THE INSTITUTE OF
LEADERSHIP
& MANAGEMENT

Leadership in Housing –
a looming capability gap?

Chartered Institute of Housing

Background to the research

The Institute of Leadership & Management partnered with The Chartered Institute of Housing (CIH) to research leadership succession planning within the social housing sector. Our research identifies the capabilities and knowledge required of future leaders and offers recommendations on how these can be developed to close the perceived leadership skills gap.

Research highlights

- Economic, political, demographic and technological changes require leaders in the sector to be agile and resilient to manage unprecedented change.
- Unique sector knowledge and experience is essential, focusing on technical ability, regulation and compliance.
- There is a need for leaders to have the capabilities to communicate with diverse stakeholders and to lead remote teams.
- An investment of time and effort into succession planning is successful in developing future leaders; these approaches involved identification of potential leaders from across the entire workforce, formal training courses and less formal coaching and mentoring.

Research findings

Trends from the past decade
Internal and external drivers that impact operations and strategic direction of the sector were identified. Changes in government policy were cited as creating major impact and challenge, especially the austerity mindset and measures to reduce and restrict spend. Many participants raised concerns over inconsistency of senior political leadership.

Decline in home ownership and how this impacts the perception of the renting population was discussed; often people renting social housing are viewed negatively due to stigmatising media depictions.

The past decade has seen a cultural shift within the sector towards a more commercial orientation. This has led to a number of mergers of social housing organisations, increasing organisational size and consequently bringing an increased focus on governance issues relating to Board structure and management. There has also been changes in the demographics of clients who have become more diverse and often more vulnerable, placing increasing demands on social housing organisations. Further, there is growing emphasis on the active involvement of clients in decision making, changing the way the organisations are run.

Required leadership capabilities in today's market
- Technical knowledge with emphasis on regulation and compliance
- Practical knowledge of finance and risk and increased commercial awareness
- Strong social and interpersonal skills needed for a career that is a "social calling"
- Management agility to respond to continuous change
- Ability to inspire others and authentic leadership style with ability to respond to others' needs

Required capabilities for 5-10 years' time
- Technological skills to maximise use of latest IT advances
- Flexibility, ability to adapt to change, and resilience
- Communication skills to articulate a clear vision to the full range of stakeholders and the social purpose of the organisation
- An ability to lead staff working remotely

Developing the next generation of leaders in social housing
We asked participants their priorities for developing future leaders around three themes:

1. Training and experience contributing to performance effectiveness
On-the-job experience within the sector was considered invaluable before taking on senior positions. This could be secondments, shadowing colleagues or working in a variety of roles. There was significant debate about a range of qualifications; informal learning through coaching and mentoring was viewed as invaluable, as was developing and leveraging networks to address issues as they arose.

2. Recruiting leaders from outside the sector
Challenges:
- A lack of understanding of the specific ethos and mission which could not be learnt overnight
- Time needed to adapt and tailor skills appropriately
- Cultural dissonance and managing mutual expectations

Benefits:
- Gaining from a wider skills base developed in external business settings
- Greater diversity and analysis applied to problem solving
- Innovative thinking

While there was a view that the social housing sector has unique attributes, it was recognised that bringing in leaders from other sectors with complementary skill sets and the right attitudes could be beneficial and also acted to confirm that existing staff were working well.

3. Developing the next generation of housing leaders
Challenges developing staff from the internal talent pool:
- Reduced numbers of people in the talent pool due to higher staff turnover and competition from other sectors
- Inability of the housing sector to "sell" its career opportunities
- Remote working making it more challenging to identify and develop future leaders

Tangible steps to develop future talent:
- Making greater effort to identify potential future leaders
- More effort to develop future leaders through mentoring and coaching
- Recognise the considerable change taking place in the housing sector, recruiting externally with a focus on mindset and technical knowledge

It was recognised that in the current market people move jobs and sectors more frequently so a dynamic approach to recruitment and talent development is needed to secure the future of the sector.

Conclusions

Key professional competencies needed in senior leaders:
- Commercial skills are important but combined with social conscience
- Technical knowledge, commercial skills and social values (rather than commercial) were given more emphasis than leadership capabilities
- Sector experience, or in absence of this a willingness to shadow, take secondments and listen to experienced peers and junior colleagues
- Resilience, agility and ability to accept constant change
- Ability to work with remote and flexible working teams
- Ability to build relevant networks and manage complex relationships

Perceptions of qualifications and training
Leadership qualifications, training or experience of executive coaching is highly valued. The CIH professional qualification is valued for gaining baseline understanding of the sector as well as meeting and networking but was not deemed sufficient alone to lead a housing organisation.

Identifying and developing future leaders
Participants stated that a lot of talent was not currently identified, especially when they did not match the demographic profile of existing leaders. Even when identified, potential leaders are often not given the opportunity to develop the necessary technical knowledge, skills or leadership capabilities. Whereas, where efforts are made to identify future leaders and provide planned experiences and opportunities, positive outcomes were reported.

Methodology

Six, two-hour focus groups were undertaken with CEOs, directors and advocates representing a range of interests in the housing sector convened by the CIH. Groups were moderated by Institute staff, recorded and transcribed. Twenty-four individuals participated, discussing six questions. Research was undertaken in line with the Market Research Society (MRS) Code of Conduct

Recommendations for developing leaders in the housing sector
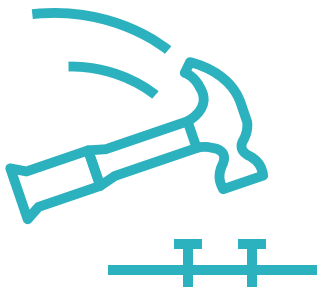
In business-as-usual activities, leaders may benefit from an explicit focus on building leadership capability.

Current leaders should consider building bridges to similar types of organisations in different sectors.

Housing sector leaders should consider developing a broader understanding of leadership, that extends beyond vision, resilience and communication skills.

Current leaders should consider developing talent pipelines for succession planning, that identify future leaders from across the entire demographic of the existing workforce.

Potential future leaders should get support in developing breadth and depth of technical knowledge, ideally gaining experience working in a variety of housing sector disciplines and particularly on the front-line.

Leaders from other sectors have the potential to bring useful capabilities to the housing sector (such as commercial expertise and innovation skills) and should be supported in gaining specialist industry knowledge, understanding and technical skills.