KORN FERRY
Institute

Thought Leadership

Leadership Mindset

Why leaders struggle to change.

Business leaders today face unprecedented challenges. An increasingly connected global economy, nonstop technological advances, and rapid demographic shifts are disrupting the business environment on a scale never seen before. Entire industries are dying and new industries are being born. What was once imagined in science fiction in many cases is now a reality. In the face of this extreme level of change, organizations must either adapt or face the possibility of extinction.

The pace of change places enormous demands on leaders. They must think strategically and globally, inspire innovation and culture change, lead with strong vision and purpose, collaborate across the enterprise, and manage ever-increasing levels of complexity. All the while, they are expected to drive financial results and increase shareholder value.

Leaders are being asked to reinvent themselves and their organizations simultaneously. Tried-and-true leadership development approaches alone cannot meet this challenge. What's required is an appreciation for and nurturing of a new leadership mindset that allows leaders to keep pace with and stay ahead of the changes that are swirling around them.

At its core, leadership mindset is defined by how we see ourselves in our professional roles and the stories we tell others about who we are. It is one of the most important, least understood, and most neglected elements in the evolution of a leader.

Most of today's senior leaders grew up in a world driven by product innovation and operational efficiency. That environment shaped their experiences and career trajectories, determined what they valued and prioritized, and drove their decisions and behaviors. But that world has changed. Today's business environment is characterized by rapidly changing strategies, business-model innovation, and operational transformation. Leaders trapped in yesterday's mindset often struggle to find their place and voice in this new business world.

We find there are three mindset transitions that are consistently challenging:

- The shift from functional to enterprise leader.
- The shift from expert to manager.
- The shift from product innovator to business-model innovator.

To successfully navigate these transitions, leaders must fundamentally change how they see themselves and their businesses. They must abandon outdated assumptions, embrace challenging growth experiences, and form new business relationships. Leaders must be willing to embark on a deeply personal process to engineer a new mindset.