

Proof Point

# Engaging on purpose

Leaders with a clear leadership purpose often ascend to more challenging roles and boast an average tenure of 18 years.

The natural athlete phenomenon applies to many high-performing leaders. Despite being seasoned executives with reasonably developed leadership skills, few of them, when asked, can articulate or successfully teach their leadership philosophies to others. In fact, fewer than 20% of leaders have a strong sense of their individual purpose (Craig and Snook 2014).

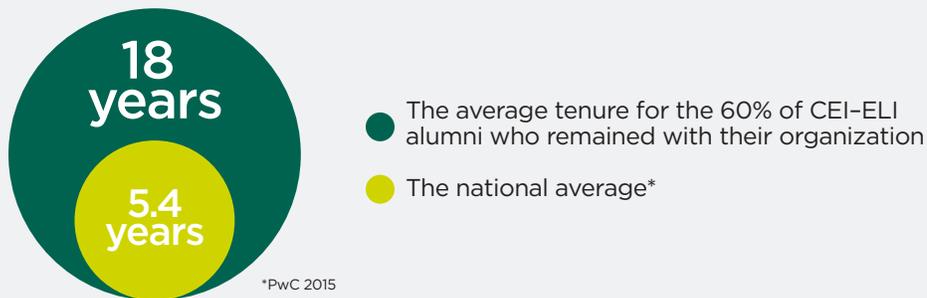
Most companies have clarified their organizational vision (the *what*) and strategy (the *how*), but few effectively imbue leaders with purpose (the *why*). Purpose is crucial because, when present, it drives vision, engagement, commitment, and retention (Cashman 2008). Leadership programs such as Korn Ferry's Chief Executive Institute™ (CEI) and Executive to Leader Institute™ (ELI) help leaders move from viewing performance as their sole purpose to a broader outlook—of enduring value creation across multiple constituencies as well as ensuring that purpose drives sustainable performance.

The Korn Ferry Institute interviewed 39 CEI-ELI alumni, who reported that the programs helped to clarify their purpose. A leader at a pharmaceutical company discovered that his passion was to “more directly impact the lives and health of clients.” Instead of leaving, he found a different role in the organization working more directly with external clients: “I was able to find my core purpose within the same company.” In fact, 60% of the 39 alumni interviewed stayed in the same organization for an average tenure of 18 years (more than three times the US national average of 5.4 years) (PwC 2015).



**Korn Ferry interviewed 39 alumni of CEI-ELI (on the average seven years post-program). Of those 39, 46% ascended to or remained within the C-suite or CEO office. And 60% reported staying with the same organization for an average tenure of 18 years.**

Figure 1  
CEI-ELI leaders' tenure.



Ensuring top talent's sense of purpose can help mitigate turnover rates among high performers, which, in 2012, increased at nearly three times the rate of voluntary turnovers overall (PwC 2014). The longer tenures found in this sample of CEI-ELI alumni are thus important for organizations focused on succession needs and practices, bench strength, and executive longevity.<sup>1</sup> That's especially key when considering that 78% of CEOs in 2014 were selected from within the organization, up from 72.9% in 2012 (Conference Board 2015).

Among those interviewed, CEI-ELI participation not only led to longer tenure but prepared them to accept bigger roles: 92% of leaders interviewed said the experience came at a critical time in their career, and 61% agreed that CEI-ELI had a direct impact on career trajectory.

Alumni interviewed reported being driven by both clarity and a strong sense of purpose about what they wanted to achieve. Leaders who clarify their core purpose can more proactively find the right fit roles in their current organizations and say yes to promotions that match both personal and organizational goals. More than 46% of those interviewed ascended to or remained in C-suite or CEO roles.

<sup>1</sup> Executives who participate in CEI-ELI are high-potential high performers from whose ranks CEOs rise. Both CEI and ELI take a holistic approach to the personal growth of leaders as individuals rather than teach specific management skills. After an in-residence session, participants work one-on-one with multiple consultants for 12 months. Both programs are designed to work from the "inside out" by clarifying an individual's values, strengths, and core purpose, and from the "outside in" through interviews, feedback, and assessments.

Figure 2

**At the time of the follow-up interviews (seven years after program completion, on average), 46% of CEI-ELI alumni had ascended to or remained within the C-suite or CEO office.**



“Had I not gone through ELI, and had I not had coaches, I would not have been CEO, I could guarantee you that,” a media organization’s top leader said of his ascent to the pinnacle in his company, adding, “Eight years ago, I began to invest in my leadership development. Through my ELI experience...and all the follow-up coaching...that really prepared me, even made me put my hand up.”

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The Korn Ferry Institute, our research and analytics arm, was established to share intelligence and expert points of view on talent and leadership. Through studies, books, and a quarterly magazine, *Briefings*, we aim to increase understanding of how strategic talent decisions contribute to competitive advantage, growth, and success.