The Leadership Agility Tightrope
Mastering the Art of Change

Spotlighting the Ingredients of Leader Agility

Leadership Agility Index

18% of Leaders are High in Agility

Capability to Meet VUCA Challenges
- Anticipating and reacting to the nature and speed of change
- Acting decisively without always having clear direction and certainty
- Navigating through complexity, chaos, and confusion
- Maintaining effectiveness despite constant surprises and a lack of predictability

Critical Skills
- Communicating and interacting with others
- Managing and successfully introducing change
- Inspiring others toward a challenging future vision
- Fostering employee creativity and innovation

#GLF2014
Balance Leader Agility with Organizational Agility

Agile organizations possess the ability to anticipate trends, respond to problems, and adapt to change—important competitive advantages in a complex world. No surprise, agile businesses thrive when their leaders are agile, and vice versa. But what are the ingredients of leadership agility? To explore this, we created an agility index by combining leader capability in the four components of VUCA (volatility, uncertainty, complexity, ambiguity) with leader effectiveness in core behavioral skills strongly linked to these VUCA outcomes. (The figure on the previous page shows the capabilities and skills making up this index.)

Across all leaders in our research, only 18 percent rated highly on this agility index—a clear wakeup call for those companies in which agility is a mandate for survival and growth.

Our forecast shows that the impact of an agile leadership pool—for those few companies able to achieve it—is enormous. We looked at a composite of metrics—profitability, earnings per share, five-year rate of return to investors, and stockholder equity—gathered from financial databases on 150 publicly traded companies. We found that companies with a larger pool of agile leaders (30 percent or higher) are able to reduce the time it takes a new leader to be fully capable by an average of three months. Organizations in the top 20 percent of financial performance are 5.8 times more likely to have a high proportion of agile-ready leaders than those in the bottom 20 percent.

We also explored the relationship between rapid company growth and leadership agility. Fast-growth companies have 35 percent more agile leaders than their no/slow-growth counterparts; however, in no/slow-growth companies, agile leaders are 32 percent less engaged compared to those in high-growth companies. They also are 47 percent more likely to be looking for another job. Simply put, agile leaders are likely to clash more often with—and to depart more quickly from—a company that is performing poorly or that has a highly conservative culture. This finding points to a potential trap when it comes to agile leaders: Companies that can’t follow through culturally and strategically promote agile leaders at their own peril, as they run a likelihood of losing them to more agile organizations.

Impact of Agility on the Organization

Benefits of Having More Agile Leaders:

- Shorter Time to New Leader Performance
- Faster Company Growth
- Improved Financial Performance

Now What

.01 If agility is key to the future of your company, hire and promote leaders high in agility. Several validated assessment tools are available to help you do this. The term “learning agility” has come into vogue. A strong learning orientation is crucial to leadership agility, but it is more complex than a single factor.

.02 Avoid the agility mismatch; claiming to be agile but failing to back it up with decisive action and rapid decisions will push your most agility-capable leaders elsewhere.

.03 HR often plays a role in organizational design and process efficiency. While the term “reengineering” seems to have died, the tenet behind it is relevant. Simplify complex processes by reducing non-value-added steps and layers of approval. This capability, often found in people with organization development (OD) skills, can have a big impact on your company’s agility.

.04 Some agility skills can be learned. One is learning how to introduce and manage constant change. Make sure your leaders are “change masters.”