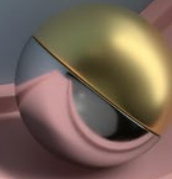


Leadership in Turbulent Times: Executive Summary



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Leaders of every generation will have seen the world change significantly over the course of their careers. But in 2026, the convergence of geopolitical uncertainty, technological disruption and shifting workforce expectations presents a particularly complex set of challenges for those in leadership positions.

The Fraser of Allander Institute was asked by CMS to undertake interviews with leaders in Scotland, many of them CMS clients, to understand these changing demands and the skills, behaviours and qualities required to navigate modern-day leadership.

We spoke to leaders across a number of sectors in Scotland, including financial and professional services, infrastructure, energy, the public sector, manufacturing, life sciences, and retail and through these interviews we have gained fascinating insights into the challenges facing leaders today and what these leaders think will be needed in the future.

Vision isn't enough...
leadership is about
bringing people with
you

Leadership is more
than management –
leadership needs to
be inspirational

Resiliency and the
will to learn are key
traits of our future
leaders

Six overlapping themes emerged from our interviews: the distinctiveness of modern-day leadership; the skills and qualities of effective leaders; the opportunities and challenges facing leadership; identifying future leaders; diversity in leadership; and the challenges facing the leaders of tomorrow.

1. Modern-day leadership

Leadership is becoming less about expertise and more about judgement

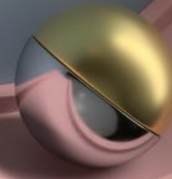
Across the interviews, we explored what leaders see as distinctive about leadership today, compared with when they first started their careers or took on leadership roles. Participants described a clear shift away from leadership based primarily on seniority and technical expertise towards a broader set of skills and qualities. These include adaptability, a willingness to keep learning, strong communication and influencing skills, authenticity and self-awareness, sound judgement under uncertainty, and the ability to foster collaboration and trust. Perhaps most importantly, leaders need to be able to bring people with them through change.

One particularly interesting theme to emerge from several interviews was the growing importance of generalist skills in leadership. This does not mean that specialist expertise is no longer valuable, but rather that leaders increasingly need to be able to get up to speed quickly in unfamiliar areas, drawing on a broad understanding and sound judgement rather than relying solely on deep expertise in a single field.

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2. Skills and qualities of effective leaders

The more technology advances, the more human leadership matters

We explored in more depth the skills and qualities that underpin effective leadership. Despite technological change, participants consistently emphasised that the fundamentals of leadership remain distinctly human. The qualities most commonly identified included communication, emotional intelligence and empathy, adaptability and resilience, authenticity and self-awareness, and sound judgement and confidence.

There was also some pushback against viewing these simply as “soft skills”. Several contributors stressed the importance of combining empathy with clarity and accountability: providing support while offering challenge, maintaining high standards while recognising individual circumstances and needs, and bringing greater understanding and humanity to leadership.

3. Opportunities and challenges facing leadership

Trust could become one of the defining leadership challenges

Many of the challenges raised are not new. Leaders have long faced workforce shortages, talent retention, economic and geopolitical instability, and increasingly complex regulation and policy. What is changing is the context, alongside newer pressures such as declining trust in institutions and changing expectations around hybrid working and organisational culture. Artificial intelligence featured in almost every interview. Beyond its impact on the workforce, participants highlighted wider leadership challenges around redesigning work, leading adoption while building trust, and preserving creativity and judgement. Trust emerged as a particularly important theme, with concerns that AI adoption is not yet fully trusted by either the public or the workforce. Future leaders may therefore spend as much time building trust in technological change as implementing it.

4. Identifying future leaders

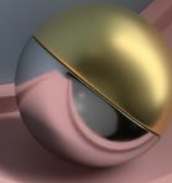
Potential is revealed through challenge, not just performance

We spent some time in the interviews exploring what will matter most for future leaders. There was a strong sense that high performers do not automatically become good leaders. Instead, the qualities participants were looking for included the ability to adapt, influence others, work across boundaries and navigate ambiguity, alongside a willingness to show leadership and take responsibility for driving change, whatever their formal role. The strongest development mechanisms identified were not formal training, but exposure to more challenging projects, greater responsibility and, in particular, uncertainty. Several leaders described those with the greatest potential as people who are willing to “run towards” difficult problems rather than away from them. Several risks were also identified. AI featured here, with concerns that it could reduce some of the opportunities through which junior staff traditionally develop leadership experience. This may require organisations to create new leadership pathways.

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5. Diversity in leadership

Different voices matter, but only if they are heard

All participants supported the importance of diversity in leadership, but there was a sense that the conversation is moving beyond traditional categories. Alongside gender, ethnicity and socioeconomic background, participants highlighted issues such as neurodiversity and the value of lived experience. Several interviewees felt that socioeconomic background remains an under-discussed dimension of leadership. There was concern that future leadership cohorts could become increasingly drawn from people who have been relatively insulated from wider economic and social pressures. Participants also emphasised that diversity of thought requires more than simply having different people in the room. Leaders need to actively create space for different voices and perspectives, ensuring that hierarchy, confidence or status do not determine whose ideas are heard.

6. Leaders of tomorrow

From surviving disruption to thriving through it

We asked what the leaders of tomorrow will need to grapple with, and across the interviews several consistent themes emerged. These included the ability to embrace technology, lead organisational transformation, communicate clearly, maintain trust, develop people, make decisions under uncertainty and build organisational resilience. One new concept that came through strongly was a different way of thinking about resilience. Rather than simply being able to survive disruption, the leaders of tomorrow may be those who can thrive through it: growing stronger through challenge, developing through uncertainty, learning from disruption and using turbulence as an opportunity for development.

Conclusions

Our interviews uncovered a mix of new and longstanding challenges facing leaders in 2026. What feels different, however, is the sheer number of challenges being faced at the same time, alongside the potential for artificial intelligence to fundamentally reshape how we work.

Perhaps reassuringly, the qualities participants felt will matter most are distinctly human. Strategic judgement, adaptability, communication, emotional intelligence and the ability to build trust were consistently highlighted. The leaders of tomorrow may be those who can not only navigate disruption, but learn and grow through it.

Almost every leader we spoke to had a personal story about the role mentorship and support played in their leadership journey. The challenge now is to ensure the next generation has the same opportunities: not simply to find the leaders of tomorrow, but to create the conditions in which they can emerge. Are future leaders getting the exposure to challenge, uncertainty and responsibility they need to prepare for what lies ahead?

The full report will explore these questions and present the findings from our research on the future of leadership in Scotland.