

THE EVOLUTION OF THE LEADER

UK LEADING
TALENT



BROOK STREET

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Time to face the change

It's safe to say that 2017 has been a year of disruption. Impacts such as the snap general election, triggering of Article 50 and the rise of AI and automation have shaken the UK and its labour market has felt the ripple effect of many catalysts. The era of change has begun.

It's not only wider issues that are impacting the modern day workforce, employees themselves are evoking change within organisations. Generation Y, who by 2025¹ are predicted to have dominated the global workforce and Generation Z, who are just entering the world of employment, are redefining how and why people work. PWC reported that the future workforce perceive being valued and appreciated by their employer more of an incentive than monetary benefit. These highly ambitious generations want to make an impact through their work. With the ambition to continuously develop their career whilst reshaping society and the economy, generation Y and Z are attracted to organisations that care for employee wellbeing, including flexible working and work/life balance². It is clear that both micro and macro environments have begun to reshape the workforce, however these disruptions are only in their early stages.

The UK labour market faces an uncertain future with a shrinking low skilled candidate pool that has been put under strain due to Brexit, a decrease in further education applicants and a rapid increase in technological innovation that shows no signs of slowing down. Power is now in the hands of organisations to build a highly skilled, adaptable and people-orientated workforce to increase productivity and produce highly talented, loyal employees.

And who can drive all of this? A company's leader.

The Oxford Dictionary defines a leader as, 'a person that leads or commands'. Within an organisation they are the person who possesses the vision, directs their employees to success and safeguards them from failure. As the UK is heading into a new unknown, workers now more than ever are looking to their leaders to provide the foresight, strategy and goal for the company. Leaders need to stay informed of the external impacts while listening to their internal team's wants in order to direct and future-proof their company. A workforce cannot adapt to change and successfully steer through the disruptive storms without a leader who embraces the constant state of uncertainty that the future holds and inspires their employees to do the same. The future is redefining the role of a leader, what will it mean to be one?



Our whitepaper reveals the key disruptions that are set to impact the future UK labour market and workplace and how these factors will transform the role of the leaders, from the skills needed to the responsibilities and duties they hold. The whitepaper also provides actionable solutions to attract the leader of tomorrow, today; the leader that will drive your workforce's skills, productivity, strategy and ROI forward and successfully steer your organisation through the turbulent future that is forecast to occur.

¹ www2.deloitte.com/bs/en/pages/about-deloitte/articles/millennialsurvey.html

² www.forbes.com/sites/karstenstrauss/2016/09/13/how-your-millennial-and-gen-z-employees-are-changing-your-workplace/#730c90e54176

Disruptions facing the future labour market

The UK labour market is in a constant state of flux. The candidate market will never be stable nor can it be predictable. This makes it almost impossible for leaders to forecast future plans and be certain of the journey the organisation will take when continuous disruptions impact both the job market and workforces, for better or worse.

As difficult as the future is to predict, there are present day drivers of change that are set to reshape the future UK workplace. What are the organisational priorities that future leaders need to be ready to tackle these drivers of change?

Technology



In January 2017 Theresa May announced her plans to invest in technology, developing digital innovations in order to create an autonomous UK that 'will improve living standards and drive economic growth across the whole country'¹, Greg Clark the Secretary of State for Business, Energy and Industrial Strategy declared. The vision to create businesses of the future that use automotive technology to carry out manual and laborious tasks and roles is exciting for some but not so much for others. The fear from employees that robots could replace them has been supported by the Institute for Public Policy Research who predict that one in three roles over the next twenty years will be redundant due to AI. However Martin Ford, author of *Rise of the Robots: Technology and the Threat of a Jobless Future* argues that it will be only the repetitive and predictable² roles robotics will be able to complete. Machines will enable humans to focus on more complex tasks and manage the technology that is supporting their workload.

With technology comes change and with change comes the need to adapt. Future leaders must inspire change throughout their company; promoting top-down the importance of becoming a technologically embrative and adaptable workforce. From allowing employees to work from home through VPN and email access to the ability of conducting both internal and external meetings through multiple devices from multiple locations. To run a business with workers who are not afraid of digital innovations entering the workplace alongside them and are encouraged to continuously learn and upskill through an inspirational leader are key characteristics the future generation of workers look for when job hunting³.

Pay Parity



The gender pay gap national average currently stands at 18.1%⁴, but it is yet unclear how accurate the true figure really is until UK companies publish their salaries, which must be done by April 2018. Early pay disclosures however have shown that the gap may be much higher than initially predicted with Virgin Money revealing that men earn 36% more than women and utility company SSE reporting an average pay gap of 23.4%, according to The Independent.

Publication of the BBC's employees' salaries in July 2017 further highlighted the issue of pay parity and the fact that even though the Equal Pay Act was passed nearly 40 years ago the uptake of change has been slow. Deloitte forecasts that it may not be until 2069 that gender pay is equal, a mere 99 years after the 1970 act was enforced. The issue is set to become a priority for organisations, if not already, and one that future leaders will need to embrace and tackle if they desire to be successful, retain employees and become an employer of choice.

Gig economy



The rise in popularity of the gig economy, by which organisations hire workers on a temporary and independent contract⁵, has grown over the last decade and provides employment to an estimated five million within the UK. BBC has reported that London's gig economy has grown by 72% since 2010 and PWC predict that 30% of the UK workforce will be working in the gig economy by 2020.

1 www.telegraph.co.uk/news/2017/01/23/theresa-may-unveil-industrial-strategy-biggest-investment-transport/

2 www.theguardian.com/us-news/2017/jun/26/jobs-future-automation-robots-skills-creative-health?CMP=fb_gu

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4 www.theguardian.com/society/2016/sep/24/gender-pay-gap-wont-close-until-2069-says-deloitte

5 <http://whatis.techtarget.com/definition/gig-economy>

Shift flexibility, self-employment and earning as much money as you want is what has driven this new type of work into being a favourable option for UK workers. Initially attracting millennials who strive for a work/life balance and career success, this type of work is becoming increasingly popular with retired workers who are looking to keep active and make money when they desire, according to Forbes.

After a flurry of tribunals coming to light over workers rights the UK government is reviewing how the law should be changed. If the gig economy is to be the future of work, future leaders must look to build relationships with their self-employed workers, possibly making them official employees of the business under flexible working temporary contracts. If employees are not managed appropriately this line of work has the potential to ruin an organisation's reputation, therefore tarnishing a leader's image.



Connected cultures

The workforce is entering a new era. For the first time in history five generations will be working together⁶ due to life expectancy extending. As a result working life is following suit. The current state pension age is 63 for women and 65 for men, however the Government Actuary's Department reported that the age will increase to 66 for both genders by 2020. Inevitably the longer the population lives the longer they are able to work. Companies can take advantage of the diverse breadth of knowledge and skills that are now housed under one roof, but only if each generation's attributes are acknowledged and utilised.

With each generation comes an alternate perception of work, values and what they look for in a company and its MD or CEO. A recent poll from HR magazine revealed that millennial workers look to a leader who is transformational, yet baby boomers want an autocratic leader that drives a clear chain of command. Business leaders cannot afford to ignore what their employees are seeking from employers and their role if they want to increase retention. Being unable to satisfy your current staff means that you are also not satisfying the needs of the candidate market you are looking to attract. With such a diverse workforce clashes between staff will inevitably occur, however this can be overcome through the creation of a connected, people-orientated culture where sharing of ideas, values, skills and knowledge are encouraged. Richard Branson's leadership hiring policy being focussed on personality and passion over academia and experience⁷ could be how future leaders can overcome the issues of motivation, change and potential political minefields that could occur from leading a multi-generational workforce.



Brexit

UK businesses are already feeling the repercussions of Brexit even though Britain will not officially leave the EU until 2019⁸. Even though the current employment rate stands at 75.1% (the highest it's been since records began in 1971⁹) the skills that once resided in the labour market from EU workers are disappearing – a trend that doesn't appear to be stopping. Overseas applications for technology roles have dropped by 50% since the Brexit vote was announced¹⁰. This is an area that Theresa May has vowed to place further budget into so the UK can continue to be the tech-hub of Europe¹¹. Future leaders may feel the pressure to invest and ramp up their technological development within their business without the workforce to do so – but they are not the only industry that will feel the impact. EU workers have been filling the skills void across engineering, construction and catering industries too, where there are notable shortages of skilled UK workers¹².

The long-term impact of Brexit remains to be seen, however, it is evident that the result of cutting off large pools of talent means that organisations will need to look further afield for skilled candidates. Attracting employees that are from alternative cultures and backgrounds means that leaders will have to review their own work culture and the way they work themselves. The power lies with the candidate and leaders may have to evolve and adapt to reflect this.

The key characteristic a future leader must require is adaptability.

The future is set to be one of constant change and disruption impacting the UK labour market. It is evident that technological innovation, new law enforcements, changes in workers rights, and a culturally and experience rich workforce will reshape the future workplace. Leaders must be willing to embrace all that occurs, inspiring staff from the top-down and recognising that the people you hire have the ability to build future success or create failure – which is greatly influenced by a leader's character, vision of the company and attitude towards their employees.

6 www.forbes.com/sites/rawnshah/2015/02/23/working-beyond-five-generations-in-the-workplace/#31eede96296e

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Becoming the future leader of the pack

The role of the leader is changing. Employees are beginning to put senior workers under the microscope. They're assessing whether they possess the skills, courage, values, professional ability and mindset to co-ordinate their organisation through disruptions and set-backs. Can they devise and communicate a flexible strategy to create a more efficient, productive and wealthier organisation for the future?

In order for organisations to know what they should begin to look for in a future leader it is fundamental to take a retrospective look at how the perception, role, character and definition of the most senior position in an organisation has changed.

The world around us is not stable and the term VUCA – 'volatile, uncertain, complex and ambiguous', is being used across business publications including Forbes to describe the state of modern day and future business¹. Future leaders will be running organisations with a new mind-set, a mind-set of unpredictability. Businesses have previously run on stability, knowledge and certainty. As circumstances change and events occur that can impact globally and have repercussions on the UK labour market and businesses within a few short hours, leaders cannot survive if they are rigid, blinkered and scared to take risks for company success and employee welfare².

Think of the wizard in The Wonderful Wizard of Oz. He rules with an iron fist that commands respect, acceptance and sometimes fear, all behind a veil of mystery and a distinct separation of 'leader' and 'citizens'. Kept hidden by gatekeepers and a hierarchical structure, nobody dares to question decisions made, treatment of people and the ill-advised help he gives to others without knowing or understanding them or their needs.

This is the depiction of traditional leadership – structured, unquestionable and followed with little thought for the employee.

This is the depiction of traditional leadership – structured, unquestionable and followed with little thought for the employee. Yet once the wizard is exposed the land of Oz realise that the 'almighty powerful' is just a regular person. No longer able to hide away the wizard becomes a leader that communicates, builds relationships and understands his people. He solves problems and shows his innovative, creative mind that transforms the atmosphere of Oz from

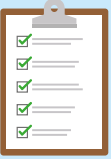
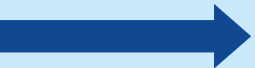
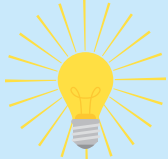
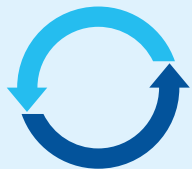
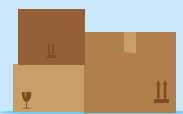
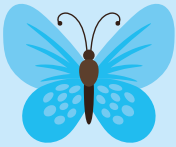
being a structured, hierarchal dictatorship to a diverse, inspirational and flexible culture. The wizard's character and the journey he takes reflects the transition of leadership and how to become a successful leader through unsettling periods by letting-go of the control, embracing the chaos and listening to employees. To lead alone will not bring development, innovation, creativity or productivity.

Want to learn more about the role you should be looking to hire for?

Our consultants in **BRANCH NAME** can help you to scope out the leader you are looking for to increase your organisation's ROI and workforce's productivity and skillset. Through our detailed knowledge of and strong network in the local market, we're able to unearth the senior-level candidates that are notoriously passive and difficult to find through attraction plans that are customised to your staffing requirements.

To find out more about our bespoke attraction strategies speak to your local branch today:
brookstreet.co.uk/local-branch

¹ www.forbes.com/sites/hbsworkingknowledge/2017/02/17/vuca-2-0-a-strategy-for-steady-leadership-in-an-unsteady-world/#da4b6d013d84
² www.oxfordleadership.com/leadership-challenges-v-u-c-world/

Today's Leader*	VS Leader of the Future**
 <p>Follow a signed off strategy</p>	 <p>Be adaptive</p>
<p>Wary of taking chances</p> 	<p>Takes risks</p> 
 <p>Following market changes</p>	 <p>Anticipate trends and create change</p>
<p>Engage with and listen to employee's ideas and suggestions</p> 	<p>Collaborate and communicate with employees</p> 
 <p>Working for the here and now</p>	 <p>Looking to the future</p>
<p>Maintain ownership of information</p> 	<p>Transparency of information and knowledge</p> 
 <p>Deliver approved solution</p>	 <p>Encourage innovation and entrepreneurialism</p>
<p>Keep to current processes and operational methods</p> 	<p>Inspire creativity</p> 
 <p>Adhere to specific roles and responsibility</p>	 <p>Allow skills and roles to evolve</p>

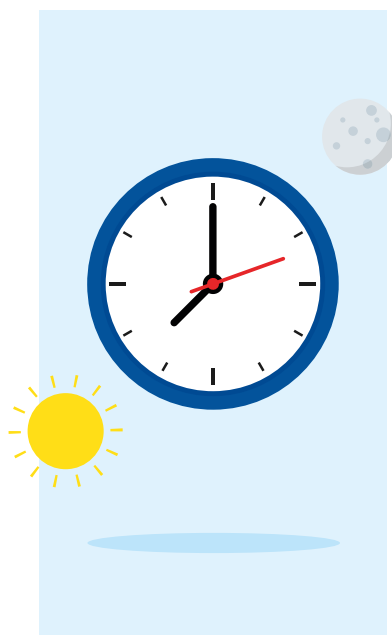
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How to be a candidate's main attraction

The Institute of Leadership and Management reported that nine out of ten UK businesses blame the current lack of leadership skills as a key reason why their business is unable to achieve goals and ROI. It's therefore imperative companies review their present situation in order to begin laying the foundations to find the CEOs, directors and MDs that are able to future-proof your business. This means attracting your leaders of tomorrow, today.

One thing is certain, the UK labour market and workplace is ever changing. However, there are a few key strategic actions that companies could undertake in order to safe-guard their position as being an attractive prospect and employer of choice for the future workforce. More importantly, to attract a leader who possesses the skills and characteristics to successfully operate and direct workers through the constant state of flux towards a productive, innovative and adaptable team.



Working requirements

The major change in the workplace is that not everyone must work from the same office and even the same hours. Flexible working is increasing in popularity as technology allows people to complete tasks and log into their emails remotely working around the clock if needs be. The rise in flexible working may be placed on millennials, however a report by Maintel, the provider of managed communications services, showed that workers aged 55 and over take advantage more so than any other age group – yet nearly half of UK businesses still do not offer flexible working according to Powwownow's annual survey.

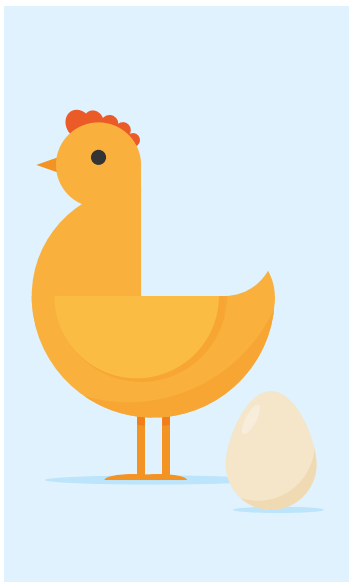
The UK is a multi-generational and multi-cultural landscape and this is reflected across the UK's current workforce. The vast range of talent, culture and experience is housed under one-roof and will be the workplace of the future. As the workforce evolves it is inevitable that new ways of working will come to the fore that can increase productivity and employee retention as workers' needs are being met. Listen to employees and learn what they need to achieve optimum productivity and encourage collaboration of skills and ideas amongst workers to create a company that promotes the success of being an embracing, innovative diverse workforce.

Employee wellbeing

The Independent recently reported that UK workers are working longer hours but to the detriment of both their work productivity and mental health. So, no surprise that businesses are beginning to create breakout areas for their employees to walk away from their desks to have a rest and rejuvenate before returning to work¹. With a heightened emphasis now being put on employers looking after their employees' mental health and well-being, an office environment or distance from it can aid a worker's relationship with their job, their mental and physical well-being and their productivity.

Leaders must keep ahead of the curve, listening to their employees to understand their wants and implement change before their competitors do so to showcase an organisation that's adaptable, has employee welfare at its centre and is run by a leader who is willing to take risks and pioneer change.





Pioneer of change

Everyone is talking about it but nobody is doing anything about it. HR magazine's recently published statistics showed that even though 69% of UK businesses believe robotics will have entered the workplace by 2030 only 23% are doing something about it.

Accenture, the global professional services company, predicted that AI has the potential to add £654 billion to the UK economy by 2035. Yet with a stark skill shortage across the industry, the potential is limited. Technological innovation within the workplace is a chicken and egg situation – what comes first, financial investment or a skilled workforce?

To be an innovative company and forerunner in the race to embrace technology businesses must begin to invest in training and upskilling employees who are eager to learn and develop. This will not only aid in increasing talent retention, but can create a culture of learning and creativity as upskilling leads to innovations. In time the organisation can become attractive to senior-level candidates who want to invest in and direct a company that pioneers technological innovation and successfully harbours talent.

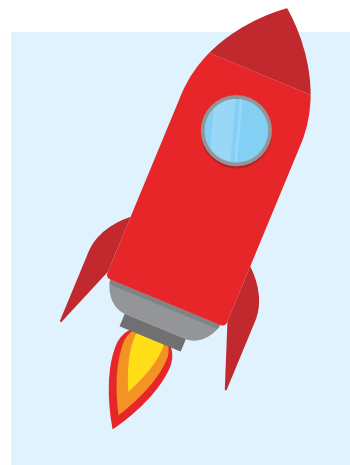
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Advocate for entrepreneurialism

In a period where change is inevitable it is paramount that businesses scope out their employees' entrepreneurial spirit². Business leaders should encourage creativity, innovation and ideas amongst their staff to improve workplace productivity and operations. As they work daily in their roles employees will have more knowledge and experience of what can make processes better compared to senior members of staff.

With entrepreneurialism comes new opportunities. If companies reward their employees' initiative, desire to learn and creativity by offering promotions, training budgets or departmental moves, retention of talent will increase. To be an organisation that leads the way in promoting entrepreneurs through internal programmes and events will attract future leaders who are searching for a company that invests in their employees.



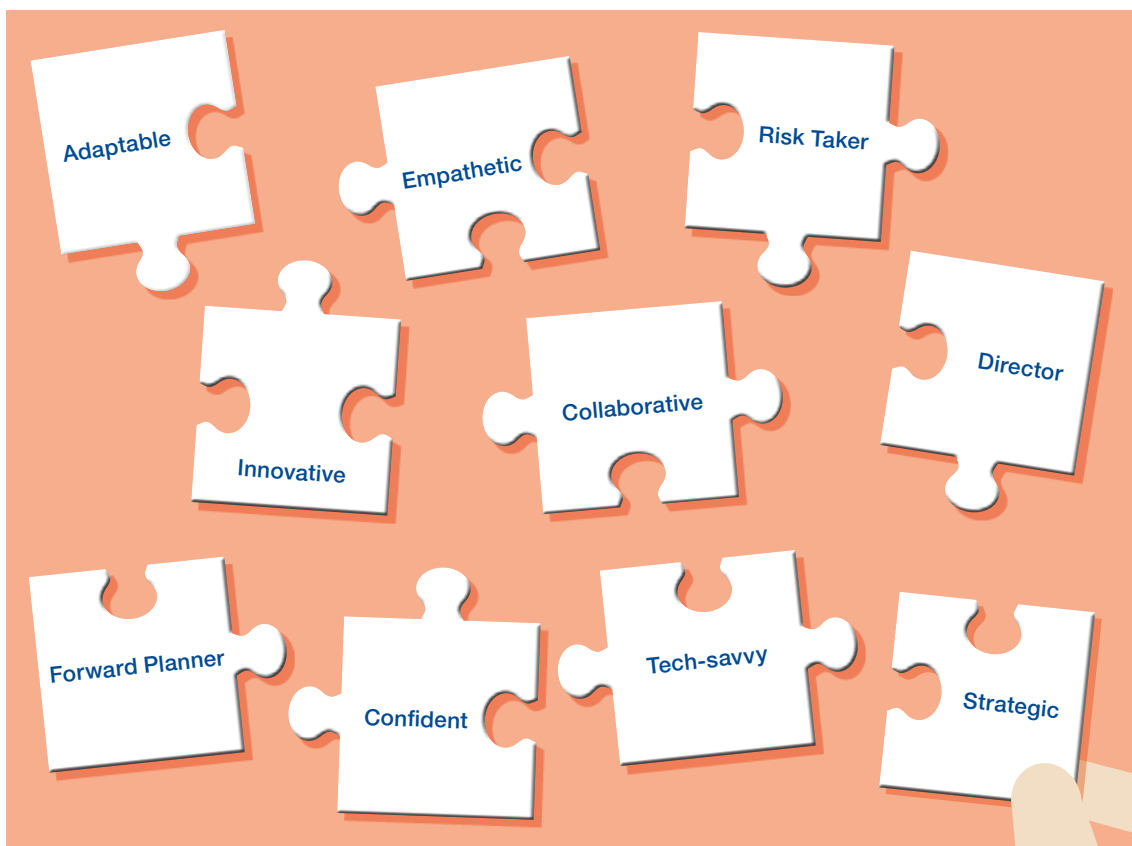
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Creating tomorrow's leader today

The role of the future leader is one set to be multifaceted. It will be about striking the right balance between directing yet working with employees, producing the future strategy and vision with the ability to quickly adapt, creating order yet embracing the chaos and inspiring entrepreneurialism whilst keeping everyone on the same path with the same goal.

The characteristics and skills required of a future leader may appear too conflicting. The position will be a challenge in an uncertain future where business leaders will need to be aware of their employees' demands, the labour market's status, and wider external impacts along with the on-going and future success of the business itself. There is no set, winning formula to be an accomplished leader. It is more a jigsaw of hard skills, soft skills and character traits that can create a successful future leader that will steer their workforce through the unseen disruptions that are yet to unsettle the UK labour market and businesses.



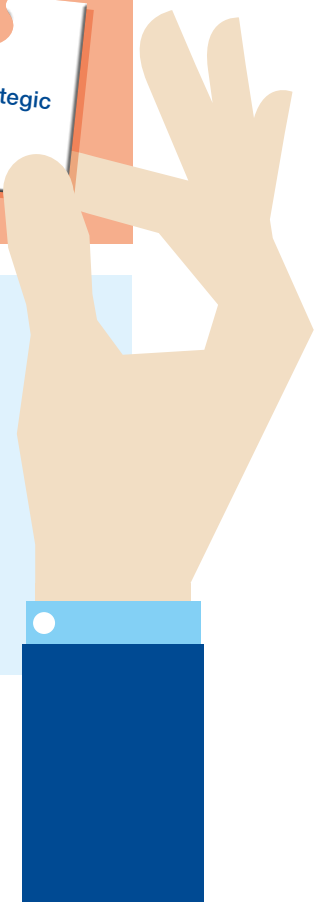
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Time to face the change

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Becoming the future leader of the pack

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