

ESSENTIAL LEADERSHIP SKILLS FOR YOUNG PROFESSIONALS IN TIMES OF CRISIS

Dimitra Iordanoglou¹, Konstantinos Ioannidis²

^{1,2}Panteion University, Greece

crossref <http://dx.doi.org/10.5755/j01.em.19.4.8382>

Abstract

In a fast changing and turbulent business environment organizations are faced with new challenges. Since competent management has proved to be one of the strongest predictors of organizational success, one way to deal effectively with them is to develop the next generation of leaders. This paper investigates the leadership skills needed for future leaders especially during economic turmoil. Based on an extensive literature review, a list of the most important leadership skills was developed and a questionnaire was constructed to be used in structured interviews with experts and young leaders from five European countries (Greece, Latvia, Cyprus, Lithuania, Bulgaria). The current paper focuses on Greece, which is a prominent European case study, as recession has deeply affected working conditions. The results revealed the most crucial skills for future leaders in terms of future employability and during times of crisis. Furthermore, a gap between the necessary and the existing skills of young employees was identified, supporting the need for developing more appropriate leadership training programmes in the future.

The type of the article: Empirical study.

Keywords: leadership development, leadership skills, young business leaders.

JEL Classification: M12, M53.

1. Introduction

Leadership in the era of digital technology, social media empowered citizens and networking communities is under radical transformation. In an open world leaders should embrace change and deal with crises, be open to experimentation and even failures in order to achieve their vision. Osborn, Hunt and Jauch (2002), argued that during great challenges and peril, leadership changes significantly due to its context. Hannah *et al.* (2009) support this argument and state that extreme contexts usually transform and influence leadership styles. Especially nowadays leadership requires skills *tailored to an environment of urgency, high stakes, and uncertainty* (Heifetz *et al.*, 2009).

Many studies have attempted to identify the leadership skills and behaviours of the effective future leaders. HayGroup (2011) global research revealed the need for a *post-heroic leadership style*. The leaders of the future will need to be adaptable, flexible, multilingual, internationally mobile, to have deep integrity and strong conceptual and strategic thinking skills. But, most crucially, they must be highly collaborative since they will be leading increasingly diverse and independent teams over which they may not always have direct authority. Ricci & Wiese (2011) have identified four characteristics of collaborative leaders, *focus on authentic leadership and eschew passive aggressiveness, relentlessly pursue transparent decision making, view resources as instruments of action and not as possessions, codify the relationship between decision rights, accountability and rewards*. Cox *et al.*, (2010) investigated the crucial leadership skills in times of crisis. The results showed that *innovation and creativity, impact and influence on others, working with partners, managing conflict and motivating others*, were among the most important leadership skills needed in tough times. As the authors stated, although most leadership and management skills are not new and are similar in most economic circumstances, there is a difference in the emphasis placed on them in different times.

Consequently, future leadership training programmes should focus on developing leaders who will be able to deal effectively with the challenges and crises of our times. Therefore, the aim of the present study is to examine the crucial leadership skills for future leaders in times of crisis and investigate in what degree these skills are observed in young managers in the workplace.

2. Method

In order to identify the main and most urgent leadership skills that are important in terms of future employability and during economic turmoil, a qualitative research method was employed. The field research was conducted simultaneously in Greece, Bulgaria, Cyprus, Latvia and Lithuania in March 2013. Based on the findings, an innovative training programme was developed and was tested through a pilot study in the aforementioned countries.

The present paper focuses on the Greek results. The continuous recession in combination with the extremely high unemployment rates, have already made Greece a case study in a number of recent surveys that investigate the social impact of economic downturn in Europe (Gutierrez, 2014; Karanikolos *et al.*, 2013; Economou *et al.*, 2011).

The method of in-depth and semi-structured interviews was preferred, as it was necessary to acquire elaborated and detailed responses (Gillham, 2000). Moreover, this method gives the opportunity for further questions and extended answers (Arksey & Knight, 1999), in order to clarify and illuminate the most important leadership skills.

For the interviews a judgemental sampling technique was applied and the emphasis in the sampling procedure was placed on 'quality' individuals (Malhotra & Birks, 2006) who are willing to open up and are considered experts in their field. The sample consisted of 20 such experts namely, HR managers, company owners/ directors, experienced managers, leadership experts, academics/ researchers.

During the interviews, scaling questions were used to quantify and summarize the collected information. More specifically, forty one leadership skills - identified by the literature review as the most important - were included in the research questionnaire (Cox *et al.*, 2010; Whetten & Cameron, 2007; Perth Leadership Institute, 2008). These were organized in three categories: *self management*, *business management* and *people management skills*, as can be seen in Table 1. Each participant had to rate these skills in a 10-point Likert scale, which is common in attitude and behaviour measurement (Burns, 2000).

Table 1. The essential leadership skills for young business leaders

Self management skills	Business management skills	People management skills
Self awareness	Articulating an energizing vision	Motivating others
Self confidence	Strategic thinking and planning	Developing others
Self control		Inspiring others (engagement skills)
Managing personal time and stress	Making analytical decisions	Empowering others
Assertiveness	Implementing organizational change	Gaining and using power
Passion	Defining and solving complex problems	Delegating
Innovation	Creative problem solving	Managing conflict
Flexibility	Setting specific goals and targets	Giving positive and negative feedback
Adaptability	Entrepreneurial skills and business acumen	Collaboration and teamwork
Agility	Negotiating	Interpersonal communication
Resilience	Conducting meetings	Empathy
Integrity	Giving speeches and presentations	Influencing others
Trustworthiness		Building networks and connections
Authenticity		Managing diversity
International mobility		
Optimism		

The discussion guide of the study was divided in three main areas: important leadership skills for young leaders, necessary leadership skills during times of crisis and leadership skills observed in young managers in the workplace.

For the analysis of the findings, Miles & Huberman (1984) procedure was followed. The three key stages of the qualitative data analysis were: data reduction/ coding, data display and conclusion drawing/ verification.

3. Results

The results reveal the most important leadership skills that future young business leaders need to develop and those that are the most urgent during economic turmoil. Moreover, the findings identify the gap between the necessary skills and the existing ones to young employees.

Important leadership skills for young business leaders

More specifically, the 10 most important leadership skills are presented in Table 2.

Five out of ten of the most important skills are related to self-management, with flexibility topping the list.

Table 2. Most important leadership skills for young business leaders

Skill	Category	Score
Flexibility	Self management skill	9,3
Inspiring others (engagement skills)	People management skill	9,2
Trustworthiness	Self management skill	9,0
Self confidence	Self management skill	9,0
Strategic thinking and planning	Business management skill	9,1
Collaboration and teamwork	People management skill	8,9
Setting specific goals and targets	Business management skill	8,9
Adaptability	Self management skill	8,8
Innovation	Self management skill	8,8
Motivating others	People management skill	8,8

The most important leadership skills in times of crisis

The most critical skills needed during recession are listed in Table 3. Adaptability rises as the most necessary one, while flexibility and innovation remain among the top leadership attributes. These self management skills reflect the necessity for leaders to deal with the new conditions of recession and uncertainty.

Moreover, the business skills of defining and solving complex problems, creative problem solving and implementing organizational change appear in the list of most important leadership skills in times of crisis.

Table 3. Most important leadership skills in times of crisis

Skill	Category	Score
Adaptability	Self management skills	9,7
Flexibility	Self management skills	9,5
Innovation	Self management skills	9,4
Defining and solving complex problems	Business management skills	9,4
Inspiring others (engagement skills)	People management skills	9,2
Strategic thinking and planning	Business management skills	9,0
Collaboration and teamwork	People management skills	9,0
Developing others	People management skills	9,0
Creative problem solving	Business management skills	9,0
Implementing organizational change	Business management skills	9,0

Leadership skills observed in young managers

It’s worth mentioning that leaders who participated in the study believe that young managers and graduates lack all the essential leadership skills. The gap becomes wider when we focus on the skills of defining and solving complex problems and inspiring others.

Table 4. Leadership skills observed in young managers

Skill	Importance in times of crisis	Observed in junior managers
Adaptability	9,7	7,8
Flexibility	9,5	7,1
Innovation	9,4	7,0
Defining and solving complex problems	9,4	5,5
Inspiring others (engagement skills)	9,2	5,9
Strategic thinking and planning	9,0	5,8
Collaboration and teamwork	9,0	7,1
Developing others	9,0	5,7
Creative problem solving	9,0	6,6
Implementing organizational change	9,0	6,2

Figure 1 presents an overview of the top fifteen leadership skills based on their general importance (blue dots), their importance during recession and crisis (red dots) and as observed in junior managers in the workplace (green dots).



Figure 1. Comparison of Leadership Skills – Top 15

4. Discussion

The results showed that certain leadership skills are important for young leaders in order to be successful in the workplace. Flexibility, strategic thinking and planning, collaboration and teamwork were among the top ones, a finding consistent with HayGroup's (2011) global study results.

Especially in turbulent periods, self-management skills such as adaptability, flexibility and innovation, are becoming particularly important. Cox *et al.*, (2010) have also found innovation to be crucial in times of crisis. These skills reflect the necessity for leaders to deal with the new conditions of recession and uncertainty and to face the new challenges in a creative and effective way.

Moreover, the results revealed a tremendous gap between the necessary and the existing skills of young employees. This can partly be explained by the lack of experience in young managers, but it also reveals the absence of appropriate training and education. An attempt to bridge this gap is a leadership development programme which aims at training the leaders of the future in the essential leadership skills required in times of crisis (Iordanoglou *et al.*, 2014.).

In conclusion, in the current challenging working environment the development of leadership skills should be considered as sine qua non for the new generation of leaders and managers and should be integrated into the organizational framework.

Acknowledgements

This project has been funded with support from the European Commission. This publication reflects the views only of the authors, and the Commission cannot be held responsible for any use which may be made of the information contained therein.

References

- Arksey, H. & Knight, P. (1999). *Interviewing for Social Scientists*, London: Sage Publications.
- Burns, R. (2000). *Introduction to Research Methods*, London: Sage Publications.
- Cox, A., Fairhurst, P., Hadjivassiliou, K., Hirsh, W., Jones, K., Pullen, C., Reid, B., Tamkin, P. & Walker, E. (2010). Leading and Managing in Recession: Same or Different Skills? *Report LSIS233, Learning and Skills Improvement Service*. Retrieved from <http://www.employment-studies.co.uk/pubs/report.php?id=lsis233>.
- Economou, M., Madianos, M., Theleritis, C., Peppou, L. E. & Stefanis, N. (2011). Increased Suicidality amid Economic Crisis in Greece, *The Lancet*, 378 (9801), 1459. doi: 10.1016/S0140-6736(11)61638-3
- Gillham, B. (2000). *The Research Interview*, New York: Continuum.
- Gutiérrez, R. (2014). Welfare Performance in Southern Europe: Employment Crisis and Poverty Risk, *South European Society and Politics*. doi: 10.1080/13608746.2014.948592
- Hannah, S.T., Uhl-Bien, M., Avolio, B. J. & Cavarretta, F.B. (2009). A Framework for Examining Leadership in Extreme Contexts. *The Leadership Quarterly*, 20, 897-919. doi:10.1016/j.leaqua.2009.09.006
- HayGroup. (2011). Building the New Leader. Leadership Challenges of the Future Revealed. *HayGroup Leadership 2030 Whitepaper*. Retrieved from http://www.haygroup.com/leadership_2030/
- Heifetz, R., Grashow, A. & Linsky, M. (2009). Leadership in a (Permanent) Crisis. *Harvard Business Review. Special Issue (July-August)*, 62-69.
- Iordanoglou, D., Tsakarestou, B., Tsene, L., Ioannidis, K. & Leandros, N. (2014). *The Development of an Innovative Leadership Training Programme for European Young Professionals in Times of Crisis*. Paper presented at the International Scientific Conference Economics and Management, Riga, Latvia.
- Jones, G. & Goffee, R. (2006). *Why should anyone be led by you? What it takes to be an Authentic Leader*. Harvard Business School Press.

- Karanikolos, M., Mladovsky, P., Cylus, J., Thomson, S., Basu, S., Stuckler, D., MacKenbach, J. P. & McKee, M. (2013). Financial Crisis, Austerity and Health in Europe, *The Lancet*, 381 (9874), 1323-1331. doi: 10.1016/S0140-6736(13)60102-6
- Malhotra, N. & Birks, D. (2006). *Marketing Research: An Applied Approach*, updated 2nd European edn., Edinburgh: Prentice Hall, Pearson Education.
- Miles, M. B. & Huberman A.M. (1984). *Qualitative Data Analysis. A Sourcebook of New Methods*, California: Sage Publications.
- Osborn, R. N., Hunt, J. G. & Jauch, L. R. (2002). Toward a Contextual Theory of Leadership. *The Leadership Quarterly*, 13, 797–837. doi: 10.1016/S1048-9843(02)00154-6
- Perth Leadership Institute, (2008). A recession's role in transforming leadership development. White Paper. Retrieved from https://www.trainingindustry.com/uploadedFiles/FSC/Executive_Toolkit/Intelligence_Center/White_Papers/Perth-Recession_and_Leadership_Development.pdf
- Ricci, R. & Wiese, C. (2011). *The Collaboration Imperative: Executive Strategies for Unlocking Your Organization's True Potential*. Cisco Publications.
- Whetten, D. A. & Cameron, K. S. (2007). *Developing Management Skills*. New Jersey, NJ: Pearson Prentice Hall.