Among the 10 most common business contexts that organizations encounter, leaders vary widely in how ready they are to conquer challenges.
Are Leaders Ready for Anything?

In leadership it’s not only the characteristics of the person that determine success. Context matters. So for this analysis, we asked: What are the most common leadership challenges (contexts) that executives face today? And how ready are they to conquer them?

Each time we encounter a new client, we objectively analyze their context to uncover the few (3–5) broad leadership challenges that leaders must overcome to execute their business strategy. We call them “business drivers” because, once tackled by leaders, they drive the business forward.

We measured business drivers by wiring the most relevant competencies and personality attributes to each driver and assessing them in a multi-method assessment center.

[ EVIDENCE ]

For none of the most common business drivers was there more than 59 percent of leaders rated as fully ready—a sobering statistic in light of today’s leadership shortages. But there are bright spots. The three highest-rated business drivers suggest that there is some supply of leaders who can do the much-needed work of building strategic partnerships, focusing their organizations on customers, and improving process efficiency. Other areas of relative strength included allocating resources to support strategy and enhancing quality (see “Most Common Business Contexts” graphic)—all useful assets in maintaining organizational health.

More worrisome were the far-lower readiness rates in the areas of shaping strategy, building a high-performance culture, and enhancing organizational talent. In addition, the five lowest-rated business drivers suggest a lack of capability to improve talent and performance, make big organizational enhancements (e.g., mergers, integrations), and take businesses in new directions.

Context can (and does) change quickly, and these data suggest that it won’t take long for most leaders to find themselves in an environment for which they are ill-prepared. Executives are more equipped to focus on challenges in the here and now, such as improving quality, building relationships, and focusing on customers and efficiency. They are far less ready to navigate the ambiguity that comes with more strategic challenges like building or reinventing brands, markets, organizations, and cultures. Given the speed of change, executives have some catching up to do.

Action

.01 Don’t just assess your leaders, assess your context as well. Knowing who should lead your organization comes when you understand both sides of the equation: people and the challenges they’ll face. Taking the time to objectively assess both enables an assessment of fit and reduces the risk of mistakes.

.02 Align skill and personality requirements with your context. Business driver readiness is assessed with multiple competencies and personality characteristics that interact with one another and with the situation to determine whether a leader can be successful or not. Understanding the whole equation is essential in both the selection and development of great leaders.

.03 Contextualize skill development efforts. It’s true that leadership is a discipline. Improvement requires learning, practice, and feedback—lots of each. But generic skill development won’t provide the capability you need for your business. Any efforts you make to accelerate the growth of your leaders should train them to apply newly learned skills to the specific challenges and needs that your organization faces now and will face in the near future.