

FIT TO LEAD: A NEW LEADERSHIP FRAMEWORK

Developing the mental, physical and ethical edge that modern leadership demands

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www.babble.cloud/fit-to-lead

FOREWORD:

Introducing a new framework of leadership



Babble is the proud title partner of Ride Across Britain (RAB): a nine-day, charity cycle ride from Land's End to John O'Groats. This exhilarating challenge demands all three pillars of modern leadership: physical performance, mental endurance, and the ethical drive to push yourself to the limits to raise money for good causes.

Having seen first-hand how lives are devastated by Motor Neuron Disease, Babble has proudly supported the My Name'5 Doddie Foundation for several years. During this year's Babble Ride Across Britain, we are raising money for the foundation so they can continue to work towards their goal of A World Free of MND.

I've completed RAB eight times, and the time I spend doing the event each year is some of my most valuable from both a personal and business perspective. It gives me time to switch off and

think about what my plans are for the future of the direct reports and leadership teams. However, company.

The thing that has always struck me is there is a large proportion of riders at RAB in leadership positions. This got us thinking as an organisation about what it means to be a leader and why so many leaders might be riding across Britain.

At Babble, we wanted to explore this by considering a new and emerging framework of leadership, asking the question: Do today's leaders possess the three pillars of fitness? And how does that impact their leadership skills?

This is why we commissioned research into three new pillars of leadership success: physical, mental and ethical fitness. We overwhelmingly found that business leaders believe that working on these three pillars helps them become better leaders. And they ask the same of their employees, the environments that leaders face today make prioritising these pillars equally challenging.

As a technology business, Babble's mission is to give Britain's IT and business leaders the tools and insights to compete. We help them unlock what we call their 'Most Valuable Player' potential. In other words, we help them to refine their game, and score big wins, with carefully curated resources and solutions for leaders who refuse to stay on the sidelines.

In short, we give SME leaders an edge. In the same way, they need to give themselves an edge. In 2024, those who can nurture a physical, mental and ethical advantage are those who will enable their organisations to thrive.

Matt Parker, CEO, Babble

MANIFESTO

The accelerating pace of technological change, geopolitical and economic challenges, plus increasing employee and customer expectations, mean leaders must reflect on what effective leadership really looks like.

Gone are the days when effective leadership was based on strategic know-how and technical expertise. Today, successful leaders must adopt a rounded approach to ensure success for themselves, their companies, and stakeholders to build legacies that last.

Introducing Fit to Lead.

Fit to Lead isn't how far or fast a leader can run, whether you use a mindfulness app, or have a direct debit to a charity. It is a rallying cry for leaders everywhere to embrace a fresh approach where physical resilience, mental agility, and ethical awareness unite to drive enduring success and positive change.

All three pillars are crucial for leaders and teams to succeed and are embodied in the Babble Ride Across Britain. More than just a cycling challenge, it incorporates the camaraderie, shared purpose, and collective effort inherent in true leadership.

Physical fitness extends beyond the traditional benefits of exercise, such as strength or stamina.

As a leader, physical fitness fuels the wider energy, determination and endurance of you and your teams, as well as building the greater shared resilience needed to confront business challenges.

Just as the Babble Ride Across Britain represents a collective journey marked by shared challenges and feats, effective leadership demands enduring hours, managing stress, and remaining focused, all while drawing energy from and contributing energy to your team. A leader's physical wellbeing guarantees lasting energy, precision in decision-making, and the ability to inspire teams.

Howard Schultz, former CEO of Starbucks, is a dedicated cyclist who has participated in several challenging cycling events, including the Haute Route Alps. He believes pushing himself physically helps him develop mental fortitude and discipline.

Mental fitness is more than business or intellectual acumen. It requires a commitment to creating headspace to nurture your mind and fuel thinking beyond the short-term dopamine rush of always-on leadership. It is, in effect, learning to 'retreat to advance'. This is key to maintaining clarity, creativity and a long-term focus. On the Babble Ride Across Britain, we call it the "RAB Bubble".





Just as cyclists prepare for a journey, leaders must equip their minds to tackle challenges, foster innovation, and adapt to changing environments.

Marc Benioff, CEO of Salesforce credits his daily meditation practice with helping him improve his focus, creativity, and emotional intelligence. Steve Jobs was also known to frequently take retreats, to Zen monasteries or natural settings, with these moments of seclusion said to promote clarity and inspire his innovative thinking.

There is an increasing expectation that leaders leverage their positions to create positive change; and to develop ethical fitness either locally or on a global scale.

At its most obvious level, ethical fitness centres on becoming a force for good. It's about doing the right thing. Leaders need to develop a stronger moral compass to help navigate through some of the most challenging ethical issues any leader has ever faced.

Stepping away from concerns of self can unlock insights and ideas that might otherwise stay hidden behind the leader's ego. As a leader, putting yourself second to make a positive difference, builds trust, credibility and a profound sense of purpose that inspires others. On the Babble Ride Across Britain, ethical fitness isn't just charitable fundraising. It's taking on a more prominent role in fostering collaboration, support, a shared sense of camaraderie, and purpose amongst fellow riders.

Microsoft CEO, Satya Nadella, often speaks about the importance of empathy in leadership - "empathy is not a soft skill'. He believes in the value of understanding and addressing the needs of others, which he claims has helped him both personally and professionally. While empathy is different to ethics, the two come hand-in-hand and both involve looking beyond oneself and considering, or understanding, others.

Genuine leaders are no longer judged solely by professional milestones, but by their 'fitness' to lead. Ahead of Babble Ride Across Britain, join us as we explore, adopt, and exercise the three pillars of modern leadership that are needed to succeed.

DEFINING MODERN LEADERSHIP

What are the three pillars of the new framework of leadership? What do we mean by physical, mental and ethical fitness? What are the characteristics that define them?



Physical fitness

goes beyond the development of strength and stamina and includes resilience, determination and perseverance. It builds a positive outlook, discipline, and longevity, and underpins a person's cognitive capabilities - benefitting both the leader and the team. Examples include team sports, individual exercise and endurance races.



Mental fitness

is more than intellect and is distinct from mental health. It's the ability to create space for innovative thinking, and to find moments for retreat and reflection, away from the dopamine fix of always-on leadership, actively cultivating a brain primed for the rigours and demands of leadership. Examples include meditation, time outside or exercise.



Ethical fitness

means having a strong moral compass, and a degree of selflessness, as you consider your business's values and how it operates. This enables leaders to drive change, and foster trust in their teams, customers, partners and wider society. Examples include donating a proportion of profit to charity, pro-bono work and values-based procurement policies.

PUTTING LEADERSHIP CENTRE STAGE

Leaders are navigating an ever-changing and dynamic time for businesses, marked by rapidly advancing technologies, an everevolving macroeconomic environment and shifting employee demands. This is coupled with a challenging period for growth, with <u>ONS data</u> showing that just 14% of British businesses reported higher turnover than the previous year at the start of 2024. It's in turbulent times that effective leadership becomes more critical than ever.

We surveyed 500 UK business leaders about their physical, mental and ethical fitness to explore the concept of Fit to Lead and see how today's leaders shape up.

Fit to Lead Highlights



Overwhelmingly, the vast majority (80%) of leaders said that dedicating time to each of the three pillars makes them a better leader.



In an average week, business leaders spend two hours improving their physical fitness. As we might expect, individual sporting activities are the most popular pursuits: more than half (51%) regularly indulge in the likes of running, hiking and cycling.



Leaders spend 90 minutes a week looking after their mental well-being – principally through exercise (cited by 43%), followed by being with friends and family, or spending time in nature (both 27%). As corporate social responsibility becomes more important, business leaders should consider dedicating set time to strengthening their ethical 'muscle'. From our survey, leaders dedicate an average of 81 minutes a week to working on ethical matters relating to their businesses and the wider community. While it may seem odd to quantify ethics, as they're integral to our everyday selves, this provides a useful marker for business leaders on how much time they spend consciously developing ethical fitness through activities such as pro-bono work, the development of a sustainability strategy or building a plan for the responsible use of AI.

After all, if the old adage, what gets measured gets managed rings true, then it arguably follows that what gets diarised gets managed - whether that's physical, mental or ethical activities.

And today's leaders want to go further.



76%

say they want to dedicate more time to promoting mental, physical and ethical fitness.

THE CHANGING FACE OF LEADERSHIP

So, what's driving this focus on physical, mental and ethical fitness among business leaders? The answer lies in a landscape that's tougher, more complex, and faster-moving than ever before.

Change in the business environment is being driven by three key factors: technological transformation, the macroeconomic environment, and shifting employee expectations.



Technology

First, there's the sheer pace and scale of innovation in the technologies that organisations increasingly rely on. In particular, 'always on' collaboration and messaging tools that blur the line between work and home. Secondly, there are forthcoming opportunities and ethical challenges presented by AI.



The macro environment

Difficult conditions intensify the need for fitter leaders. Yet having to respond to the challenges – and opportunities – of an unstable economic and political climate makes it harder to prioritise the pillars of leadership fitness. In fact, 67% of leaders say it's led them to deprioritise these. Even more concerningly, 73% are concerned that their staff are having to do the same.



Employee demands

Expectations of the workplace are evolving. People, especially younger employees, want a kinder work-life balance. Indeed, three-quarters of leaders have seen a shift away from a'riseand-grind' mentality, towards one that prioritises balance. And it's a mindset they sympathise with; 65% worry about the impact of a rise-and-grind culture on staff. Steering firms through such far-reaching change requires a new way of leading for themselves and their teams. Senior executives are all too aware of this: 69% have seen a demand from their employees for a change in how they approach leadership.

Tellingly, a recent <u>McKinsey article</u> called for this shift in focus, from profit to impact, where leaders look to contribute to society, not just maximise profits. To achieve that, say the authors, leaders need to be "their whole best selves", which means bringing authenticity to the way they lead a business.

The message is clear: in testing times, physical resilience, mental agility and ethical awareness are what will drive success and inspire positive change.



Food for thought

There's clearly a disconnect between what Gen Z business leaders are doing and what Gen Z employees want. Gen Z employees are demanding better worklife balance, yet our research shows that Gen Z leaders are the least likely to agree that dedicating time to maintaining and strengthening their mental fitness makes them better leaders.

Today's tough economic climate may be fuelling this pressure. Or it could be a fallout from social media where 5am-9am routines regularly trend and rise-and-grind culture is romanticised.

Older leaders will have the chance to learn from their experiences and will know the importance of a healthy work-life balance. Our advice is for older leaders to utilise opportunities where they can share their wisdom to prevent a generation of leaders from burning out.

Matt Parker says, "If it was easy to lead a business, everyone would do it. To build a strong business, you have to go to extraordinary lengths and allow for some give and take. But, nobody is superhuman. If you push yourself too far, everything will stop and you'll be no use to anyone. Ultimately, life is meant to be fun so leaders should get joy out of what they're doing and create positive experiences for the people who work with us."

LEADING BY EXAMPLE

Simply stating that physical, mental and ethical fitness are part of the company's DNA won't make it so. To embed the pillars of modern leadership, senior execs must role-model them, while bringing about the conditions for them to take hold.

At the same time, leaders should actively give employees the space to nurture their own three-pillar fitness. Moving to a four-day week or nine-day fortnight or promoting volunteer days aren't just gimmicky ways to attract new hires, they send a signal to your employees that you care about their time, providing them with the space to do things that matter to them.

Matt Parker says, "Moving to a nine-day fortnight at Babble has been beneficial for everyone involved. It's about giving people an extra day to work on their three-pillar fitness, such as offering the time to train for an upcoming event, spending more time with family or volunteering for a charity. Life is to be enjoyed and additional time away from work benefits people both personally and professionally."

So, what are the leaders we surveyed doing to foster a culture of physical, mental and ethical fitness? Somewhat surprisingly, the most common measures are:

- Offering additional time away from work, beyond holiday allowance (38%)
- Providing time for additional activities that promote mental fitness (38%)
- Providing additional time for staff to support and volunteer with charities; or to improve their physical fitness (both 31%)

Food for

thought

Leaders are often the worst role models in setting work/life boundaries and creating space for the three pillars. You're most likely to work on your day off, respond to messages on the weekend or be the last to leave the office. Consider the message you are sending and the role model you are. Set the boundaries and the example you want - however painful that may be at first.



PILLAR I:

PHYSICAL FITNESS



What is physical fitness?

Physical fitness goes beyond the development of strength and stamina and includes resilience, determination and perseverance. It builds a positive outlook, discipline, and longevity, and underpins a person's cognitive capabilities benefitting both the leader and the team. Examples include team sports, individual exercise and endurance races.

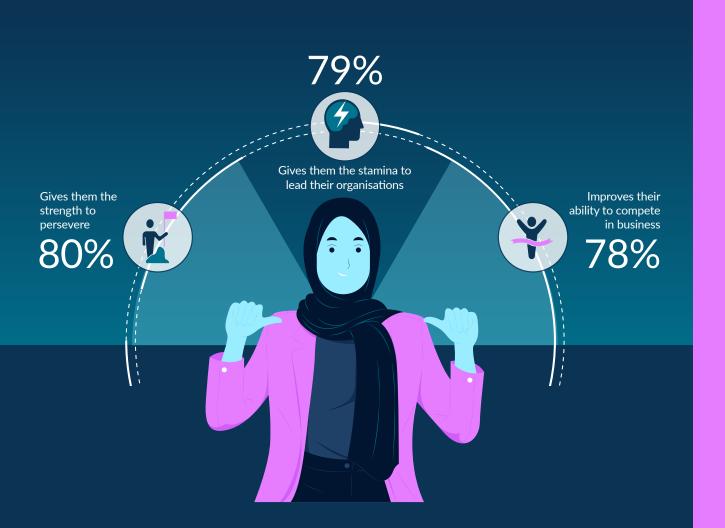
It's no secret that exercise is one of the simplest ways to sharpen the mind, reduce stress, and stimulate creativity and productivity at work. That's why for today's business leaders, maintaining physical fitness has become a standard skill for enhancing leadership capabilities.

In our survey, leaders dedicate an average of 120 minutes per week to their physical fitness. Just 11% invest more than double that duration. More than half regularly engage in individual activities such as running, cycling, hiking and swimming. Far fewer take part in exercise classes (preferred by 35%) or team sports (28%). Interestingly, some three-quarters of leaders take on major physical challenges to help strengthen their leadership edge. Again, these are typically individual pursuits – for example, long-distance races such as marathons, and cycling events.

Leaders report a whole range of benefits to looking after their physical fitness: from resilience and perseverance to determination and competitiveness. And of course, the additional mental health benefits of exercise aren't lost on them: exercise is also their number one way to maintain their mental fitness.

Physical fitness – the leadership benefits

Around four in five business leaders believe that maintaining their physical health:





Food for thought

The majority (72%) of business leaders take on demanding physical challenges. Why are you drawn to take part in events like marathons and triathlons?

Babble's involvement with Ride Across Britain is a case in point, with CEO Matt Parker taking part for the past nine years.

"Ride Across Britain is more than just a hugely rewarding physical challenge," Matt says. "I'm not a great cyclist, but RAB is an experience that brings me a sense of achievement which I can then use and build on for the remainder of the year. RAB also gives me a chance to step away from the "always on" demands of leadership - phone calls, emails, instant messaging, and meetings giving me time to think about my personal goals, my goals for Babble and how we can make the business a force for good."

Finding a physical challenge to take on in 2024 will help build on your leadership perseverance, as well as create an opportunity for you and your teams to support a charitable cause.



PILLAR 2:

MENTAL FITNESS

What is mental fitness?



Mental fitness is more than intellect and is distinct from mental health. It's the ability to create space for innovative thinking, and to find moments for retreat and reflection, away from the dopamine fix of always-on leadership, actively cultivating a brain primed for the rigours and demands of leadership. Examples include meditation, time outside or exercise.

Leading a business or team means confronting a host of challenges and obstacles. These include; multiple lines of management; business decisions; creating a leading strategy for success; and changing economic and regulatory environments, all whilst navigating the challenges of evolving technology. The list goes on.

Mental fortitude is crucial to a leader's ability to tackle these demands, especially when circumstances steer them off their intended course. But like physical fitness, mental strength has to be worked on – something our survey respondents are dedicating 90 minutes a week on average.

Physical and mental fitness often go hand in hand, with 51% citing exercise as their preferred way to work on their mental fitness. Additionally, a quarter opt to spend time in nature, meditate, develop mindfulness, or pursue hobbies and pastimes.

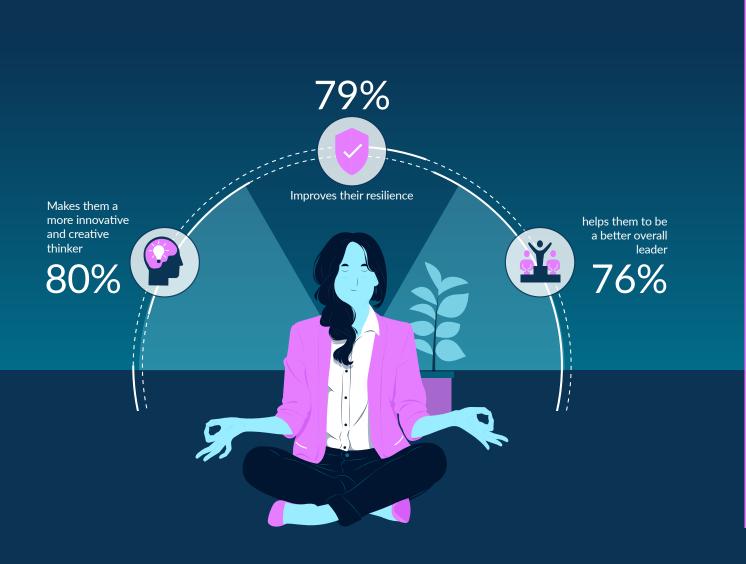
Taking time out from the day-to-day hustle and bustle to pause and reflect has mental health benefits, which will in turn benefit leadership qualities. Research by the <u>British Medical Journal</u> shows that long working hours lead to increased depression.

While younger leaders told us they feel more physically robust, the picture reverses when it comes to mental fitness. Older survey participants (aged 55-plus) are nearly twice as likely to describe themselves as "mentally strong" within leadership than those in the 18-24 age bracket (63% compared to 37%).

Presumably, experience fosters greater resilience in the face of the stresses and strains of leadership. Younger generations are also facing a number of mounting pressures, leading them to be the <u>most</u> <u>stressed generation</u> in the workplace, which could be contributing to this.

Mental fitness – the leadership benefits

Around four-fifths of business leaders say that maintaining their mental strength:





Food for thought

Leaders are their own worst enemies, trapped in the lonely dayto-day of firefighting and the egosatisfying adrenalin rush of decisionmaking.

When planning for the future of the business as the expression goes 'you can't pour from an empty cup'. Creating sufficient space for reflection is critical for you and your organisation.

Putting time and effort into improving your mental fitness makes you a better leader. In a challenging market it's what will give you the resilience, creativity and innovative thinking required to stay ahead of the competition.



PILLAR 3:

ETHICAL FITNESS

What is ethical fitness?



Ethical fitness means having a strong moral compass, and a degree of selflessness, as you consider your business's values and how it operates. This enables leaders to drive change, and foster trust in their teams, customers, partners and wider society. Examples include donating a proportion of profit to charity, pro-bono work and values-based procurement policies.

With the increased scrutiny expectations that come with ESG and younger generations, and with ethical dilemmas likely to be presented by AI in the future, the accuracy and sensitivity of the leader's ethical compass have never mattered more.

As such, establishing a robust ethical compass is a crucial task for leaders. It fosters a solid relationship between leaders, teams and partners, and shapes a collective view on the positive change you can make within your wider society and environment.

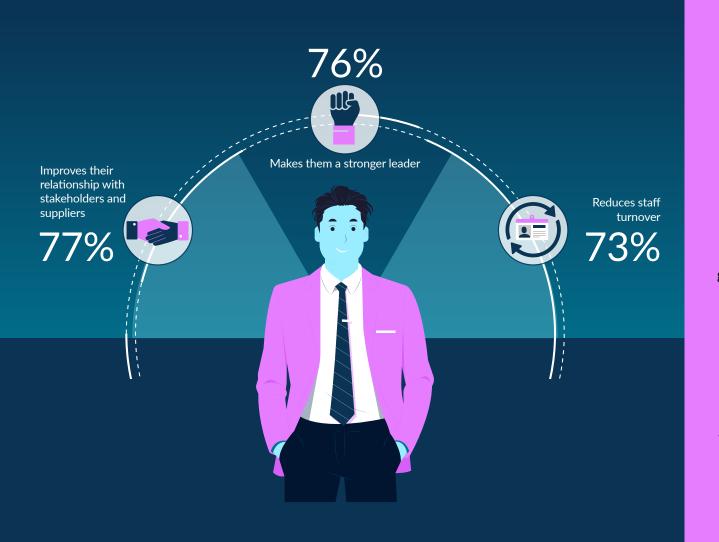
We know that ethical fitness cannot always be measured in minutes, it's a value that infuses all aspects of leadership values, behaviours and priorities. However, there are a set of activities that can be classed as dedicated to the development of ethical fitness, such as pro-bono work, supplier audits, volunteer days and charitable fundraising which we were curious about during our research.

The leaders we spoke to realise the importance of ethical fitness, spending more than 80 minutes per week focusing on improving their ethical compass. Today's cost of living crisis has heightened that sense of community responsibility, with 84% of leaders agreeing that it is "more important than ever" to give back to their communities.

It's encouraging that three-quarters view investing in community and charity initiatives as a leadership responsibility and 82% say they use their role and influence as a business leader to "drive positive societal change" such as doing pro bono work or working with suppliers who align with the business' values.

Ethical fitness – the leadership benefits

Business leaders identify a wide range of advantages in strengthening and maintaining their ethical fitness. Around three-quarters told us that investing in their ethical fitness:





Food for thought

Leaders take ethical fitness seriously, with only 4% disagreeing that dedicating time to ethical fitness made them a better leader.

In an increasingly connected and complex world of inequality, AI, climate change and ESG, there is greater scrutiny on your moral compass as a leader. There is also greater expectation from employees, customers and shareholders that you use your power to be a force for good.

Increasingly, decisions needed to be defended through an ethical prism and so developing a greater degree of ethical fitness will be required. So, whilst it may be curious to think of the development of ethical fitness through the lens of 'minutes dedicated', it is a useful framework for assessing whether you are dedicating time to it.

Whether that's developing your sustainability strategy, reviewing suppliers, allocating volunteer hours to support the local community or even setting up a charitable foundation, being able to look back at the proportion of time dedicated to the development of ethical fitness is a good measure of how you see the importance of it.

ROLES AND RESPONSIBILITIES

So far, we've looked at fitness for leadership as a group. However, analysing what those in different leadership positions are doing reveals some interesting trends.

Chief executives are close to the average for time spent on each of the three pillars of fitness for leadership (see fig 1). Tech leaders, by contrast, spend comfortably more than the average on each one.

Heads of finance present a mixed picture – doing more than most to bolster their physical strength, but lagging behind for mental and ethical fitness.

IT leaders' enthusiasm for maintaining physical fitness reflects their confidence in its benefits. They're by far the most likely to agree that it makes them more determined to succeed (79%), better motivate their team (78%) and build relationships with key stakeholders (76%). Fig 1. Minutes spent per month on three pillars of fitness – by position





Food for thought

The expectation to have a strong ethical compass has always existed for the CEO. However, IT leaders are entering the eye of the storm thanks to the ethical challenges (and opportunities) presented by Al. Overall, our advice to CEOs is to share the ethical 'workload' across your leadership reports, consciously investing time and money to make better decisions using an agreed ethical compass. Today's business environment has too much scrutiny and risk to do otherwise.

In particular, CEOs need to guide their IT leaders as they start to grapple with some of the most complex ethical challenges we will face.

A QUESTION OF SIZE

The results by company size throw up some fascinating insights.



Execs in smaller organisations are more likely to agree that dedicating time to mental fitness makes them a better leader (see below). And they're most keen to spend more time on all three pillars.

Dedicating time to maintaining and strengthening my mental fitness makes me a better leader – by company size







of those in the largest firms believe investing in their ethical fitness makes them a stronger leader readily agree that investing in local communities is part of their responsibility

were keen to "give back" to their staff during the cost-of-living crisis

96%

This could be because SME leaders are more likely to be trying to "keep the lights on" rather than investing time in a sustainability strategy or developing ESG accreditations, whereas in a larger organisation, entire functions can be dedicated to the development of ethical fitness at a corporate level (sustainability/CSR etc). Certainly, more leaders from smaller organisations feel that the economic environment has made maintaining the three pillars more difficult (71%).



Food for thought

One of the key benefits of a balanced threepillar approach to leadership is resilience and longevity, at an individual and corporate level. Our survey illustrates that larger organisations

may have the luxury of more abundant resources to develop their three-pillar fitness, but it's clear that SME leaders do not. Their desire to develop this balanced approach is strongest, in particular mental fitness, but they spend the least amount of time on it.

Is it an irony that the organisations that want to spend more time on the pillars, to drive growth, are least able?

In an SME there's arguably never a good time to switch off the phone and develop three pillar fitness but perhaps that's exactly why you should – however painful in the shortterm. This may be one of those examples of the power of acting like the leader of the business you want to be, rather than the leader of the business you are.

AROUND THE COUNTRY

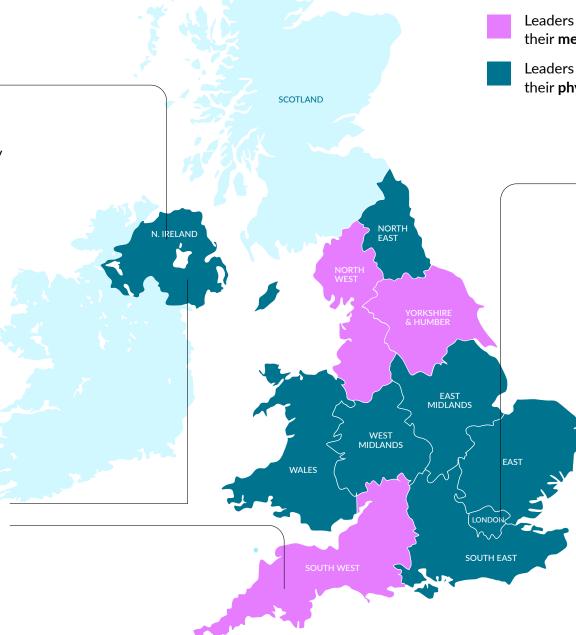
1111111111111 71%-

of leaders in Northern Ireland, do not have such initiatives in place, but they express intentions to introduce them by the year 2024.

Mental fitness is the pillar leaders feel strongest at for all regions

apart from Greater London (39%) and Northern Ireland (28%), which mark physical fitness as their strongest.

Leaders in Northern Ireland and the Southwest are the most likely to consider implementing a 4-day week or 9-day fortnight.



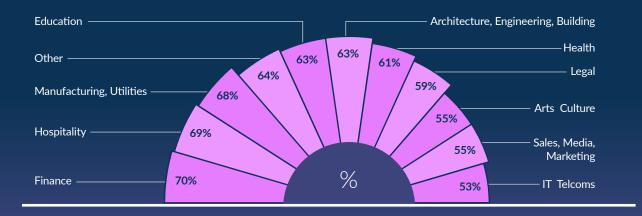
Leaders who want to improve their **mental fitness** next year

Leaders who want to improve their **physical fitness** next year

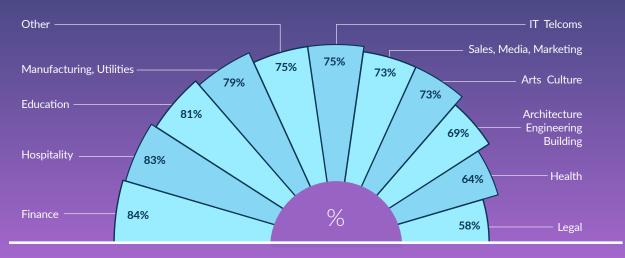
of leaders in London are engaging in efforts to support their employees in maintaining and improving their physical, mental, and ethical fitness.

THE SECTOR PERSPECTIVE

Do you encourage your employees, direct reports and leadership team to maintain and improve their physical, mental and ethical fitness?



I would like to dedicate more time to promoting mental, physical and ethical fitness.



The education sector is the **physically fittest**



56% spend 60-120 minutes a week exercising The manufacturing and utilities sector pays the most attention to **mental fitness**



45% spend 60-120 minutes a week building their mental wellbeing

Leaders most likely to use their role and influence to drive positive social change:



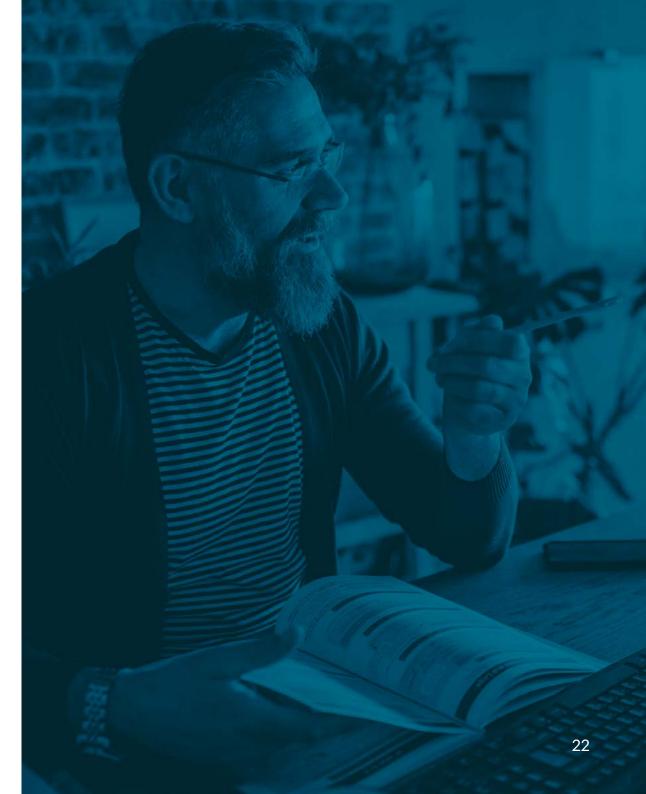
LOOKING AHEAD

The economic, business and technological landscapes are set to get even tougher in 2024. As such, fitness for leadership will be more important than ever.

Leaders will need to make the three pillars of fitness a key priority. That will mean asking themselves: how am I developing my physical, mental and ethical edge? How am I promoting the importance of doing so throughout the company? Am I leading by example to encourage my employees to do the same?

As our research makes clear, senior executives are fully aware of this imperative. They know the benefits of embedding the pillars of fitness into their organisational culture. They're working on their own physical, mental and ethical condition. And they're looking to intensify their focus on this in the year ahead.

The result should be more effective leaders, who can inspire a happier, and better-performing workforce leading organisations better equipped to deliver sustainable results and impact for all.



FURTHER INFORMATION

Research methodology

Babble commissioned independent market research company, Censuswide, to survey 500 UK business leaders at companies with 10-999 employees.

Respondents' job titles included:

- Chief executive officer
- Chief technology officer
- IT director
- IT leader
- Chief information officer
- Chief financial officer
- Finance leader

The survey was carried out between 29th September and 4th December 2023. Unless stated otherwise, all figures in this report are drawn from this poll.







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