

# who will lead?

High Performance Does Not Equal High Potential

International Executive Panel

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**EgonZehnder**

executive survey

# who will lead?

Egon Zehnder's International Executive Panel finds that increasingly disruptive, unpredictable business environments make past performance an unreliable predictor of executives' future success. Participants point to a new paradigm for identifying future leaders that shifts away from *what* leaders know and toward a more personal evaluation of *who* they are.

## More Creative. More Daring. More Personal.

In the summer of 2013, more than 800 executives from around the world took part in an Egon Zehnder study exploring the future of leadership. An overwhelming majority (87 percent) said companies will need to think outside the box and be more creative, daring an innovative in their approaches to developing and retaining top executives in the future.

"Companies must become more creative and daring when promoting top talent."

9 %

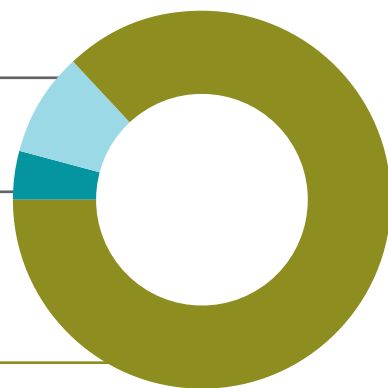
Disagree

4 %

Don't know

87 %

Agree



One key, the findings strongly suggest, is relying less on past performance as an indicator of future success and more on identifying the personal traits that indicate leadership potential.

"A long term track record in the current role is the best predictor of success in a new role."

16 %

Agree

78 %

Disagree

"Skills and knowledge can be acquired; it's personal traits that make the difference between good and great."

87 %

Agree

11 %

Disagree

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## Disruption and Unpredictability

A core challenge, the study respondents overwhelmingly agreed, is an increasingly disruptive environment that makes it very difficult to foresee what will be required of leaders in the years ahead. Disruption and unpredictability make a leader's success in a current role an inherently less reliable predictor of success in future roles.

“It has become much harder to predict a top executive's success in a new role than it was five years ago.”

86%

Agree

“In the future, careers will become more disruptive; executives will have to take on unforeseen leadership roles and responsibilities more often.”

32%

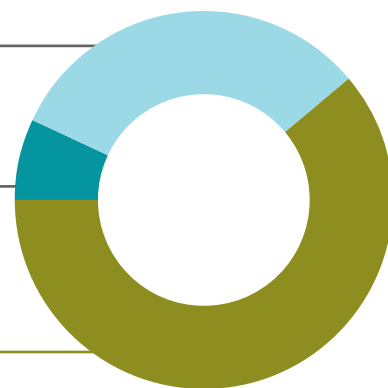
Disagree

7%

Don't know

61%

Agree



## Pipeline Worries

Only 2 in 10 of survey respondents say their company is very successful in identifying leadership prospects early on. The same small percentage considers their company's leadership pipeline very promising. Compounding the challenge, nearly one-third report it is very difficult for their company to attract and hire the best talent from the outside.

How successful do you consider your company in identifying talent early on?

22%

(Very) successful

51%

Moderate successful

26%

Not successful

How do you rate your company's future leadership pipeline?

22%

(Very) promising / (very) good

2%

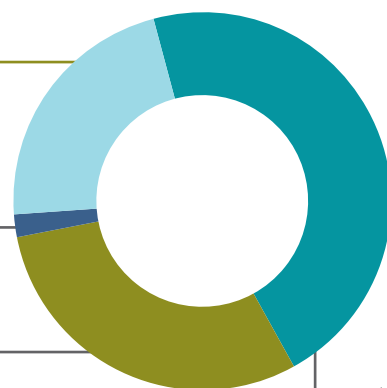
Don't know

30%

Reason for concern / (highly) insufficient

46%

Moderately promising / moderately good



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## Time for a New Paradigm

The perspectives voiced by this global sample of executives carry a palpable sense of concern. The great majority see their companies' ability to effectively identify and nurture great future leaders being significantly hampered by an increasingly complex business landscape that makes future demands on leaders all but impossible to predict. Past experience, while still a vitally important guide in talent strategy, seems to reveal less than traditionally assumed about how companies might best prepare for the future. Nearly all the leaders in this global survey concur that it is time for a new paradigm. They even point the way: relying less on the notion of high performance equating to high potential but rather look at personal traits as the strongest indicator of leadership success.

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