



# TEN TENETS OF NEXT GENERATION LEADERSHIP

## Next Generation LEADERSHIP INSTITUTE

SAVANNAH GROUP ESTABLISHED THE **NEXT GENERATION LEADERSHIP INSTITUTE** IN 2023, IN RESPONSE TO WHAT WE SAW AS THE **INCREASINGLY CHALLENGING** DEMANDS BEING PLACED ON LEADERS.

## INTRODUCTION

As rates of change continue to accelerate, and organisations increasingly face new and more complex challenges for which no simple playbook exists, the business world needs high calibre leaders more than ever. Through research and debate The Next Generation Leadership Institute aims to move the agenda on from “best practice” to next practice”, identifying the evolving skills, traits and behaviours that will be required for effective leadership in the future.

For the latest in our regular series of dinner discussions, we invited four speakers to join an invited guest list of Chairs & CEOs who have demonstrated exceptional leadership over the last five years.

## SPEAKERS



**Ruth Cairnie**

Chair

Babcock International Plc  
and SID, BT Group Plc



**Vicky Gosling OBE**

CEO

GB Snowsport



**Adrian Hallmark**

CEO

Aston Martin Lagonda  
Holdings Plc



**Dominic Paul**

CEO

Whitbread Plc





THROUGH THEIR INSIGHTS, AND THE CONTRIBUTIONS MADE BY OTHER EXECUTIVE AND NON-EXECUTIVE LEADERS DURING THE ENSUING DISCUSSION, WE HAVE SUMMARISED **TEN TENETS THAT DEFINE NEXT GENERATION LEADERSHIP** IN AN INCREASINGLY CHALLENGING BUSINESS ENVIRONMENT.

## 1. CREATE FOLLOWERSHIP

Leaders are not just leaders; they are also role models. By embodying their organisation's culture, purpose and values, they can inspire everybody who works for – and with – them to come together in pursuit of shared goals.

The ability to act as an organisational role model, and to lead through influence and persuasion rather than command and control, is now more important than ever. Leaders operating within increasingly complex structures and partnerships find that direct orders will only get them so far. Instead, CEOs need to inspire everyone around them to follow their lead.

Adrian Hallmark, who was appointed Chief Executive of Aston Martin earlier this year, had this to say on the subject of 'creating followership': "It's all about being forgiving, showing vulnerability and allowing people the opportunities to make mistakes and grow as a result. And if those following you feel trusted, valued and psychologically safe, then they will walk through any wall and embrace any challenge that's put in their way." (See also 4. Develop and empower others.)

Another CEO offered two practical tips for providing the kind of inspirational leadership that Adrian was advocating. "First, be the boss you wish you'd had. Second, when anybody comes into your office, make sure they leave feeling better about themselves or more energised than when they walked in."

## 2. LEAD WITH PURPOSE

Dominic Paul, currently CEO of Whitbread, shared a powerful example of how leading with a clear vision and purpose can act as a force multiplier by focusing the energies of the entire organisation around a singular mission.

Dominic stepped into the CEO role at Domino's Pizza Group in the spring of 2020, at a very difficult time for the business, with a newly declared pandemic threatening to shut down operations for the foreseeable future. It was, to put it mildly, a daunting situation with no obvious solution in sight. But rather than focusing on the enormity of the company's challenges, Dominic chose instead to emphasise the singular opportunity that circumstances had presented them with. This was their moment, he told the organisation: the goal of Domino's now was to feed the nation – and feeding the nation was what everybody would pull together to do.

As Dominic explained: "In a very short space of time, we managed to shore up our IT platform and fit out every single store with PPE – things that hadn't previously seemed possible. We went into hospitals. We did community work. It created this sense of passion across the business and among franchisees."



## 3. COMMUNICATE WITH CLARITY

Vision and purpose are nothing without effective communication. To pull people together around a single mission or goal, leaders must be able to explain clearly and persuasively what it is and why it matters.

In part, this is about having the right message – a message that resonates with people across the organisation, from the lowest-paid, lowest-skilled workers to directors on six- or seven-figure salaries. But it is also about delivery. One guest shared a lesson he had learned as a junior rugby coach, which is that nobody can ever remember more than three things (a lesson that applies as much to corporate executives as it does to seven-year-old scrum halves).

The point was underlined by another CEO who said, "I would never underestimate the importance of having the simplest message and being comfortable repeating it again and again and again. It might sound repetitive to you, but it won't to other people – and it's critical if you want to create a unifying purpose for your team." (See also 2. Lead with purpose.)

IN TIMES OF **CRISIS** YOU SEE WHAT CAN BE ACHIEVED WHEN PEOPLE PULL **TOGETHER**. **ALIGNMENT** BEHIND A COMMON VISION AND PURPOSE CAN BE INCREDIBLY POWERFUL.





## 4. DEVELOP AND EMPOWER OTHERS

Vicky Gosling OBE is currently Chief Executive at GB Snowsport, having previously spent more than 20 years with the Royal Air Force, which included commanding a base of over 3,500 personnel as Group Captain of RAF Benson.

The sporting and military worlds may seem miles apart but, for Vicky, they have at least one major leadership challenge in common: in both fields, leaders are extremely limited in their ability to impact events, whether they are happening on the mountain (in the case of skiing and snowboarding) or in the air. Effective leadership is devolved leadership, or 'mission command' as it is referred to in the military. You cannot control what is happening from moment to moment. You must instead empower the people who work for you to adapt, problem-solve and make decisions to achieve objectives.

This approach to leadership can produce desirable outcomes in all environments, not just those where it is a necessity. One guest highlighted how CEOs who enable and empower others can free themselves up to step back from internal matters and spend more time thinking strategically or engaging with customers and shareholders. Another said, "My advice to leaders? Make yourself redundant by surrounding yourself with the very best people."

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## 5. KEEP ADAPTING AND IMPROVING

Agility and adaptability have long been recognised as valuable leadership traits. Rising unpredictability is making them more prized than ever. The one thing no business can afford to do today is stand still. A former CEO shared this cautionary tale about what can happen if leaders do not continuously adapt and improve:

“My mistake was that I built a high-performing team. We had a great culture. The team was empowered and engaged. There was a lot of trust around the table. We got to the point where everything was looking up and the work was super fun. The mistake I made was failing to recognise that teams move on. Someone leaves; someone else comes in; things change. I assumed the culture we had cultivated could assimilate it. But I was wrong. You have to keep going back to the start and rebuilding.”

Another guest shared their formula for adapting to rapidly changing situations. “For me, it’s all about the three As: accept, align and accelerate. Accept what you can and can’t control. Align yourself to the environment you find yourself in. Accelerate decision-making within that situation.”

## 6. MAKE NECESSARY DECISIONS FAST

The right course of action can be a tough one to take, which is why leaders may sometimes avoid key decisions, even when it is critical that they are made. As one guest observed: “When talking to ex CEOs, I always ask them what they would do differently if they had their time again. Without exception, everyone says they would have got rid of people sooner than they did.”

Exceptional leaders do not hesitate. As soon as they have identified the right course of action, they take it. If that means firing someone, they do it with compassion. As another of our guests said: “The most valuable lesson I ever got was from a boss who taught me how to fire people with dignity. It’s something we’ve all got to do, so it’s important you can do it well”.

Acting decisively can also be a way to create followership. While purpose, motivation and empowerment are all key, there are times when people look to their leaders for prompt and decisive action. (See also 1. Create followership.)





## 7. UNLOCK POTENTIAL

Chief executives are like gardeners, explained one CEO. One of their functions is to prune or expose elements of the organisation, in order that they may blossom and grow. It might be a neglected business unit. It might equally be employees who are currently undervalued or overlooked.

"There are usually amazing people buried deep inside any organisation," another guest suggested. "That's why it is critical that, as CEO, you make your way around the business and try to meet and understand people at all levels. You never know where those gems may be." (See also 8. Democratise leadership.)

Leaders who are expert at unlocking potential understand the importance of building bridges with team members and colleagues. One guest shared a story from earlier in his career, when, as CFO, he had completely pulled apart a business plan presented to him by a more junior employee. Afterwards, he was taken to one side by his then boss. "'Well done,' he said to me. 'You exposed all their errors and found all the flaws. The only problem is they are never going to dare present a proposal again in their life.' I realised then that if I wanted to run the company, I was going to have to learn a new set of skills."

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## 8. DEMOCRATISE LEADERSHIP

In addition to the need for leaders to develop and empower those around them, it was also stressed, by several contributors to our discussion, how important it is for CEOs and chairs to recognise and embrace the fact that in today's increasingly challenging business environment they cannot possibly be the smartest person in the room on every issue and challenge that needs to be addressed. (see also 10. Embrace diversity of thought). "It is absolutely critical," one guest said, "for leaders to have the confidence to surround themselves with the very best people they can find and then delegate and democratise leadership."

Accessibility is also key. "My door isn't always open," said one CEO, "because I don't actually have a door. I sit in the open plan office area with everybody else. Hopefully, it keeps me human in the eyes of the employees. It is also a great source of learning for me." Several guests shared similar stories of efforts they had made to engage at an eye-to-eye level with their organisation's customers, suppliers and employees, including one who had served coffees in company cafés and, even, boarded passengers onto one of the company's ferries.

## 9. PREPARE FOR UNKNOWN UNKNOWNNS

Ruth Cairnie, who is currently Chair of Babcock International and Senior Independent Director of BT Group, has had a long and varied career in both executive and non-executive roles. In her time, she has seen significant changes in how boards operate, with many going through a steady process of professionalisation. Today, she believes, they are correctly viewed less like traditional boards and more like high-performing teams.

She has also seen a change in the nature of the challenges boards and their organisations have to face. "I spent my executive life at Shell," Ruth explained. "I was therefore very used to dealing with geopolitical risk because we were a company that was investing huge amounts of money over long timescales in countries all over the world. Now, however, we're seeing geopolitical uncertainty affecting companies of all sizes and in all sectors."

It is time, Ruth believes, for all organisational leaders, and particularly those at board level, to start focusing on what the late Donald Rumsfeld famously described as 'unknown unknowns'. As another guest pointed out, today's leaders have one significant advantage over previous generations in this respect: "Unlike people in the past, we all have direct experience of dealing with unknown unknowns because we led our organisations through Covid."





## 10. EMBRACE DIVERSITY OF THOUGHT

As the remit and responsibilities of the board have evolved, so has its makeup. Over recent decades, we have seen the succession planning process become ever more rigorous, with an increased focus on the experience and skills being brought onto the board. We have also seen significant changes in board composition. The 2011 Davies Review found that women made up only 12.5% of the members of the corporate boards of FTSE 100 companies. By 2024, women's representation on boards across the FTSE 350 had risen to 42.1%. Important progress has also been made towards the targets for ethnic diversity outlined in Sir John Parker's 2017 report, with all but four FTSE 100 companies now having at least one board member from an ethnic minority group.

In addition, diversity, not just of gender and ethnicity but also of background, knowledge and experience, has proved to be an enormous asset for boards, enabling them to eliminate group think and approach issues with a broader range of perspectives and problem-solving tools. This is dependent, however, on the chair's ability to unlock the full potential of the team's diversity by ensuring every voice around the table is heard. As Ruth Cairnie put it: "There's a modern breed of Chairs who bring genuine humility and curiosity to what is, in large part, a people role. It is about valuing diversity in its broadest sense when it comes to Board composition, and then getting the most out of every single person around the table".

Just as diversity - in every sense of the word - has benefitted boards, so it has also helped equip executive leadership teams with the broader range of skills and experience they need to thrive in an ever-changing and increasingly uncertain world. As one of our leaders said, "The best way to address problems you've never seen before is to surround yourself with as broad a range of perspectives and experiences as possible. That way, as CEO, you can draw on diverse knowledge and expertise to piece together fresh solutions to novel business challenges."

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## GUESTS



**Nick Allan:**  
CEO, Control Risks Group



**Chris Cox:**  
CEO, Serica Energy Plc



**James Bilefield:**  
Chair, SThree Plc



**Sayma Cox:**  
CEO, NSMP



**Philip Bowcock:**  
Chair, Victorian Plumbing Group Plc



**Paul Forman:**  
Chair, Topps Tiles Plc



**David Brown:**  
Chairman, Renew Holdings Plc



**Bill Hocking:**  
CEO, Galliford Try Holdings Plc



**Pauline Campbell:**  
Chair, Computacenter Plc



**Edward Knapp:**  
Chair, Gateley Holdings Plc



**Andy Cliffe:**  
CEO, AGS Airports



**Sian Leydon:** Mainland Europe MD, Arriva Group

## GUESTS



**Samir Maha:**  
CEO, McLaren Applied Ltd



**Ian Spaulding:**  
CEO, LRQA



**Donald McGarva:**  
Former Group CEO, Aferian Plc



**Katy Taylor:**  
CEO, Wightlink Ferries



**Stephen Murphy:**  
Former Chairman, OVO Energy



**Philipp Visotschnig:**  
CEO, Gardner Aerospace



**Varda Shine:**  
Chair, Petra Diamonds Plc



**Rob Wood:**  
Group CEO, Breedon Group Plc



**Robert Sinclair:**  
CEO, High Speed 1



**David Yates:**  
Vice Chairman, Equiniti



**Gavin Slark:**  
CEO, SIG Plc



## HOSTS



**Richard Ashton:**  
Financial Officers and  
Professional Services



**Katrina Cheverton:**  
Chief Executive Officer



**Katie Chevis:**  
People & Culture



**Tim Clouting:**  
Consumer



**Nick Davies:**  
Digital & Technology



**Chris Donkin:**  
Managing Partner



**Simon Gough:**  
Managing Partner



**Angela Hocter:**  
Board Practice



**Alex Langridge:**  
Digital, Technology &  
Financial Services



**Alex Martin:**  
Managing Partner, Talent  
Intelligence



**Ali Palmer:**  
People & Culture



**Raj Rajesh:**  
Energy, Natural Resources &  
Sustainability



**Tim Shaw:**  
Infrastructure, Construction &  
Services



**Amy Thomas:**  
Chief Marketing Officer



**Alex Thorpe:**  
Industrial



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