 93% of leaders considering this to be very or extremely important. Interestingly, leaders held slightly stronger views of the importance of a positive employee experience (60% of leaders viewing it as extremely important compared to 53% of employees).

Quality of the employee experience

■ Excellent   ■ Good
■ Fair   ■ Poor   ■ Very poor

Employee view

| 15 | 46 | 28 | 9 | 2 |

Leader view

| 16 | 66 | 17 | 2 | <1 |

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

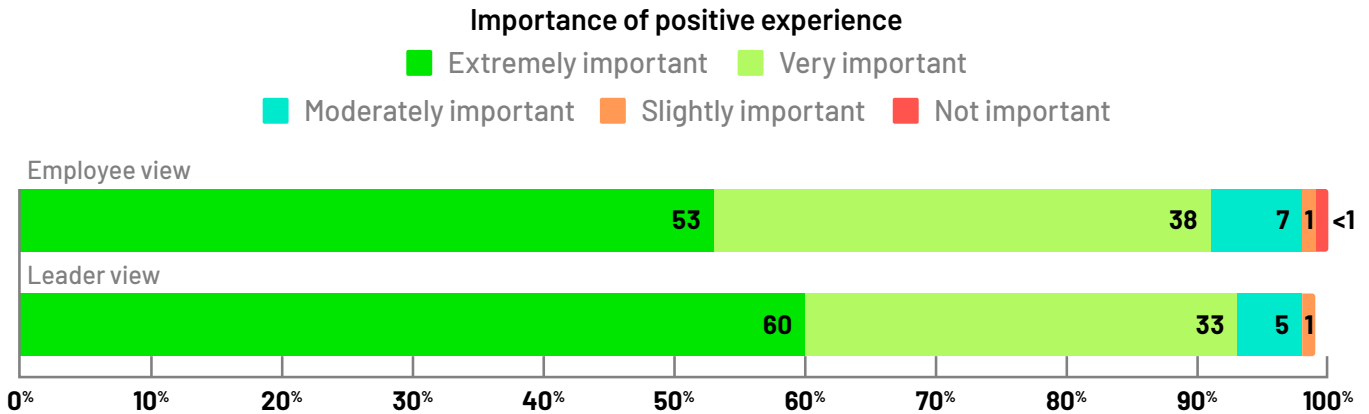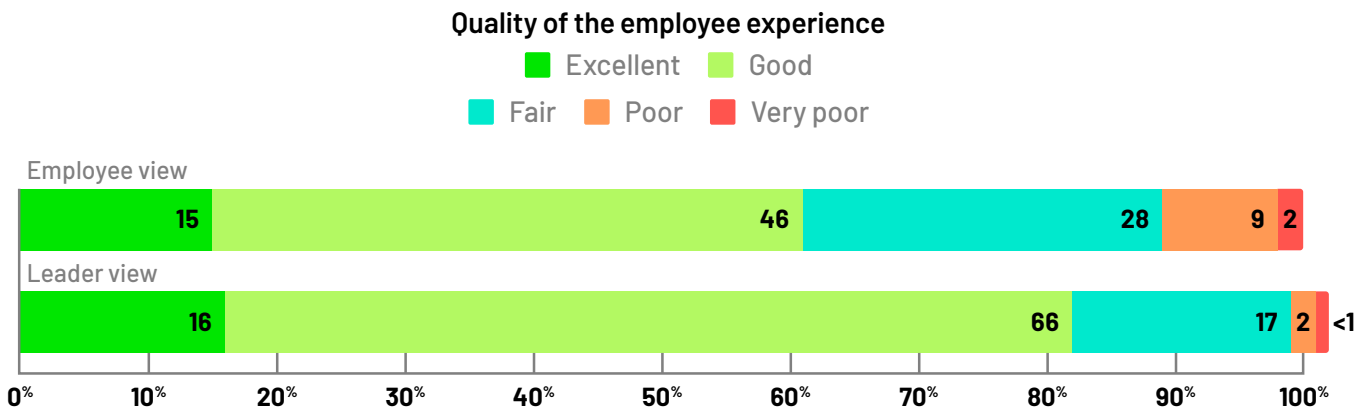When asked about current employee experience in their organization, however, the view of leaders and employees are quite different (Figure 2.5). 28% of employees indicated the quality of employee experience was only fair, suggesting it could be much better than is currently the case. A further 11% of employees indicated their employee experience was poor or very poor. In practice therefore, around 4 out of 10 employees are not reporting a good employee experience in their workplace.

In contrast to the employee view, leaders appeared to believe that the employee experience was more positive, with 82% of leaders rating the employee experience in their organization as good or excellent. Taken together with the finding in Section 1 that more employees (17%) felt leadership within their organization was ineffective compared to leaders' own views (11%), the implication is there may be a mismatch in perceptions within some organizations between leaders and employees. Some leaders may lack awareness of how employees truly feel at work, highlighting the importance of leaders developing their Emotional Intelligence and conscious recognition of others' feelings.

Which leadership attributes impact most on the employee experience?

Given the recognition that a positive employee experience is important for organizational success, and that there appears to be room to improve the employee experience within many organizations, the crucial question is then 'how can positive leadership influence this?'.

We explored this question by asking both employees and leaders to indicate the top five positive and negative leadership attributes which had the most impact on the employee experience, using the same list of 16 positive behaviors and 16 negative behaviors that we used to look at leadership attributes and achieving organizational results in Section 1. Figure 2.6 shows the top five behaviors overall with the percentage of employees and leaders selecting them in the survey.

Employee view[*]

1	Inspiring, motivating, and engaging people	**54**%
2	Showing empathy and compassion	**52**%
3	Fostering collaboration, trust, and respect	**49**%
4	Being open, authentic, and ethical	**49**%
5	Coaching and developing people	**40**%

Leader view[*]

1	Inspiring, motivating, and engaging people	**57**%
2	Being open, authentic, and ethical	**51**%
3	Showing empathy and compassion	**48**%
4	Fostering collaboration, trust, and respect	**47**%
5	Coaching and developing people	**44**%

FIGURE 2.6:
In your experience, which of the following leadership behaviors have the most impact on a positive employee experience in your organization? Top five behaviors shown in rank order of frequency chosen

Like the output for leadership behaviors and achieving organization results in Section 1, we found very close alignment between the employee and leaders' perspectives. The same top five behaviors emerged with only slight differences in the ranking between employees and leaders, thus showing good consensus.

In comparison with the leadership behaviors considered important for organizational results (Section 1), these top five behaviors are the same list with only one exception – 'Empowering people to deliver' is replaced in the top five by 'Showing empathy and compassion'. There is also increased importance put on 'Being open, authentic and ethical'. The greater emphasis on these two behaviors is logical as it will support employees feeling that they can trust their leader to act in their best interests, and that their leader genuinely cares about their well-being – key elements for a positive employee experience.

[*]Percentage of respondents who chose this behavior as one of their top five.

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More broadly, the similarity of these lists suggests a very clear message – there does not have to be a trade-off between driving organizational results and delivering a positive employee experience. It is a key requirement of leaders to balance these two overarching goals, and the same leadership behaviors can enable both outcomes.

Employee view[*]

1	Being aggressive, demeaning, or intimidating	64%
2	Micromanaging or being over-controlling	52%
3	Lying or being unethical	43%
4	Playing internal politics and focusing on self-interest	37%
5	Setting unrealistic goals or expectations	36%

Leader view[*]

1	Being aggressive, demeaning, or intimidating	70%
2	Micromanaging or being over-controlling	49%
3	Lying or being unethical	48%
4	Being arrogant or egotistical	42%
5	Being cold, impersonal, or uncaring	40%

FIGURE 2.7:
In your experience, which of the following leadership behaviors have the most negative impact on creating a positive employee experience in your organization? Top five behaviors shown in rank order of frequency chosen

Both employees and leaders strongly agreed on the top three negative leadership behaviors but differed in their views of the remaining two. Like the positive behaviors, there was also some consistency when comparing leadership behaviors that are detrimental for organizational results and for the employee experience, implying that the same negative actions also harm both outcomes. Four of the top five from the employee perspective appear in both lists (achieving results and the employee experience), although there was more variation in the votes from the leader perspective. The most prominent new behavior that appears in this list is 'Lying and being unethical', which would clearly be likely to drive a fundamental lack of trust in the leader.
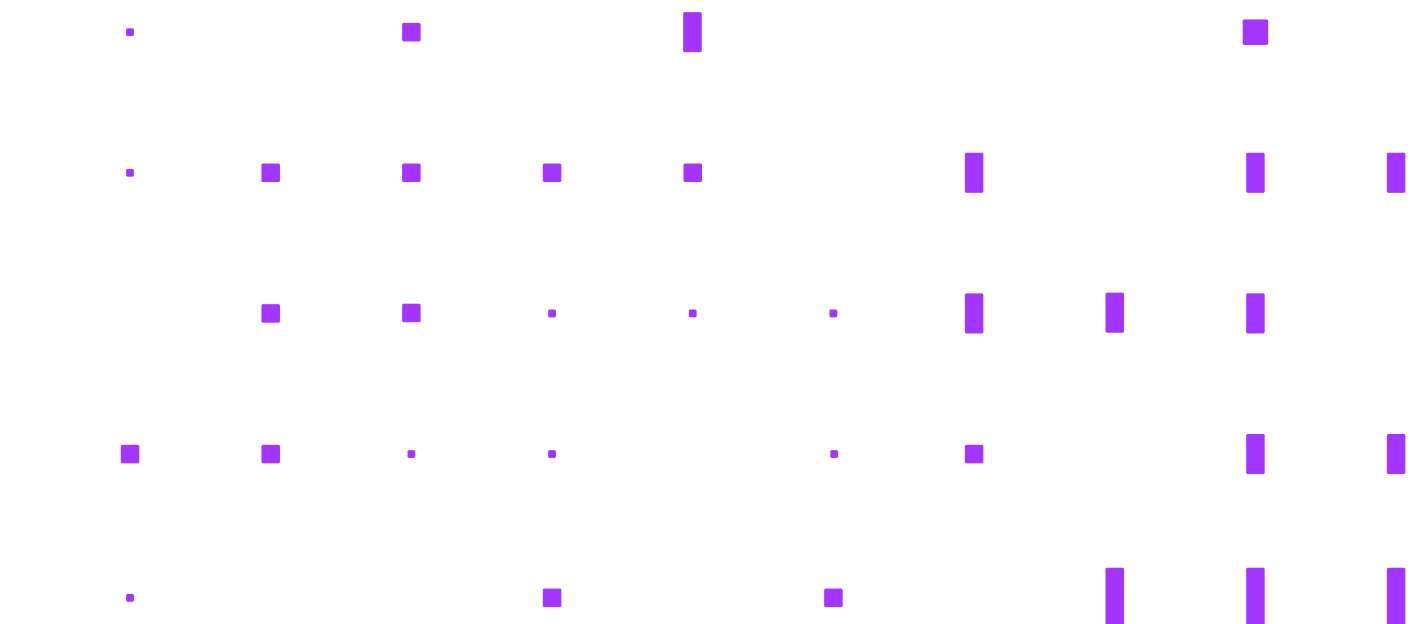
*Percentage of respondents who chose this behavior as one of their top five.

23

The organization view – HR leader interviews

"

What is changing in terms of what employees need from your leaders? Does this differ in terms of different segments in your workforce? "

Promoting work-life balance

There is a high demand to continue working from home and for leaders to promote work-life balance as the boundaries became more blurred during the pandemic.
"More flexibility in terms of working patterns and place of work."

Connectedness with leader

Employees (particularly younger workers) want more communication with leaders and there is an increased need for connectedness.
"Employees want leaders to be more visible and they want more time with them."

Supporting employee well-being

Employees are increasingly looking for leaders who demonstrate that they value their mental and physical health and can engage in candid conversations about their well-being.
"Employees need leaders to look out for their well-being more than previously."

Greater empowerment

Employees (especially younger workers) want to feel empowered and supported in terms of their career progression and personal development.
"Our colleagues do not want to be micromanaged."

Leaders need to balance concern for results with the employee experience

It is important for leaders to remember that focusing on the employee experience does not mean that poor performance needs to be permitted or accepted. Driving organizational results and making employees feel good about their work are not mutually exclusive. They are instead tightly intertwined, and effective leadership requires leaders to focus on both these outcomes to the same extent, as shown in Figure 2.8. This dichotomy of results-focus versus concern for people has been a recurring theme within leadership research for many decades, appearing in slightly different forms.[5,6,7]

"

There is a fine line between being a caring leader and being overly focused on the company/staff. It is really important to find that balance and to keep it. Furthermore, it is very important for leaders to be approachable about staff's personal issues and be open for mental health problems. "

Employee
Retail and Leisure Sector

Leaders need to strive to get the right balance continually, focusing equally on both organizational results and creating an engaging and positive climate within their teams, if they want to create sustainable organizational success.

For sustainable organizational effectiveness, the employee experience needs to be kept firmly in mind if leaders want to get the best from their employees. Measuring and tracking employee work engagement, well-being, and job satisfaction will become more and more important to provide leaders with the information and feedback they need to build and maintain the employee experience.
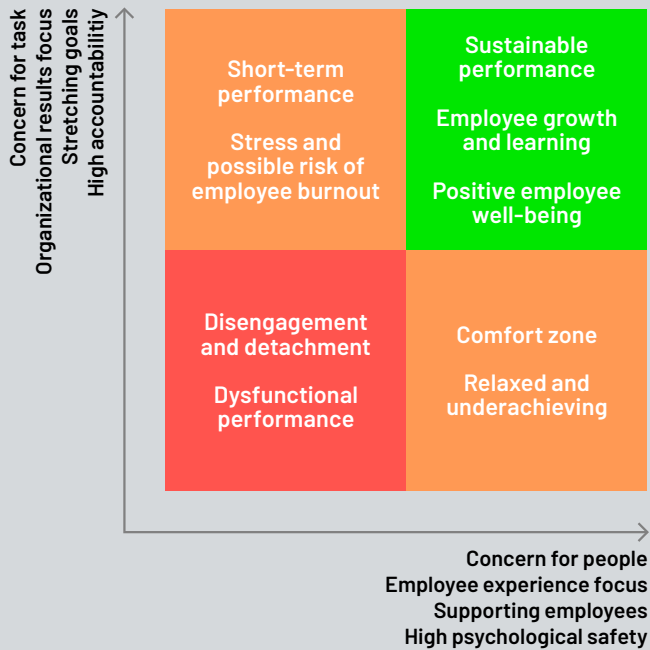
FIGURE 2.8:
Balancing result focus and the employee experience

"

Engage more and help your employees. Try to prioritize their concerns and well-being as much as possible, since they are the ones who are really getting things done. "

Employee
Retail and Leisure Sector

Key points

- To perform at their best, employees stated that, most of all, they want to feel motivated, happy, valued, supported, and appreciated.

- There is resounding agreement from both employees and leaders that having a positive employee experience is of critical importance for organizational success.

- Around 4 out of 10 employees report that their employee experience is fair to very poor, suggesting significant opportunity for improvement across organizations.

- The leadership behaviors that help to create a positive employee experience are largely the same as for driving organizational results – showing that leaders do not need to make a trade-off between these goals.

- In relation to the employee experience, there is some increased emphasis on interpersonal leadership behaviors compared to achieving results – showing genuine compassion and acting authentically will help leaders build a climate where employees feel supported and valued.

3 Leadership lessons from the pandemic

The Covid-19 pandemic created a sudden and dramatic challenge for countries, organizations, and individuals. For many years, people had discussed how leaders need to be able to operate in a VUCA environment (volatile, uncertain, complex, and ambiguous) and the pandemic provided a profound demonstration of this. Leaders needed to learn on the fly, and rapidly adjust strategy and operational processes. They also needed to ensure employees could maintain focus and resilience in a very challenging context and, in many cases, work productively in remote settings.

Of course, the experience that employees and leaders had in the pandemic was varied, with frontline workers and managers staying in the workplace and dealing with the threat of Covid, while other staff had to adjust to home working (and for parents, home schooling their children at the same time). In challenging times, employees looked to their leaders to provide hope, support, and direction. Yet for leaders the situation was often unclear and fast moving. We were interested in exploring both leaders' and employees' perceptions and experiences during the pandemic to identify potential lessons that can be learned about what good leadership looked like in these very difficult times. Specifically, we investigated the following aspects:

- How effective were leaders in dealing with the impact of the pandemic?
- What did leaders do best when responding to the pandemic?
- What could they have improved on?
- What did leaders do differently in the pandemic that employees want to see them continue to do?

Leadership effectiveness in the pandemic

As an initial question, we asked both employees and leaders for their experiences of how effective leadership was during the pandemic:

How effective was your manager in dealing with the impact of the Covid-19 pandemic?
**Employee question**

How effective was your own personal leadership in helping your team deal with the impact of the Covid-19 pandemic?
Leader question

Leadership effectiveness ratings during the pandemic

■ Very effective   ■ Effective   ■ Slightly effective
■ Slightly ineffective   ■ Ineffective   ■ Very ineffective

Employee view

Very effective	Effective	Slightly effective	Slightly ineffective	Ineffective	Very ineffective
27	43	18	6	4	1

Leader view

Very effective	Effective	Slightly effective	Slightly ineffective	Ineffective	Very ineffective
20	53	23	3	1	<1

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%
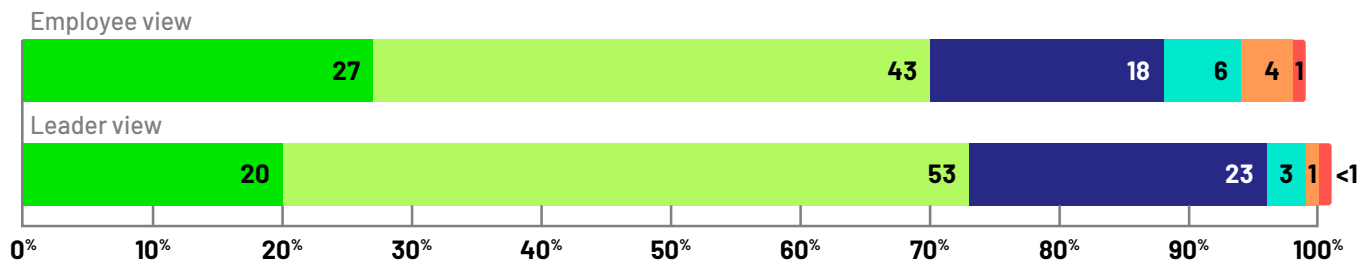
Overall, it is positive to note that 70% of employees in total felt that their manager had led effectively or very effectively in the pandemic. Given the extraordinary situation, the ambiguity and the pressure leaders were under, these results show that many managers rose to the challenge. It is also likely that these perceptions reflect employee recognition of the extreme and uncertain circumstances that their managers were dealing with.

Of those remaining, 18% were rated by employees as slightly effective, suggesting some room for improvement, and 11% were rated by employees as being ineffective to some extent, indicating a clear need for improvement.

In comparison, while leaders themselves were slightly less inclined to rate themselves as very effective in dealing with the pandemic, in total 73% felt that had been either very effective or effective, consistent with the employee view. However, only 4% of the leaders in our sample rated themselves as being ineffective to some extent, compared to the 11% of ineffective leaders indicated by employees.

So, what specific lessons can be learned from leadership in the pandemic? We asked leaders to indicate in their own words what they felt they did best and what they could have improved most. Similarly, we asked employees for their views about what their own leader did best and what they could have improved. We analyzed these responses and grouped them into recurring themes, to identify the most frequently cited strengths and areas for development.

Outstanding leadership in action

"

I have to be honest and say that this is one area that my boss has done everything perfectly. He has followed all government advice regarding social-distancing measures and other pandemic-related, workplace-health guidelines 100% perfectly, by making sure our work environment is as safe and hygienic as possible to work in for those employees who have chosen to stay working in the office. And, for those of us who have chosen to work from home, he has given us complete flexibility to perform our jobs. So, this has actually been one area where my boss has over-performed and excelled in his leadership role. He was as concerned about the pandemic as everyone else, but he kicked into gear really quickly – he was decisive and proactive in responding to the pandemic. **"**

Employee
Media Sector

What did leaders do best when responding to the pandemic?

Employee view of their leader's strengths (top five themes in rank order)

Rank	Leadership strength	Sample quotes
1	**Prioritizing employee health and safety**	"Prioritized everyone's health and safety first." "Immediately pushed for PPE from the company and went out and personally bought a thermometer to check all colleagues and customers' temperature on entering the building." "Made sure the staff felt safe."
2	**Embracing remote/hybrid working**	"Was flexible with remote work and the challenges that came along with that." "Supported everyone who was working from home." "Allowed workers to work from home and gave them complete flexibility in order to get their jobs done."
3	**Showing empathy and compassion**	"Demonstrated empathy for the challenges the pandemic presented me both personally and professionally." "Showed compassion to the difficulties of the situation." "Allowed us to be humans with feelings who needed to adjust to new normal."
4	**Communicating effectively**	"Continuously keep the employees updated with the ever-changing situation, being quite accommodating in each update." "Keeping us informed about rules and regulation changes." "Tried to get information from the upper management to us 'on the floor' as fast as possible."
5	**Staying connected with employees**	"Checked in on employees regularly." "Build a culture of connection through check-ins." "Organizing and maintaining regular team meetings, creating an open space for discussion."

From the employee perspective, better leaders in the pandemic stood out because they put their employees first ahead of other concerns and showed they genuinely cared about their team. They worked hard to ensure employees felt they could work safely in the circumstances and put the measures in place to do so. They quickly embraced remote working – organizing what was necessary to set this up and allowing the flexibility employees needed to achieve their goals according to their individual circumstances (e.g. balancing work with home-schooling). They provided employees with the emotional support that they needed, showing care and compassion towards each individual team member.

In an uncertain situation and with many people working virtually, effective leaders also strove to provide clear, frequent communication about what was happening and put effort into ensuring they kept connected with individuals as well as bringing their teams together.

Rank	Leadership strength	Sample quotes
1	**Staying connected with employees**	"Keeping the team connected even though we were all working remotely." "Making great efforts to stay in contact with each of my team members as personal as possible and organizing within the limitation of the rules, social (online) meetings." "Kept in touch with people reporting to me on daily basis."
2	**Creating a supportive environment**	"Being supportive and genuinely enjoying helping others and for them to be comfortable and build trust in me." "Providing moral support at tough times." "Supporting others in listening to difficulties and giving new ideas."
3	**Showing empathy and compassion**	"Made it a point to be empathetic in every interaction." "Understanding the emotional stress and anxiety my team was facing during the unprecedented times." "Having compassion towards the personal needs of my team knowing that at times it was a real struggle."
4	**Communicating effectively**	"Communicated clearly with team at every step." "I communicated frequently and openly with my team about the changes we were making and the reasons why we were doing them - in particular for employee safety." "Communicating with my whole team to set our strategy in the pandemic."
5	**Fostering collaboration**	"Create a coherent team dynamic despite being working from home/different locations." "I felt like I got everyone working together. We had minimal conflicts and were working super well together." "Collaboration with other managers and colleagues to get tasks done."

From the leaders' perspective of what they personally felt they did well, three themes emerged that were consistent with the employee perspective:

- Striving to keep connected with their teams.
- Demonstrating empathy and genuine care towards the people they were responsible for.
- Focusing on clear, timely communication.

In addition, some leaders felt they had been particularly effective at creating a supportive environment and encouraging collaboration within their team and across other teams.

What could leaders have improved on when responding to the pandemic?

Employee view of key development areas for their leader (top five themes in rank order)

Rank	Area for improvement	Sample quotes
1	**Communicating more effectively**	"We needed more communication." "Give more frequent updates vs. employees needing to ask." "My manager struggled to communicate to all team members and could've improved on updating all of us effectively."
2	**Caring more for employee health and safety**	"Too slow putting safety practices into action." "Not taking into account employees' safety in some situations." "We weren't expected to wear masks and/or hold our distance and only me and two other colleagues followed the rules as best as we could."
3	**Staying more connected with employees**	"There could have been more check-ins, could be quite lonely." "Could have checked up on me more and put more interest in my work." "Checking in with employees, taking the time to ask how people are doing, if everything feels okay at work, and if they need anything else."
4	**Providing better resources, equipment, and support**	"Slow to organize devices for staff to work effectively from home." "Providing equipment for working ergonomically from home, such as screen, desk, chair." "Making sure that there was enough support for people working from home."
5	**Giving clearer direction and focus**	"Sharing a clear plan on how to deal with the situation." "Remove uncertainty about company direction." "Outlining how and where we could adapt to the challenging circumstances, e.g. being clear about whether certain deadlines could be pushed back and what aspects of the workload could be restructured."

Exploring the employee perspective of where leadership could have been improved during the pandemic, we found that several of the most common themes echoed what we had seen for very effective leaders. When looking at what leaders could have done better, communication stood out as the biggest issue for employees by far. Employees generally wanted more regular communication with their managers and better clarity about what was happening in terms of their organization's response to Covid-19.

This is an unsurprising and natural reaction from employees in an uncertain and rapidly changing situation – our natural need for certainty goes into overdrive when we are anxious and concerned, so the need for leaders to communicate and share information was key.

In contrast to managers who led their teams well in the pandemic, less effective managers showed insufficient care for their employees' health and safety. They did not make this a priority or appreciate employees' concerns, and, in some cases, they just left employees to try to apply rules as best they could without adequate managerial support. Furthermore, some employees reported that their manager did not check in often enough or work proactively to keep individuals and teams connected to what was happening in the wider organization.

On a practical level, some employees also reported feeling that their leader did not do enough to get resources and equipment organized so people could work from home. Alongside this, other employees reported feeling that leaders did not provide enough clarity and direction to help reduce uncertainty.

Leaders' view of areas for personal improvement (top five themes in rank order)

Rank	Area for improvement	Sample quotes
1	**Communicating more effectively**	"Speed of communication and transparency." "Keeping team informed in a timely way, but not overloading with information." "My way to communicate by distance. It's pretty hard to work behind a screen especially when you've put part of your leadership on your presence at work. I wanted to be a better communicator and I had to learn it fast."
2	**Staying more connected with employees**	"More regular one to one engagement with team members." "Had more social events to make employees feel more connected." "Reaching out for no other reason than to see how people were doing."
3	**Giving clearer direction and focus**	"I feel like I could have worked harder on being clearer what the goal is and setting up a proper strategy to achieve that goal." "I should have worked harder to steer my workforce on a clear path during the pandemic." "I could have been clearer on direction and focused the tasks better. It took a lot of time to align instead of executing."
4	**Showing empathy and compassion**	"Showing more empathy in particular situations." "I needed to find better ways of empathizing with people. It was hard to understand people and their issues while having virtual meetings and calls." "Being more supportive and caring to the employees I lead. Covid-19 was quite bad for some and it is important that everyone feels comfortable going to me when they need help."
5	**Improving planning and organization**	"Stick to a solid plan." "Having a stricter schedule. Things were all over the place." "Better planning. While there was a Plan B in place, it fell short of what was needed."

When we asked leaders themselves what they could have improved on, we again saw themes emerge that were consistent with employees' views. Some leaders felt their communication could have been better, that they could have done more to check in with individual employees and give clearer direction, although this wasn't always easy during the fast-moving and complex situation that the pandemic presented.

In addition, and contrasting with examples of good leadership, some leaders felt they had not shown enough empathy and understanding towards their employees. Furthermore, there was a recognition that defining and keeping to plans could also have been improved for some leaders.

The organization view – HR leader interviews

" **What did your leaders do differently during the pandemic? Were there any leadership development areas highlighted?** "

HR leaders highlighted several strengths consistent with the views of employees and leaders themselves:

- Showing compassion and empathy, with more concern for people's well-being.
- Staying connected with their teams and being visible to team members, rather than using the pandemic as "an excuse not to talk to their team".
- Communicating a clear direction and vision which helped employees navigate the uncertainty.

In addition, HR leaders also highlighted how the best leaders in their organization had demonstrated rapid decision making during the pandemic, streamlining processes, and removing bureaucracy to facilitate quick change under pressurized conditions. They also noted that effective leaders were more authentic – "not knowing all the answers and being comfortable saying this".

In terms of development areas, HR leaders identified three key themes:

Managing remote/hybrid teams
leaders needed to get better at understanding how teams work and how to encourage collaboration in remote settings.

Balancing concern for people and results
leaders needed to strike a balance between being empathetic while also keeping focus on targets; looking after people in a way that still helps them achieve their results.

Future focus
looking ahead, leaders need to take a long-term, strategic approach to future changes. Leaders need to respond in sustainable ways and avoid only focusing on immediate short-term targets – "some leaders have struggled to maintain the momentum with engaging people".

Learning from the lessons of the pandemic

Leadership came firmly under the microscope in the pandemic. In many ways, amongst all the pain, sadness, and anxiety that the pandemic brought, it provided a very powerful catalyst for a review and reset about leadership.

Our research has highlighted some of the most prominent, broad themes about how employees experienced their leaders during this time, and leaders' own perspectives on how they performed. This provides a chance for leaders to reflect on lessons learned and use this to improve how they lead moving forward. This is an opportunity which should not be missed.

Looking forward, we anticipate the experiences of the pandemic will have some lasting impact on leadership. The emerging picture is a changing perspective on leadership – one that emphasizes the importance of employees' perspective and expectations much more than before. During the pandemic, leaders needed to show more empathy and connect with their teams on a more personal level, and employees want to see this continue beyond the crisis.

"

One thing that Covid has taught, is that employees are your biggest asset. *"*

Leader
Pharmaceuticals and Healthcare Sector

Key points

- Overall, employees generally held positive perceptions about how their managers dealt with the pandemic, although there were some exceptions and room for improvement.

- The most effective leaders communicated clearly and with transparency, showed empathy and compassion towards individuals' circumstances, kept connected with their team, truly embraced remote working, and prioritized the health and safety of their team members.

- Less effective leaders were more disconnected from their team, did not communicate regularly or provide clear direction and structure, failed to address team member's health and safety concerns adequately and did not provide necessary equipment and support.

- We anticipate that the pandemic has increased employee expectations that leaders should demonstrate more human-centered leadership – showing genuine care and consideration towards employees' needs, concerns, and well-being.

- The uncertainty and challenges of the pandemic brought out the best in some leaders while others struggled, highlighting the importance of context for leadership.

4 The future of leadership – critical challenges and how leaders can respond

As previously explored, the pandemic accelerated digital transformation with an increase in remote/hybrid working and automation. The future of leadership is no longer about preparing for digital disruption and transformation, but more about embracing and adapting to it.[1] There is now greater emphasis and expectation placed on leaders to catch-up, empowering and upskilling their rapidly growing digital workforces while also seeking to become more digitally savvy themselves.

In other words, digitalization has happened, it's here and it's more an example of what leaders need to embrace rather than plan for. Our research suggests that leadership in the future is arguably more about humanizing than digitalizing: building trusting relationships, creating inclusive and supportive working environments, and fostering collaboration and communication across various work contexts.

So, what do employees and leaders think about the future of leadership? We explored the following:

- What are the key challenges for leaders over the next five years?
- How prepared are leaders for these challenges?
- What leadership behaviors will be most important in the future?
- What will leaders need to do differently?

Leadership challenges for the next five years

We asked employees and leaders for their perspectives on what they expected to be the most prominent leadership challenges in the future. Both groups were presented with a list of 14 potential challenges as well as the opportunity to indicate their own.
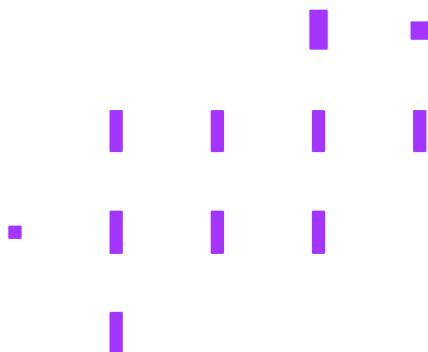
Employee view[*]

Attracting and retaining talent	**56**%
Motivating and engaging employees	**54**%
Employee well-being	**52**%
Collaboration and communication	**42**%
Remote/hybrid working	**40**%
Building trust within the organization	**35**%
Process and system optimization	**34**%
Re-skilling employees	**34**%
Enabling innovation	**30**%
Culture change	**28**%
Diversity and inclusion	**27**%
Digitalization	**25**%
Defining a compelling organizational vision and purpose	**22**%
Agile working	**18**%

Leader view[*]

Attracting and retaining talent	**57**%
Motivating and engaging employees	**51**%
Remote/hybrid working	**43**%
Employee well-being	**42**%
Collaboration and communication	**41**%
Re-skilling employees	**38**%
Building trust within the organization	**33**%
Enabling innovation	**31**%
Process and system optimization	**31**%
Culture change	**31**%
Digitalization	**30**%
Diversity and inclusion	**24**%
Defining a compelling organizational vision and purpose	**22**%
Agile working	**22**%

FIGURE 4.1
What do you think are the biggest leadership challenges for your organization in the next five years? Top five challenges shown in rank order of frequency chosen

When asked to select their top five biggest leadership challenges for their organization in the next five years, there was again close alignment between leaders and employees. 'Attracting and retaining talent' came out on top for both leaders and employees, which reflects the changing work environment post-pandemic. Remote or hybrid working will likely be a permanent fixture,[2] and this has broadened the landscape of where people can work, introducing new challenges around talent management and putting greater emphasis on leaders to keep their teams 'motivated and engaged' (the second highest rated leadership challenge).

A call for more human-centered leadership was called out by leaders, organizations and employees during the pandemic and the tone very much continues with 'Employee well-being' considered one of the top five leadership challenges. Responsible and compassionate leadership is likely to be important not just for the immediate recovery post-pandemic but for ongoing leadership development and practice. Employees increasingly expect their organizations to consider the employee experience rather than solely focusing on revenue goals, disregarding any personal impact on employees.

[*]Percentage of respondents who chose this challenge as one of their top five.

It is also interesting to look at what didn't make the top five. For example, 'Digitalization' and 'Agile working' ranked lower. This again highlights the subtle shift in expectations of leaders, where enabling and creating a positive working environment is seen as the most important part of their role. This might also reflect that for many leaders and employees, the pace of change and impact of technology is something they may already accept as normal context within the contemporary world of work. That said, both the scientific and organization view highlight adaptability and fast execution (key agile characteristics) as important for leadership in this digital era, so our view is that the leadership role is becoming more complex and broader, with leaders needing to balance focus between the human, technical, and commercial aspects of their role.

We subsequently asked how prepared employees felt their leaders were to deal with future challenges and similarly how prepared leaders themselves felt they were (Figure 4.2).

Leadership preparedness

■ Fully prepared   ■ Very prepared   ■ Fairly prepared
■ Starting preparation   ■ Not prepared   ■ Do not know

Employee view

| 3 | 21 | 47 | 16 | 11 | 1 |

Leader view

| 7 | 30 | 50 | 11 | 2 | <1 |

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%
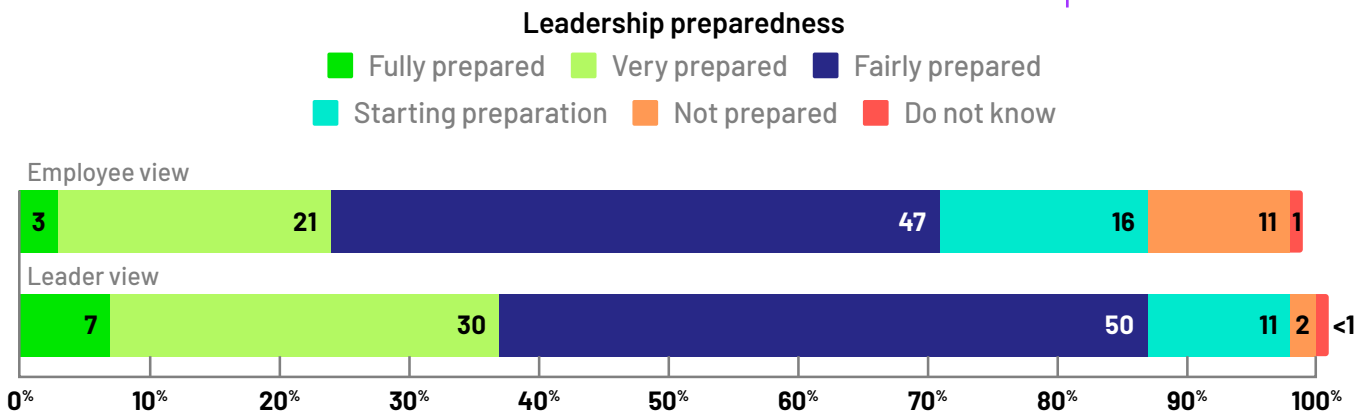
Only 24% of employees felt their leaders were very or fully prepared to deal with future leadership challenges, in comparison to just over a third of leaders who rated that they were very or fully prepared themselves (37%). Furthermore, 27% of employees indicated leaders were only starting preparation or not at all prepared, compared to 13% of leaders with the same view. In summary, it seems that while leaders may think they're slightly more prepared than employees think they are to deal with future challenges, there is a general sense of not being prepared enough. Given the competitive nature of most markets, those organizations who can get their leaders better prepared will be more likely to have competitive advantage.

What do leaders need to do to meet these future challenges?

We explored employees and leaders' views on what attributes will be most important for leadership success over the next five years, as well as exploring what leaders might need to do differently.

Employee view*

1	Inspiring, motivating, and engaging people	**56**%
2	Coaching and developing people	**41**%
3	Being open, authentic, and ethical	**39**%
4	Fostering collaboration, trust, and respect	**38**%
5	Empowering people to deliver	**38**%

Leader view*

1	Inspiring, motivating, and engaging people	**61**%
2	Empowering people to deliver	**49**%
3	Coaching and developing people	**42**%
4	Being open, authentic, and ethical	**37**%
5	Fostering collaboration, trust, and respect	**37**%

FIGURE 4.3
What will be the most important attributes for success in the next five years?
Top five behaviors shown in rank order of frequency chosen

When it comes to attributes considered important for future leadership success, there is again similarity with what was identified as important for organizational performance and the employee experience. Both leaders and employees felt that a blend of motivational and values-based behavior would be most important for leaders to demonstrate in the next five years. These five behaviors appear to be foundational leadership attributes for now and the future.

In addition to choosing from a pre-defined list of behaviors, we also asked leaders and employees the following free-response questions, to explore their views on the future of leadership further:

1. **What one most important thing [do you need to do differently as a leader] / [does your leader need to do differently] to help your organization be successful in the next five years?**
2. **Lastly, are there any other final views you would like to share about the future of leadership? (e.g. potential challenges, changes in the workplace, what leaders need to do, etc.)**

A thematic analysis identified the most common themes, which are listed below.

*Percentage of respondents who chose this behavior as one of their top five.

37

The one most important thing leaders should do differently to help organizational success in the next five years:

Employee view (top five themes in rank order)

Rank	Themes	Sample quotes
1	**Provide open, clear, and efficient communication**	"Effective and timely communication with staff at all levels."
		"Leaders need to create an easy and open way to share knowledge and ideas both, inside and between departments."
		"Communicate in a timely manner."
2	**Be open to change and innovation**	"Be open to change, open to new ideas, rather than sticking with old, outdated ideas and workflows."
		"Need to be willing to change and evolve. Not be afraid of changing lanes."
		"Be open to change, open to new ideas, rather than sticking with old, outdated ideas and workflows."
3	**Attract and retain talent**	"Attracting and keeping more talent by incorporating their ideas and offering them perspectives within the company."
		"Hire to retire."
		"Attracting talent and adapting the culture to retain employees."
4	**Embrace diversity**	"Creating an inclusive climate and sense of fairness."
		"Open the door to people with a more diverse background."
		"Listen more to the lower-level workers when it comes to making decisions that will affect them directly, not just higher-level workers."
5	**Have a clear vision/strategy**	"Leaders in my organization need to stop rushing everything, and rather have a clear vision and path to success."
		"Be clear and direct with expectations and what changes are coming as soon as possible."
		"Defining effective strategies to achieve goals."

From an employee perspective, future success of organizations depends on leaders that communicate more openly, clearly, and efficiently. There is a clear need for two-way communication as employees need to have their views heard and acted on by leaders in order to feel engaged.

Leaders will also need to be more willing to embrace change and encourage innovation, while also putting in place effective ways of attracting and retaining talented employees. Diversity and inclusion also emerged as a theme, highlighting the growing expectation that leaders create an inclusive and fair climate within their organizations. It was also not a surprise to see employees wanting clear direction from their leaders; to be provided with a vision and strategy that leads to attainable goals and success.

Leader view (top five themes in rank order)

Rank	Themes	Sample quotes
1	**Embrace, adapt, and drive change**	"Get on board with the change. Being enthusiastic and supporting change would help to lift my own and team morale."
		"Adapt to change in the working environment and ever-changing worldly circumstances."
		"Build on the changes that have been forced upon us as a result of the pandemic and find a way to take what has been learned to update existing policies and procedures."
2	**Learn and innovate**	"Facilitate more innovation and encourage greater focus on exploring new and creative ideas versus business as usual."
		"Drive innovative ideas to succeed in a fast-changing business landscape."
		"Challenge my team to think outside of the box as the world takes a digital approach which we may not go back from."
3	**Be open and accepting of ideas**	"Being open to different perspectives and ideas."
		"Learn more about some of the employee's way of doing things and listen to their suggestions because they are the ones doing the actual work so they will have better solutions."
		"Listening to the people who have to deal with the work, day in and day out. As they are the ones who will see things that I overlook."
4	**Foster collaboration**	"Streamline effective communication and collaboration in a remote setting (or semi-remote), as well as team spirit."
		"I need to improve collaboration between employees, especially as they are isolated working from home, and it is unlikely that will change anytime soon."
		"Engage others to collaborate and express their ideas."
5	**Communicate more effectively**	"Communicate better with all staff."
		"Learn how to communicate to younger generations more effectively."
		"Improve rhetoric, become a better verbal communicator."

The leader perspective showed some similarities. There was recognition from leaders too that they need not only adapt to change but pioneer it. Furthermore, leaders also recognized a need to be innovative and learn new ways of doing things; to forgo control and be more open-minded about the ideas and perspectives their employees – those on the frontline – can bring. There was a clear desire to improve collaboration in a working world where remote or hybrid working is now likely to be more the norm than the exception in many sectors. Better communication also emerged once again as a theme, but with more of a practical note, i.e. to be more articulate and conscious of who they were talking to and what would resonate most with that audience.

The organization view – HR leader interviews

"

What challenges do you foresee that will have the most impact on your leaders? How will they need to adapt? **"**

Managing remote/hybrid teams

To adapt, leaders will need to focus on empowering their teams, developing their own Emotional Intelligence and creating belonging in remote teams.

Managing constant change

To cope with constant change in the market, leaders will need to have a growth mindset, build their Personal Resilience in dealing with change and keep an external focus on market trends and developments.

Developing Digital Dexterity

Leaders will need to be innovative in embracing the opportunities that new technologies can offer, but at the same time also be humble about what they know and don't know, to develop their own digital skills and fluency.

In line with the recognition from employees and leaders that remote or hybrid working was one of the top five challenges for leaders over the next five years, HR leaders also highlighted that leaders will need to adapt their approach to manage remote and hybrid teams effectively. HR leaders echoed views from the other groups about the need for leaders to manage change, but with a focus on what this might mean for leaders on a personal level. The theme of innovation also emerged, specifically tied to the need for leaders to actively embrace new technologies and demonstrate Digital Dexterity.

Additional thoughts about the future of leadership

As a final question in the survey, we asked for any other views about the future of leadership not already shared. This was again a free-response question, and thematic analysis was conducted to identify common themes.

Employee views (top five most common themes)

Rank	Themes	Sample quotes
1	**Allow flexible working**	"Understand that the way we work is changing. Remote working is now a very real possibility. We do not need to be in an office to be productive."
		"There needs to be consideration for remote work now that Covid-19 has shown us it's possible in many different applications."
		"I sincerely hope large organizations will be more open to remote working from now on."
2	**Be adaptable**	"Adaptability seems to be more important than ever before."
		"Leaders need to understand and be prepared that what employees and businesses need from a good leader is drastically and rapidly going to change over the next five years."
		"I think adaptability is going to be important over the next years with pandemics, high digital upgrades and a fast-paced world - leaders need to take action swiftly and correctly."
3	**Trust and empower employees**	"Empower employees rather than belittle them. Treat them as important, valued members of the team rather than another cog in the wheel."
		"Leaders need to empower their employees more and break down hierarchies and have a more modern approach of engagement in the workplace."
		"Trust in your workers without supervision as long as results come in."
4	**Digital Dexterity**	"Leaders need to see the power of digitalization."
		"Learn and understand new technology."
		"Setting the right environment for digital change."
5	**Support and promote a positive employee experience**	"Leaders need to realize that they need to do what's best for their employees and stop being selfish and only think about their 'higher ups'."
		"People Management, adapting to the people under your management and ensuring they have the workplace to work at their best."
		"Leaders should have in mind their team's interest at heart. Not the financial part of work."

Leader views (top five most common themes)

Rank	Themes	Sample quotes
1	**Trust and empower employees**	"You cannot be a successful leader without empowering your employees first."
		"Working from home has massively strengthened the trust relationship between employees and employers."
		"Relinquish command and control behaviors and drive high performance culture through continuous improvement/growth mindsets."
2	**Be adaptable**	"I believe we have the skills we just need to remember not to fall back into old habits. Move on. Not back."
3	**Manage change effectively**	"I think there is going to be a log of change in workplaces, and it is a leader's duty to make sure this transition is as smooth as possible."
		"Helping employees to accept change and focus on the now is vital for keeping people on track with their contributions at work."
		"Changes in the workplace is never ending so I think a leader should be prepared to accept changes."
4	**Digital Dexterity**	"Digitalization is a big part of progress, and its implementation and development should start from leaders."
		"I think digitalization will be an even bigger thing in the future and how to teach the skills needed to our employees."
		"Technology needs to be harnessed for effective leadership."
5	**Attract and retain talent**	"Hiring will continue to be challenging as we move to a hybrid/remote workforce."
		"'People leave bad managers' rings true, pandemic or not."
		"Staffing will be key."

Final themes on the future of leadership from both groups reinforced adaptability and change management as important, be it specifically pandemic-related (to embrace flexible/hybrid/remote working), or more generally in terms of perspective and mindset. There was also additional focus on trust and empowerment from both groups: leaders felt they needed to enable their workforces more and have confidence in their abilities, especially those who work remotely, and employees echoed this, while also calling for more appreciation and value.

Both groups also reinforced the impact of digitalization and the importance of harnessing and upskilling on technology before it's too late. And finally, a poignant theme came through from employees that leaders need to act in service of the employees they lead and put their interests first, rather than focusing on their own self-interest and financial targets.

The organization view – HR leader interviews

”
Are there any final views you would like to share about the future of leadership? ”

- Building on previous responses, interviewees stated that the future of leadership will be all about **empowerment** and **managing constant change**.

- As digitalization increases, leaders must continue to develop **Emotional Intelligence**. They need to be socially adept and able to provide empathy to employees in times of crisis.
  "EI will be more important than IQ."

- **Attracting and retaining talent** - with concerns around retaining talent, leaders need to be proactive in attracting and developing employees to ensure the sustainability of the business.
  "Get the right people on the bus and structure the organization to be successful for the future."

- **Social responsibility** - employees are looking for leaders to support local communities and good causes. Leaders who did this during the pandemic were perceived positively and this will be more of an expectation of leaders going forward.
  "Employees want to support movements like Pride and BLM, and they want leaders to acknowledge this."

The organization view highlighted empowerment and managing constant change as important for the future of leadership, consistent with the views of employees and other leaders. HR leaders also echoed the primary challenge of leaders in the next five years of attracting and retaining great talent within the organization. These interviews emphasized the need for leaders to develop their Emotional Intelligence, in line with employees' desire for their managers to show more empathy and compassion. An additional theme emerged around a desire for leaders to demonstrate genuine social responsibility by supporting important causes outside of their organization.

Evolving leadership

Looking across all the themes identified about the future of leadership, a clear picture is presented. The next five years will challenge leaders to manage change, harness technology, and enable innovation, while in parallel bringing a human-centered approach in how they lead – through embracing flexible working, putting trust in employees, and empowering them to succeed. For many leaders, this will require them to adapt and evolve their leadership style to reflect the new post-pandemic working context.

Key points

- Leaders and employees were aligned when asked what the biggest leadership challenges were for their organizations in the next five years, with 'Attracting and retaining talent' coming out on top. Moving forward, there is expected to be far more remote and hybrid working than before, which will broaden the landscape of where people can work and require effective leadership to help retain top employees.

- Preparedness for these leadership challenges seemed unconvincing, with leaders feeling more optimistic than employees but, overall, both groups indicated that more could be done.

- Top leadership attributes for future success were no different to those identified as important for achieving results and having a positive impact on the employee experience, strengthening the significance of these core leadership behaviors.

- Processes and perspectives on change management, innovation, openness to ideas, and talent attraction and retention were signaled as areas leaders will need to do differently in the future to be successful.

- The need for leaders to listen to all employees and empower them more highlights the requirement for leaders to be humble, open-minded, and emotionally intelligent.

"
I think leadership has already been changing a lot and will change way more within the next five years. The requirements for inclusivity and individuality in workplaces are rising and with growing market diversification and the business world moving to digital, leadership will have to become way more human-oriented and employee friendly. "

Employee
Retail and Leisure Sector

Final reflections and the new guiding principles for leadership

Our research provides a detailed picture of leadership now and in the future. We explored leadership from the employee perspective, the organizational perspective, and from leaders themselves.

Overall, there was considerable alignment between these perspectives but also some notable nuances and differences. Organizations and employees share similar views with leaders around the subtle shift in the leader role and the implication of this on leadership attributes.

In terms of leadership effectiveness, the data are mixed. In our research, we found many examples of positive leadership, but at the same time we also saw a clear need to improve leadership across organizations. The pandemic highlighted this even more, with some leaders shining under pressure while others struggled to adapt and recognize what employees needed to perform. This raises some interesting questions about the impact of context, but also underlines the case for enabling and supporting leaders to be able to make the shift required to succeed now and in the future.

"
We need more courses on leadership. Too many great leaders are not in leadership and too many bad leaders are leading. *"*

Employee
Business Services Sector

It is clear that the pandemic has accelerated some trends and changed the work context. Many leaders will have to adapt to hybrid or remote working, adjusting their leadership style and ways of communicating. The need for greater trust and empowerment of employees has been talked about for a long time, but there are now some key drivers that will mean leaders who find this approach difficult are unlikely to succeed.

Employee well-being has also moved firmly up the agenda, meaning that leaders will need to build awareness and understanding of how to enable this, while balancing the demands of change, digitalization, and increasing pace of work. The reshaped world of work demands a more human-centered style of leadership where leaders put their employees first and strive to create a supportive, including and trusting environment that will engage employees. Finally, employees want their opinions to be heard and want to work for leaders who are prepared to be open and to admit that they don't have all the answers.

"
Leaders must learn that they need to lead the whole person – mind, body and spirit and create a safe environment to allow them to flourish, then productivity will rise. Businesses need to follow the science and understand that autocratic, top-down, tell, carrot and stick approach no longer works. Fostering intrinsic motivation is the key. *"*

Employee
Business Services Sector

The impact of digitalization and rapid pace of technological development will also push leaders to ensure they can embrace new technologies, as well as creating the right environment to facilitate innovation within their teams. This will require leaders to be resilient, humble, and have the Emotional Intelligence to be able to create a psychologically safe climate where employees feel free to propose new ideas and take risks.

Our exploration of leadership attributes highlighted several core behaviors which lie at the heart of effective leadership – they drive organizational results and a positive employee experience, as well as being considered critical for leadership in the future. Leaders who can demonstrate these six key attributes will be well set for success:

1. **Inspiring, motivating, and engaging people**
2. **Empowering people to deliver**
3. **Fostering collaboration, trust, and respect**
4. **Being open, authentic, and ethical**
5. **Coaching and developing people**
6. **Showing empathy and compassion**

This will not necessarily be easy; leaders need to adopt a mindset of continuous development and learn to do their job differently. The ever-evolving work environment and navigating these changes will require leaders to be agile and adapt to the context they are in. It will require self-awareness and humility to be able to accept feedback, recognize mistakes, and be willing to learn and improve. Leaders who can truly embrace this mindset will be well positioned to respond to the future challenges of the reshaped world of work – driving sustainable success for their organization and the employees that they lead.

"

I think the most important thing for the future of leadership is a flexible, self-aware, supportive, ethical, fair and kind approach. Delivered in such a way that makes employees feel encouraged to perform to the best of their abilities. **"**

Employee
Retail and Leisure Industry

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Appendix 1: sample demographics

Employee sample

Gender

- Female
- Male
- "Other" or "Prefer not to say"

Female	Male	>1
54	45	>1

Age

- 16–19
- 20–29
- 30–39
- 40–49
- 50–59
- 60+

16–19	20–29	30–39	40–49	50–59	60+
4	47	32	11	6	2

Organization size

- 1–10
- 11–50
- 51–200
- 201–500
- 501–1,000
- 1,001–5,000
- 5,001–10,000
- 10,000+
- Did not know or preferred not to say

1–10	11–50	51–200	201–500	501–1,000	1,001–5,000	5,001–10,000	10,000+	Did not know
13	15	14	9	7	14	6	14	8

Employee sample (continued)

Country of origin

- UK — 26
- US — 20
- Germany — 8
- Netherlands — 8
- Australia — 7
- France — 6
- Sweden — 5
- New Zealand — 4
- Finland — 4
- Mexico — 3
- Denmark — 3
- Belgium — 3
- UAE — 2
- Norway — 2

Other countries were represented but did not exceed more than 1% of the sample

Organization sector

Values: 24, 13, 10, 10, 9, 7, 5, 5, 4, 3, 3, 2, 2

- Other sectors*
- Government and public services
- Retail and leisure
- I.T.
- Pharmaceuticals and healthcare
- Business services
- Manufacturing
- Banking and financial
- Media
- Transport and distribution
- Oil, gas, and mining
- Agriculture and fishing
- Utilities

*Not represented by given categories

Job function

- Other functions* — 23
- Customer service — 11
- I.T. — 10
- Admin, clerical, and secretarial — 10
- R&D — 9
- Engineering or technical — 8
- HR — 6
- Sales — 6
- Finance — 3
- Logistics and distribution — 3
- Production — 3
- Management and operations — 3
- Marketing — 2
- Prefer not to say — 2

*Not represented by given categories

Leader sample

Gender

Legend: Female | Male | "Other" or "Prefer not to say"

Female	Male	Other
41	59	>1

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

Age

Legend: 16-19 | 20-29 | 30-39 | 40-49 | 50-59 | 60+

16-19	20-29	30-39	40-49	50-59	60+
1	32	34	18	10	3

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

Organization size

Legend: 1-10 | 11-50 | 51-200 | 201-500 | 501-1,000 | 1,001-5,000 | 5,001-10,000 | 10,000+ | Did not know or preferred not to say

Category	Value
1-10	12
11-50	13
51-200	15
201-500	13
501-1,000	10
1,001-5,000	15
5,001-10,000	6
10,000+	14
Did not know or preferred not to say	2

Leader sample (continued)

Country of origin

	%
UK	26
US	21
Australia	8
Netherlands	6
France	6
Mexico	5
Sweden	5
Germany	4
UAE	4
Belgium	3
New Zealand	2
Finland	2
Norway	2

Other countries were represented but did not exceed more than 1% of the sample

Organization sector

Other sectors*	22
Government and public services	15
Retail and leisure	10
I.T.	9
Pharmaceuticals and healthcare	9
Business services	7
Manufacturing	6
Banking and financial	5
Media	4
Oil, gas, and mining	4
Transport and distribution	4
Utilities	3
Telecommunication	2
Agriculture and fishing	2

Other sectors*
Government and public services
Retail and leisure
I.T.
Pharmaceuticals and healthcare
Business services
Manufacturing

Banking and financial
Media
Oil, gas, and mining
Transport and distribution
Utilities
Telecommunication
Agriculture and fishing

*Not represented by given categories

Job function

	%
Management and operations	20
Other functions*	13
I.T.	9
Engineering or technical	9
HR	8
R&D	7
Admin, clerical, and secretarial	7
Customer service	6
Finance	5
Sales	5
Marketing	4
Production	2
Logistics and distribution	2

*Not represented by given categories

Leader sample (continued)

Years of management experience

Legend: ■ 1–5 ■ 6–10 ■ 11–20 ■ 21+

| 61 | 16 | 14 | 8 |

Leadership level

Legend: ■ Executive (C-suite) ■ Senior Manager ■ Middle Manager ■ First-line Manager or Supervisor ■ Other ■ Prefer not to say

| 11 | 16 | 24 | 42 | 5 | 3 |

Team size

Legend:
- ■ 1–5
- ■ 6–10
- ■ 11–20
- ■ 21–50
- ■ 51–100
- ■ 101–250
- ■ 251–1,000
- ■ 1,000+
- ■ Prefer not to say

| 43 | 25 | 11 | 7 | 5 | 4 | 4 | 1 | >1 |
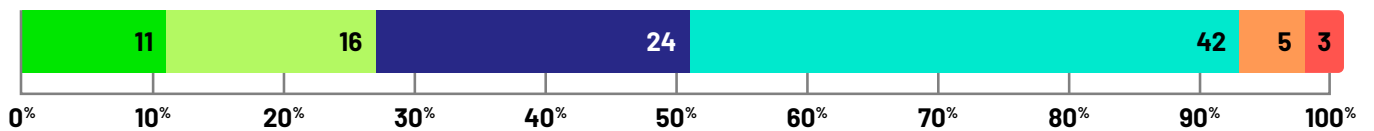
HR leader interview sample
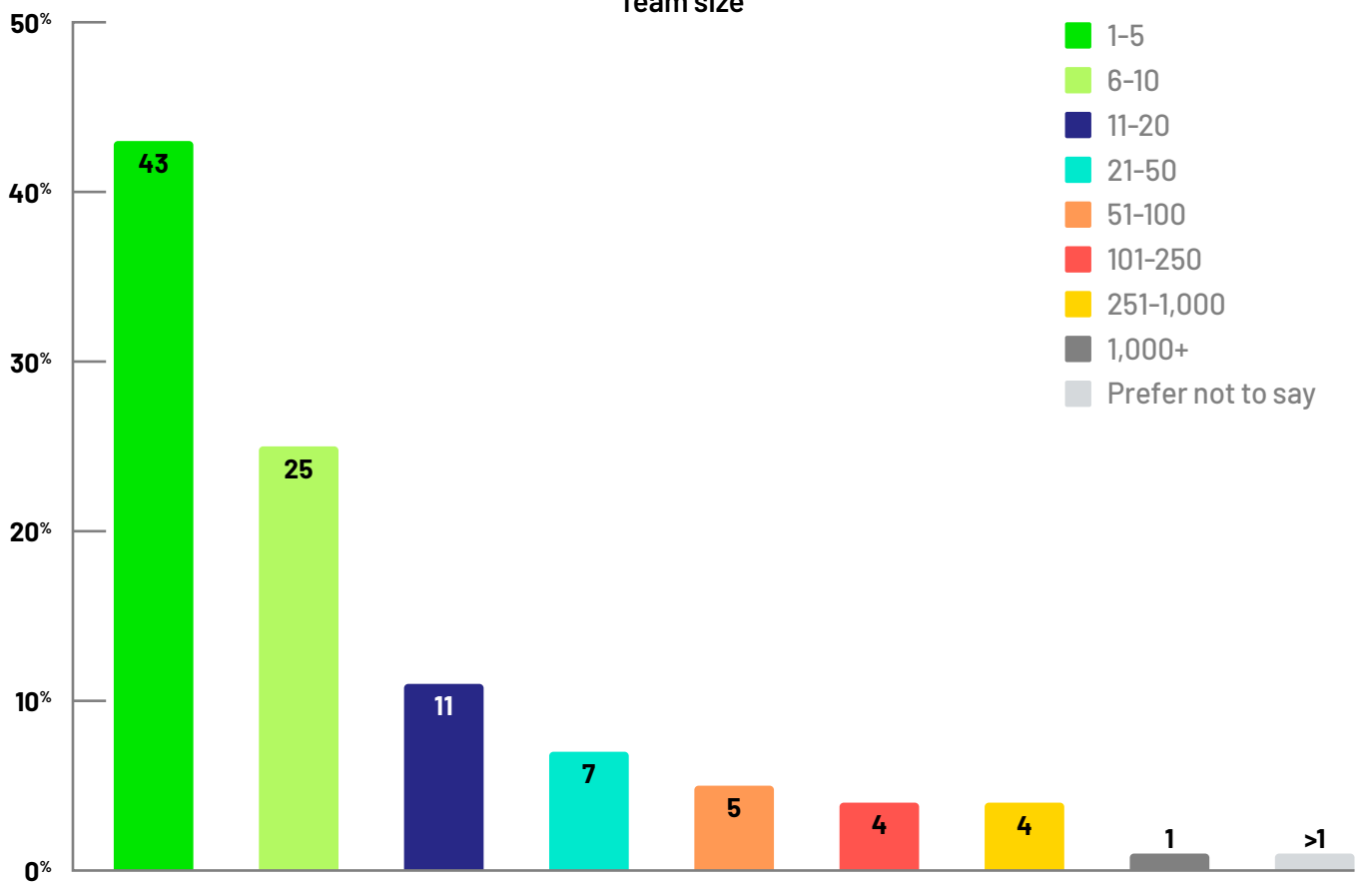
Average
MANAGEMENT EXPERIENCE :
14.28
years

Organization sector

17	14	11	11	9	9	6	6	6	6	3	3

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

- 🟩 Utilities
- 🟩 Business services
- 🟦 Not stated
- 🟦 I.T.
- 🟧 Pharmaceuticals and healthcare
- 🟥 Manufacturing
- 🟨 Banking and finance
- 🟪 Oil, gas, and mining
- ⬛ Telecommunication
- ⬜ Construction
- ⬜ Accommodation and food services
- 🟩 Transport and distribution

Organization size

- 🟩 Not stated
- 🟩 11–50
- 🟦 51–200
- 🟦 201–500
- 🟧 501–1,000
- 🟥 1,001–5,000
- 🟨 5,001–10,000
- ⬜ 10,000+

Not stated	11–50	51–200	201–500	501–1,000	1,001–5,000	5,001–10,000	10,000+
14	3	3	3	6	20	14	37

Country location

- 🟩 UK
- 🟩 France
- 🟦 US
- 🟦 Saudi Arabia
- 🟧 China
- 🟥 UAE
- 🟨 Sweden
- ⬜ Spain

UK	France	US	Saudi Arabia	China	UAE	Sweden	Spain
34	17	11	11	11	6	3	3

Appendix 2: leadership attributes used in this research

As part of the online surveys conducted with employees and leaders, respondents were asked to rate the importance of a set of leadership behaviors for:

- Achieving results in your organization
- Creating a positive employee experience
- Success in the next five years

Identification of positive leadership behaviors

Our goal in creating the list of positive leadership behaviors was to provide a broad range of behaviors reflecting the breadth of leadership. To do this, we started by conducting a mapping across a wide range of sources, consisting of contemporary leadership models from the scientific literature as well as Talogy's own proprietary leadership frameworks and products. Scientific leadership models used in this mapping included:

- Transformational leadership[1]
- Servant leadership[2]
- Authentic leadership[3]
- Ethical leadership[4]
- Inclusive leadership[5]
- Instrumental leadership[6]
- Agile leadership[7]

Based on this mapping, we identified a set of 16 leadership behaviors that provided broad coverage across these models. This mapping and wording of the leadership behaviors was reviewed and refined by three of the research authors to reach a final consensus. The full list of 16 leadership behaviors using the research questions is shown below.

Positive leadership behaviors

1	Setting direction and holding people to account	9	Showing empathy and compassion
2	Empowering people to deliver	10	Showing self-awareness and humility
3	Inspiring, motivating, and engaging people	11	Being open, authentic, and ethical
4	Coaching and developing people	12	Considering different perspectives objectively
5	Fostering collaboration, trust, and respect	13	Creating an inclusive climate and sense of fairness
6	Leading the way in challenging circumstances	14	Defining effective strategies to achieve goals
7	Creating a vision for change	15	Being open to learning and new ideas
8	Resolving conflict	16	Being willing to adapt their approach/plans

Identification of negative leadership behaviors

To create the list of negative leadership behaviors, we adopted a consistent approach with the positive behaviors. Again, our aim was to create a broad and varied list of negative leadership behaviors. We conducted a mapping of several models of negative leadership and derailment, as well as Talogy's own proprietary tools and approaches. This included scientific models of toxic leadership[7] and destructive leadership.[8]

For consistency, we created a list of 16 negative leadership behaviors based on this mapping process. The wording of behaviors was discussed and agreed by three of the research authors. The full list of negative leadership behaviors used in the research is shown below.

Negative leadership behaviors

1	Being aggressive, demeaning, or intimidating
2	Playing internal politics and focusing on self-interest
3	Setting unrealistic goals or expectations
4	Micromanaging and being over-controlling
5	Making arbitrary decisions without consultation
6	Being indecisive
7	Resisting change, new ideas, or suggestions
8	Being unclear about goals and priorities

9	Being volatile, erratic, or unpredictable
10	Lying or being unethical
11	Being arrogant or egotistical
12	Being disorganized or short sighted
13	Not standing up for the team's needs
14	Being pessimistic about the future
15	Being cold, impersonal, or uncaring
16	Overestimating own knowledge, skills, or experience

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