



KORN FERRY®



THE SELF- DISRUPTIVE LEADER

With uncommon qualities and characteristics, these future-ready leaders will drive organizations to adapt, collaborate, and excel in disruptive times.



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About this study.

This study reveals the skills that leaders will need in the future of business—and in today's increasingly disruptive environment. We uncover how many leaders are performing highly in these areas and where there is a pressing need for improvement. By analyzing the leadership profiles of 150,000 leaders from the Korn Ferry Institute's proprietary data, the study underlines the five key qualities of effective, future-focused leadership—qualities which correlate with a country's ability to innovate (according to the Global Innovation Index) and which correlate with a company's likelihood of being an acclaimed brand (using our index of best-in-class lists, including *Fortune's* "World's Most Admired Companies"). It also reveals how well leaders in 18 key global markets are performing in each dimension, and where improvement is urgently needed. Additionally, the study uses opinion research from 795 investors and analysts to model the gap between the current supply of these high-performance behaviors and the market's demand for them, to reveal just how wide leadership skills shortages are globally and by market.



Introduction.

Disruptive forces are driving the future of work. Following the seismic shifts caused by globalization, innovations in technology have revolutionized the idea of a competitor landscape, while digitalization has transformed how industries operate¹. These developments mean data is now produced at explosive rates, and capturing and interpreting that information has become one of the world's most lucrative industries. At the same time, sharing-economy platforms have become another major agent of change, transforming sectors like hospitality, transportation, and lending.

To ensure organizations succeed in a rapidly changing business world in the years ahead, a new kind of future-ready leader must take priority. Current models of leadership go some way to answering this, but research by the Korn Ferry Institute reveals the ideal leader for tomorrow's disruptive business environment: The **Self-Disruptive Leader**.²

This new model of high-performing leader incorporates and builds on existing concepts of agile, digital, and inclusive leadership, but also highlights the importance of leaders who are experts in the creation of opportunity and the capitalization of the flow of knowledge. In this model, the new source of competitive advantage is a leader who can connect resources and people adeptly to build an innovation ecosystem. This enables them to bring robust ideas to market at a rapid pace and, crucially, to adapt quickly to change by disrupting themselves again and again.

To pressure-test this model, we analyzed the leadership profiles of 150,000 leaders from the Korn Ferry Institute's proprietary data and found that Self-Disruptive Leaders were strongly linked with high performance.³ This research highlights five aspects of future-ready leadership: the ADAPT dimensions, which encompass the ability to *anticipate*, *drive*, *accelerate*, *partner*, and

trust. At a company level, performance in these dimensions can predict the likelihood of being listed as one of the world's most admired, fastest growing, or most innovative companies.⁴ At a country level, performance in these dimensions can predict the likelihood of scoring high on the Global Innovation Index.⁵

Executives often operate on a global basis, but our findings dive deeper into the composition of leadership pools in 18 key markets, to discover how they are performing in each dimension and where improvement is urgently needed. The wider picture shows that businesses urgently need to begin cultivating the right leadership pipeline: only **15% of today's leaders** can be considered self-disruptors.

As well as forming the basis of strong business performance, Self-Disruptive Leaders are highly prized by the market. We asked 795 investors and analysts who fund winning organizations, and they're not satisfied with existing leadership—they consider it to be a grave and urgent matter:

- 69% said the need for transformation will make leadership more important to company performance within the next three years.
- Almost eight out of 10 insist the right leadership is critically important when deciding which companies to invest in.

Companies with leaders who aren't future-ready face a double bind: not only are they less able to adapt to the changing business environment, they may face a penalty from those who evaluate their businesses. To navigate this difficult situation, many companies need to overhaul not only their leadership development programs but the very structure and culture of their businesses. This organizational step change will enable them to equip their leaders-in-waiting with the opportunities they need to become a new generation of Self-Disruptive Leaders.

¹ Vielmetter, G., & Sell, Y. (2014). *Leadership 2030: The six megatrends you need to understand to lead your company into the future*. NY, NY: American Management Association.

² See methodology for more details.

³ See methodology for more details.


⁴ See methodology for more details.

⁵ See methodology for more details.





**1.
Leadership
will make
or break
businesses.**



“Anyone can hold
the helm when
the sea is calm.”
—Publilius Syrus

Dealing with disruption.

The combined impact of disruptive global megatrends has forced organizations to evolve rapidly—sometimes frantically. This has made leadership crucial to their continued success: not only are competent leaders even more vital in a complex and continually evolving ecosystem, but companies that fail to satisfy the market that they have the right people at the top risk dwindling investment.

Investors and analysts provide a clear business case for investing in talent. They rate talent as very important across enterprises, but especially at the top: 83% cite an exceptional CEO as critical to an organization’s success. The CEO matters most to investors in Asia and North America, with more than nine in 10 in Hong Kong, India, Indonesia, Singapore, and the United States seeing these leaders as top drivers of corporate performance. Further, US investors are most likely to look beyond figures in the annual report, weighing a leader’s profile and ideas as a proxy for a company’s innovation and future orientation.

But the demand for this strong, innovative drive isn’t confined to one individual at the top: investors want leadership strength across the C-suite and beyond. Across all markets, 71% of respondents cited boards of directors as crucial to corporate performance, with 62% demanding top skills and capacities in the senior leadership team.

No more business as usual.

Investors see the squeeze on the companies they rate and invest in: 82% believe these companies are confronting disruptive challenges. In China, 96% say companies are facing disruptive pressure to some degree, while 92% think this in the Netherlands. Investors in Germany are the least worried, but, even in this group, 54% saw the concern.

Technology is compounding organizations' stresses, as it allows changes in one industry to swamp others—new competitors now emerge from anywhere. Tech companies now constitute the six largest companies in the world,⁶ and the expansion of this sector's horizons seems boundless. Constant tech-related shake-ups make strategy planning a real challenge: 62% of investors say it is harder to forecast threats when competition can come from anywhere. This has led 66% of investors to value future vision and orientation over past performance. In fact, a company's financial performance and earnings growth is now the least compelling factor for those making investment decisions.

Instead, investors want organizations to launch into a major reconsideration and transformation of their practices on talent and leadership:

- 67% believe that traditional and legacy leadership will not be fit for the future. This is especially so in parts of Asia, where 82% of investors in China and 80% in Japan believe this to be the case.
- Seven in 10 investors said that pressure for short-term performance works against leaders' ability to deliver innovation, digitization, and change.
- 65% would give leaders increased financial scope to make the changes necessary to bring their businesses in line with the future.
- 61% would give them more time to effect major change.

But exactly how do organizations get from here to tomorrow, and how do they identify, attract, develop, retain, promote, and expand the number of leaders they must have to succeed in the future of work?

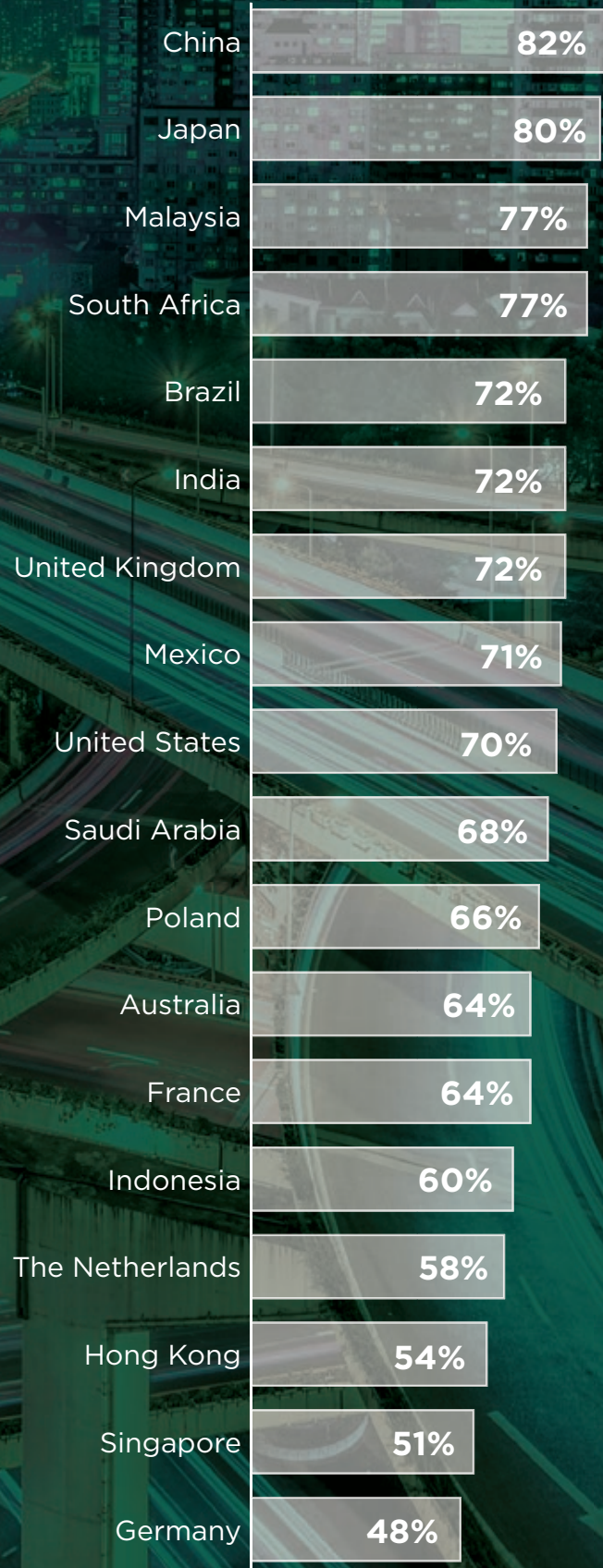
Dennis Baltzley, Global Solution Leader, Leadership Development, Korn Ferry

“For the last 100 years, leaders have been taught that control, consistency, and closure are the principles of business leadership. This has worked because products, markets, and customer sets have remained relatively similar over time and could be navigated effectively by making good business plans and managing them through the PDCA method (Plan, Do, Check, Adjust).

All of us were trained in this approach. But in the last few years, dramatic changes to the global business environment mean that this is no longer a reliable blueprint. Our past is no longer a reflection of our future. A new set of principles are emerging, centered around trust and purpose. Workplaces that trust the people closest to the work, are guided by a clear compelling purpose, and have future-focused, purpose-driven superiors—who are key to absorbing learning and adapting strategy in real time.”

⁶ Statista. (2018). The 100 largest companies in the world by market value in 2018 (in billion U.S. dollars). Accessed Dec. 23, 2018. <https://www.statista.com/statistics/263264/top-companies-in-the-world-by-market-value/>

Globally, 67% of investors believe the current leadership stock is not fit for the future.




2. Introducing the Self- Disruptive Leader.

Models of good leadership are often based on replicating the characteristics and capabilities that have succeeded in the past. But while many of these qualities are important, this approach neglects the importance of the future. In a world characterized by rapid change, yesterday's paradigms risk becoming redundant, or even harmful. Predicting exactly what the future will require is an impossible task, so leaders instead must equip themselves with a strong portfolio of future-oriented and change-ready skills in order to keep responding to fluctuating market demands with dynamism and insight.

We call these adaptive change-makers Self-Disruptive Leaders. Today's business environment is characterized by rapidly changing strategies, business model innovation, and operational transformation. While leaders trapped in yesterday's mindset often struggle to find their place and voice in this new business world, Self-Disruptive Leaders are highly learning agile, self-aware, emotionally and socially intelligent, purpose-driven, and assured but humble. They proactively modify their own methods and attitudes, enabling them to keep pace with the rapidly transforming environments that threaten slower-moving peers. Flexible mindsets at the top permeate throughout these businesses and enable every individual to navigate change and succeed in a shifting landscape. Leaders who make their teams dependent on them block growth, but those who can get organizations behind their vision and then empower others to execute on it are well-positioned to achieve.



An aerial night photograph of a city street, likely in New York City, showing traffic and the lights of buildings. Central Park is visible in the background. The image is partially obscured by a green graphic overlay on the left side.

Jean-Marc Laouchez, President of the Korn Ferry Institute

“With the economy evolving at an unprecedented rate, business leaders face greater levels of disruption than ever before. To rise to this challenge and allow themselves to focus their energy on the all-important strategic vision of their company, leaders must learn to let go of control in other areas. Letting go of control does not mean being absent. It means actively engaging and enabling others so that they can perform. This shift in leadership styles from pace-setting and sometimes coercive leadership requires a degree of trust—both in others and their ability to contribute without being micromanaged, and in one’s own ability to deal with unexpected outcomes. Such confidence is innate in some leaders, and it has to be developed in many others.

Of course, someone still must execute strategy through day-to-day business decisions, such as resource planning and managing people. Moving forward, leaders must focus on delegating responsibilities outside of their core purpose, and letting front-line managers define the rules. By doing this, not only do Self-Disruptive Leaders empower others to make decisions and develop into the best they can be, but they gain time and organizational efficiency, while helping fuel grassroots innovation.”



Leaders of the future will also need to retain a self-disruptive outlook as a central feature of their leadership style to prosper. But it isn't as simple as having a healthy appetite for the unknown. Korn Ferry's new leadership paradigm—the Self-Disruptive Leader—incorporates what we already know about agile, digital, and inclusive leaders. But in addition to these existing concepts, there are extra, invaluable qualities needed in tomorrow's effective leaders, which show a clear link with high performance. By analyzing more than 150,000 business leaders, we have pinpointed five dimensions of high performers that allow them to move quickly, self-disrupt, and—importantly—bring organizations with them.

For leaders to succeed in the future of work, they must ADAPT:

- **Anticipate:** Demonstrate contextual intelligence to make quick judgments and create opportunities; focus on the societal needs that the organization wants to serve; provide a direction to unify collective efforts even among disoriented environments.
- **Drive:** Energize people by fostering a sense of purpose; manage the mental and physical energy of themselves and others; nurture a positive environment to keep people hopeful, optimistic, and intrinsically motivated.
- **Accelerate:** Manage the flow of knowledge to produce constant innovation and desired business outcomes; use agile processes, quick prototyping, and iterative approaches to rapidly implement and commercialize ideas.
- **Partner:** Connect and form partnerships across increasingly permeable functional and organizational boundaries; enable the exchange of ideas; combine complementary capabilities to enable high performance.
- **Trust:** Form a new relationship between the organization and the individual that centers on mutual growth; integrate diverse perspectives and values; help individuals to uncover their sense of purpose and facilitate them in providing their maximum contribution.

In depth: What does it mean to ADAPT?

Anticipate

Leaders who anticipate are at the cutting edge of—and even create—new trends. Rather than reacting to the future, they help shape it. When others panic about ambiguity, they turn it into opportunities. These leaders listen rather than dictate, which helps them identify possibilities ahead of others and secure “first-mover” advantage. Their instinct is to create, while integrating differing views and making quick judgments to help others reach unified decisions. In ambiguous environments, people crave clarity, and these leaders provide direction so others can focus their efforts. They are clear about where to go but are flexible with how to get there.

Drive

Those who drive organizations through disruption help others manage anxiety and stress, while bolstering motivation. They are fueled by purpose, articulating compelling messages to inspire others. These leaders are empathetic and can relate to the thoughts, emotions, and experiences of others, but they also know that emotions can be contentious, so they watch for and manage their own. Knowing colleagues often are exhausted and working at the edge of their comfort zone, and that employees’ intrinsic motivation⁷ is essential to innovation, these leaders focus on helping colleagues replenish what they need to sustain performance.

Accelerate

When they accelerate the energies of others and themselves, these leaders grasp how businesses can be gripped by the fear of missing out. They know innovators may not originate ideas but are the first to execute them successfully, so they act rapidly and courageously to secure this advantage. That means leaders must possess the perspective and business acumen to recognize true innovation and when it is ready to launch, even when it is not welcomed. These leaders often avoid waterfall approaches, instead acting with agility to move ideas forward quickly. By earning early support through quick prototyping, these leaders give others the autonomy and flexibility to achieve, while holding them accountable. Accelerate is the most traditional leadership skill.

Partner

Leaders with the ability to partner effectively understand that innovation is created collectively, not alone. Acutely aware that technological advancement has dissolved boundaries between industries, they are resourceful in creating networks and partnerships that combine and amplify different strengths and capabilities, allowing their companies to succeed in new markets. By avoiding restrictive hierarchy and the “command-and-control” leadership models of the past, these leaders facilitate empowered and original

thinking. Its best practitioners also grasp that collaboration doesn’t always create team harmony: productive confrontation can spark original ideas and sometimes needs to be encouraged.

Trust

Those who inspire trust recognize that diversity is crucial, also it requires more than welcoming differences in race, gender, orientation, and social background. It encompasses a mindset of inclusivity, sharing goals, sharing responsibility, and sharing power. It involves leveraging new ideas about the meaning of work and its place in our lives: embracing the “gig economy” by partnering permanent staff with contractors on short- and longer-term projects; valuing independence and helping staff achieve authentic self-expression; and coaching others to find how their work has purpose and adds meaning to their lives. Disruption by definition allows for differences, individuality, and defiance of norms. These leaders know that rising generations care about fulfilling their personal dreams, and that by helping individuals to achieve these, organizations can maximize their disruptive capability.

⁷ Dai, G., et al (2018). The Case for Motivation: What’s sapping it, what will bring it back. Report. Los Angeles, CA: Korn Ferry Institute.



The ideal future leader embodies all five ADAPT dimensions at a very high level. They combine future-focused strengths (allowing them to drive with purpose and anticipate changing realities); the core “traditional” strengths (enabling them to accelerate their strategy); and collaborative skills (being able to partner with others to build strong symbiotic relationships, and building trust by bringing people together and helping them contribute to what gives them a sense of purpose).

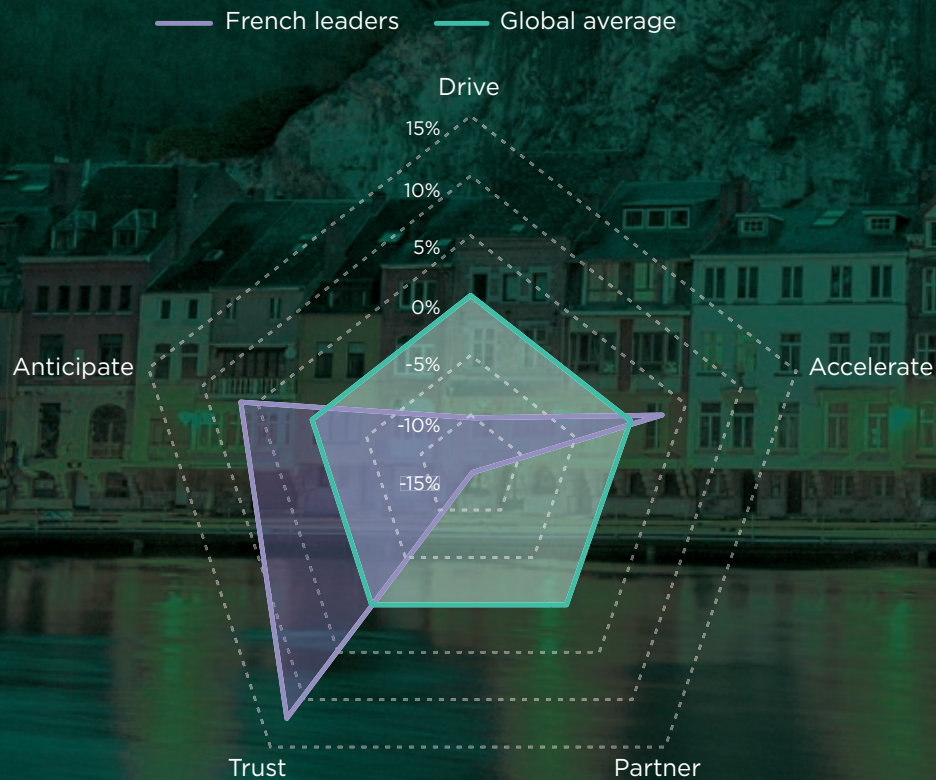
Country focus: France.

Trusted to lead.

The distinctive leadership profile in France shows real strength in many areas, including a flair for results-driven skills: the ability to anticipate and accelerate here is notably stronger than the global average.

It is the ability to build trust that really sets France's leaders apart, however. They outperform the average in this dimension by more than 10%, revealing exceptional coaching abilities and a talent for instilling a sense of meaning for the wider team.

But these impressive achievements have a worrying counterweight. Compared to the global average, leaders in France see a steep drop-off when it comes to the ability to drive, and their success in partnering tumbles even further below the global average, providing two clear focus areas for improvement.







*“Luck is what happens when preparation meets opportunity.”
—Seneca*

3. How to ADAPT in the real world.

There is cause for both optimism and concern over the current pool of Self-Disruptive Leaders. There are not enough to lead tomorrow’s businesses effectively—but there’s hope. Although there is no such thing as a perfect leader and no individual can ADAPT flawlessly, a cluster analysis of our data reveals a distinct group: 15% of the leadership database already excel across all five of the ADAPT dimensions.

Members of this group are the best real-world example of Self-Disruptive Leaders. Their greatest strengths are their ability to drive their organizations forward with vision, anticipate changing realities to create new opportunities, and build trust by helping diverse individuals achieve a personal sense of purpose. Even this group can strengthen its skills as a partner. But they have gone a long way to developing a blueprint for what the leader of the future should look like.

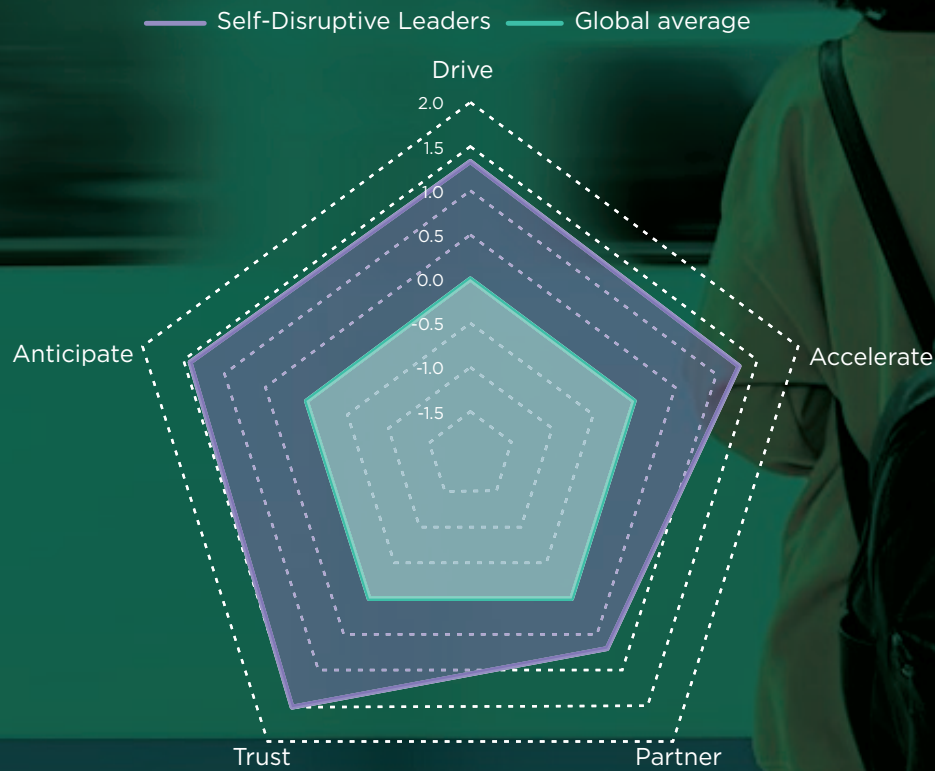


Self-Disruptive Leaders.

The Self-Disruptive Leaders group includes individuals who can:

- Transform themselves;
- Help their organizations transform;
- Question and shift their own and others' mindsets; and
- Base their leadership success on their way of being rather than their skill at doing.

This group also shows exceptional all-round leadership and, unsurprisingly, they are reaping performance benefits. Measured using an overarching performance score that includes factors from compensation to company growth, this group represents the highest-performing leaders in the world.⁸



⁸On average, these leaders are about 88th percentile on performance. See Methodology for further details on how Korn Ferry calculates performance scores.

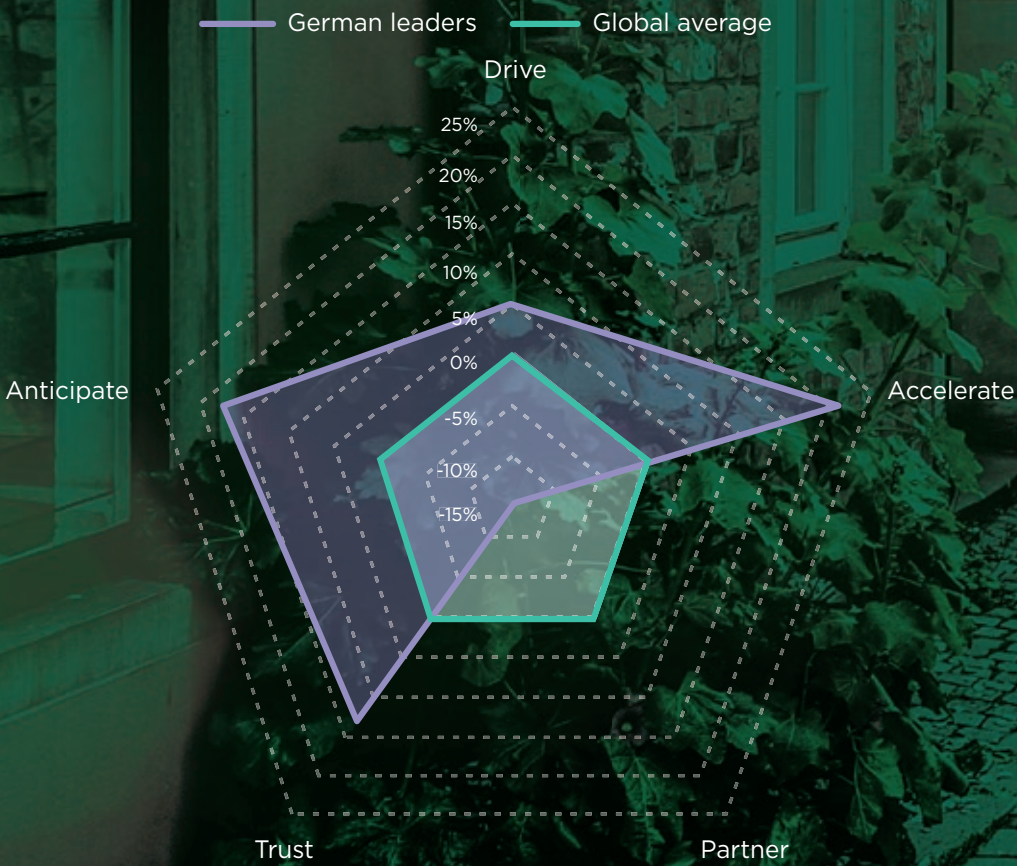


Country focus: Germany.

Going it alone with serious consequences.

Although Germany racks up solid leadership rankings, these are tempered by a fatal flaw: leaders' inability to partner. Leaders in this market display exceptional talents in pragmatically driving results and building high-level strategy, with their ability to accelerate, anticipate, and win trust, outperforming other markets.

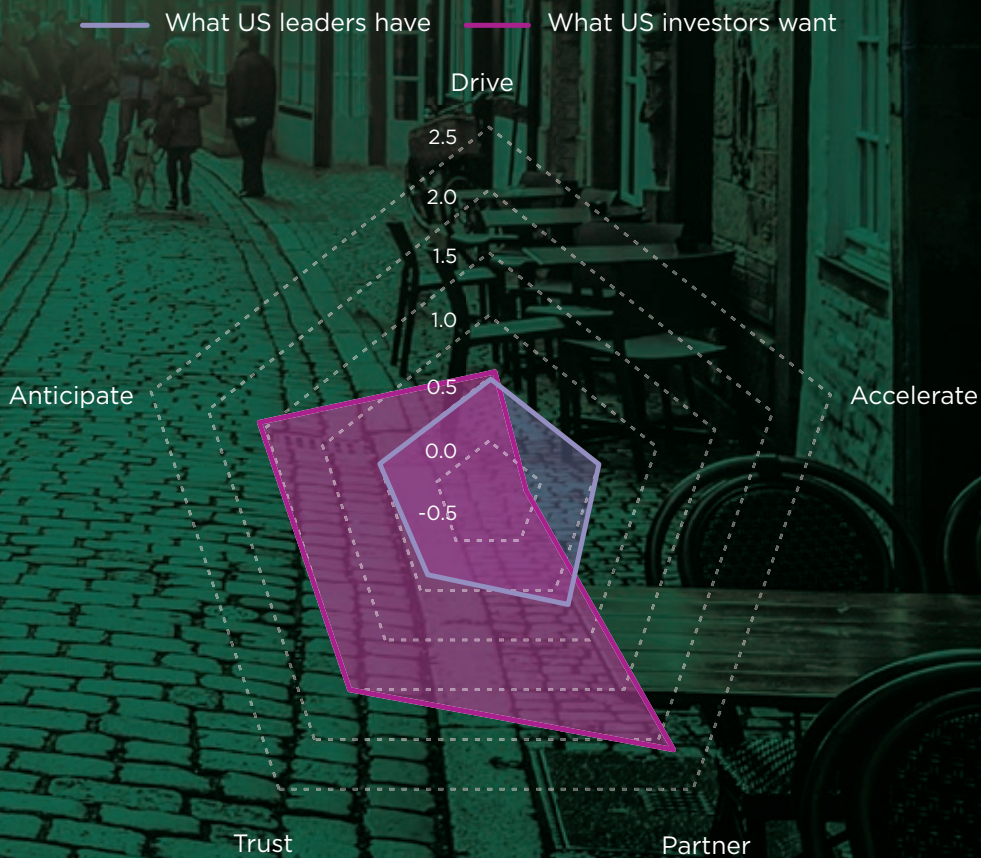
But leaders in Germany demonstrate dangerously low performance on the partner dimension, sinking 15% below the global norm. By focusing on developing two-way trust and prioritizing strong personal connections, leaders in Germany will be able to manage conflict and balance stakeholders' needs more effectively. Mastering these key components of leadership will allow them to unleash a truly world-leading potential.



Country focus: United States.

High performance with even higher expectations.

American leaders are performing consistently well across all five dimensions, beating market norms across the board. However, demands from investors in the United States paint a clear picture of what they're looking for in their leaders, and it isn't the current leaders' strengths. The roadmap for CEOs who are looking to up their game will come as a surprise to many. The market no longer considers the most traditional leadership skills as key, instead placing the emphasis on people skills and instilling a purpose in the business to inspire energy and trust—some of the rarest, and therefore most important, skills in today's leaders.



The most severe leadership problem for traditional corporations.

Traditional corporations have the most pressing need for future-focused leaders who can deliver transformational change.

Investors consider the urgent need for Self-Disruptive Leaders to be most important in traditional corporations that require high levels of change, with 61% saying these businesses have a more pressing need than digital natives.

Skill shortfalls by market.

Although there is global demand for all aspects of self-disruptive behavior in leaders, each market has different strengths and weaknesses in its current stock. What's more, investors in different markets have distinctive priorities when it comes to what they want most from leaders. As a result, the greatest skill shortfall varies in different places, and leaders in each economy need to focus on a different ADAPT dimension to satisfy market demand.

By comparing the strength of every economy's performance across the ADAPT dimensions against how much investors in those respective markets want each skill set from company leaders, Korn Ferry research shows which aspects of leadership needs the greatest focus in each of the 18 economies in this study.





Each of the five dimensions qualify as the biggest priority for leadership development in at least one economy, according to the gaps between the ADAPT qualities that leaders have and the ones that the markets demand.

Leaders' ability to *partner* has the greatest shortfall in the United States and France, while investors in India and Malaysia have the greatest need for leaders to improve their ability to *drive* the company toward their vision. In China, the biggest gap between leaders' current performance and market demand is in their capacity to *anticipate*, and this is also the case in Indonesia.

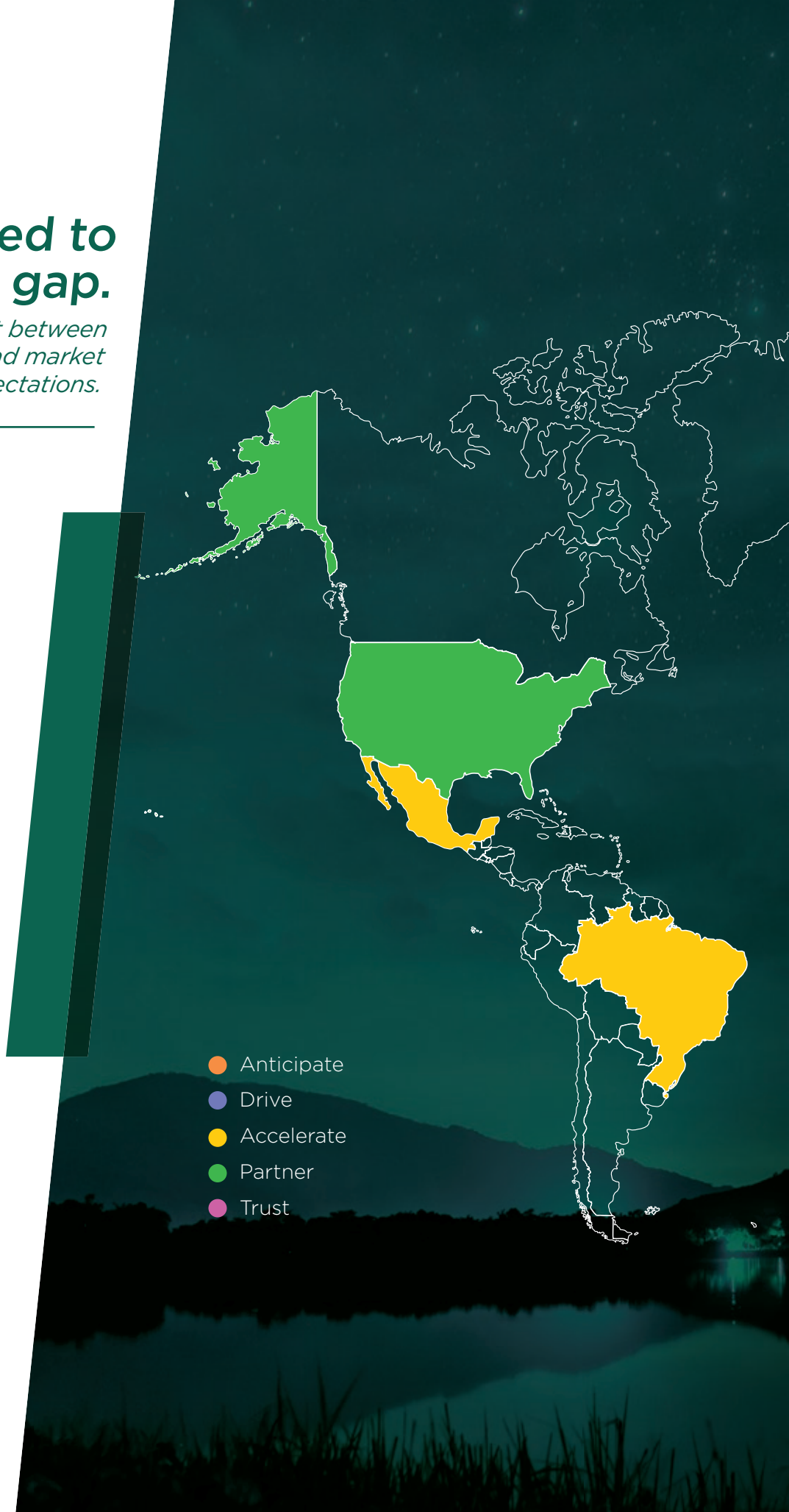
In Germany, *anticipate* is similarly important, as it ranks as one of the top two priorities, tying with a strength in finding *partners*. Hong Kong and Singapore also have two top priority dimensions. While both need the ability to *drive* toward a vision and purpose, Singapore is demanding leaders build *trust* more effectively, and Hong Kong needs them to *anticipate* changing realities.

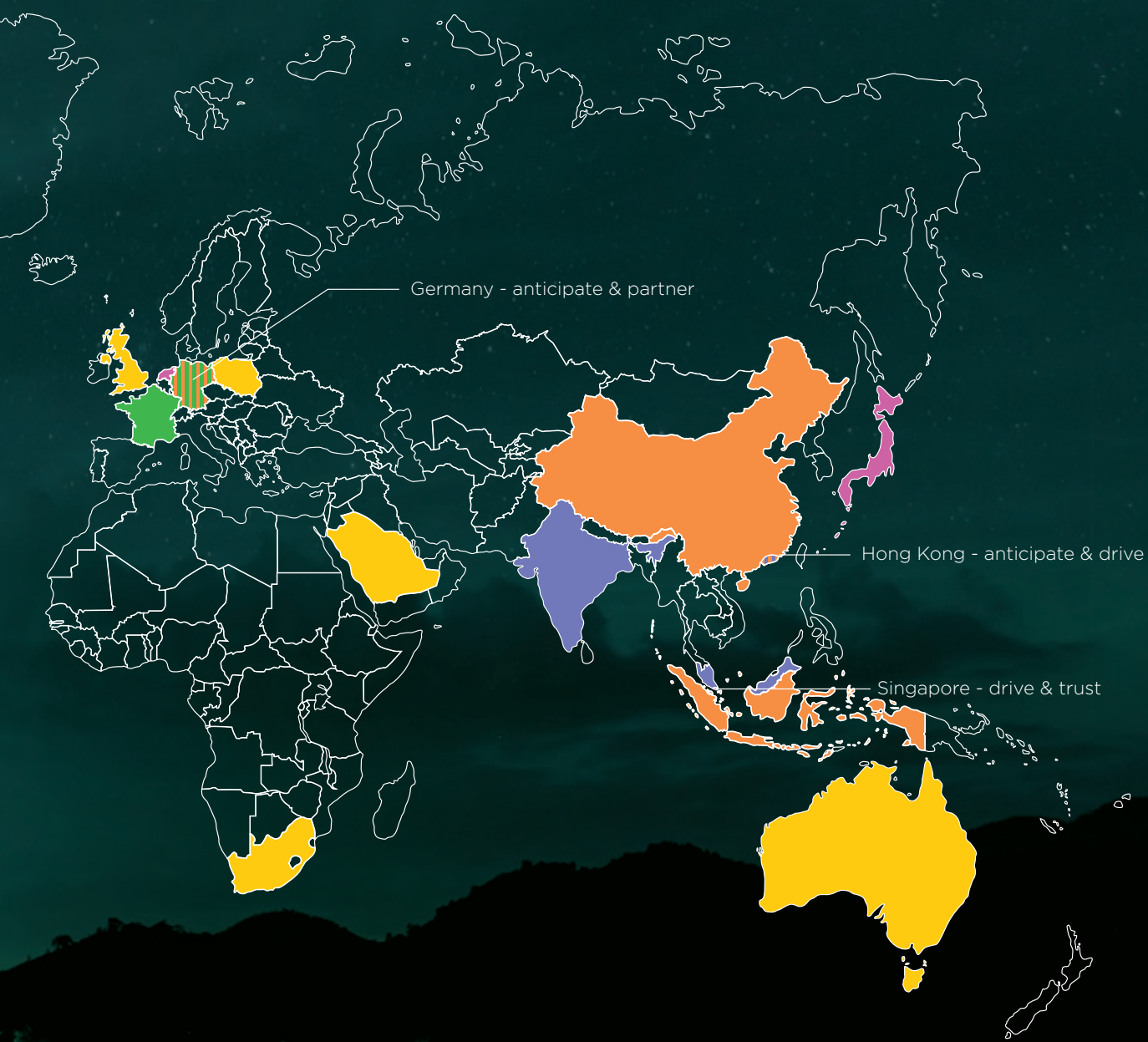
For Japan, where the market values leaders who inspire *trust* and build personalized relationships with individual employees, this is the top priority for improvement—as it is in the Netherlands.

While they know the importance of forward-looking leaders, investors in many countries are still interested in traditional leadership skills as well, with the remaining markets placing a focus on leaders' ability to *accelerate* alongside other key qualities.

Leaders need to close the gap.

The largest deficit between leaders' abilities and market expectations.

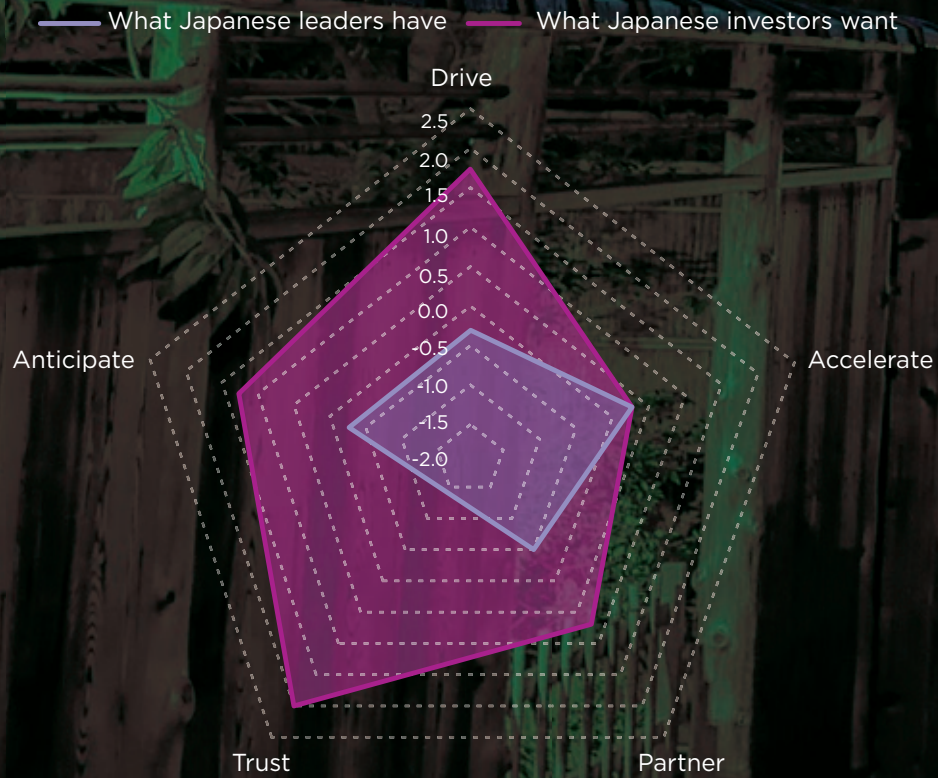




Country focus: Japan.

The hidden value of trust.

In true contrast to the United States, Japanese leaders are strong in the traditional skill of accelerating results, an area in which they beat the global average. However, while investors in Japan do rate traditional leadership skills highly, the ability to build trust is both the most valued skill and that which Japanese leaders struggle with the most, scoring well below the global average.





Cultivating an invaluable talent.

Many organizations have already adapted to enormous disruptions in their core work—but how can they revamp their talent and internal culture of success? A hallmark of the the most admired business organizations is consistent success in changing business conditions. Elite-performing organizations do not just react to their environment, they are more forward-thinking than their peers and take steps to prepare for what's ahead.⁹ This is only achieved because the same is true of their leaders.

Executives cannot order change to occur, and leaders who think their job is to tell people what to do will find the future difficult. They must consult, communicate, empower, and enlist everyone in their organization to meet collective and individual goals. To source effective and high-performing new leadership talent who are able to produce such an aligned and innovative environment, organizations may not want to rely on traditional qualifications. Instead, they must seek out leaders who have self-awareness and an aptitude for self-disruption wherever they can.

⁹Royal, M., & Stark, M. (2016, February 19). How the World's Most Admired Companies are preparing for the future. Fortune. Accessed Dec. 23, 2018. <http://fortune.com/2016/02/19/worlds-most-admired-companies-preparing-future/>





Where can these future leaders be found? Many already occupy lower-level roles in their companies. To make the most of this talent pool, any individuals with potential must be allowed to test their aptitude at a higher leadership role. They need exposure and guidance in dealing with executive job functions such as enterprise value, profit and loss, balance sheets, and external stakeholders. Leaders must circulate throughout an organization to stimulate them, teach them new skills, help them experience different ways of working, and build important relationships with colleagues of many different backgrounds, experiences, and capacities.

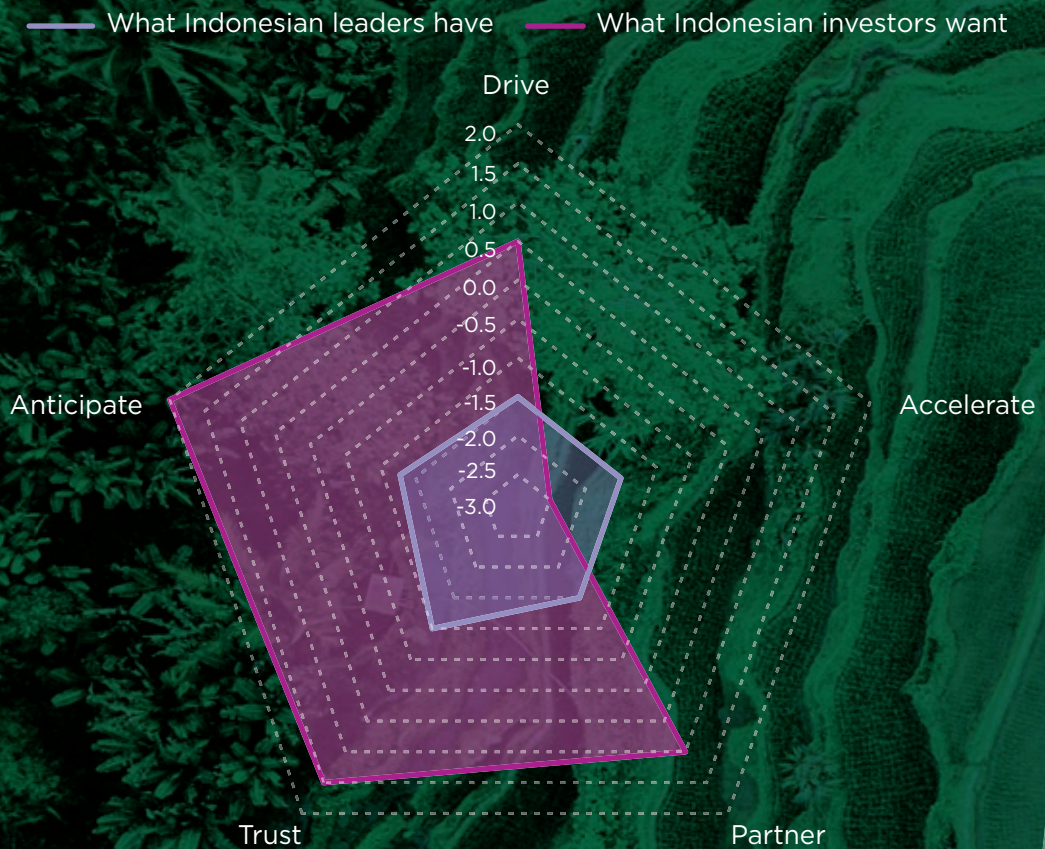
Dennis Baltzley, Global Solution Leader, Leadership Development, Korn Ferry

“Mid-level leaders are the new senior leaders. A key way that organizations can close the leadership gap is to unleash the potential of mid-level leaders. Although these lower-level leaders are often characterized as the ‘frozen middle’—a layer of the business that blocks development and progress—this is often due to organizational structures and leadership development programs that are stuck in the past, rather than middle managers’ potential.”

Country focus: Indonesia.

A balanced skill set.

In Indonesia, leaders' skills are relatively balanced. More encouragingly, the skills of Indonesia's leaders broadly mirror the skills investors in the market are looking for. Indonesian leaders can take this as a call to action to shore up their general leadership skills without needing to focus in one area above all else.





The pursuit of Self-Disruptive Leaders will mean seeking them out in unusual places, and it is crucial that talented people are not blocked because they do not fit traditional training or personality criteria. As a group, tomorrow's leaders will look and act differently to current directors and C-suite executives. They will have attended a variety of schools and come from a range of different places, and many will have risen to the top through non-traditional paths. Diversity and inclusion will become more imperative than ever, and talent assessment—with true insight, objectivity, and value—will be vital.

For organizations, a key concern is how those who show promise of becoming the Self-Disruptive Leaders of the future are treated early in their careers. Businesses that hold down those with self-disruptive potential will either stifle talent or lose it to a competitor. To avoid this, current leaders must embrace the idea that constructive challenges are positive. They need to encourage future leaders, so they can learn from mistakes rather than be led by processes and practices that seem perfected but are not productive in a world characterized by change.

Khoi Tu, Senior Client Partner, Korn Ferry

“Investing in and developing those with self-disruptive tendencies throughout the business is critical, but frankly it can rankle senior leaders. ‘Natural’ self-disruptors may be considered impossible rebels by their bosses because they often won’t accept conventional wisdom and constantly agitate for change. This unconventional thinking positions them perfectly for leadership in a disruptive world. But, ironically, it also can block this important talent from advancement.”





Ilene Gochman, Global Solution Leader, Assessment and Succession, Korn Ferry

“To prevent the leadership talent pipeline from running dry, companies’ in-house development programs will become increasingly important in helping grow effective leaders of the future.

Traditional routes toward leadership have often been designed for siloed, heavily structured roles that revolve around narrow functional excellence. But this kind of leadership isn’t fit for the future of work.

With a limited pool of existing Self-Disruptive Leaders, hiring the right leaders externally is a challenging task. Even then, people are often resistant to change that is brought in from outside, and this can torpedo the effectiveness of important initiatives. When leaders grow with a business, they understand it on a much more meaningful level and can facilitate incremental changes within the framework of the company’s culture.

To see these benefits, companies need to approach the talent pipeline completely differently. The core of that change is that objectives can no longer be around developing certain capabilities to create a pre-specified skill set. The process of succession needs to be as nimble as future leaders will need to be.

Rather than planning now for a specific leadership need five years away from maturity, moving candidates between teams and divisions regularly will be key. In forcing them to constantly adapt to meet new challenges and new opportunities, organizations will nurture multiple potential leaders with a diverse skill set and a holistic perspective. These leaders will not just have the aptitude but the habit for rapid, meaningful change.”

Rediscovering existing potential.

To tackle this complex and multilateral issue, organizations need to think about talent as a system—including recruitment, compensation, training, development, and succession planning. These functions and programs may need a full revamp to ensure that organizations widen and maintain a flow of diverse talent, especially of hard-to-find Self-Disruptive Leaders. In beginning to develop this system, businesses should focus on three key points:

- **Develop new mindsets.** Traditional leadership development focuses on skills and behaviors, but this needs to be supplemented with mindset development to successfully advance new Self-Disruptive Leaders.
- **Open up leadership development opportunities.** Leadership development must become available to more people. In the past, it often has been elitist and focused on certain individuals; it needs to move toward a collective model that empowers everyone in a company to develop their leadership capabilities.
- **Foster “always-on” development.** Organizations need to facilitate always-on development not only by providing learning opportunities but by helping busy employees navigate training easily and rewarding them for learning. Simultaneously, individuals at all levels need to take ownership of their own development. Together, this will build an employment contract built on mutual growth.

Although these changes may seem daunting to current executives and directors, companies must act with urgency to put these structures in place. This evolution matters: the market already knows that companies need to do more to help tomorrow’s Self-Disruptive Leaders climb up through the business, with 63% of investors and analysts saying high-flyers with the right skills and capacities in middle management will be vital in the future of work. Keeping legacy leadership structures in place blocks the next generation from developing into effective, future-ready leaders. To avoid further serious talent deficits, organizations must move with alacrity and evolve their approach to develop new leaders.

A scenic view of a Venetian canal with gondolas and historic buildings. The water is dark and reflects the surrounding architecture. In the foreground, a gondola is partially visible with red and green cushions. In the background, several other gondolas are moving through the canal, and a small bridge is visible in the distance. The buildings are multi-story and have a warm, golden-brown color palette.

**Khoi Tu, Senior Client Partner,
Korn Ferry**

“Although leaders of the future will need to be tech-savvy, it is misguided to think the tech sector is a panacea for pressing leadership needs. The market is banking heavily on this, with 63% saying digital-native companies will provide leaders for other industries. Not only will the limited number of leaders from digital-native companies fail to satisfy more than a small amount of overall demand, but not all of them will be Self-Disruptive Leaders. Some tech leaders excel in one area but are unable to change gears or move into other markets. One innovative product is not enough to prove a leader is self-disruptive: the real test is being able to do it over and over again.”



The final word.

To create opportunities in an ever-fluctuating world, organizations need Self-Disruptive Leaders—people who are engines of change and generate change from within, at the pace of their business. Traditional training routes aren't equipped to solve the leadership crisis, often producing outmoded mindsets that can't keep up with the rate of change. Instead, a revolution

in how companies develop leaders is vital for closing the leadership gap. To capitalize on an increasingly disruptive world, companies must accelerate their identification, recruitment, retention, development, and promotion of leaders with self-disruptive potential at all levels of the business. Organizations must develop a culture that empowers everyone within them to challenge their

own thinking and disrupt themselves. This final point underpins the solution to the leadership crisis. Leadership can no longer be isolated and inscrutable; by cascading ADAPT qualities throughout the organization, companies will develop a self-perpetuating ecosystem of leaders, ready for whatever the future of work brings.





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Methodology.

To understand what will drive success for leaders in the days ahead, Korn Ferry conducted an extensive review of futurist literature, studies from which researchers derived a set of potential skills to meet the challenges of tomorrow. Together, these leadership qualities depict a behavioral logic of how leaders lead their companies to consistently ride new opportunities and achieve ongoing competitiveness in the hyper-changing world.

We identified and mapped existing Korn Ferry assessment constructs, the KF4D (Korn Ferry's multi-award-winning psychometric assessment of traits, competencies, and drivers through FCIRT scoring methodology), to these five leadership qualities using a panel of subject-matter experts. These then were subjected to machine learning factor analysis to determine which skills best forecast future success. This helped us derive and define five leadership dimensions for future leaders.

The mapping allowed for empirical investigation of the leadership dimensions' impact. Using our proprietary leadership assessment data (based on more than 150,000 participants), we aggregated leadership scores at country level and linked this to the Global Innovation Index. We found statistically significant and practical correlations between the five leadership dimensions and the Index. This showed us that nations with leaders with our identified qualities were, for example, more likely to innovate with more patents and greater productivity. We also aggregated the leadership assessment scores at the company level, testing their linkage to companies' descriptions and listings in categories such as world's most admired, most innovative, most emulated, fastest growing, and most customer-centric. Multivariate linear regression revealed significant and practical relationships between the five leadership scores and these claims.

Moving down to the individual level, the five leadership dimensions also relate positively to leadership performance. The 15% of Self-Disruptive Leaders scored highly on the five dimensions. They at the same time produced the highest level of performance. In the analysis of the global leadership assessment data, these leaders achieved on average 88th percentile on performance measures.

The opinion research, designed by Korn Ferry and Man Bites Dog, was conducted by Coleman Parkes with 795 investors and analysts from around the globe. The sample included experts from asset and investment management firms with global assets under management (AUM) of at least \$1 billion. (The minimum was higher in larger markets like the United States.) Of the top 400 global asset management companies listed by AUM, 66% took part in the research, representing \$50 trillion of AUM (at time of publication). We focused on the world's largest investors; within the top 50 companies by AUM, the research penetration was 85%.

The Self-Disruptive Leader is part of Korn Ferry's three-year examination of the transforming and disrupted Future of Work. We previously found that CEOs can overemphasize technology at the expense of seeing the value in people, an error in the magnitude of trillions of dollars.¹⁰ By ignoring their people, organizations are putting their future at high risk. We also showed that talent shortfalls—already present in strong economies—will become acute by 2020.¹¹ This may mean organizations and nations will fail to generate \$8.5 trillion by 2030 due to skilled talent shortages,¹² with skilled worker undersupplies likely to add an additional \$2.5 trillion to annual wage bills globally by 2030.

¹⁰ Crandell et al. (2016). *The Trillion Dollar Difference*. Report. Los Angeles, CA: Korn Ferry.

¹¹ Binvel et al. (2017). *The Global Talent Crunch*. Report. Los Angeles, CA: Korn Ferry Institute.

¹² Guarino et al. (2018). *The Talent Shift*. Report. Los Angeles, CA: Korn Ferry.

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About Korn Ferry

Korn Ferry is a global organizational consulting firm. We help clients synchronize strategy and talent to drive superior performance. We work with organizations to design their structures, roles, and responsibilities. We help them hire the right people to bring their strategy to life. And we advise them on how to reward, develop, and motivate their people.