Critical Leadership Skills
What’s Important Is Being Ignored

Some of the Most Critical Skills Are Still Out of Focus

- Higher Focus
  - Building consensus and commitment
  - Communicating and interacting with others

- Current Focus
  - Developing strong networks/partnerships
  - Leading across generations
  - Intercultural communication within international business environments
  - Integrating oneself into intercultural or foreign environments

- Lower Focus
  - Coaching and developing others
  - Identifying and developing future talent
  - Managing and successfully introducing change
  - Inspiring others toward a challenging future vision

- Higher Future Skill Criticality
  - Fostering employee creativity and innovation
  - Leading across countries and cultures
Time to Change Focus

We asked HR professionals to rank two leader skills according to how critical they are for leaders’ success in the next three years and how much their organization’s current development programs focus on them (see illustration at left). For many of these skills, the current focus corresponds with how critical they will be for the future (either as less critical with less focus or more critical with more focus). But there are some notable exceptions.

HR currently is focusing heavily on two skills that are not rating as critical for the future: Building consensus and commitment and Communicating and interacting with others. HR is either overemphasizing these with their current focus or undervaluing their future skill criticality, failing to recognize them as foundational skills. On the opposite side of the illustration, two skills that were noted as most critical (Fostering employee creativity and innovation and Leading across countries and cultures) are not being focused on. These two skills were identified among the most critical in our last forecast, but HR still doesn’t focus on them in their leadership development programs. As a result, leaders have not improved.

Only one in three organizations currently is focused on developing their leaders’ ability to foster innovation; only one in five is emphasizing development in global leadership. Though both skills are critical, HR hasn’t implemented development initiatives that focus on them. Only one-third of leaders reported being effective in leading across countries and cultures, the lowest single skill effectiveness rating in our survey (see illustration at right). Multinational organizations that rely on their leaders to drive global growth should not overlook this skill gap. Similarly, with only 56 percent of leaders currently effective, fostering innovation is a skill area that deserves attention. Innovation has emerged as one of the top challenges for businesses; having leaders able to encourage innovation and creativity is vital if they are to lead in competitive markets.

Do organizations benefit from investing in building leaders’ skills in these critical areas? The answer is a resounding yes. We found that organizations that have been focusing on developing these skills, and whose leaders are now more effective, are three times more likely to rank in the top 20 percent for financial performance.

Now What

.01 Design development programs around the skills your leaders need to succeed. The most critical skills are those that help them accomplish strategic objectives.

.02 Multinational companies, in particular, should emphasize development in global leadership skills to prepare their leaders to meet intercultural challenges and drive global growth.

.03 Innovation, a top Conference Board CEO challenge, can be influenced directly by leader behavior. Look for leaders who possess the skills to encourage risk taking, networking, and generating new ideas.