



GLOBAL LEADERSHIP FORECAST 2008 | 2009

UNITED KINGDOM HIGHLIGHTS

> Ann Howard, Ph.D. > Richard S. Wellins, Ph.D.



GLOBAL LEADERSHIP FORECAST 2008 | 2009

UNITED KINGDOM HIGHLIGHTS

> Ann Howard, Ph.D. > Richard S. Wellins, Ph.D.

A Welcome from DDI

We are pleased to present this profile of the current status of leadership and leadership development within the UK business community. This report grew out of a larger study, the *Global Leadership Forecast 2008|2009*, the fifth in DDI's research series on global leadership issues and practices. The results presented here contrast the responses from HR professionals and organisational leaders in the UK with their counterparts on the world stage.

This research could not be more timely. As organisations extend their reach around the globe and the pace of work life quickens, leadership has become an increasingly complex and demanding responsibility. Worldwide, executives in the study identified improving and leveraging talent as their top business priority. Never before has the development of the highest quality leaders been more important to organisational success.

The current *Global Leadership Forecast* and this report addresses several issues in addition to the state of leadership today. What's working and what's not in developing tomorrow's leaders? How are organisations managing their leadership pipeline and planning succession management? How well are managers prepared to lead across national borders?

Although no single approach to leadership development is right for every organisation or every country, DDI believes there are sound practices that work in most situations. We are confident that this report will offer you new ideas and insights into leadership development. Hopefully, it also will stimulate your own thinking about ways you can significantly enhance the capabilities of leaders in your organisation.



Steve Newhall, Vice President, DDI Europe

ABOUT DDI



In today's grow-or-die marketplace, having the right talent strategy is crucial for an organisation's success.

Development Dimensions International will help you systematically and creatively close the gap between today's talent capability and the people you will need to execute tomorrow's business strategy.

We excel in two areas:

- Designing and implementing selection systems that enable you to hire better people faster.
- Identifying and developing exceptional leadership talent critical to creating a high-performance workforce.

DDI is all about giving you the kind of business impact you want over the long term—that's what we call realisation. The work we do together is tied to your organisation's strategies and becomes part of your business and your culture.

Additionally, if your business is multinational, DDI has the kind of global resources you need to implement your talent initiatives effectively and consistently worldwide.

SPONSOR



The Chartered Institute of Personnel and Development

The Chartered Institute of Personnel and Development

(CIPD) is a professional body whose mission is to lead in the

development and promotion of good practices in the fields of managing and developing people. CIPD also serves the professional interest of its members, which number more than 127,000. The CIPD conducts research into many issues related to the management and development of people. Further details of CIPD research can be found at www.cipd.co.uk.

© Development Dimensions International, Inc., MMVIII. Pittsburgh, Pennsylvania. All rights reserved under U.S., International, and Universal Copyright Conventions. Reproduction in whole or part without written permission from DDI is prohibited.

CONTENTS

4	STUDY PARTICIPANTS
5	LEADERSHIP TODAY
5	Business Priorities
6	Evaluating Leaders
6	DEVELOPING LEADERS
6	Evaluating Leadership Development Programmes
7	Development Methods
8	Executing Leadership Development Programmes
9	HIGH-POTENTIAL LEADERS
9	Identifying High-Potential Leaders
9	Development Programmes
10	Executing High-Potential Development Programmes
11	Succession Planning
12	MULTINATIONAL LEADERS
12	Identifying Multinational Leaders
12	Treatment of Multinational Leaders

13	CONCLUSIONS AND RECOMMENDATIONS
15	APPENDIX
15	Demographics
16	About the Authors
16	Research Advisors
17	International Partners
17	Acknowledgements



STUDY PARTICIPANTS

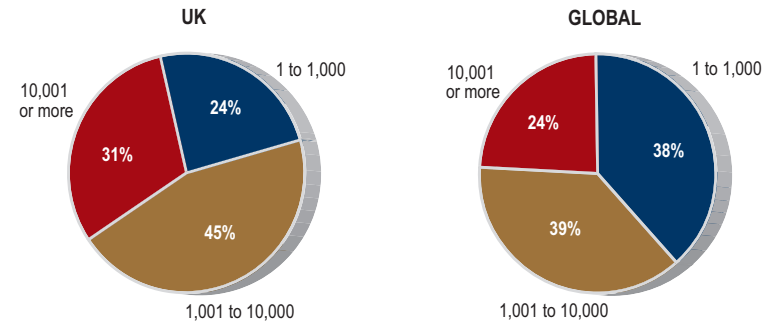
This report is based on survey responses from human resource professionals and leaders based in the United Kingdom. One HR professional filled in a survey for each organisation or major organisational business unit. The HR professionals then invited representative samples of their organisation’s leaders to complete leader surveys. The UK respondents are compared in this report to the total group of HR professionals and leaders from 76 countries in the *Global Leadership Forecast* (see **Table 1**).

TABLE 1 Sample Size

	UK	Global
HR Professionals	49	1,493
Leaders	259	12,208
TOTAL	306	13,701

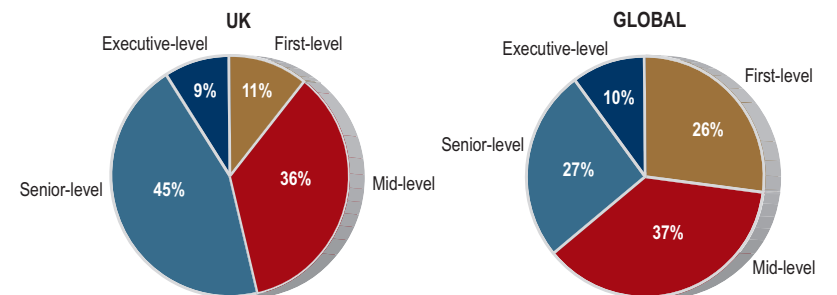
The UK organisations were somewhat larger on average than those in the global sample; that is, there were fewer small UK organisations (1,000 employees or less) and more medium-sized and large organisations (see **Figure 1**).

FIGURE 1 Organisation Size



The UK sample also differed from the global average with respect to leaders’ management level. There were fewer first-level leaders in the UK sample and more senior-level leaders (see **Figure 2**). Additional information about the UK organisations and leaders is in the demographics section of this report.

FIGURE 2 Management Level of Leaders



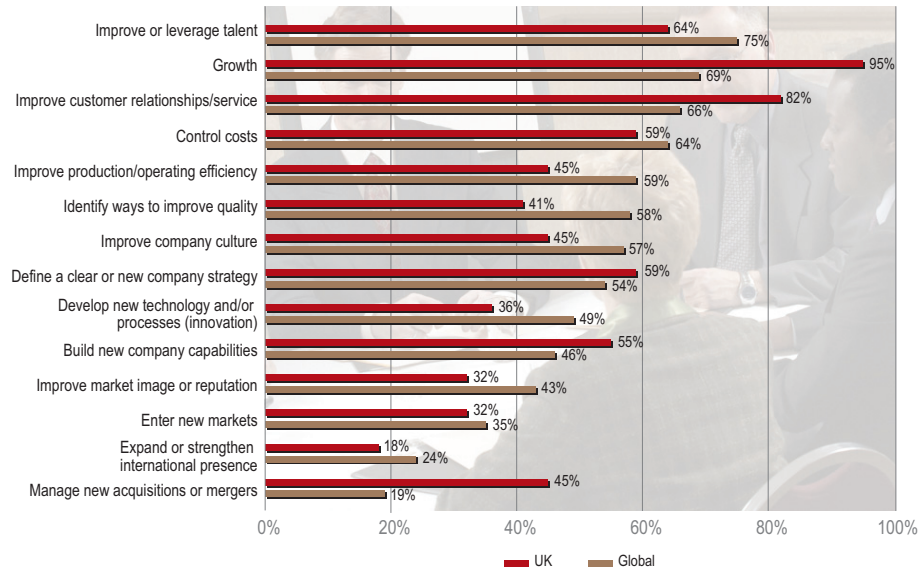
LEADERSHIP TODAY

Business Priorities

Leaders were asked to identify the most important business priorities for their organisations; they could select any of the items that applied. We focused on the perspectives of executives, whose thinking best represents where their organisations are headed. **Figure 3** lists the items from highest to lowest priority according to executives worldwide.

The top three priorities for the UK executives were the same as those for the global executives, although they were in a different order. Topping the list for the UK executives was growth, where nearly all (95 percent) indicated it was one of their most important priorities. Many growing economies in Eastern Europe are managed from the UK (and other Western European countries), which might explain this emphasis on growth. Improving customer relationships and service came in second as an important priority; improving or leveraging talent was third.

FIGURE 3 Executives' Business Priorities



Consistent with their emphasis on growth, the UK executives gave more priority than other global executives to building new company capabilities, defining a clear or new company strategy, and managing new acquisitions and mergers. In comparison, they were less concerned with advancing operational excellence, such as improving efficiency, quality, technology, or processes.

The top three priorities for the UK executives were the same as those for the global executives, although they were in a different order.

Evaluating Leaders

When asked to rate the overall quality of leaders in their organisations, a disappointing 8 percent of UK leaders rated them excellent, although another 36 percent rated them very good. The sum of these two ratings was higher than that for the global sample (see **Figure 4**), perhaps because the UK sample had more senior-level participants. In the global sample, higher-level managers tended to have more positive views of leadership quality than did those at lower-levels. Almost a quarter of the UK leaders (24 percent) rated leaders in their organisations as fair or poor.

FIGURE 4 Evaluating Leaders



The bottom half of Figure 4 shows the percentage of HR professionals indicating they had high confidence in leaders' ability to assure the success of the organisation. The UK leaders fared better than the global average in the eyes of HR professionals. Both sets of results in Figure 4 are positive indicators of the quality of UK leaders.

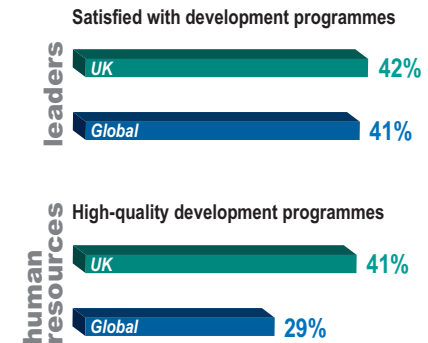
DEVELOPING LEADERS

This section looks at how UK organisations approach developing leadership skills and how well they execute leadership development programmes.

Evaluating Leadership Development Programmes

Only 42 percent of the UK leaders were satisfied with what their organisations offered to develop their leadership capabilities (see **Figure 5**). This was not significantly better than the global norm. Nevertheless, significantly more of the HR professionals in the UK gave high ratings to the quality of their leadership development programmes than did those in the global sample.

FIGURE 5 Evaluating Leadership Development Programmes



Development Methods

HR professionals were asked to review a list of development methods and indicate how often they used them on a four-point scale ranging from “not at all” to “extensively.” **Figure 6** shows the average UK ratings for each method in comparison to the global respondents. The methods are arranged on a continuum that ranges from passive, external activities to active methods integral to the job. Leaders in the global sample typically found the active methods on the right side of the graph more effective than the passive ones on the left.

UK organisations made much more use of external coaches than did the average organisation around the globe. This practice appears to be widely accepted in the UK, particularly in large organisations. UK organisations were somewhat less likely to use computer-based learning than organisations elsewhere. Again, some of the difference may be explained by the relatively high number of more senior leaders in the UK sample.

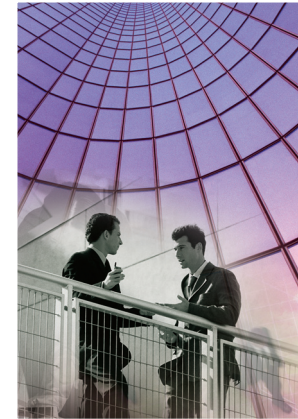
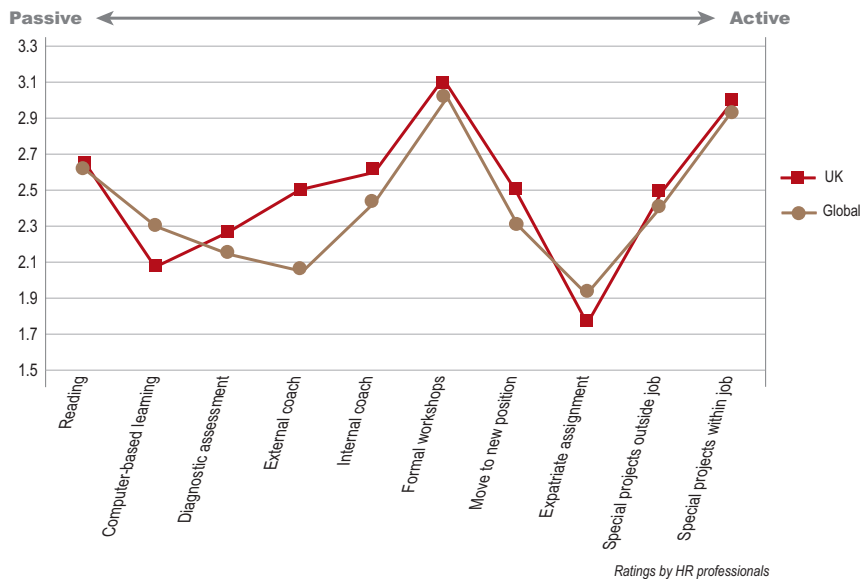


FIGURE 6 Use of Leadership Development Methods



Almost a quarter of the UK leaders (24 percent) rated leaders in their organisations as fair or poor.

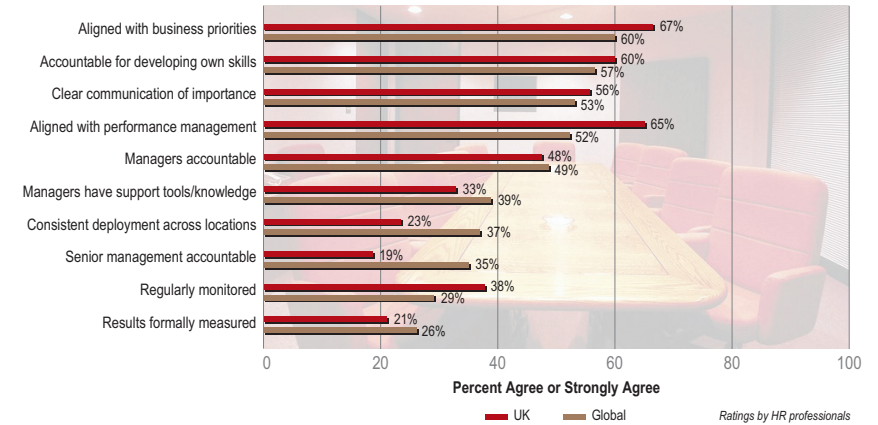
Executing Leadership Development Programmes

DDI advocates actions in five key areas to assure that a programme is executed in a manner that will lead to desired business results. Items relating to these five areas—communication, accountability, skills, alignment, and measurement—were included in the *Global Leadership Forecast* surveys. Respondents were asked to indicate whether important steps to assure sound execution were taken; they rated each item on a five-point scale ranging from “strongly disagree” to “strongly agree.”

Figure 7 shows the percentage of UK HR professionals and those in the global sample who agreed or strongly agreed with key questions around execution. The items are listed in order from the highest to lowest endorsement by the global sample.

For both groups, at least half the respondents indicated that important steps were being taken to send a consistent message. UK organisations were more likely than those elsewhere to assure alignment of leadership development with business priorities and performance management systems; in both cases, nearly two-thirds of the HR respondents agreed that these steps were taken. Given that Western Europe is primarily a mature, slow-growing economy, the emphasis on alignment might be seen as an effort to conserve investments by focusing on the most critical needs.

FIGURE 7 Executing Leadership Development Programmes



UK organisations were particularly remiss in areas such as not holding senior managers accountable for leadership development, being inconsistent in the way they deployed programmes across locations, and failing to measure the results of leadership development. Thus, despite the efforts that UK organisations put into clarifying and aligning their message about leadership development, their failure to assure that development takes place through proper accountability, skills training, and measurement is likely to be a barrier to gaining the results they want.

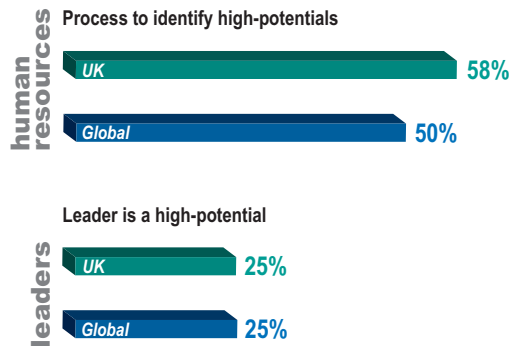
HIGH-POTENTIAL LEADERS

High-potential employees were defined as those designated by the organisation as having the potential to assume high-level leadership roles and who are put into a special pool. Typically, these employees are placed in accelerated development programmes to prepare them for their future roles.

Identifying High-Potential Leaders

Compared to the worldwide sample, a somewhat larger proportion of UK organisations had a process for identifying high-potential leaders (see **Figure 8**). This might be because the UK organisations tended to be larger than the typical global organisation. A quarter of the UK leaders identified themselves as in a high-potential programme, the same proportion as in the global sample.

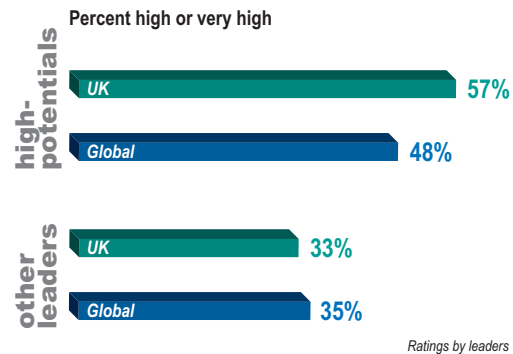
FIGURE 8 Identifying High-Potential Leaders



Evaluation of High-Potential Development Programmes

More UK organisations (47 percent) had a programme to accelerate the development of their high-potential leaders than did the typical organisation in the global sample (39 percent). Worldwide, those in high-potential programmes were much more positive about their developmental programmes than leaders who were not in such a select group. This finding also held true in the UK (see **Figure 9**). However, high-potential leaders in the UK were even more positive about their programmes than the average high-potential leader elsewhere.

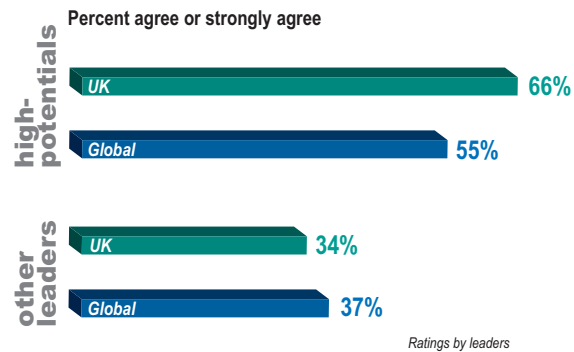
FIGURE 9 Quality of High-Potential Development Programmes



High-potential leaders in the UK were even more positive about their programmes than the average high-potential leader elsewhere.

Figure 10 shows a similar pattern for leaders' satisfaction with their leadership development offerings. The high potentials were significantly more pleased than those who were not in the special programme. Moreover, the UK high-potential leaders were notably more satisfied than the typical high-potential leader in the global sample. UK organisations stand out for having high-potential programmes that are significantly better than standard leadership development initiatives.

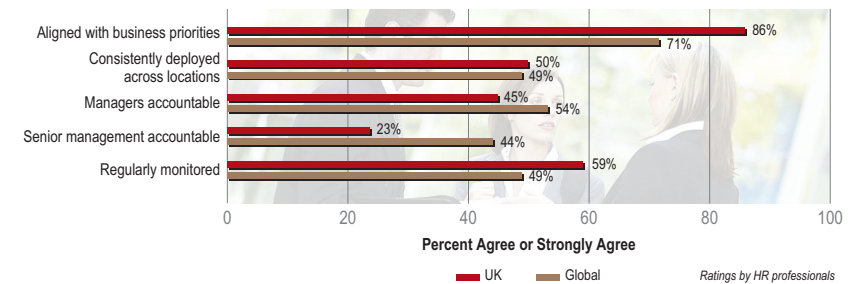
FIGURE 10 Satisfaction with High-Potential Development Opportunities



Executing High-Potential Development Programmes

Perhaps one reason leaders are more satisfied with high-potential programmes is because they perceive them to be much better executed than programmes designed for typical leaders. A comparison of Figure 11 (execution of high-potential programmes) with Figure 7 (execution of regular development programmes) shows that UK organisations generally do a better job of aligning and monitoring their high-potential programmes than their regular programmes. Moreover, they align and monitor their high-potential programmes more often than other organisations worldwide (see **Figure 11**). On the other hand, accountability, especially among senior managers, is weak, trailing the global average.

FIGURE 11 Executing High-Potential Programmes



High-potential leaders in the UK were much more likely to have participated in a formal assessment of their strengths and development needs than was the typical high-potential leader (**Figure 12**). However, on several other measures the UK leaders did not describe the execution of their high-potential programmes as favorably as did leaders from other countries. In particular, the UK high-potentials were much less likely to get sufficient feedback about their performance. Also, fewer UK high-potentials got clear communications about the importance of their development, and fewer described their programmes as aligned with the performance management system.

Succession Planning

A high-potential programme is often one aspect of an organisation's succession-planning process. UK organisations were somewhat more likely than those elsewhere to have succession plans at the department head level and above. They were less likely to use them at the first level of management (see **Figure 13**).

The best way to assure a qualified cadre of leaders in the pipeline is to begin developing potential leaders at the bottom of the leadership pool. Failing to assure that those with the highest potential rise into each rung of management could leave UK organisations with a less than optimal pool of candidates for higher-level positions.

FIGURE 12 Executing High-Potential Development Programmes

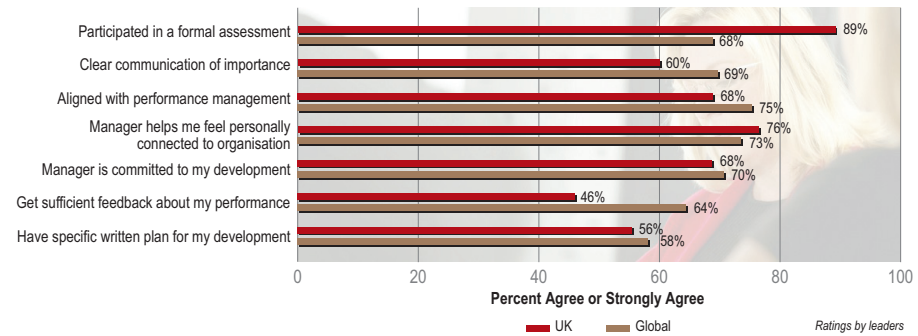
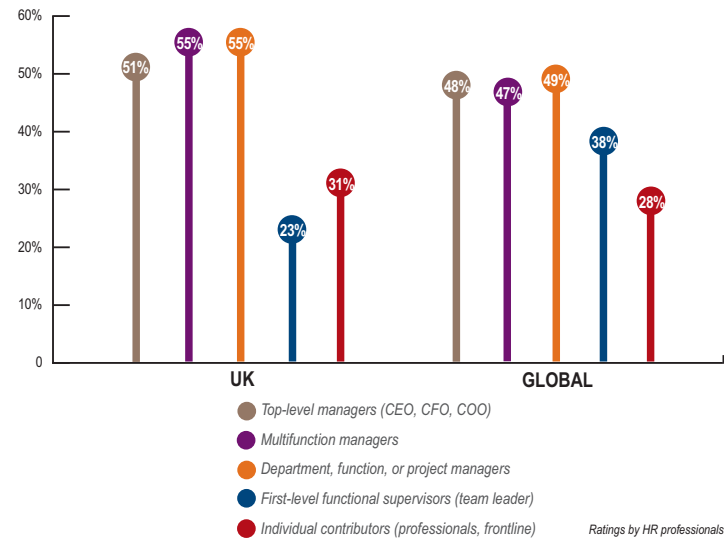


FIGURE 13 Prevalence of Defined Succession Plans



MULTINATIONAL LEADERS

Multinational leaders were defined as leaders who work on projects, assignments, or business units that require a great deal of collaboration with associates in multiple countries. Multinational leaders may be located outside the home office country (i.e., expatriates) or inside that country. Multinational leaders include regional, international, and global leaders. Although national organisations claimed to have a small proportion of multinational leaders, we focus here on the experiences of those in multinational organisations (i.e., those that own, operate, or have affiliate offices in multiple countries).

Identifying Multinational Leaders

Among multinational organisations around the world, only two in five had a formal process for identifying potential multinational leaders. This proportion was the same for UK organisations (see **Figure 14**). Compared to the worldwide average, a smaller percentage of leaders in the UK identified themselves as having multinational responsibilities.

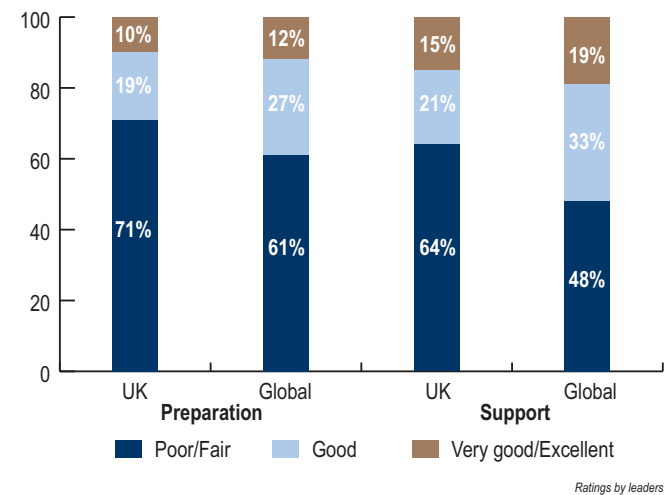
FIGURE 14 Identifying Multinational Leaders



Treatment of Multinational Leaders

Although 40 percent of UK multinational organisations had a process to identify multinational leaders, only 32 percent had a process to develop them (compared to 29 percent worldwide). Apparently, these programmes were not very effective. Nearly 75 percent of the UK multinational leaders described their preparation for their assignments as fair or poor. This was notably worse than that reported by the worldwide sample of multinational leaders (see **Figure 15**).

FIGURE 15 Preparation and Support of Multinational Leaders



Support for multinational leaders in their assignments was not much better than their preparation. Once again, more UK leaders found their experience poor or fair than the typical global leader. As useful as overseas assignments might be, organisations seem to be taking a strong hands-off approach in their treatment of these leaders, which might make it extremely difficult for them to succeed.

CONCLUSION AND RECOMMENDATIONS

UK executives were unusually focused on growth and improving customer relationships. In order to achieve these objectives, they will need to develop high-quality leaders who can manage acquisitions and build new company capabilities.

Fortunately, both HR professionals and leaders view UK leaders more positively than the typical leader worldwide. The fact that the UK leaders came from larger organisations and were generally at more advanced management levels might partly explain these findings. Even if the UK leaders are better performers, on average, than their global counterparts, the proportion considered very good or excellent (44 percent) is still below the standards needed to grow and compete successfully on an international stage.

Similar observations can be made about the programmes used to develop leaders. More HR professionals from the UK rated their programmes high quality than did their counterparts globally. Yet this number was still small (41 percent). Moreover, only two in five UK leaders were satisfied with what their organisations offered for leadership development. This critical evaluation from customers of HR programmes suggests that there are significant opportunities for improvement.

Nearly 75 percent of the UK multinational leaders described their preparation for their assignments as fair or poor.

UK organisations made more use of external coaches, but otherwise they were fairly similar to other organisations worldwide in their choice of development methods. When executing their leadership development programmes, UK organisations were particularly strong in aligning them with business priorities and performance management systems. They could greatly improve their execution by holding senior managers accountable for programmes' success, deploying programmes consistently across locations, and formally measuring the outcome of leadership development.

UK organisations were somewhat more likely to have high-potential development programmes than other organisations around the world, which is a positive sign that they are attending to their leadership pipeline. As in other organisations, the UK high-potential programmes were of better quality than their regular programmes and generally better

executed. They were more likely to assess high-potentials' strengths and development needs than were organisations elsewhere in the world. UK organisations could be more effective, however, if they made sure that managers give sufficient feedback so that high potentials can better understand how to improve their skills.

UK multinational organisations had about the same proportion of leaders who worked across national borders as similar organisations in other world regions. However, their treatment of multinational leaders was very much based on a hands-off approach. If UK organisations expect leaders to be successful in these complex and difficult assignments, they will need to take responsibility for preparing and supporting their mostly forgotten multinational leaders.

APPENDIX

Demographics

Organisation

49 Number in sample

Number of Employees	
0%	1–10
2%	11–50
0%	51–100
0%	101–200
6%	201–500
16%	501–1,000
24%	1,001–5,000
20%	5,001–10,000
12%	10,001–20,000
10%	20,001–50,000
8%	50,001 or more

Presence in the Global Market	
33%	National
67%	Multinational (own, operate, or have affiliate offices outside own country)

Leaders

259 Number in sample

Management Level	
11%	First-level (supervisor, team leader, foreman, etc.)
36%	Mid-level (leader of first-level leaders)
45%	Senior-level (leader/manager of mid-level leaders)
9%	Executive-level (leader in a policy-making position)

Organisational Tenure	
6%	Less than 6 months
4%	6–11 months
11%	1–2 years
28%	3–5 years
20%	6–10 years
11%	11–15 years
19%	More than 15 years

Age

1%	Less than 25
21%	26–35
50%	36–45
21%	46–55
3%	56–65
4%	More than 65

Gender

71%	Male
29%	Female

NOTE: Numbers may not add up to 100 percent because of rounding.

About the Authors



Ann Howard, Ph.D., is DDI's Chief Scientist. She leads the Center for Applied Behavioral Research (CABER), DDI's hub for research to support evidence-based management. Ann directs research that measures the impact of selection and development programs on organizational performance and uncovers new knowledge and information about global workplace practices and issues. With special expertise in assessment centers and managerial careers, Ann is an internationally recognized author and thought leader. She is a past president of the Society for Industrial and Organizational Psychology.



Richard S. Wellins, Ph.D., is Senior Vice President at DDI. Rich is responsible for leading DDI's global research programs, launching new solutions, building strategic alliances, and executing marketing strategies. During his tenure at DDI, Rich has authored five books on leadership and teams and written for more than 20 publications on global talent management. Rich designs leadership development programs and provides executive coaching services to organizations including AXA, Texas Children's Hospital, and Nissan Motors.

Acknowledgments

This study was a true global effort, and the authors would like to acknowledge the invaluable contributions of the following people.

Research Advisors

Bob Rogers is President of DDI. In addition to overseeing day-to-day operations, Bob consults with clients and is a recognized expert in assessment leadership, performance management, and organizational change who presents at major conferences around the world. In his 30 years at DDI, he has authored and coauthored numerous articles, monographs, and books, including *Organizational Change That Works: How to Merge Culture and Business Strategies for Maximum Result* and *Realizing the Promise of Performance Management*.

Marc Effron is Vice President, Talent Management for Avon Products, Inc., where he and his team grow Avon talent using simple, transparent, and practical processes. Marc previously served as Global Practice Leader for Leadership Consulting at Hewitt Associates, where he created the *Top Companies for Leaders* research. Marc has coauthored two books on leadership, written articles in numerous books and journals, and is a frequent speaker at industry events. He is the founder of the New Talent Management Network, whose objective is to increase the effectiveness of the talent management profession.

International Partners

Philippe Cavat, Rajiv Krishnan, Elmar Kronz, Vic Magdaraog, Steve Newhall, Ricardo Padilla, Vina Pendit, Kiyoyuki Takeuchi, David Tessmann-Keys, Bruce Watt.

Project Management

Julie Hogan

Participant Recruitment

Dwiputri Adimuktini, Malu Arredondo, Mary Ann Buffington, Mark Busine, Monica Chen, Lorena Contreras, Cheryl de la Porte, Nikki Dy-Liacco, Andrew Eisenhauer, Barbara Endemann, Denise Flaherty, Ramon Fontaine, Dylan Gleue, Lisa Han, Kumiko Hashimoto, Rodrigo Infante, Claudette Johnson, Michelle Lai, Doris Lam, Dorothy Lo, Yvonne McGowan, Simon Mitchell, Mary Etta Nader, Stephanie Nam, Panmanee Ong-Art, Marianne Peterson, Zig Rabara, Dian Rosdiana, Shalini Sinha, Mehzabeen Sitabkhan, Lily Sun, Julie Vedrinne, Jane Viehman, Christien Winter, Catherine Yap, DDI sales and consulting associates globally.

Research Team

Jazmine Boatman, Julia Peters

Editorial

Mike Crawmer, Shawn Garry

Graphic Design

Mike Lawley, Susan Ryan, Janet Wiard

Web Team

Noelle Conover, Mark Hamilton



THE AMERICAS

WORLD
HEADQUARTERS
PITTSBURGH
412.257.0600

MEXICO CITY
52.55.1253.9000

TORONTO
416.601.5500

Other offices include
Atlanta, Calgary,
Chicago, Dallas, Detroit,
Monterrey, Montreal,
New York, St. Louis,
San Francisco, Santiago,
and São Paulo

EUROPE/AFRICA

DÜSSELDORF
49.2159.91680
LONDON
44.1753.616000

PARIS
33.1.41.96.86.86

Other offices include
Johannesburg,
St. Petersburg,
and Warsaw

ASIA-PACIFIC

SHANGHAI
86.21.6113.2525

SINGAPORE
65.6226.5335

SYDNEY
612.9466.0300

Other offices include
Auckland, Bangkok, Beijing,
Brisbane, Hong Kong, Jakarta,
Kuala Lumpur, Manila,
Melbourne, Mumbai, Perth,
Pune, Taipei, and Tokyo

TO LEARN MORE:

EMAIL: INFO@DDIWORLD.COM

WWW.DDIWORLD.COM



HIRING &
PROMOTING
THE BEST



DEVELOPING
EXTRAORDINARY
LEADERS



UNLEASHING
EXECUTIVE
TALENT



© Development Dimensions International, Inc., MMVIII. All rights reserved.

UNITED KINGDOM HIGHLIGHTS 08/08