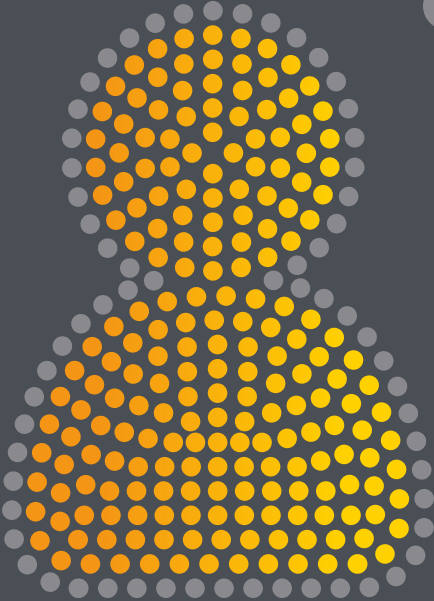The impact of effective leadership on an organisation's ability to navigate through challenging times

Leading through challenging times

ilm

In times of crisis, strong leadership and management isn't just important, it's business critical.
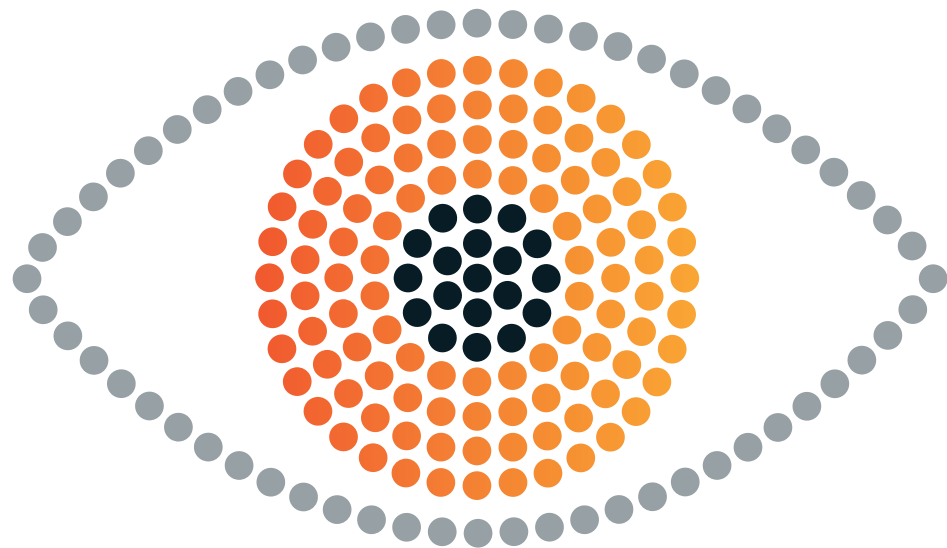
Contents

"In times of crisis, strong leadership and management isn't just important, it's business critical. This year firms have faced unprecedented circumstances and have had to make some very difficult decisions – putting their leadership and management skills to the test."

Foreword

3,500

We surveyed 3,500 leaders and mangers from across the UK to understand how effectively businesses were managed during the pandemic.

COVID-19 has brought huge fundamental changes in the way we all live and work. Leaders and managers have had to adapt to challenging economic conditions and, in many cases, entirely new ways of working as pandemic restrictions shut down work places across the country.

However, many of the challenges that we have faced have not come about purely as a result of the pandemic – rather, COVID-19 has brought long existing issues to the fore. Understandably, there has been a hastening of the move to more homeworking during the lockdown which is likely to be a trend that is here to stay. Managing homeworking teams requires some different managerial skillsets and an atmosphere of trust and understanding between teams.

The Coronavirus pandemic has highlighted the importance of investment in leadership and management training, as many businesses have struggled to adapt to these rapidly changing circumstances.

And the pandemic isn't the only crisis that British businesses are facing. With Brexit upon us and difficult economic conditions likely in 2021. Capable, effective and adaptable leaders will be critical to guide organisations and inspire and encourage their colleagues and to meet the needs of a changing workforce and a changing world.

In this research paper, we surveyed over 3,500 people at all levels of seniority from across the UK, exploring their experience of leadership and management in their businesses during the pandemic, the policies and initiatives their employers have in place to nurture leadership and management talent, and what qualities and skills their leaders and managers will need to guide and support them in an uncertain future.

COVID-19 has undoubtedly wrought chaos on most businesses across all sectors, but it has also provided us with valuable insights into which skills are the most essential when faced with a crisis. We should now use that knowledge to develop a nation of leaders and managers who are prepared to face any eventuality. The one thing that is certain is that we will face more uncertainties in the years ahead as we deal with the aftermath of COVID-19, a likely recession and with Brexit imminent. The businesses that will flourish are the ones that have leaders and managers who can lead their teams to respond.

David Phillips
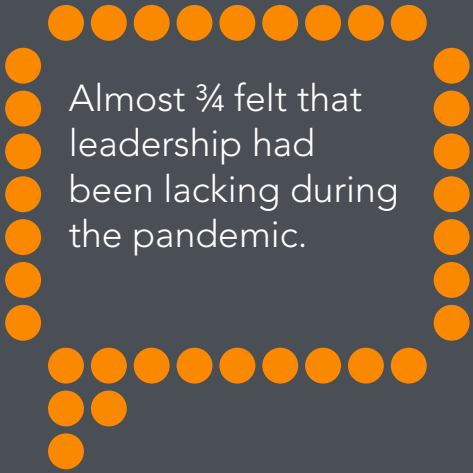**Managing Director**
– ILM and City & Guilds

The Coronavirus pandemic has highlighted the importance of investment in leadership and management training, as many businesses have struggled to adapt to these rapidly changing circumstances.

Key Insights

81%

of UK businesses expect to be quite badly or very badly impacted by COVID-19.

Almost ¾ felt that leadership had been lacking during the pandemic.

Qualities most lacking among leaders and managers during COVID-19

Empowering and motivating teams — **36%**

Problem Solving — **34%**

Empathy and Emotional Intelligence — **31%**

31 %

of organisations had no measures in place to identify leadership and management skills among staff.
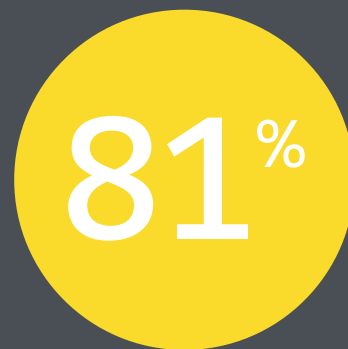
27 %

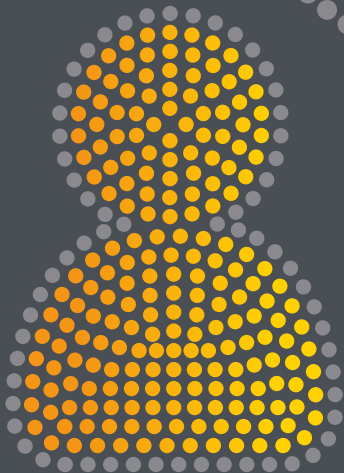of organisations do not offer leadership development opportunities.

24 %

of employers do not offer development opportunities for progression into management and leadership roles

Half think that government policy will have no impact, or a negative impact, on training and upskilling.
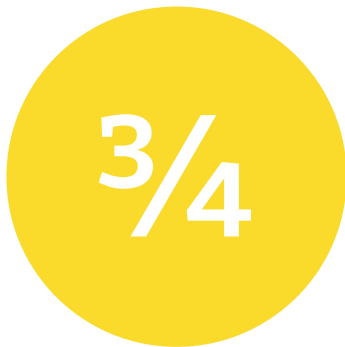
81 %

believe effective and engaging training methods are important to the successful performance of teams

Managing in a crisis – Leadership in UK Organisations During Covid-19

81%

of UK businesses expect to be quite badly or very badly impacted by COVID-19.

¾

Almost ¾ felt that leadership and management had been lacking during the pandemic.

Organisations across the globe and in every industry have had to rapidly adapt and evolve to meet the unprecedented challenges of the global pandemic. In the UK, 81% of those surveyed felt that their business would be negatively impacted by the pandemic, with over 40% saying they expect to be impacted quite badly or very badly.

Businesses in the arts and culture sector anticipated the most serious impact, with 63% expecting to be very badly or quite badly impacted, and businesses in London were the most concerned about experiencing very serious or quite serious impact from the pandemic (48%).

Given the widespread and significant impact of the pandemic, we asked survey respondents about their experiences of leadership and management during COVID-19.
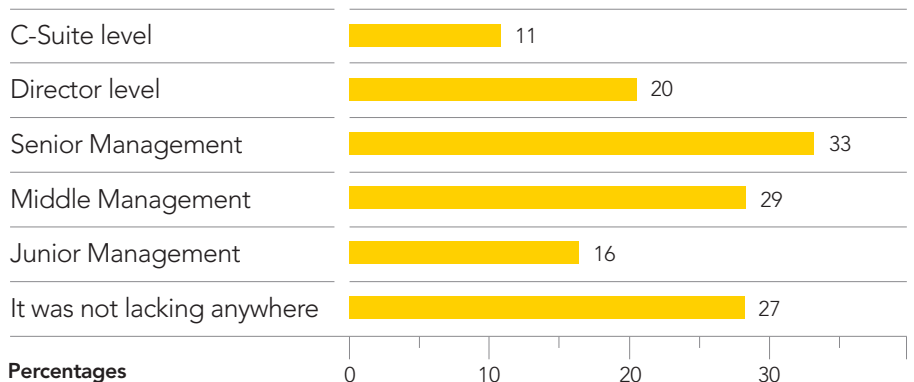
Were leaders and managers lacking?

Almost three-quarters felt that leadership and management had been lacking during the pandemic.

When asked about the performance of their leaders during COVID-19, just 27% felt that leadership hadn't been lacking at all in their organisation.

When asked to specify where they felt leadership had been lacking, 33% of respondents said that leadership had been lacking most among senior managers, while 29% felt that leadership had been lacking at middle management level.

People were the least likely to say that they thought leadership was lacking at the C-Suite Level (11%) followed by the most junior level of management (16%).

Where was there a lack of leadership during COVID-19?

C-Suite level	11
Director level	20
Senior Management	33
Middle Management	29
Junior Management	16
It was not lacking anywhere	27

Percentages 0 10 20 30

Traits and behaviours vital for managing in a crisis

When asked what the most important attributes were for leaders to possess when managing throughout the COVID-19 crisis, respondents highlighted empowering and motivating teams (57%), problem solving (46%), professionalism (44%) and empathy or emotional intelligence (42%).

We then asked respondents which qualities they felt had been lacking among leaders and managers during the pandemic and we found that many of the attributes they had said were highly important were the very same ones which they felt were missing in their leadership teams.

36% said that managers and leaders struggled with empowering and motivating teams and 31% said that leaders and managers in their organisations had not demonstrated enough empathy or emotional intelligence. 34% also said that a lack of problem-solving skills among managers and leaders had been highlighted by the pandemic.

Which qualities were most essential vs lacking among leaders and managers during the pandemic

Most essential

1) Empowering and motivating teams	**57%**
2) Problem solving	**46%**
3) Professionalism	**44%**
4) Empathy or emotional intelligence	**42%**

Most lacking

1) Empowering and motivating teams	**36%**
2) Problem solving	**37%**
3) Empathy or emotional intelligence	**31%**

# What are the most important skills for managers and leaders?

68%
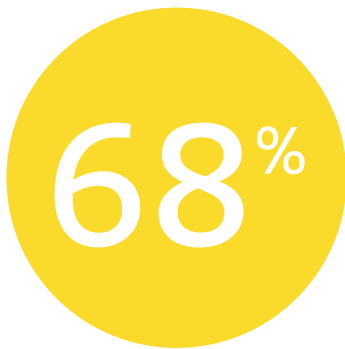
said that people management was a vital skill for managers and leaders.

What are the most important skills for managers and leaders to possess?

When asked what were the most important skills for leaders and managers to possess more generally, the majority placed a high priority on 'soft' interpersonal skills such as empowering and motivating, emotional intelligence and empathy.

68% said that people management was a vital skill for managers and leaders followed by 48% for relationship building/interpersonal skills and 48% for communications skills.

These same skills were those which respondents said their leaders and managers were lacking: 45% said leaders and managers in their organisation were lacking in people management skills, 39% said they were lacking in communication skills and 37% said they were lacking in relationship building/interpersonal skills.
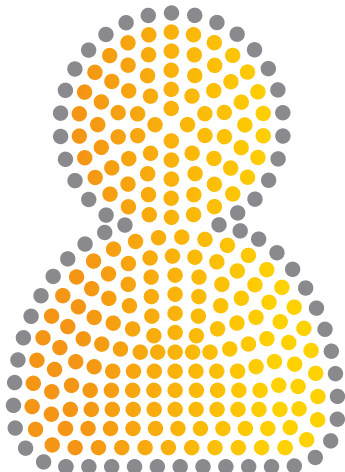
Which skills are most important for leaders and managers?

1) People management

68%

2) Relationship building/ interpersonal skills

48%

3) Communication skills

48%

Which skills do your managers and leaders need to improve on?

1) People management

45%

2) Communication skills

39%

3) Relationship building/ interpersonal skills

37%

The value of leadership

We also asked our respondents what aspects of good leadership and management were important to the successful performance of teams within an organisation.

What aspects of good leadership and management were important?

Aspect	Percentage
Efficient and organised managers	84
Positive interpersonal relationships between team members	85
Strong role models within the team	81
Training methods that engage staff	81
An embedded coaching culture	73

Percentages

0   20   40   60   80   100

85%

of respondents believed that positive interpersonal relationships between team members were important.
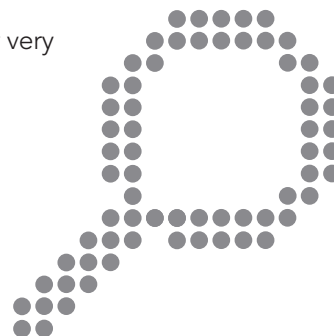
84% said that efficient and organised managers were somewhat or very important and 85% said that positive interpersonal relationships between team members were somewhat or very important.

Strong role models within the team were considered somewhat or very important by 81% of respondents, while 81% said the same of training methods which effectively engaged their staff.

73% regarded an embedded culture of coaching as somewhat or very important to the success of their teams.

Leadership and Talent Development – Creating Future Leaders

31%

of organisations had no measures in place to identify leadership and management skills among staff.

If leadership and management skills are currently lacking, then putting measures in place to develop these skills among colleagues and create a robust talent pipeline to develop leaders and managers of the future is vital.

Identifying future leaders

When asked what measures their organisation had in place to identify leadership and management skills among their staff, 55% said that assessments conducted during one year or six month reviews were used, 45% said that informal recommendations were used, and 39% said that assessments conducted during the recruitment process identified leadership and management skills among colleagues.

However, almost a third (31%) said that their organisation had no measures at all in place to identify leadership skills.
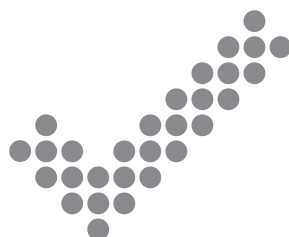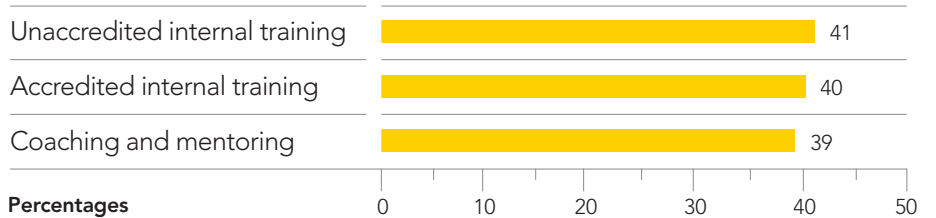
Leadership and management development

We also asked respondents what measures their organisation had in place to develop leadership and management skills among their staff.

38%

38% of organisations identify leadership or management potential during the recruitment process.

What measures are in place to develop leadership and management skills?

Unaccredited internal training	41
Accredited internal training	40
Coaching and mentoring	39

Percentages   0   10   20   30   40   50

41% said their organisation offered internal training which was not accredited, whilst 40% said their organisation offered internal training which was assessed or certified. 39% also said that their organisation offered coaching and mentoring programmes.

There was also evidence of organisations offering more informal support for developing leaders with 35% saying their they encouraged people within the organisation to take a role in setting policy or best practice and 28% promoting the range of opportunities outside management roles.

32% said that they offered external certified training, while 26% offered external training which was not certified.

2/3 of organisations do not offer external, certified leadership and management training.

However, 16% said that their organisation did not offer any opportunities to develop leadership and management skills while 11% said that they were not aware of any development measures in place within their organisation.

Our research found that 27% of people's organisations did not offer leadership development opportunities or the respondents were unaware of any such opportunities. These findings support our Missing Millions research from earlier this year, where we found that 34% of people had not received workplace training in the last five years or have never received such training.

Paths to leadership

24% of employers do not offer development opportunities for progression into management and leadership roles.

Outside of training and mentoring, we asked respondents what career development opportunities their organisation provides to help them progress into leadership and management positions.

47% said that they were given the opportunity to train or mentor other members of staff, 44% said they were given technical training or upskilling beyond their core skill set and 37% said they were offered secondments to other areas of the business.

However, 24% said their employer did not offer any development opportunities for employees to progress into leadership and management roles.

24%

of employers do not offer development opportunities for progression into management and leadership roles.
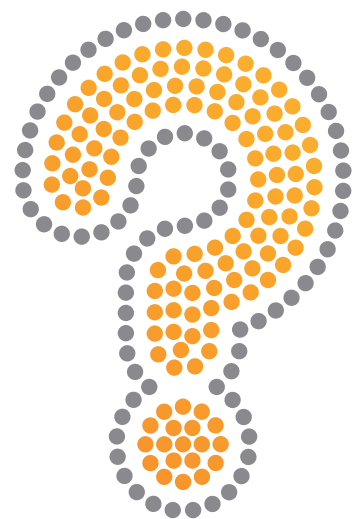
Eye on the future – Leadership in Uncertain Times

34%

of respondents felt that additional training for middle managers was important.

8%

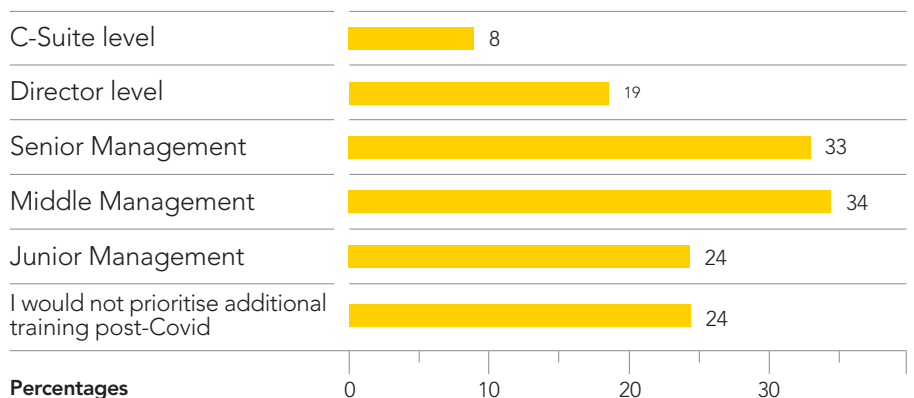said that managers at C-Suite level needed additional training.

While the COVID-19 pandemic will eventually recede, the UK is still facing significant challenges associated with Brexit, with many experts predicting economic disruption and significant skills shortages in the short to medium term.

We wanted to find out where people felt that additional leadership and management training would be important in future, in light of the challenges COVID-19 had highlighted.

34% of respondents felt that additional training for middle managers was important, while 33% felt that senior managers needed additional training. 24% felt that additional training for junior managers/team leaders was a priority and 19% said that colleagues at director level needed additional training. Just 8% said that managers at C-Suite level needed additional training.

24% said that they would not prioritise training for any group in the wake of the pandemic.

Where is additional leadership and management training most needed post-Covid?

	Percentage
C-Suite level	8
Director level	19
Senior Management	33
Middle Management	34
Junior Management	24
I would not prioritise additional training post-Covid	24

Percentages: 0 10 20 30

Government support for the next generation of leaders

We questioned our survey respondents on whether they felt that government support for providing training and upskilling to their staff would have a positive impact.

Across the UK, 36% felt that government support would have a moderate or strong positive impact, but 34% felt it would have no impact at all.
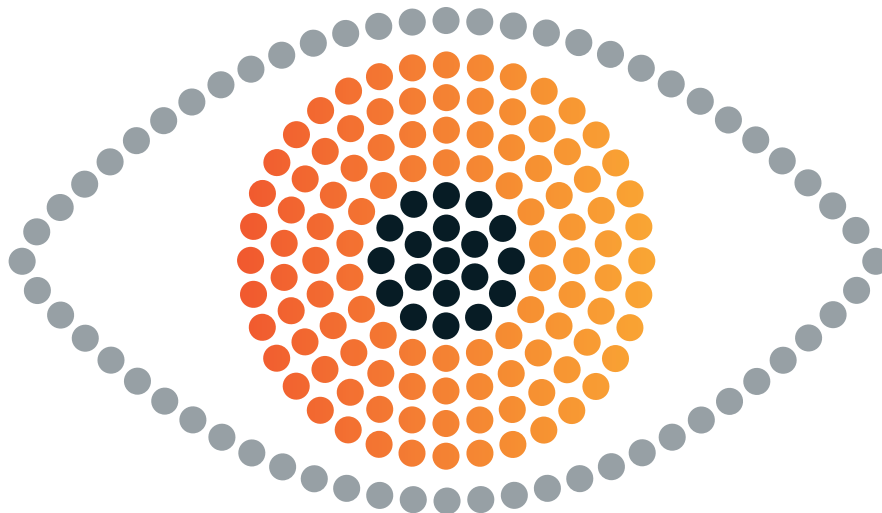
16% felt that government policy would in fact have a negative impact on training and upskilling.

Half think that government policy will have no impact – or a negative impact – on training and upskilling.
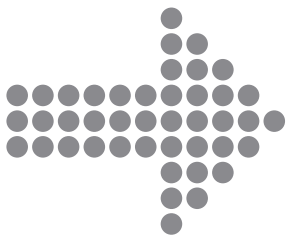
16%

felt that government policy would in fact have a negative impact on training and upskilling.

Key Recommendations

1

We need to embed core leadership and management skills across all levels of the organisation to enable them to respond effectively to future crises

More focus must be given to developing people management, relationship building and communication skills in our leaders and managers throughout their careers.

Middle and senior managers are seen as being most in need of additional leadership training. Front line managers have a huge impact across an organisation, yet are the least likely to receive development before they move into role. Development of these lynchpin leaders in the core skills identified above to lead through crisis will be vital in the coming years as we navigate through the impact of the pandemic on the economy and Brexit.

2

Businesses must offer career development and nurture talent pipelines to ensure they are fit for the future

Not all businesses are setting themselves up for long term success with many businesses failing to identify talent within their own organisations or offering the opportunity to develop leadership and management skills.

By addressing these issues businesses will not only improve their own bottom lines but will reduce attrition of highly skilled staff and create robust talent pipelines for future senior leaders.

Nurturing and developing high potential (HiPo) talent is key. This can start with exercises at leadership level to identify, assess and nurture talent. Further actions can range from a conversation with your talent pool and targeted personal development plans to a full talent development accelerator programme, while Human Resources and learning and development teams can support career development through offering leaders and managers opportunities to get involved in cross-functional projects outside of their normal roles.
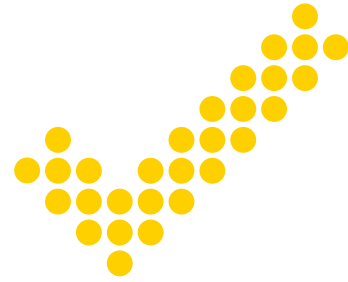
3

Government must invest, build confidence and better engage with employers

There is a lack of confidence in the ability of government policy to address skills shortages and build much needed core competencies amongst the UK workforce. Policymakers may need to engage more with businesses to ensure the thinking of leaders truly informs their policies, develop closer working relationships with employers and build confidence in the role of government in supporting upskilling and retraining to meet the challenges of skills shortages and create a robust, effective and engaged workforce.

4

Employers need to create empowered, independent, well led teams as greater levels of remote working becomes the 'new normal'

We are likely to see the trend for greater homeworking to remain post pandemic. Even for experienced managers, developing new skills to manage and lead their teams effectively will be essential in this different working environment.

Organisations should support their leaders to establish a regular programme of check-ins with team members, use project management tools to assign tasks and encourage team members to feel free to deliver and proactively report back or ask for support. This can only be achieved by developing a culture of trust and learning in an organisation – delivered through the management style of individual managers and leaders.

5

Softer management skills are crucial

Leading teams in challenging circumstances requires not only a particular set of practical and technological skills, but also a well-honed set of interpersonal and communication skills. When leading across distance; clarity, openness and trust become vital to ensuring both understanding of tasks set and engagement between teams and their leaders on challenges, successes and outcomes. Their development needs to be supported both by training and the right tools to communicate effectively.

Employers should consider focusing training on how to support managers in ensuring colleagues feel empowered to make decisions during challenging circumstances.
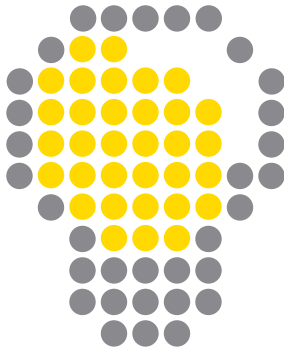
Methodology

In October 2020 we worked with research agency Censuswide and carried out a poll of over 3,500 working age people in the UK across a wide range of sectors and regions. We asked the respondents a number of questions to ascertain their experiences of management and leadership during the COVID-19 pandemic, and their wider attitudes towards leadership and management training and strategy.

We compared the experiences of respondents broken down by location, age, level of seniority and sector.

The research was conducted by Censuswide between 29.09.20-23.10.20, with 3,506 employers (middle managers +, with a minimum quota of 25% to be 'Senior manager / professional' , 'Director' , 'Business owner') and employees ('Clerical' , 'Manual – unskilled' , ' Manual – skilled' , 'Graduate entry level' , 'Junior manager / professional', Core staff member (no managerial responsibility)) (50/50 split) ensuring the following regional minimum quotas for where respondents work with even split of employers and employees:

- Minimum 500; England, Scotland, Wales and Northern Ireland.
- Minimum 250; Greater London, South East West of England (include 'West Midlands' 'South West')
- Minimum 200; Greater Manchester, Sheffield

Censuswide is a member of ESOMAR – a global association and voice of the data, research and insights industry. Censuswide comply with the MRS code of conduct based on the ESOMAR principles.

About City & Guilds Group

Our vision is for a world in which everyone has the skills and opportunities to succeed.

We support over four million people each year to develop skills that help them into a job, develop on that job and to prepare for their next job.

As a charity, we're proud that everything we do is focussed on achieving this purpose.

Through our assessment and credentialing, corporate learning and technical training offers, we partner with our customers to deliver work-based learning programmes that build competency to support better prospects for people, organisations and wider society.

We create flexible learning pathways that support lifelong employability, because we believe that people deserve the opportunity to train and learn again and again – gaining new skills at every stage of life, regardless of where they start.

Our foundation activities amplify our purpose by helping to remove barriers to getting into a job, celebrating best practice on the job, and advocating for jobs of the future.

City&Guilds Group