

Why the world needs more enterprise leaders

Enterprise leaders are agile, transformative, and value-creating, but why are there so few of them?

In the past few years the world has undergone unprecedented changes. With that change comes the need for a new type of leader: the enterprise leader. This leader exhibits the humanity and agility to deliver a transformational impact on organisations, which aligns them with the demands of the new world. Yet, according to global organisational consultancy Korn Ferry the majority of leaders are not up to the challenge. Their research finds that less than 14% of today's executives could be considered enterprise leaders.

Olivier Boulard, head of Korn Ferry's EMEA CEO succession practice, says: "The enterprise leaders that make up that 14% are defined by their ability to both perform - to run the organisation - and to transform - to change the organisation. They influence in a non-hierarchical way across the organisation, and have an impact on all of the company's stakeholders. Their ability to think more expansively about the context in which their entire sector is changing, and to show discernment in how to react to it is the fundamental step change between strong executive leaders and strong enterprise leaders."

Leaders have always had to respond to multiple stakeholders simultaneously - shareholders, employees, and communities - but the social dimension is now more critical and visible than ever. They are handling challenges that are more complex, situations that are more ambiguous and paradoxes that are harder to resolve than the ones their predecessors ever had to face. And they must convey to their team and to the entire organisation a purpose for change that demands capability development, individually, collectively, and culturally, through a clear vision of their organisation's societal impact.

Development must start sooner

Neither 'performing' nor 'transforming' is enough on its own; knowing when and how to flex is the key. All of this translates into tangible results. According to Korn Ferry research, companies with strong performing-and-transforming enterprise leaders grow 6.74% faster than the average in terms of EBITDA growth.

However, leaders today are managing with far less autonomy and control than in the past. Instead of simply preparing leaders to succeed in known situations, organisations must create



“Unless you have those five agile leadership mindsets, you cannot adapt and react effectively to such huge changes of context

opportunities that allow future leaders to practice adapting to new and unfamiliar situations. The CEO role is not the first place executives learn to think, decide and act courageously across the organisation.

Lucy McGee, head of CEO and executive development EMEA at Korn Ferry, says: "Within many organisations, climbing the greasy pole has encouraged more competition than collaboration around the executive table and beyond. That will no longer work. Businesses need to deliver in demanding and constrained present circumstances, while striving to reinvent themselves to remain relevant in new future scenarios where competitors are partners and co-creators. The 'enterprise mindset', which unlocks a person's ability to pivot between those perform/transform dynamics, needs to be developed much earlier than board level and practiced around the executive table. What marks these leaders out is their ability to open themselves to growing and evolving as a fully authentic person."

Defining true self

Where Korn Ferry's enterprise leadership framework differs from other development programmes is its focus on the whole person, rather than on the individual in the context of their leadership role. Their program identifies three dimensions through which personal growth is crucial to becoming an enterprise leader: the 'I', learning more about themselves and

self-imposed limits; the 'we', opening up to truly inclusive thinking and the power of the teams in which they participate; and the 'it', their impact on the wider organisation through vision and purpose that drives engagement.

Boulard says: "Reaching a very senior role often happens around the age when people usually have their midlife crisis, which is fundamentally about going back to your true self. The way that we work with leaders on the 'I', 'we' and 'it' elements is an acceleration of that. And it is a defining moment for them, a revelation that they've finally reconnected with who they are."

Acquiring five critical mindsets

Fundamental to enterprise leadership are five agile mindsets identified by Korn Ferry's enterprise leadership framework as critical to sustainable leadership: purpose, courage across and beyond, awareness of self and impact, inclusion that multiplies and integrative thinking.

In defining their purpose, a leader must define what they stand for as an individual, how that relates to their leadership role, and whether it aligns with the purpose of the organisation. Boulard recalls working with an executive prior to their appointment as a CEO in the consumer industry. "The day she defined her personal purpose she became a completely different leader," he says. "Suddenly, everything she was saying and doing became clear and made sense, because it was consistent with what she stood for."

Developing the 'include to multiply' mindset helped another executive deal more effectively with conflict. "His approach had always been avoidance," explains McGee. "While working on this mindset, he realised that having many different voices around the table enabled him to explore more deeply and clarify for others, rather than experiencing this as tension. After a lifetime of avoiding conflict he learned to embrace it and was willing to really listen and leverage the collective intelligence of the group to navigate a better path through thorny issues."

Ultimately, enterprise leadership

6.7%

How much faster organisations led by enterprise leaders grow than the average in terms of EBITDA growth

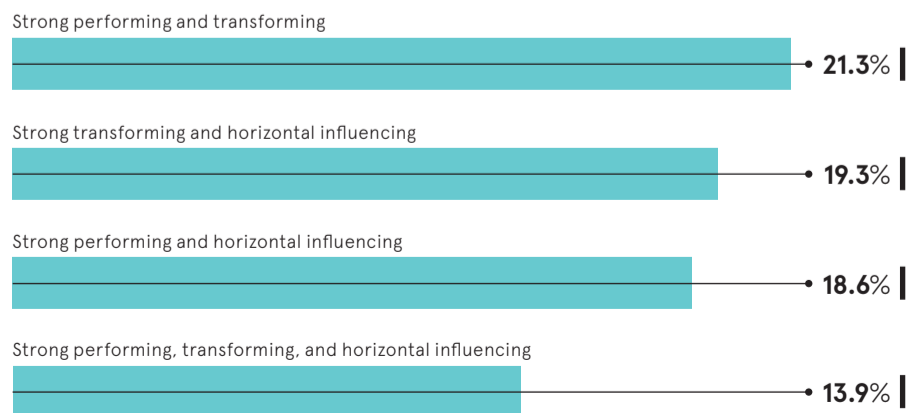
14%

of today's executives can be considered enterprise leaders

Korn Ferry, Enterprise Leadership Research, 2021

DISTRIBUTION OF DIFFERENT TYPES OF LEADERS

Enterprise leaders have strengths on all three areas: Performing, Transforming, and Horizontal Influencing. Horizontal Influencing contrasts against Vertical Power. Leaders who lead vertically are traditional leaders



Korn Ferry, Enterprise Leadership Research, 2021

To find out more, please visit kornferry.com/enterpriseleaders

