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Worldwide Study of 25,000 Business Leaders Reveals Six Leadership Megatrends Changing the Workplace

DDI, EY and The Conference Board publish the Global Leadership Forecast 2018, the world's largest study on leadership

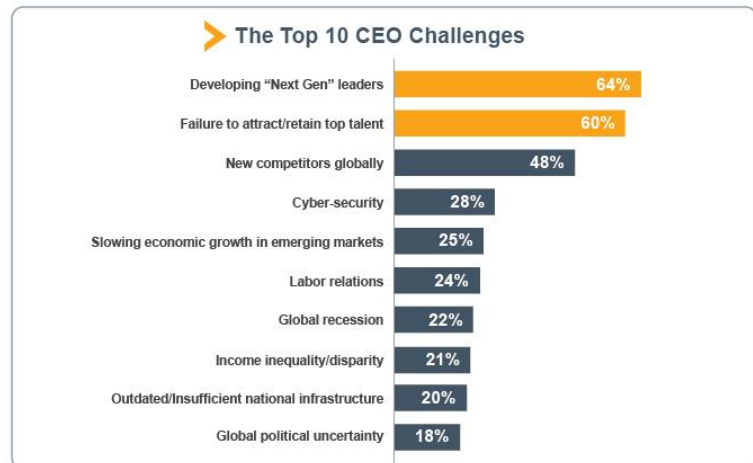
PITTSBURGH (February 7, 2018)—The biggest worry on executives' minds around the world isn't recession, global competition, or labor relations. It's not even cyber-security.

New data shows that what's keeping C-level executives up at night is their people strategies.

Published today, the [Global Leadership Forecast 2018: 25 Research Insights to Fuel Your People Strategy](#) revealed that C-level executives rank developing "next gen" leaders and failure to attract and retain top talent as their biggest challenges in the coming years by a wide margin. In fact, only 14 percent of CEOs believe they have the leadership talent to execute their strategy.

Produced as a collaboration between [DDI](#), [The Conference Board](#), and [EY](#), the 2018 Global Leadership Forecast is one of the most expansive leadership research projects ever conducted. Now in the eighth edition since DDI published the first GLF in 1999, this year's study includes data from **25,812 leaders** and **2,547 human resources professionals** at **2,488 organizations** across **26 industries** worldwide.

"If you're deeply concerned about your organization's lack of leadership capability, you are in the clear majority," said Evan Sinar, chief scientist and vice president of DDI, and lead author of the GLF. "The tremendous amount of data we collected in this study shows that as digital disruption continues to transform the workplace, we're facing a massive leadership shortage worldwide. The good news,



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however, is that the research also reveals a clear road map of how organizations can start changing their people strategies today to excel tomorrow.”

The full GLF report delivers 25 deep insights about corporate leadership around the world. Among these insights, six leadership mega-trends emerged:

1. Digital is reshaping the workforce

Key finding: Digital pioneers—defined as the top 25 percent of organizations with the strongest digital leadership capabilities—[financially outperform](#) other companies by 50 percent.

The impact of a digitally transforming workplace influenced nearly every aspect of the research, revealing that organizations that have digitally-savvy leaders are significantly outperforming the average. In sync with the financial findings, the study showed that there are substantial [differences in leaders' skills](#) at organizations considered “digital pioneers” compared with “digital laggards.”

“Leadership, particularly in the current digital era, is of critical importance to our clients,” said Adam Canwell, partner, People Advisory Services, Ernst & Young Australia. “It is a top agenda item for CEOs and boards, who are looking for insights on how to embrace disruption to connect people and possibilities.”

2. Data is creating a more inclusive, agile, and fair workplace

Key finding: Organizations with more [women in leadership](#) are 1.4 times more likely to have sustained, profitable growth.

Successful organizations continue to [rely more heavily on big data](#) to inform their business strategies, and their people strategies are no exception. By tying [people analytics](#) to business results, organizations are seeing how greater diversity in leadership positively affects the bottom line, and how diverse leadership capabilities better prepare organizations to [handle disruption](#).

3. A diverse, purpose-driven culture defines success

Key finding: [Purpose-driven companies](#) outperform the market by 42 percent.

Culture emerged as a major driver of leadership success in the study. The data showed that, for [leadership strategies](#) to succeed, organizations must build solid cultural cornerstones, such as a clearly communicated purpose, peer [coaching](#), experimentation and psychological safety. Diversity also plays a major role in building a successful workplace, which includes embracing gender diversity, leveraging diverse mindsets, and understanding the relationship between [Millennial](#), [Generation X](#) and [Baby Boomer leaders](#).

“In this rapidly changing era of disruption, globalization and digitalization, leaders still need to deliver results and balance that with the need to insure performance, coach and develop people, be inspiring and engaging and nurture diverse talent...it's a tall order,” said Rebecca L. Ray, Ph.D., executive vice president of the Knowledge Organization at The Conference Board, and a co-author of the GLF. “The insights featured in the GLF form the needed blueprint for developing and enhancing these critical abilities.”

4. DIY doesn't work

Key finding: 55 percent of organizations in the top third for financial performance have formalized mentoring.

A “do it yourself” mentality leads to leadership failure. GLF data provided clear evidence that leaders are increasingly expected to work in [shared leadership environments](#), and that leaders increasingly need to build [relationships with mentors](#) to find success. Additionally, organizations that rely on a [self-directed, insular approach to learning](#) are failing to engage leaders in meaningful development.

5. Finding new sources of leadership potential is crucial

Key finding: Organizations that extend development of [high-potential talent](#) below senior levels are 4.2 times more likely to financially outperform those that don't.

In the past, organizations have often had a narrow definition of the “type” of person who has leadership potential, and have invested their resources into [developing a very small group of people](#) who meet that

criteria. The GLF, however, showed that organizations that take a broader view of leadership potential prove to be more financially successful, feature stronger top leaders and have more women in leadership.

6. HR is losing its influence

Key finding: On average, companies [excelling at people analytics](#) are 3.1 times more likely to outperform their peers financially. But as HR's digital skills continue to lag, attempts to adopt people analytics are increasingly failing.

Over the past three years, [HR's reputation has gotten worse](#), with more leaders now believing that HR is simply a “reactor” that executes commands rather than an “anticipator” that develops a people strategy that enables the organization's business strategy. One of the primary challenges is that [HR is failing to develop digital skills](#) on pace with technology advances, which undermines their ability and reputation to drive digital transformation across the workforce.

To explore the findings and download the complete Global Leadership Forecast 2018, visit <https://www.ddiworld.com/glf2018/>.

Study authors available for interviews:

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About DDI

DDI is a global leadership company that helps organizations transform the way they hire, promote and develop leaders at every level. With more than 100 industrial-organizational psychologists on staff, DDI has dedicated itself to the science and practice of leadership since 1970. Clients include half of the *Fortune* 500 and multinationals in every industry across more than 90 countries. To find out more information about DDI's leadership expertise, visit www.ddiworld.com.

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