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A VERY MODERN LEADER

Contemporary Leadership
In Real Estate & Construction

An Insight Report by Holtby Turner Executive Search



Holtby Turner Executive Search Would Like To Thank

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Contents

An Overview - 'A Very Modern Leader'	5
Why Very Modern Times Demand Very Modern Leadership	6
Traditional VS. Contemporary Leadership. Which Is Right?	8
The Paradoxes Of Leadership	12
Liz Peace CBE Thoughts On Leadership	16
Leadership Types. Moving Beyond The Hype?	18
Leaders & Managers Are Not The Same Thing (And Why That Matters)	22
Creative Cultures: A Breeding Ground For Contemporary Leaders	24
The Transformation Game - Leading Innovation In Real Estate	28
Un-Managing Management As A First Time Leader	31
The Strategy, Systems & Structures Behind Landsec's Leaders	34
The Great Talent Hunt	38
Why Leadership Development Fails	42
Reflections On Leadership by Andrew Davies	46

An Overview A Very Modern Leader

Contemporary Leadership In Real Estate & Construction

I recently read somewhere that analysts predict the world's first trillionaire will have made their money from asteroid mining. Yes, actual asteroid mining. When the world isn't enough for the global giants like Amazon, SpaceX and Google, the word moon-shot suddenly gets very real.

This fourth industrial revolution, as the World Economic Forum terms it, is indeed marked by exponential change of this magnitude, but leaves me wondering, where is real estate as the world undergoes such a dramatic shake up?

Historically, the built environment has been seen as traditional, rooted firmly in bricks and mortar, with real estate leaders measured by three things: their investments, deal success and end of year results. Whilst this remains important today, the impact of technology requires real estate business leaders to develop something more complex, with long-term innovation strategies that increase their organisation's strength, market and capacity to scale.

Strategies such as these require a most modern leader, one who is forward-thinking; and less an investor in things, but more an investor in opportunity. These leaders need to be driven by discovery, a passion for learning and a desire to adapt to cultural shifts.

PwC's recent research shows five mega-trends are shaking today's businesses. These include rapid urbanisation, climate change and resource uncertainty, a shift in global powers, radical social and demographic change, and of course, exponential developments in technology.

Amid this volatility, predicting the future with any degree of accuracy is risky. Rather than taking a "predict and conquer" approach to strategy, organisations need to be adaptable; they must have flexible and entrepreneurial leaders, and develop organisational elasticity, fostered by a relationship to growth that is both adaptive and resilient.

The disruption technology brings to business models demands not just rapid innovation, but a diversity of talent to create and lead it, which is not born overnight. For real estate businesses this means visionary and strategic leadership from contemporary leaders. Unafraid of conflict or risk, they are not better or worse than the leaders who came before, they are simply very different.

In this report we explore what is meant by contemporary leadership, and bring this conversation to the leadership roles in the creation of the built environment. We hope our perspectives inform and inspire your own thinking, so that it shapes the way your organisation develops the leaders of tomorrow, as they and you build our common future.

With best wishes,



Toby Turner
Founder & Managing Director
Holtby Turner Executive Search



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Why Very Modern Times Demand Very Modern Leadership



*By Emma Colahan
Practice Leader Construction & Infrastructure
Holtby Turner Executive Search*

The built environment has by its nature been fairly traditional, with bricks and mortar historically belonging to long-term investment strategy. While the crux of this is unlikely to change in the immediate future, the industry is being continuously disrupted.

As the gaps narrow between a brand and a business, or a tenant and a customer, the built environment has been forced to modernise or face irrelevancy: thus, tenants in corporate real estate are forced to make choices driven by trends and the changing needs of their end-users. Accepting this, and leading through it, is increasingly unpredictable and complex for CEOs. Understanding the principles of data analysis, service design and user experience are no longer nice-to-haves, they are must-haves for real estate's contemporary leader.

These are of course driven by transformation across the board: flexible working, mixed-use buildings, and automated services present both challenges and opportunities to real estate leaders. 'Space As A Service' - a term coined by PropTech expert Antony Slumbers - has radically transformed the property world. These days, unless obsessive customer care is woven into the very cultures of your firm, those who are disruptive and are customer-centric will end up wiping you out, Slumbers warns. Pointing to co-working space provider WeWork - still only seven years old - he adds whilst this might not happen overnight, the disruptors are rapidly winning over millennial consumers. Being curious around the ways people interact with technology requires a positive open-mindedness from our leaders, as it relates to decision making, business models and service lines.

These sophisticated market needs are particularly relevant to real estate

companies in charge of valuable assets, needing to adapt to an increasingly international and diverse customer-base. With globalisation, international capital flows now bring inter-cultural sensibilities and operational complexity, as do sustainable regeneration, social responsibility and localised community focus.

With the high numbers of millennials preferring to back socially responsible, community-first and positive impact projects, a new value system has emerged in real estate investment schemes. For the first time in real estate, investors' returns sit right beside stakeholder returns, placing an increased level of accountability and responsibility on real estate leaders who must demonstrate short-term wins with long-term impact. This requires leadership thinking to get in line with today's triple bottom line of 'People, Planet and Profit'.

Illustrating this is Argent, who since 2001 has planned, managed and delivered the regeneration of King's Cross - one of the UK's most significant urban development projects - and in so doing, set the bar to a new high. At Berkeley Group, around 95% of its holdings are on brownfield or recycled land; Imperial Wharf has been transformed from a derelict site into almost 2,000 homes, with a new train station and connected sense of community. To contemporary leaders, game-changing and socially responsible challenges are not problems, they are to be embraced and proudly showcased.

As conscious design-led developments continue to shape communities, so the appeal of the built environment lifts as a place to work. Clever use of fresh branding helps to make projects such as British Land's co-working

space "Storey" stand out. Raising the profile of the industry not only attracts next generation talent but brings in a much needed level of diversity as the landscape of urban centres continues to morph with globalisation and demographic shifts.

A focus on diversity and inclusivity are arguably the truest markers of modern leadership in real estate. Only those with a clear, demonstrable commitment to diversity will be adaptable and forward-thinking enough to move with the world's changing landscape, i.e. the world's rapidly aging population. It's believed that by 2050 people aged 65+ are predicted to form 22% of the global population, up from 10% today. This has tremendous implications for workforce demographics along with higher levels of mobile, educated workers from the new rising nations.

It's predicted that by 2030, China will have more graduates than the entire American workforce, with India set to produce four times as many graduates as the US by 2020 - that's just under two years away! With millennials forming half of the world's workforce by 2020 they are becoming ever more central to cultural change in businesses around the world, with markedly different attitudes toward working and career development to those that went before.

What this means for leaders in real estate is simple to state, yet potentially difficult to do. They must learn to disrupt themselves and demonstrate adaptability around rapidly changing technology and shifting consumer desires. Modern leaders realise that diversity is no longer an optional extra - it needs to sit at the very core of your leadership and organisational cultures, because these days, it's not about you anymore.

Traditional VS. Contemporary Leadership. Which Is Right?



*By Toby Turner
Managing Director
Holtby Turner Executive Search*

The quest for the 'ideal modern workplace' has spurred an abundance of growth in new management styles. As companies explore what keeps people engaged, inspired and productive, so have the strategies which drive commercial growth needed to adjust, with traditional leadership styles favouring top-down management having been forced to change. Around the world we are seeing more collaborative leadership and management styles, styles that encourage employees to be empowered and create positive change. So when did 'traditional leadership' become traditional and what exactly do we mean by it?

As real estate adapts to a culture of open innovation, we're beginning to see contemporary leaders invest far more in team-building and power-sharing, as compared to the more hierarchical corporate ladder. In a shift away from the boardroom, internal crowd-sourcing is driving creativity and problem solving as a more democratic approach to corporate growth. This method has been proven quintessential in the creation of new business models, products and service lines, whilst simultaneously giving employees a real sense of ownership in their work.

Traditional Leadership & Its Ladder

Traditional leaders see power as belonging to and stemming from authority. Underpinned by hierarchy, it assesses power on longevity, first and foremost. Thus, the longer you stay, the higher you climb up the ladder. As you climb, so your power amasses and expands.

In order to keep climbing, you must keep your cards close to your heart. Disclosing knowledge and sharing precious information threatens your power. So you release information on a need-to-know basis, and safeguard authority and control. Sharing is complex for traditional leaders, as is taking advice. Almost always, only those at the top of the tree help steer strategy and the decision-making process. If suggestions are gathered from a wider section of the organisation, it is often more a show than authentic cooperation. Traditional leaders sign off strategy in the board room, and deliver plans as a fait accompli to their teams.

In this model, employees perform tasks which are stringently tied to individual responsibilities and

Traditional Leadership



Top Down

Believes power is best through solitary authority



Announces

Rarely takes advice from their teams, and prefers delivering solutions



Reactive

Manages issues by focusing on symptoms, and is always fighting fires



Fixed

Seeks control by fixing and limiting employees' duties and responsibilities, discourages challengers and creators



Reviews

Is hands off, and prefers official policy-based performance review once a year

Contemporary Leadership



Bottom Up

Believes in people power and collaborative working



Listens

Encourages open innovation, facilitating continuous feedback loops that welcome ideas, no matter where they came from



Proactive

Adopts curiosity to uncover issues, and traces their origins back to the root where they came from



Adaptive

Empowers employees to evolve their role, and sees skills as organic and dynamic, welcoming growth



Coaches

Sets up ongoing feedback trackers, and regularly coaches by personalising development and its evaluation

We asked two of real estate's leaders for their views on contemporary leadership, and how they've seen it change over their careers.



Rob Bould

Non-Executive Director, Coyote Software
Former Chief Executive Officer, GVA

“Unquestionably, the technological revolution over the last ten years with twenty-four hour employee accessibility has necessitated both a change in working style and how leaders interact with their people. Whether this is good or bad will come down to the success of the enterprise, and only that.

Having gained insight into the brave new world of PropTech over the last two years, I see the same underlying elements for success are required: visionary and passionate leadership; a strong brand, and excellent communication. All the workshops and team building in the world will not replace a culture inspired by a strong leader or leadership team.”



Harry Badham

UK Head Of Development
Axa Real Estate

“Unlike twenty years ago, our large projects are never a one-man show. There is no single leader per se. What we have are individuals, each empowered with a shared vision and freedom to use their own experience, judgement and expertise. This is different in my experience when I began work, where the leaders were far more ‘command and control’. Then again, tasks were far more stable and routine back then, and leadership was more process management than vision (with exceptions, of course). I guess that difference begs the question, “what is a leader anyway?” It’s interesting. The media seem to love to portray an individual as solely responsible as leader, because it suits the story, the narrative fallacy, and indeed much of the oligarchical leadership types in the world of media itself. There’s confirmation bias with leadership everywhere.”



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performance targets. It is an isolated way of working, one with information and resources given only when needed. What is important to note is that this rigid corporate hierarchy stifles creativity and stagnates innovation. By removing the necessary encouragement to be forward-thinking and proactive in solving problems, it also kills morale.

This also comes at a high price. When high-value employees feel undervalued and uninspired, they leave – simple as that. This is a two-fold cost; not only is revenue lost short term as you search for a new hire, you will fail to attract the very best people to grow your business and thus miss out on future revenue. Once word is out that an organisation has both uninspiring leadership and a staid company culture, it spreads like a wildfire and can take years to undo.

Contemporary Leadership & Culture

Contemporary leadership brings something new to the table – a collaborative approach. Here leaders recognise that power is greatest when part of a collective. Collaborative contemporary leaders allow strategy to be shaped by the best ideas in the group, with problem solving being a team effort. Here, openly sharing information of resources and knowledge is vital in getting everyone on the same page. When peer to peer training and mentoring is available, the more creative and collaborative your organisation's skills in problem solving will be.

A contemporary leader is open-minded and values the unique insights that diverse perspectives can bring. In a

collaborative culture, the power of the group is championed rather than controlled. Solutions are often born in a team, and processed by peers, whilst facilitated by senior leaders, and whilst this management style and organisational structure requires trust, successful leaders empower their teams, wanting them to flourish.

There is no real hierarchy in an organisation defined by contemporary leadership. Structure exists, of course, but teams are encouraged to work collaboratively. Roles and responsibilities evolve and adapt as the organisation needs, because collaborative leadership is underpinned by trust. As team members get more responsibility for their work, leaders get involved in the process, helping them to tackle issues promptly. By digging to the origins of conflict, fire-fighting is needed less as issues rarely become this inflamed.

Contemporary leaders see employees as peers to be treated equally. Here, feedback is immediate, criticism collegiate and constructive, and rewards are regular. This collaborative style of leadership is generous: knowledge and experiences are shared for the greater good, and development personalised with a mentoring and coaching approach, focusing on empowerment and continuous improvement.

You may wonder if there's a space for leadership that incorporates the best of both? Fair point, and it's possible of course. However, you can't be everything to everyone, because it inevitably results in meaning very little to very few. That's not where any leader should be heading.

The Paradoxes Of Leadership

Toby Turner In Conversation With Professor Alf Rehn



*By Toby Turner
Managing Director
Holtby Turner Executive Search*



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As humans, we seek security and avoid ambiguity, so it's unsurprising that for centuries, people have tried to find the perfect recipe for leadership. As an executive coach I am fascinated with the theories behind leadership and more practically, finding the very finest leaders for real estate organisations.

Yet despite all the reading and research, there is no such thing as a simple checklist. Leading management speaker Alf Rehn, recently wrote about why this is in his work on Leadership Paradox Theory. Curious to hear more and to unravel the contradictions, I spoke to Alf who holds the chair of Professor of Innovation, Design, and Management at the University of Southern Denmark.

Why is there such contradiction over who and what makes a great leader - are we overthinking it?

I believe it's because we can't decide deep down what we want from our leaders. Inevitably we contradict ourselves trying to 'have it all', and to some extent we do overthink

Alf Rehn

Alf Rehn is a Finnish Professor of Innovation, Design, and Management at the University of Southern Denmark, and a visiting professor at London's Cass Business School. Known for his down-to-earth, no-nonsense views on innovation. Alf has worked with and advised companies ranging from big corporations such as Kone, Roche & Mærsk to startups like SoundCloud & NextGames.

it, yes. But to understand why, we need to trace back to one of the earliest forms of leadership theory, called Traits Theory. It attempted to describe good leadership through a set of traits that all good leaders should have. It claimed these should include characteristics and skills such as an analytical mind, a strong sense of ethics, and a capacity for decision-making. However, as academics started to compile lists with all the traits a leader should have, something peculiar happened ... we ended up with a set of complex contradictions.



Is the biggest leadership paradox between Traditional Leadership and what is now popularised as Contemporary Leadership?

Yes collectively it is. However, even individually there are paradoxes and contradictions. To illustrate: we all agree that leading is fundamentally about doing, right? So therefore a leader should be capable of taking action. We also agree that a leader must be able to listen to, and engage, his or her people - for no one wants to be led by a bully. Now, if we agree a leader should be able to listen (which takes time), and yet make decisions quickly, surely we are essentially contradicting ourselves? In my work with leaders, this problem of paradoxical demands is so evident, it has become one of the key defining characteristics of leadership.

Can you share a few of the contradictions you've found in leadership paradoxes?

First there are the ways we expect leaders to be and behave. We want leaders to always appear rational and analytic, but at the same time to be able to show their feelings and be in tune with their emotions. We expect them to change with

the times, yet not seem flighty and to have gravitas. Leaders obviously need to show some traditionally masculine sides, like being tough and hard-nosed when needed, and yet we also insist that they be in touch with their softer, assumedly more feminine side. No wonder that a leader can get flustered and confused!

That's only behaviour. When it comes to action, we expect leaders to be able to act fast, yet know when to take things slowly. We want action-focused leaders, taking charge right now, but simultaneously we're asking for them to be visionaries and to be able to conjure up a beautiful dream for the organisation.

Leaders should obviously take care of the big issues and the big picture, but woe betide the leader that doesn't pay attention to the little things as well. Then there is an expectation that the leader is the one who decides and supervises, yet we demand that they show a lot of trust and focus on enabling instead! If there is a crisis, the leader needs to react immediately, unless he or she shouldn't, but wait things out instead, and whilst doing that remains capable of dealing with the difficult matters and still keep things simple.



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As one of the CEO's I've worked with put it, it's like a recipe for developing dissociative identity disorder...

It's easy to understand, on one level. Who among us doesn't want to have a heroic leader who simultaneously is just one of the gang? A visible leader who can melt into the background when needed? We all do. We want that leader who both sets clear boundaries, yet breaks barriers with ease. The one who lives in the now, here, today, yet always with an eye on the future. Heck, I'd love one of those! But at the same time, leaders can often find themselves in quite a pickle with these paradoxical demands. The demands won't go anywhere, of course. That's why leaders need to understand these contradictions, and find their own way to live with them.

With so many demands on today's leaders, it seems no matter what you do, someone will be unhappy. Do you think that truly great leadership is unreachable?

No, I think great leadership is within our reach. I've worked with great leaders who have each been brilliant at living with their contradictions. They find their own way through them

- I'm sure you've seen the same in your search work. They are leaders who realise no one can reach perfection. They understand this is true for themselves and for their rivals. You cannot be all things to all men (and women). What you have is an endless series of paradoxes and conflicts, as well as many, many failures, and yet to be a leader is to power through this.

So where does that leave contemporary leadership - is it indefinable?

Good question! Well, there will never be a perfect list, one that in five catchy lines captures everything a leader should do and be, and if any consultants or 'experts' suggest they have found them, run a mile! But real leaders are comfortable with this; they encounter contradictions and solve them best they can. They're asked to do the impossible and somehow, often rather frequently, manage to do just so.



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Liz Peace CBE

Thoughts On Leadership



*By Liz Peace CBE
Non-Executive Director
Holtby Turner Executive Search*

I am not sure anybody ever taught me how to lead. So if I have absorbed any of the tenets of good leadership it has probably been through good luck and having some interesting role models, whose style I could emulate.

Then again, when my career started out over forty years ago, management theory was pretty basic, and barring professional training, you just learnt on the job. So what have I learned about leadership that I would pass on to the next generation?

- 1.** Surround yourself with good people and never be afraid of hiring folk who are a lot smarter than you.
- 2.** Don't be afraid to hire 'disruptors' – people who are very different to you and the people around you. Although, be prepared for that to lead to subsequent demanding management challenges.
- 3.** Try and create a diverse organisation. On several occasions in my career I have ended up with a severely gender imbalanced team – all women bar one token male. Of course, I justified this by explaining that I had simply hired the best people for the job. But joking apart, a leader has a responsibility to ensure that they have a diverse and inclusive workforce – which, as we all know, is better for business anyway.
- 4.** Make sure everybody understands the business you are in and buys into the objectives for the company or the organisation. There is no need to spend days in fancy focus groups or with consultative committees to elicit views and opinions. Simply listen to your people, and once you have listened, go back to them with a clear view about where you are trying to take them.
- 5.** Be enthusiastic about the business: there is nothing worse than working for somebody who is perpetually downbeat and cynical. After all you are supposed to be inspiring your workforce not sending them into depression.
- 6.** Always be visible and available. An open door policy is not enough, especially as we don't have doors anymore. Make sure you go round, perch on the edge of the desk and ask people what they are up to.

7. Embrace new methods of working. I must admit I have found the move to flexible working practices incredibly difficult: there is nothing more annoying than wanting to talk to someone and then finding they're working at home. There is, however, something called a phone and conference calls actually work perfectly well. If offering flexibility means you can keep your key staff, then you simply have to get used to it.

8. Encourage your people to talk to you about their aspirations, including personal ones such as family and career breaks. If they feel the time is ready for a move to another company, then help them find the right move. I know 'emotional intelligence' is a bit of a buzzword these days, but dealing with people sensitively and showing that you do understand their feelings really does make a better leader.

9. Never forget that you are there to run a successful business and so be prepared to take the tough decisions needed to achieve that. Your people will understand that for who wants to work for a failing organisation?

10. Make sure you have somebody outside the organisation that you can talk to about the travails of your leadership role: it can be lonely at the top. My Presidents at the BPF invariably asked me what I wanted from them, and I always used to say 'someone to moan to when things aren't going my way!'

I don't know what the many people I have worked with throughout my career would make of this and or indeed whether they would consider me to have been a good leader. What I do know is that I have always been true to myself, treated people and situations instinctively (and in accordance with my own personal values and beliefs), and been prepared to adapt to changing times.

If that is the case, then to me it suggests good leadership may be as much about inherent personality overlaid with experience, as it is management theory and the right MBA course!

Leadership Types. Moving Beyond The Hype



*By Alan Froggatt
Non-Executive Director
Holtby Turner Executive Search*

Management around the world appears obsessed with finding the “right type” of leadership. I’ve had many a discussion with leaders in real estate about the ‘correct’ way to lead, and whilst there is certainly no leadership style that works at all times, and in all contexts, I do sometimes wonder if leadership is fundamentally misunderstood. Leadership types, to me anyway, sometimes feel objectified, as something that can almost be owned or handed down?

There is a plethora of suggestions for good leadership, which have all had their glory moment, enjoying much hype at one time or another. You may be familiar with today’s authentic leadership, innovative leadership, e-leadership and new-genre leadership, but what about shared leadership, servant leadership or heroic leadership? And lest we forget, affiliative leadership, democratic leadership, pacesetter leadership and finally, coaching leadership?

With an army of thinkers all suggesting their take on leadership is the way to go, leadership experts and even leaders themselves can easily get lost amidst so many competing ideas.

Leadership research shows context is key. Rather than believing in the notion of a singular “heroic leader” we need to be open to a multitude of leadership types, all of which may work in the right context. In real estate, we may still come across situations where the old-school, hard-nosed leader reigns supreme.

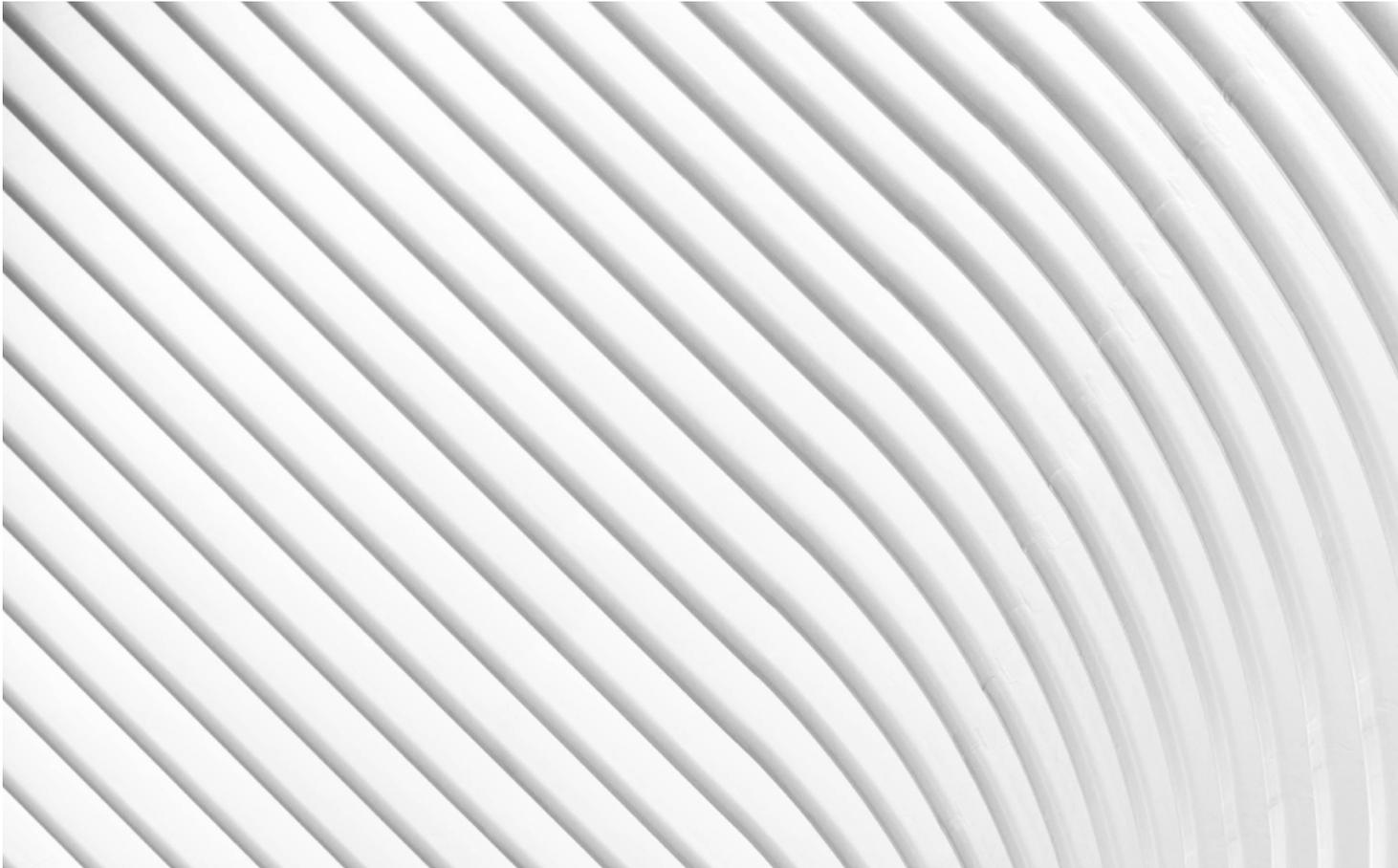
In projects with well-known parameters and a traditional team, classic leadership may work exceptionally well. But compare this to more complex projects with a global mix of financiers involved, and the situation might require a more culture-sensitive, diplomatic leader. Or, a prop-tech project with a public-private partnership behind it. This may well require a leadership type that can handle both tricky millennials and the complex politics of both the City and Whitehall. Point being, if you trust only one leadership type, you’re increasingly only capable of running one type of project.

What we need is a diversity of leadership types. Not just because of the hype often ascribed to new types of leadership, but because today’s complex world requires an ever more complex array of leaders. Top players in the real estate world have already become very sensitive to this.

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They make sure that they're not simply recruiting more of the same, but ensuring that they're playing with a full pack of cards - and by cards, I mean leadership types. The way forward is thinking in "leadership portfolios", ensuring that for any project you have a suitable leader; because doesn't everyone want to win new business?

Consider this: you're asked to run a major new private-public partnership, run by a digital-first real estate firm from Kyrgyzstan in collaboration with the UN Development Programme, supported by the European Commission. You will need a leader who can navigate the complex machinations of the UN and the bureaucracy of the EC, whilst being able to converse fluently with post-Soviet coders as well as builders with a markedly different cultural background than you're used to. Will you have a person up for the task, or will you trust the same person who ran a programme in Earl's Court to do the same in Kashka Suu, south of Bishkek?

If the case above seems overly exotic, just consider how many new real estate projects build on digital technologies that would have seemed like science fiction just a few years ago, or the number of real estate projects that can get caught up in the webs of current geo-political shifts.

I've always been a fan of Jim Collins' *Good To Great*. Collins showed that the most successful companies long term had been run not by heroes but by thoughtful leaders who got the right people in place around them and allowed them to shine. I asked Amanda Clack what she thought today as Executive Director at CBRE, and Member of UK Board & EMEA Occupier Board.

"Leadership is really followership because what's a leader without a great team?" she said. "Being authentic as a leader is the bottom line to me. The RISE values of Respect, Integrity, Service and Excellence are core not just to me but everyone at CBRE. Leadership starts at every level in an organisation, so it's important to live by your core values every day. I hope colleagues would say I'm a modern leader, but with old fashioned values. No hype, no particular type, just authentic."

Believing in the myth of the "one leader to rule them all" has become dangerous, bringing with it millions of pounds of unwanted costs for those not prepared to look beyond the hype when it comes to leadership types. My advice to real estate CEOs is this: don't get stuck thinking that leadership development means finding those who fit in to your current template and develop only these leaders.



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The winners will be those who develop balanced leaders with diverse capacities and diverse networks, who are prepared to take on an array of novel projects we'll need them to in the coming years. Though obviously not all will be captured by the same leader, you still want the following five key skillsets in your leadership portfolio.

1. Flexibility

Real estate is changing, and you want leaders who are not too caught up in the past. No arguments.

2. Negotiation Skills

With big companies like Apple, Google and Amazon edging into real estate - and data driving almost all decisions these days - being able to argue for the value you bring will become ever more important, if not critical!

3. Strength In Decision Making

We are living in precarious times. The winners will be the ones who can make the best case for their decisions, and have the gumption to stick by them.

4. Emotional Intelligence

The time of 'my way or the highway' is long gone. Neither your top team nor your customers will respond unless you engage them with intelligence and curiosity. If you can't handle that way of thinking, then be worried.

5. Creativity

Look for fresh practices that you can tailor rather than adopt en masse. Be unafraid to experiment with untested ideas and notions that go against perceived wisdom in the industry.

For me, all this leadership hype simply serves as a poignant reminder for real estate boards to remain resolutely focused on the future. What you want to do today is not think of which leaders have worked but how to build the strongest leadership portfolio right now as real estate faces such tumultuous times.



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Leaders And Managers Are Not The Same Thing (And Why That Matters)



*By Antony Slumbers
Co-Founder PropAI, Leader Board Member
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There's an existential problem no one likes to talk about in real estate: really, truly understanding the differences between leadership and management. Yes yes, I hear you say, but before you shoot me down, I'd like to point out this is not an academic case to be won. No, far from it. In the time-critical container of transformation, knowing the difference between leading transformation and managing change could be real estate's saviour.

By general consensus, a good manager is someone who can execute a defined plan, as agreed and optimised over a long period of time. This is Six Sigma territory, where the aim is to manage as efficiently as possible. In this management context, we know what our product is, we know who our customers are, and we know what our job is - to get our product to our customers as smoothly as possible, at the lowest cost to us balanced with the maximum cost customers will bear. This is how business works at the top right of the 'S' curve, where we are dealing with established markets, the largest number of customers, and pretty much commoditised products or services.

This is real estate as an industry for the last twenty or thirty years. Yes, we have cycles of demand, but the product is much the same as it has been, and the competition is doing exactly the same as you are. In good times you all do well, and in bad times you all suffer. In this world, managers have thrived, and made a lot of money. Here, being efficient has trumped being different, and being different has been a bug rather than a feature.

As Charles Handy, the great management writer has written, industries evolve in repeated 'S' curves from genesis to commodity. Right now, real estate is seeing the start of its next 'S' curve; we are back down at the bottom left, where commoditisation needs to be replaced by innovation, and Six Sigma must give way to Agile. Most centrally though, the entire real estate industry is being re-imagined, and we are moving from being 'sellers of product' to 'deliverers of service'.

Let's be real, when leases are shortening into non-existence, we're effectively shifting from rent collectors to service providers - for what else can we be? Not only this, we find ourselves competing with new entrants that leading industry figures didn't spot as market risks five years back.

In Forbes magazine recently there was an article describing 'forward thinking urban design and new digital technology to create people-centred neighbourhoods'. Want to hazard a guess at which REIT or major real estate company that was referring to? Google!

Having just secured permission to start their transformation of 800 acres of Toronto waterfront, the 'developer' in question was Google. In a similar vein, the article could have included a story about Facebook leasing space for 3,500 staff in California - not from a real estate company - but another 'Tenant', namely WeWork. I've lost track how many global Property-Tech Power Lists I've read where Amazon founder and CEO Jeff Bezos is listed in first place. The bottom line is that the sand beneath our feet is shifting, and will continue to shift.

So what should we be doing? The best answer I have is to consider Robert Frost's words from 1914: "the best way out is always through", he wrote. Don't bring a knife to a gunfight; understand the drivers of change, embrace them, and re-purpose your company for a new environment. Having worked in software development for 20+ years one becomes very blasé about change. No piece of software is ever finished, no language survives all that long, next year will be unlike this year, and no you cannot work out in advance exactly how your customers will use whatever you build. Most likely they will devour the functionality you are not that fond of, and ignore those special features you love. But it does not matter, because the industry is not designed to be right. It is only designed to be flexible. Build something, measure how it works, learn from it and iterate.

I advise real estate board members to try and think of real estate like the iPhone. It only has 18% of the global smartphone market but makes 82% of all the profit. Why? Because it marries hardware and software together to create a user experience for which customers happily pay a large premium to enjoy. Real estate leaders today must only be thinking of their users, more specifically only the user experiences that delight the segment of the market you are targeting.

Profitable buildings will be full of happy people; so I urge leaders to think only of the team you need to put together that will create great user experiences. That may be a solo endeavour or one built on partnerships.

It is hard. It requires new skills, but it is doable. Most people will fail, but to the winner go the spoils.

Antony Slumbers has been a software development and technology strategist in commercial real estate since 1995. Now, he consults and works with real estate boards on Transformation, Technology and Innovation. A well known speaker in property, he is a globally recognised expert on PropTech, and #SpaceAsAService. For more go to antonyslumbers.com or talk to him on Twitter @antonyslumbers

Creative Cultures. A Breeding Ground For Contemporary Leaders



*By Richard Moss
Practice Leader Technology & Central Operations
Holtby Turner Executive Search*

Global shifts, political turmoil, and rapidly changing technologies have put the built environment in a continuous state of flux. No wonder there's a desperate need for the types of leaders who can handle it, and even thrive on disruption. As I see it though, the problem is many in our industry seem to think that leaders emerge fully formed and can simply be hired. Companies who see things this way miss a central component of leadership development - namely building a culture that encourages creativity and nurtures the next generation of "home grown" leaders.

The fact is, companies with strong creative cultures outperform their competition in leadership development (and there are too many studies to list which back this up). So one of the most important things real estate companies should be doing today is developing a strong creative culture.

What exactly do we mean by a creative culture? "Generally, it's one that supports creativity by creating a safe space for a number of diverse viewpoints. They foster a multitude of novel ideas and respectful challengers, and are characterised by a continuous critical engagement with ideas", according to creativity expert and author of *Dangerous Ideas*, Professor Alf Rehn. "Traditional cultures only discuss ideas that fit within the corporate framework,

but a creative culture will be open to discussing far-fetched and challenging ideas - the uncomfortable ones that break moulds and break new ground."

You may be wondering why such a culture would be a breeding ground for leaders - don't creative cultures breed thinkers and ideas rather than solid leaders? Actually, they absolutely develop great leaders, and here's how.

Leaders Are Forged From Friction

Creative cultures are often quite confrontational, as people within them care greatly about ideas and are prepared to fight for their viewpoints. This creative friction can scare away more traditional leaders, but it also enables thought leadership to develop. By learning to stand up for different, fresh ideas, and seeing critique and questioning as opportunities to develop and grow, creative leaders are skilled in diplomacy and idea development, along with the resilience and humility that such constructive argument demands. Leaders who grow from creative cultures will not assume that ideas are born fully formed, but instead value the process of questioning and development. This curiosity and love of learning is a pre-requisite for innovation and transformation.



Creative Cultures Care For Carers

In a creative culture, leaders don't bully. They are the ones who can identify a fledgling idea, and care and support it while it develops. This experience is highly valuable not only for idea development, but for spotting other kinds of value as well - no matter how early its potential. With experience in creative development, this leader is more likely to spot underused talents, novel business models (that can become the next big thing), and relationships that might be leveraged for greater value creation. Caring leadership is all about seeing something of value in a new, not yet developed possibility. Airy fairy as some may think this sounds, this will become increasingly important throughout the rapid transformation we're experiencing in the built environment.

Creative Cultures Breed Diverse Leaders

The greatest challenge in contemporary leadership in real estate is that so many seen as leaders are "male, pale, and stale". This lack of diversity is often due to corporate cultures rewarding similarity and sticking to notions of "best practice" (whatever that actually means!). In creative cultures, this process is turned on its head. Here, support is given to those who question the status quo, and why creative cultures are proven testing grounds for more diverse leadership development. By embracing a wider range of accepted leadership types, creative cultures allow individuals who might otherwise be held back to fly, and thus generate a robust set of diverse leaders for their business. The value of this should be obvious, but if it is not then read *The Power of Real Balance* by PwC, an excellent report from 2017.

Creative Cultures Support Informal Leaders

The process of creativity cares little for titles or hierarchy, that is why it is known for developing informal leaders. Creative culture's long standing disregard for org-chart hierarchies are proven to identify and nurture challenging leaders. By giving more time to a capacity to create, as opposed to fitting with a leadership type per se, creative cultures have always fostered idiosyncratic leaders who believe in moon-shots (and if you think about Elon Musk, those moon-shots are very real, although he is an engineer and not technically a creative). These disruptive kinds of leader are the ones who quietly begin revolutions.

True Leaders Experiment

There cannot be creativity without experimentation. That's why creative cultures are hotbeds of experimentation, and the leaders that emerge in them will be naturals at testing, experiments, and leading through data rather than with tradition. Real experimentation is a skill that is only learnt by direct experience. The future of real estate will require far, far more experiments than traditional leaders are used to. Creative leaders are born experimenters, and have the innate understanding of testing and data that a company living through tumultuous times needs.

So here is a suggestion: if you want to develop the kind of leaders that can navigate successfully amidst geopolitical change and technological disruption, pay attention to creative cultures. Stop judging them for their ping pong tables and weekly yoga classes, and start learning from them. The kinds of leaders that real estate needs in the future are creative.



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Learning from Google

One of the ways Google keeps its culture growing is with something called “TGIF”. Since its very earliest days, Google has run TGIF or “Thank God it’s Friday” - a weekly all-hands where the founders Larry Page and Sergei Brin bring the whole company together in an informal way. Back in the day it was on Fridays, but today it’s Thursday, in order to accommodate Googlers all over the world). If you are at Google HQ in Silicon Valley, you’d gather in the big cafeteria hang out spaces, or if you work remotely, you watch on a live stream at your desk, or with your colleagues. The How doesn’t matter - it’s the connection that does.

During TGIF, Larry, Sergei and many senior leaders show transparency as they openly share what they are working on, when new initiatives are presented, and wins from all divisions celebrated.

A big welcome goes to all new Googlers, known as Nooglers. Most importantly, open and direct questions are asked to all senior leaders for which they provide candid feedback.

It is incredibly impressive for a publicly traded, multi-billion dollar, global behemoth like Google to do this (especially as transparency is less than abundant when it comes to the data they hold on their customers). That a company be so open, transparent and profoundly trusting of their employees is proof of its robust culture: barely ever does anything from TGIF ever leak. Of equal note, Google’s founders Larry and Sergei make it a priority to be at the meeting every single week. TGIF creates trust and alignment. It is incredibly powerful.

What’s your organisation’s TGIF?

The Transformation Game - Leading Innovation In Real Estate





By Richard Moss
Practice Leader Technology
& Central Operations
Holtby Turner Executive Search

In 2017, McKinsey predicted 35% of management tasks could be automated with artificial intelligence – including leadership. Assuming AI will supplant the way we process facts and information, a greater emphasis on the human side of leadership will emerge by necessity. In fact, research has shown that curiosity, extraversion, and emotional stability are central to predicting leadership effectiveness, which the age of AI only enhances.

The digital transformation is reshaping the skills and behaviours that make leaders effective. Qualities such as domain expertise, decision making skills and managerial authority are falling from grace, or overtaken by AI. Humility, vision, curiosity, connection and adaptability will be key in leading transformation tomorrow.

Humility, really Richard? Yes, humility. With today's rapid change, leaders simply can't keep up to speed about all new developments across innovation, technology and cultural changes. CEOs navigating transformation and innovation create small, empowered teams and trust them to perform, carrying accountability for customer impact. They expect these teams to start small, iterate, experiment, and adapt which complements the way they see their businesses as adaptive platforms, not just products and services.

These modern leaders understand the potential of technology and embrace it, in order to streamline, empower and ramp their status in the market. Transformational leaders manage risks, they don't ignore them. To do this they must trust those who know more than they do - even if that comes from someone four levels down an org chart, or out of college. Neither status nor age prevent being a contributor today, now technology has essentially flat lined information. Enlightened leaders understand this and focus on trust and accountability in their teams, whilst also building real-time information systems to support decision making.

Whilst being humble may go against the more archetypal view of a charismatic and confident leader, the relationship between confidence and competence is pretty flimsy (in fact, research has shown true 'experts' often show more humility than people with little or no

expertise). Humility allows the modern leader's teams to start small, iterate, experiment, and go with their gut to adapt - basically taking the initiative to show curiosity and learn. Keeping their skillset and knowledge base current gives contemporary leaders the competitive edge they need to lead effectively, as well as stimulating those around them to think differently.

As high-impact individuals, they are unafraid of causing a ruckus in order to remain true to their vision and their undying sense of curiosity. Indeed, curiosity for new ideas means changing opinions even if it bruises your ego, as well as communicating your new views, be it to customers, stakeholders or the board.

Implicit to curiosity is organisational adaptability, as it underpins responsiveness to opportunities and new ways of working. With AI, businesses become adaptive platforms that learn and change, not just products and services that we push out and into the market. In fact, AI driven machine learning makes changing your mind a strength if it improves the decision making process, and the focus is on learning, rather than being right.

Vision is central to great leadership, we all know this, but today's technologically disruptive times demand an ultra-clear vision. Visionary leaders are passionate about understanding industry trends and what they may mean to their organisation: they're on the ball and surround themselves with smart people. If a visionary leader doesn't know the smartest person in the room, then they've basically failed in their own recruitment, which takes us to our last point - engagement.

Contemporary leaders and their teams find ways to stay engaged, particularly when the going gets tough. Fortunately this is pretty easy these days with digital tools like chat or forums, making exec level communication two way, by responding to topics employees ask about.

Whilst hardly radically different to leadership over the last twenty or so years, a couple of major shifts are worth noting. Of prime importance is for leaders to acknowledge that smart machines will be out-performing them in the next fifteen to twenty years (if not sooner), which thus make soft skills far more important. Next, transformational leaders need to be humble about others' contributions and remain adaptable to whatever is thrown their way, all the while remaining glued to their vision and engaged with the world around them.



Un-Managing. Thoughts On First Time Leaders.



By Noor Salih
Senior Consultant
Holtby Turner Executive Search

The process of becoming a leader is tough, even for those with an innate skill for leading. As the built environment becomes more dynamic, with different business divisions offering integrated products and services, when we speak to new managers, we often hear their first foray in leadership is far harder than they imagined.

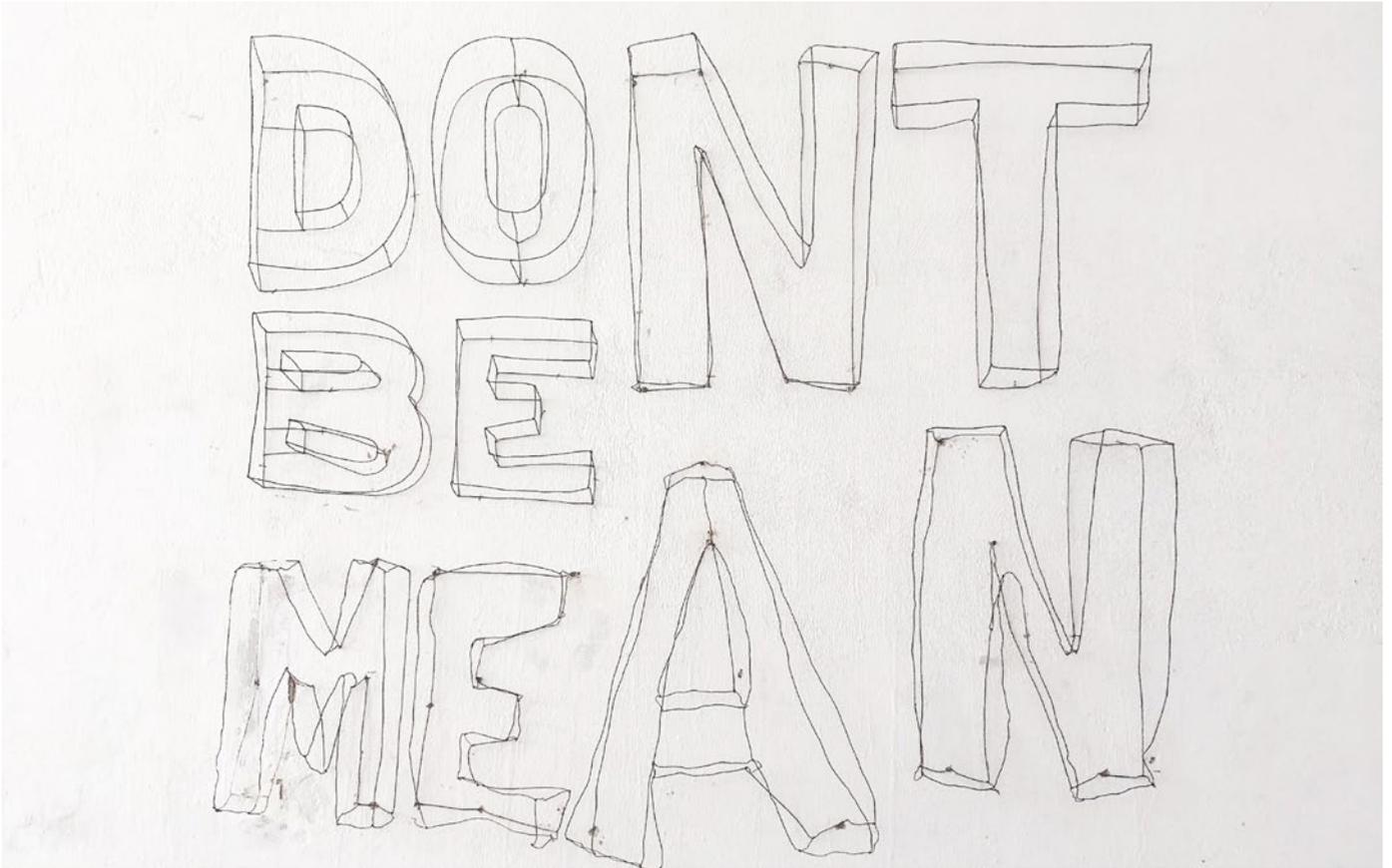
As a first time leader's rite of passage is the greatest insight into the way they will mature into CEOs and senior executives, it seems most only speak about what it's really like in hindsight. So, I thought it would be a good idea to be straight about the struggles new managers face, and to share what we know from years of executive search to find real estate's emerging leaders.

Leadership Basics

Individual success depends on personal expertise and actions. Those of a leader do not. Leaders need to both create and implement the strategy and the plan for their team. This is something most managers aren't taught in the early stages of their careers. Therefore, as Toby Turner always points out, a first time leader's new job must include weeks of unlearning a career's worth of behaviours. An entire mind-set has to shift from "me" to "we", and "I" to "us", which takes a few months at least.

In Harvard Business Review's *Guide to Leading Teams*, author Mary Shapiro believes one of the first priorities for new leaders is building camaraderie, and resisting the urge to start talking about outcomes. Talking openly about what everyone would like to encourage and see as a win, along with what they'd like to avoid moving forwards is essential in connecting new teams.

It seems that new managers are often not told this. They sink at what 'being boss' actually means once the mystery around it has been lifted. In *Becoming The Boss*, Harvard Business School Professor Dr. Linda A. Hill notes new managers get a rude



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awakening: they have misconceptions about the level of authority and freedom their new positions will give them. Instead of gaining a new level of authority and status, Dr. Hill found those she studied felt hemmed in by interdependencies inside and outside the organisation. Their daily routines were pressured, hectic, and fragmented with relentless and often conflicting demands.

This quest for authority, coupled with a lack of control over others, prompts many first time leaders to micro-manage, believing it is the surest way to get results. The shock when they find out telling a direct report to do something will almost certainly get ignored is something almost all experienced leaders laugh about in hindsight. But at the time, it feels insulting and wounding so we begin blaming, which in turn causes resentment, and in turn, the breakdown in a team that has barely even formed. Alas, this is something we regularly see: new managers fail to see they are far from an almighty leader. Rather they get swamped managing direct reports and ignore (or neglect) building their network - the very thing that would haul them out of their panicked state.

As people form opinions pretty quickly, and these opinions tend to be sticky, says Michael Watkins, author of the global bestseller *The First 90 Days*, it's on first time leaders to set a

sincere vision. They need a clear intention to do what's best for the team and the organisation, whether it's in taking over an existing team, or starting a new one.

Communication is key to being able to influence, and to building credibility and trust in the team, as Michael Watkins points out in his book. "I've never encountered a situation where a team member says, "Gosh, I wish the boss would stop communicating with me. I'm so sick of hearing from her." You just never hear that!"

Mary Shapiro agrees: "It's always better to start with more structure, more touch points, more check-ins at the beginning. How you do that — via big meetings, one-on-ones, email, or shared progress reports — will vary from team to team and manager to manager, but whatever the communication method, do as much as you can".

Without clear communication and getting the team on board, delegation is risky. Not being on board means there's a lack of care and incentive to take initiative. If teams don't show initiative, then how can they develop a healthy relationship with risk and change? And if that spreads, then how can an organisation thrive when transformation is heaped with risk?



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By communicating your vision and values, you show your team that you're committed to transparency, says Michael Watkins, which in turn creates positive momentum. Unfortunately, first time leaders generally fail to appreciate this. They spend too much time with their favourites, and limit their perspectives with 'clique thinking'.

Managing complex real estate projects is tough enough today. Simultaneously delivering and challenging a system is daunting. However new managers must own this responsibility because it is central to improving their teams' performance. Managing the status quo and leading change, within your team and organisation, is the ultimate marker of great leaders.

So, explain in detail how you want your team to work, outlining in clear terms what they need to do and - very importantly - how you'll get them there. Often you'll be inheriting a team, which means outlining and clarifying existing commercial objectives along your own lines. Use stretch goals that push your team's performance, and are deemed a success even if 70% is delivered. By doing this at the outset, group decision-making flourishes and one's individual responsibility is mapped for all to see.

First time leaders are exposed to a lot of criticism and their first few months feel painful and awkward. Compounding this are misunderstandings that are born because young leaders feel unable to be themselves, and manage with authenticity. As new managers rarely see asking for advice as a sign of strength, they avoid it completely. Genuine fear that what they've shared will be used against them is common and debilitating. It can lead to loneliness and under-performance.

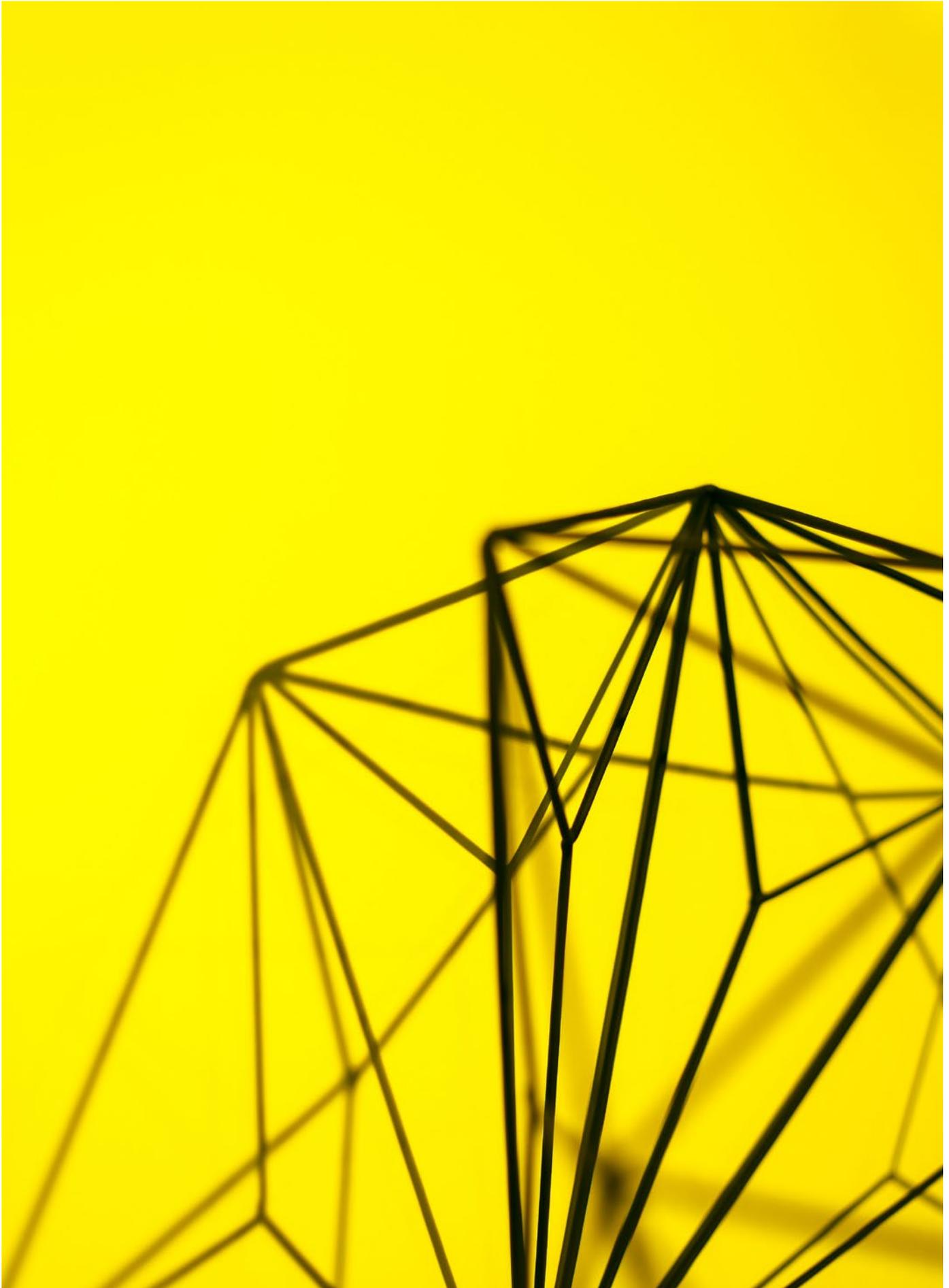
Being reassured by senior executives in the organisation that their greatest assets are the very people around them is reassuring to young leaders. Even better is getting coaching from them, either internally or externally. Indeed, it may be best to get an outside perspective in a neutral environment: peer to peer mentoring groups are both widespread and beneficial.

Alas, external coaching doesn't address what is key within an organisation seeking to build a purpose driven, innovative culture. Innovative organisations show a passion for continuous learning. This passion is often underpinned by humility and curiosity, empathy and encouragement for those brave enough to lead. It is only when an organisation leads from within that they can lead from without in their sector, their industry and market.

The Strategy, Systems & Structures Behind Landsec's Leaders

By Sue Greenland, Head of Human Resources and Reward, Landsec

Nurturing talent is a key focus for Landsec, with their leadership programme and talent pipeline an integral part of their business. Here the capabilities, behaviours and skillsets behind leadership are rigorously developed. They focus on what it means to be a leader; leading through change; what it means to be a coach, and how to equip leaders with all they need so they can go on both to develop, and lead, high-performing teams.





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Through their leadership frameworks and development programmes, Landsec is continually evolving to ensure they're able to address new challenges, however they present themselves, be it technological, economic, environmental, geopolitical or cultural.

Recently, there's been a greater focus on the ability of Landsec's leaders to demonstrate curiosity and an innovative mindset, along with insightful decision-making and learning agility. We had a string of questions for Sue Greenland, Landsec's Head of Human Resources and Reward, which she was kind enough to talk us through.

The Strategy, Systems & Structures Behind Landsec's Leadership Programme

The key aim of our Leadership Programme is to provide our people with the skills and confidence, not just to lead, but to be great leaders, giving them the opportunity to contribute to our strategy and address some of the challenges we face. They have the opportunity to work across the business; collaborate with their colleagues; research best practice across other organisations; broaden their awareness of what's going on in other industries; and

to work with the executive team to develop and deliver programmes that impact every corner of the organisation.

Alongside our Leadership Programme, we ensure we hire for diversity, and from outside the property world. For example, our Head of Development came from construction, our Head of Finance from technology, and our Head of Investment from the gas and oil industry. For the leadership team and commercial strategy this not only extends our insight into other industries but diversifies our approach, experience and thinking.

That's not to say we don't need great talent from the real estate sector, too. There's a balance to be struck when bringing in external hires from other industries and we feel that our approach has enabled us to broaden the talent pool and add more depth and diversity to our leadership pipeline.

As part of our hiring and development programmes, the Leadership Framework is a tool for identifying current skillsets and areas of development in our leaders. The framework fully aligns with current and emergent capabilities which are most often needed for digital, innovation and analytical work. We've found this also encourages our people to develop new skills and learning gained from other sectors.



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Identifying High Potential Talent

With comprehensive research and a review of our own pipeline, we now better understand how to identify high-potential talent. We look for three key capabilities: engagement, capability (for future roles) and aspiration. An employee can be technically capable and have good engagement with us as an organisation, however, they're unlikely to achieve their career aspirations if they lack the motivation and ambition to progress. Because we appreciate that an individual's circumstances, capability and engagement can change over time, everyone has an annual review and we regularly review our talent pipeline.

All our employees identified as future leaders have a clear development plan in place. This supports their long term development with each future leader having a coach and/or mentor. Our talent plans are regularly reviewed by the Executive Committee, and annually by our Board, to ensure that our senior leaders have full access to, and knowledge of, our talent pipeline.

Staying Ahead Of The Curve

Our continued focus on talent and leadership over the last four to five years means we're well-placed to tackle some of the challenges that face the real estate industry. We've also developed a more robust talent and succession framework, which helps us address any immediate or longer-term requirements, if new business opportunities arise.

Over the next year, we'll be looking to further develop the skills of our managers and leaders to enable them to have more frequent conversations with their teams about talent and career development. We've already made some progress but as feedback from our engagement survey and employee forum showed, there's always more to do.

A desire for diversity means we'll continue to work with all our networks - internally and externally - to identify great talent for Landsec regardless of background. By attracting and retaining diverse talent, it'll help us to address some of the challenges we face as an organisation and industry, ensuring we keep up with the pace of change and stay ahead of the curve.

The Great Talent Hunt





Finding, hiring and holding onto truly great individuals, is in the top three of every CEO's priority list across the built environment. As Brexit makes matters even tougher, leaders must find novel ways to think about future talents and most importantly, how to capture their value.



*Emma Colahan, Practice Leader
Construction & Infrastructure
Holtby Turner Executive Search*

We all understand the importance of developing talent, with many real estate heavyweights dedicating pots of money to talent management. Still, an astonishing number still struggle to fill both key and developing positions, severely limiting their organisation's growth potential. Many have overly complicated and confusing talent management processes, and lack the flexibility to spot new kinds of talent that doesn't fit these processes. Others struggle with managers not taking personal responsibility for talent management, assuming that HR will handle the issue (and take any forthcoming blame). Both problems stem from the assumption that recruitment is a straightforward and fairly bureaucratic process, instead of the key strategic function it has become.

Too often we still see managers trusting that top talent will be attracted simply by their company's reputation or by paying a small premium. The reality of the matter is that top tier talent have many options - inside and outside the industry. As such, they take their time to pick and choose, especially those who have led organisations through transformation.

This is further aggravated by the fact that many companies do not know what talent they should be looking for, until it is too late. Today, specialists in innovation management or machine learning based business modelling for example, are in major demand and attract astronomical salaries. Smart leaders in the built environment who played a long term strategy game saw this coming five years ago. Not only did they hire wisely for a lot less, they have people working who are invested deeply into the business lines they put time in to build up.

What does this mean? Well, that those in the built environment that will succeed in the future are the ones who take steps

to improve their talent processes today. Obviously, as we are in the business of executive search we are biased in this opinion, but these days, it's less bias and simply a statement of fact! With the real estate world being shaken to its core by transformation, our businesses simply cannot afford to ignore that old school talent with old school roots is highly unlikely to yield the innovative results the industry needs.

Talent management - and recruitment more broadly - must ensure it can adapt, evolve, and grow in much the same way as the rest of the industry has. This demands strategic thinking, commitment of the executive team and more than anything else, a willingness to learn and develop, as my colleague and Senior Consultant Noor Salih discusses below.



*Noor Salih
Senior Consultant
Holtby Turner Executive Search*

See Beyond The CV

Whilst the traditional CV has many things going for it, it can also blind you to non-traditional potential. Instead of only focusing on traditional industry experience, build a talent-spotting process that sees the benefits of diversity. CVs remain a poor means of capturing someone's capacity for learning. Have tools in place for assessing key competencies for future leaders: creativity, adaptability, and the capacity to utilise new technology. Take time to look at, and consider, which idiosyncratic skills and/or experiences may add value in five years. Why? Well, think back to the 80's when coding was seen as most curious, whereas now it's one of the most in demand skills you can have! Several CEOs and CTOs in the industry have learnt machine languages such as python and JSON - I can think of at least three I know personally. Five years ago that was zero. The same will be true in another category so go and seek the niche.

Seek The Niche

Diversity is the greatest insurance against disruption real estate has. A great way to ensure that you have a diverse pool of talent to develop into the superstars of tomorrow is to look beyond the usual places to spot talent. For instance, can you spot creatives from the tech world, or fresh thinkers from Asian markets and rising stars that come from non-traditional educational backgrounds? If you only hire people who think like you, where will the fresh thinking and new ideas come from?

Portfolios Skills

No single individual will have all the skills and all the competencies you need to succeed in the future. As much as we'd like to find them, highly intelligent and creative 28-year-old digital natives with 10 years of experience in the real estate industry and a Masters in project management simply do not exist! By thinking in teams, portfolios and networks, rather than just for superstar individuals, you will end up winning. Establishing a top influencer in blockchain for example, is a great way to hook into their network and tap talent acquisition.

Make Intelligent Bets

If you want to capture new talent, that is forward thinking and forward leading, you'll need to develop a tolerance for risk and accept that not every bet will pay off. When hunting for tomorrow's leaders you still occasionally have to bet on someone yet to prove themselves. Whilst some such bets won't pay off, they increase the chance you manage to hire the talent that generates value at a level of 10x, i.e. ten times better than merely 10% over their costs. But how can companies make intelligent talent bets? Again, think in pools and portfolios, and outside real estate advisory.

For every four "safe hires", consider a fifth that is a little risky but potentially high gain. For every nine managers with typical industry experience, promote or hire one with a radically different background. Echoing this is Jasmine Hudson of Mitie. "I'm a big advocate for transferable skills" says Mitie's HR Director for Group, Professional Services & Connected Workspace and Care + Custody. "I see real value in recruiting from outside of the sector to positively disrupt." Change happens when difference exists.

Talent Management Needs Development Too

Last but not least, try to stop thinking about your talent management as ever finished. HR processes need extensive development and improvement. Organisations in real estate who do this are those who learn as an organisation, and look critically at their own processes and strive for continuous improvement. This might mean HR disrupts and re-imagines itself. If the old tools and the old processes fail to find sufficient new talent, the flaw isn't necessarily in the pool of talent.

Testing Your Talent Pipeline

To get a sense of your company's relationship with leadership planning and talent management, here are six questions for CEO's and Senior Executives to bring to the next executive meeting. If there are more than two no's, you have a sizeable talent issue to address.

1. Do you know which skills your organisation needs to deliver its growth objectives?
2. Do you have people with those skills already in your organisation?
3. Has your CEO made it abundantly clear your organisation is 100% behind developing talent in your organisation, globally and locally?
4. Do you have a system in place that spotlights, evaluates and creates specific development plans for high-potential future leaders across all fast-growth business lines?
5. Are there sufficient, diverse pools of talent with individuals who could successfully and immediately leap into leadership roles when new business opportunities arise – without completely disrupting your company?
6. Are your managers and executive team held accountable for identifying and developing talent in their businesses, service lines, and local markets?



Why Leadership Development Fails

Thoughts From Toby Turner, Liz Peace CBE & Alan Froggatt



Toby Turner



Liz Peace CBE



Alan Froggatt

Seeing the changes that digital and other transformative forces are bringing to leadership development in real estate, Toby Turner sat down with the Holtby Turner's Non-Executive Directors, Liz Peace CBE and Alan Froggatt, for a frank discussion about why leadership fails. As a result, they outlined the core questions that must be top of mind when crafting Leadership Programmes – such as when Holtby Turner Executive Search redesigned their programme for first time leaders.

1. Consider & Prepare

Toby Turner

Before leadership programmes are developed, the following questions must be answered honestly by CEOs and HR teams, first in the boardroom and then division by division.

1. Has your existing leadership development programme gathered feedback from staff about any barriers or blocks it contains?
2. Is your company's value system clearly reflected in the skills you require from leaders?
3. Is the leadership team aligned on its strategic needs as an organisation?

If there is even one “no” from this list your leadership pipeline might be limited and under threat. A failure to execute on strategy and change is often not due to individual flaws, but managerial weakness hampered by out of date policies. Therefore, if there has been a significant organisational or managerial restructuring since your current programme was created, then do make sure your new programme will address these new demands.

2. Define Your Leadership Needs & Know Your Context

Alan Froggatt

The old ‘command and control’, is no longer sufficient today, so leaders need to listen and learn from those they are leading. This can also help you explore leadership gaps, especially if succession is an issue in your senior management team. That means your development programmes must be worked on, and agreed by, your heads of HR, strategy, operations and change-management, as a team. This is vital so your leaders have an organisation ready to embrace these leadership changes.

Ask yourself plenty of questions and take plenty of time to get the answers right. Are you branching out with new models and service lines? Are you considering a merger? Are you seeking greater diversity and cultural inclusivity?

As you go through this process, stop to check if your executive team believes leaders should fit into a pre-defined “correct” box. Avoid being vague in your language around leadership values. “Go-getting” and “driven” are empty words no one can clearly measure, so use clear words that have a direct relevancy and value. Depending on your company’s context, these may be qualities like fair, mentoring, analytical and decisive. Be specific and list examples all understand and can agree upon.

A key requirement today is for leaders to exhibit a very strange cocktail of self-confidence with a restless curiosity and an almost neurotic search for continual improvement, which signals the way forward to everyone in the team and empowers the front line in its relationship with customers. The only real way to find out if your future leader has what it takes is for them to practice in preferably two challenging roles in parts of the business mid-career, so that they develop that self-confidence without ever getting truly comfortable.

3. Get A Coach

Liz Peace CBE

Too many people who reach a senior position think that they have learned all they need. But even champion sportsmen need a coach. And it’s just the same for leaders in any organisation.

Coaching is a very specific form of training, using an individual’s experiences to help bring about a change in behaviours. Everything that is an issue for someone personally is likely to come out in some form in the way they act professionally – we are, after all just human and imperfect – so identifying those faults, hang-ups and prejudices will allow an individual to control and make use of them.

Coaching is not an overnight process and takes a good dose of humility. But what great CEOs have in common is that they lead by example, and no one can do that without first learning how to manage themselves.

4. Develop By Doing

Toby Turner

When creating a leadership development program, think about how you can place participants into situations that will require them to learn and grow. What collaborative

opportunities will help your leaders develop, can they collaborate with colleagues in other departments on a special project? Other non-project related ways of learning often include mentoring and training via job rotation and shadowing.

A common mistake with leadership development programs is only investing in top-performing employees. However, just as Sue Greenland of LandSec said in her article, just because someone has demonstrated excellent work in their current position it doesn’t mean they will grow into a leader for the business

5. Measure Success – And Manage The Less Successful

Liz Peace CBE

Before formally implementing your leadership development programme, determine how you will measure your program’s success and impact. These may include metrics such as the number of participants who complete it successfully, the level of those you promote after they have gone through their programme. Perhaps it’s an increase in leadership responsibilities and whether those in the programmes feel they are actually developing into effective leaders.

But it is also important to evaluate how individuals have changed and developed as a result of their leadership training. Further, those who don’t come out of the programme so well need to be sensitively managed as well. After all, not everyone on a fast stream development programme is going to be heading for the C-suite and an organisation needs good leaders at the middle management level as well as the top.

A Final Thought

Do remember that no one school of thought is better than another when it comes to leadership and management thinking, so don’t follow hyped new thinking just because it’s new. Try to be flexible and open-minded, and think only about what’s right for your individual leaders and organisational need, not following talent management trends.



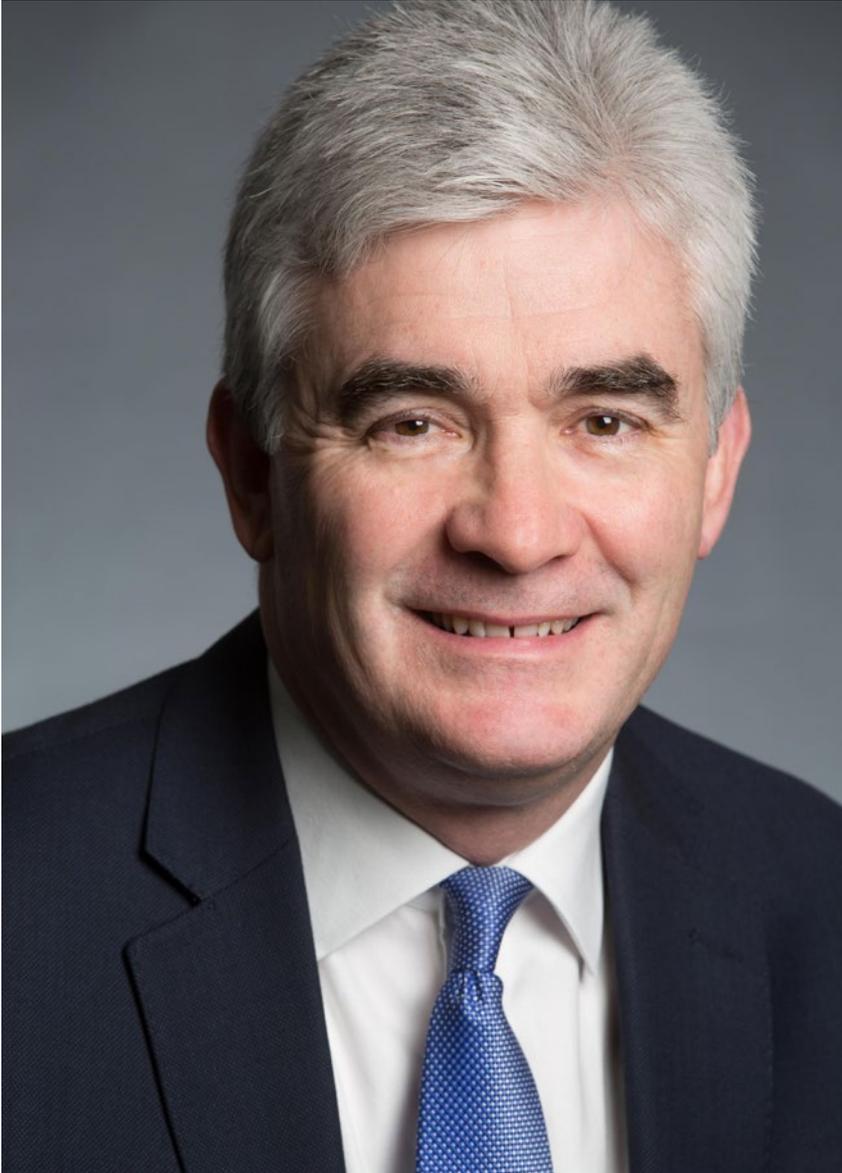
Reflections On Leadership by Andrew Davies

Andrew Davies In Conversation With Toby Turner



*By Toby Turner
Managing Director
Holtby Turner Executive Search*

Voted by his peers as *Building Magazine's* CEO of the year in 2016, Andrew Davies is undoubtedly one of Construction's most respected chief executives. Since January, after leaving Wates, he has been with Chemring Plc as a Non-executive Director and Remco Chair. Toby Turner had the pleasure of hearing him reflect on what great leadership truly means.



Andrew Davies Biography

Andrew Davies graduated from Sheffield University in 1985 before joining the Civil Aircraft Division of British Aerospace where he spent 15 years financing and leasing commercial aircraft in the UK and Middle East. Thereafter his roles in the newly formed BAE Systems included Managing Director of the Land Systems Division, Group Strategy and M&A Director and latterly, Managing Director of the Maritime business - a £2.2 billion revenue business with 14,000 employees comprising Naval Ship and Submarine building, along with Maritime services.

At BAE Systems, Andrew served as a member of the Executive Committee. In January 2014 Andrew joined Wates as CEO. There he oversaw a 48% growth in revenues and 57% growth in profits through to December 2018. He is presently a Non-executive Director and Remco Chair at Chemring Plc.

What is the greatest lesson learnt in your time as CEO?

Quite simple; get absolute clarity from your shareholders as to their expectations for the organisation (Super-Ordinate Goals) and then devise a coherent, deliverable and communicable strategy around those goals. Put an organisation structure in place to deliver the strategy and then get the very best people to fill the organisation. Do not compromise on the people side; we all do and we all regret it later. Finally set challenging targets and performance-manage the backside off the business. If you can't do this, my advice would be to steer clear of the role.

What advice do you wish you had been given as a first time leader?

I was told early in my career to learn from my mistakes, but not to become the most educated person in the poorhouse. Great advice, but how do you implement that one?

Leadership is about providing not only the strategic narrative (although I'm sure great oratory helps) but also the tools and resources to implement it (the "doing" thing). In the case of my early career advice, the key would be the role of mentoring that a leader must provide to their sub-ordinates to help their learning from the mistake, but also to caution against repetition. Leadership is not soft and cuddly, it needs to have some sharp sticks in its tool kit.

As a leader brought in from aerospace to the built environment, what would you advise an executive team to consider when looking to hire a senior leader from the outside?

Hiring from outside the sector requires a board to be bold. Bold is quite different from recklessness or bravado, they are more emotional responses. Bold is a calculated and positive decision where you back your judgement. It's



synonyms are Daring, Intrepid, Courageous, Brave and Fearless. I am indebted to James Wates who took the risk and appointed me, with no construction experience, to be CEO of his 140 year-old family company. He exhibited all those characteristics and went against the grain of Industry appointments - but he wasn't foolhardy, he was calculated.

Construction is a long-term contracting industry (often with government) where relationships matter, operating in a safety critical environment, all characteristics it shares with Defence and Aerospace. So my advice is first to look at the calculated side of a bold appointment, there has to be relevant functional skills. Secondly look at leadership qualities and finally, if you must, look at domain skills.

What is the most important thing that leaders can learn from difficult times?

The experience. During my formative years in British Aerospace, the Civil Aircraft Division was effectively closed or sold, with the resultant loss of thousands of highly skilled jobs, following one of the industry's habitual seven yearly recessions. The cash hemorrhaging from the business at the time was mind blowing. It left me indelibly marked with the view that 'top line is vanity, bottom line is sanity and cash is king'.

Any leader in contracting who hasn't been through a recession or does not focus on cash, its sources and uses - or has anything less than excellent risk management processes - should apply for that course asap.

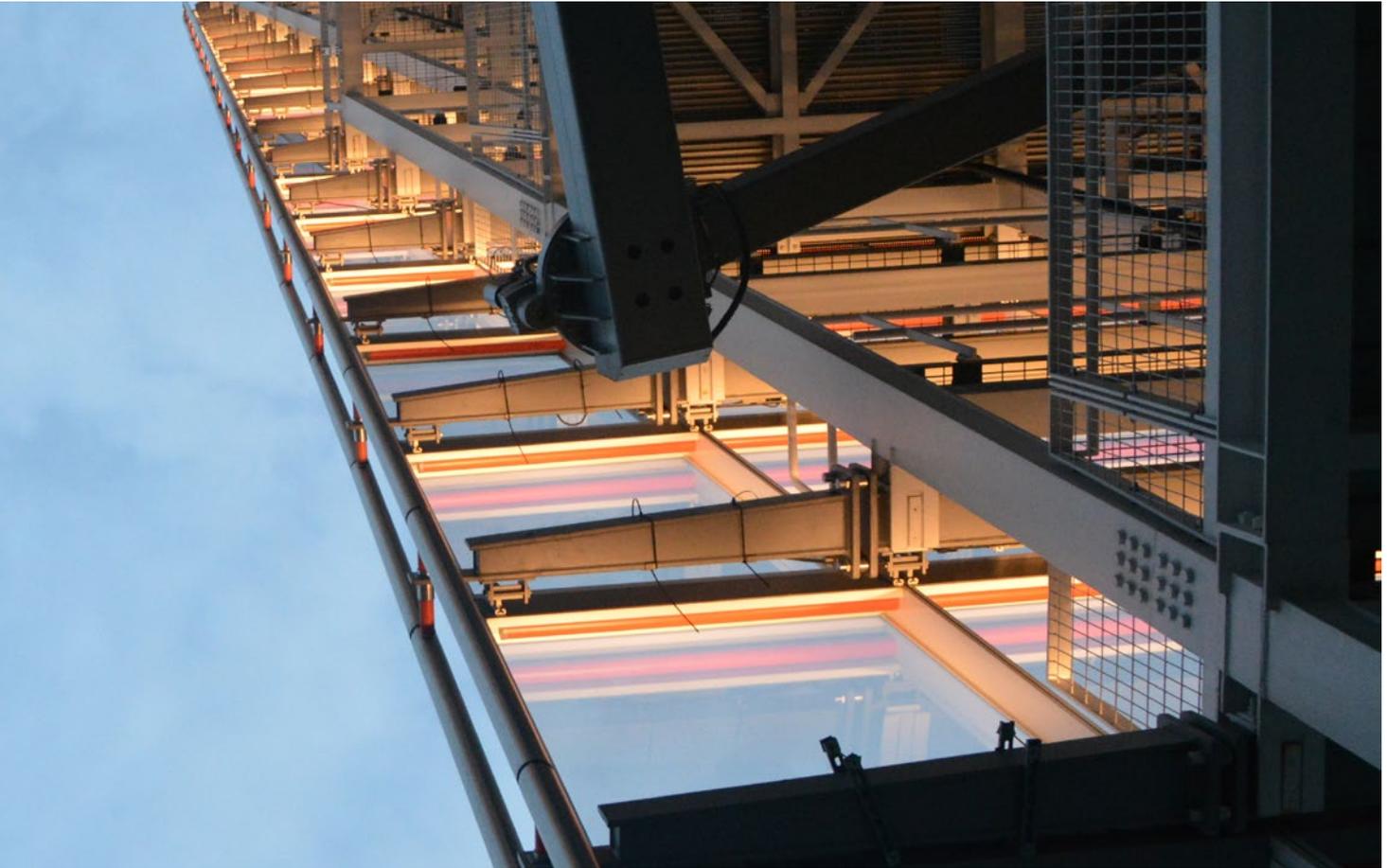
How do you stay curious as a leader, and how did it feel when you were pushed out of your comfort zone?

You need a restless energy or curiosity to be an effective leader. Of course, you can be other types of leader, such as a "game show host" or "tyrant", but they have a shelf life.

For me, it is about never being satisfied over how something is done, and being implacable about implementing change, and of being highly challenging but never aggressive. I'm afraid that in construction change is slow, and bluntly resisted in some corners.

All industries have to 'change or die' as they say, but I don't know how many lives construction's current construct has left?

I always feel awkward when I am out of my comfort zone - it would be odd if I weren't. But this acts as a spur for me to get back into my comfort zone through wrestling whatever is pushing me there to the ground.



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I enjoyed my sectoral moves from Civil Aircraft to Defence and then to Construction, but it was uncomfortable. It was interesting who helped and who didn't.

When looking for the 'next big thing', who do you tend to listen to first - the young or the experienced?

Both, why not? All good ideas travel upwards in an organisation, but you need experience to sift them and prioritise resources. There's no need to kill an idea, as it just disenfranchises someone. But that doesn't mean you have to resource it immediately - put it in an incubator instead.

One thing to say here though: if you are in a paternalistic environment then do not assume all organisations will offer up good ideas. It is not a given. As a leader you have to pump, prime and visibly acknowledge ideas through recognition, both formally - and more importantly - informally.

Which 3 pieces of advice would you give senior managers in real estate, looking to take the leap as leaders?

The first MIPIM I attended was two months after moving to the industry. I was told by an experienced developer that property was full of the younger siblings of lawyers, doctors and accountants, but who had way above average social skills.

I think there's real truth in being sociable if you want to be a leader in this industry. I am the youngest of four siblings but wouldn't claim I have above-average social skills.

Leadership is not just about the technicalities of the role, they should be a given. What leadership is about is the motivation of teams, providing of clarity to them, and rewarding or changing them as appropriate; it is not just about talking or platitudes.

Social skills equal people skills in my lexicon. So if it is true that the industry has above average people skills, then what I think it should focus on are technical skills in leadership. Strategy is the easy bit, delivery is much harder as it is measurable.

As a leader, if you are not prepared to get your long screw driver out and get into the nitty gritty of an issue, or can't take a decision which will either result in success or force you to deal with poor performance, then stay a senior manager. You're not ready for leadership just yet.



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