

Leadership Gone (Way) Wrong?

Eight in 10 corporate leaders are getting failing marks from their own investors. Is a new breed of “self-disruptive” leaders the answer?

BY RUSSELL PEARLMAN

THESE DAYS, tens of millions of people around the world think politicians are doing a lousy job preparing their nations for the future. From United States government shutdowns and Brexit-related discord to discontent about the economy across Europe and election turmoil in Thailand, there are plenty of reasons why people might not think their government officials are up to the task.

But while public-sector strife is making all the headlines, it turns out that there may be an equally risky situation developing among corporate leadership ranks. According to an extensive new Korn Ferry analysis, only 15 percent of leaders have what it takes to be successful in the rapidly changing business world. The firm, which analyzed more than 150,000 profiles of leaders and managers worldwide, says that a majority of them can't fully harness the collective energy and knowledge required to lead the organization of the future.

To some degree, this gap—and the call for what the report describes as “self-disruptive leaders”—has been years in the making. At some of the world's most esteemed firms, CEOs whose legacies

once seemed secure have been removed because of an inability to successfully navigate today's challenges. But Korn Ferry's study suggests such changes at the top are going to accelerate rapidly in the next few years.

“For the last hundred years, leaders have been taught that control, consistency, and closure are the principles of business leadership. But dramatic changes to the global business environment mean that this is no longer a reliable blueprint,” says Dennis Baltzley, Korn Ferry's global solution leader for leadership development and co-author of the new report, *The Self-Disruptive Leader*.

The study argues that today's disruptive forces in technology, globalization, demographics, and consumer behavior are exposing the limitations of traditional leadership worldwide. The push for strong healthcare services, cleaner energy sources, instantly delivered goods, self-driving vehicles, and so on assure that no industry has been spared upheaval.

But investors large and small are also behind the drive for new leadership, with many looking for more profitable growth that translates into higher stock returns. Indeed, that group is already pessimistic. Two-thirds of them, according to a separate Korn Ferry survey, say that today's private-sector leadership is “unfit” for the future. That isn't just an American sentiment, either. Indeed, more than 80 percent of investors in China and Japan feel today's leaders aren't ready.

Addressing the issue, researchers for the Korn Ferry Institute have helped build up a new model of leadership, identifying five dimensions that high-performing, self-disruptive leaders have in common. To be sure, future leaders must harness the power of technology, embrace ambiguity, and empower employees. But the model also highlights the importance of leaders who can easily create opportunities for everyone and manage innovation. “At their core, self-disruptive

leaders are highly learning agile, self-aware, emotionally and socially intelligent, purpose-driven, and assured but humble,” says Jean-Marc Laouchez, president of the Korn Ferry Institute.

According to the study, these leaders can anticipate and even create new trends, and rather than react, they help shape the future. Directing is out and listening is in—as is the ability to drive

The Takeaway

Companies jeopardize their future if leadership isn't self-disruptive.

organizations through disruption, while managing anxieties and stress. Fueled by purpose, self-disruptive leaders inspire trust and can articulate compelling messages to inspire others.

No one region has a monopoly on self-

disruptive leadership, but the study found that some countries are ahead of others in developing them. French and German leaders, collectively, are stronger at accelerating change than their global counterparts, for example. As for improving, US executives need to be better at developing partnerships, the study finds, while in China, leaders should work to up their abilities to anticipate change. For Japanese

leaders, building trust is the biggest need.

The good news, experts say, is that many potential self-disruptive leaders are already working in organizations, soaking up the experiences and wisdom they will need to lead in the future. The onus is now on current executives to

develop those younger, less experienced employees. “Moving candidates around between teams and divisions will be key,” says Ilene Gochman, Korn Ferry's global solution leader for assessment and succession. Forcing younger managers from all backgrounds to constantly adapt to meet new challenges and build new skills can develop in them the mindset and temperament they will need to become self-disruptive leaders. ▀

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