

A CHANGE-READY ROADMAP FOR INDUSTRIES

Thought Leadership

You are the CEO of a highly successful Fortune 500 company. While your competitors are tangled in the weeds of business disruption, you reach unparalleled heights of performance, transformation, and innovation. Competitors gawk while you triple your revenue growth, achieve operational efficiency, and transform the lives of your stakeholders. You are holding the secret to success, and it's called adaptability.

To succeed in today's disruptive environment, companies need to cultivate adaptability. Change-ready companies not only embed adaptability into their structures and cultures, but they also develop adaptable leaders. In fact, Korn Ferry's ongoing change-readiness research found that industries ranked high on the World's Most Admired Companies (WMAC) list have leaders who score high across [the six organizing principles identified by the Change-Ready Leadership framework](#). In other words, the most successful, admirable organizations are also highly adaptable.

The six principles, called ADAPTS, help industries and companies become more adaptable. They [empower middle managers to facilitate change readiness](#) within themselves and their teams, in turn improving their organization's ability to perform and transform. Recently, Korn Ferry evaluated multiple industries using the ADAPTS model to assess how their managers scored across the six principles. Our findings reveal that while some industries excel on each principle, many have significant room to improve.



Understanding these relative strengths and weaknesses offers organizations a roadmap to thrive in a constantly changing business landscape. Here is an overview of how managers compare across different industries and actionable strategies to help them become more change-ready.

1. Adaptable Industries See the Future. Korn Ferry found that 61% of managers in the software industry and 68% of managers in the medical equipment, supplies, and technology industry excel on the Anticipate the Unexpected principle, which is all about the ability to foresee future changes, stay on top of trends, and deal comfortably with uncertainties. Comparatively, only 46% of managers in mining and metals and 48% of managers in construction meet the target score on this principle. Industries can better anticipate unexpected changes by building a culture of external orientation. For middle management, this means staying in touch with customers to form a deeper understanding of consumer behavior and trends. This will enable them to fulfill customer needs and notice when those needs start shifting. They can then anticipate changes in customer preferences, watch for future market disruptions, and improve overall change readiness.

2. Adaptable Industries See All Angles—and Hire Accordingly. While some industries succeed in Diversify Perspectives, Korn Ferry's research shows that industries score lowest on this principle overall. And yet, prioritizing diversity is more important today than ever, especially since the [current talent shortage](#) could lead to \$8.5 trillion in lost annual revenues by 2030. Industries that embrace diverse thinking fare better at attracting more talent and supporting innovation,

helping them avoid these shortfalls. Cloud services and durable goods were among the industries with the highest percentages of managers scoring well in Diversify Perspectives—at 59% and 58%, respectively. In contrast, only 42% of managers in construction and 45% in telecommunications excelled in this area. To improve on this principle, industries can hire diverse talent and create inclusive environments that welcome differing perspectives. Attracting early careerists is one method for supporting these practices and boosting diverse thinking. Younger workers value inclusion and globalization. Their passion and adaptability help industries challenge old assumptions and consider different viewpoints, effectively driving transformation and innovation.

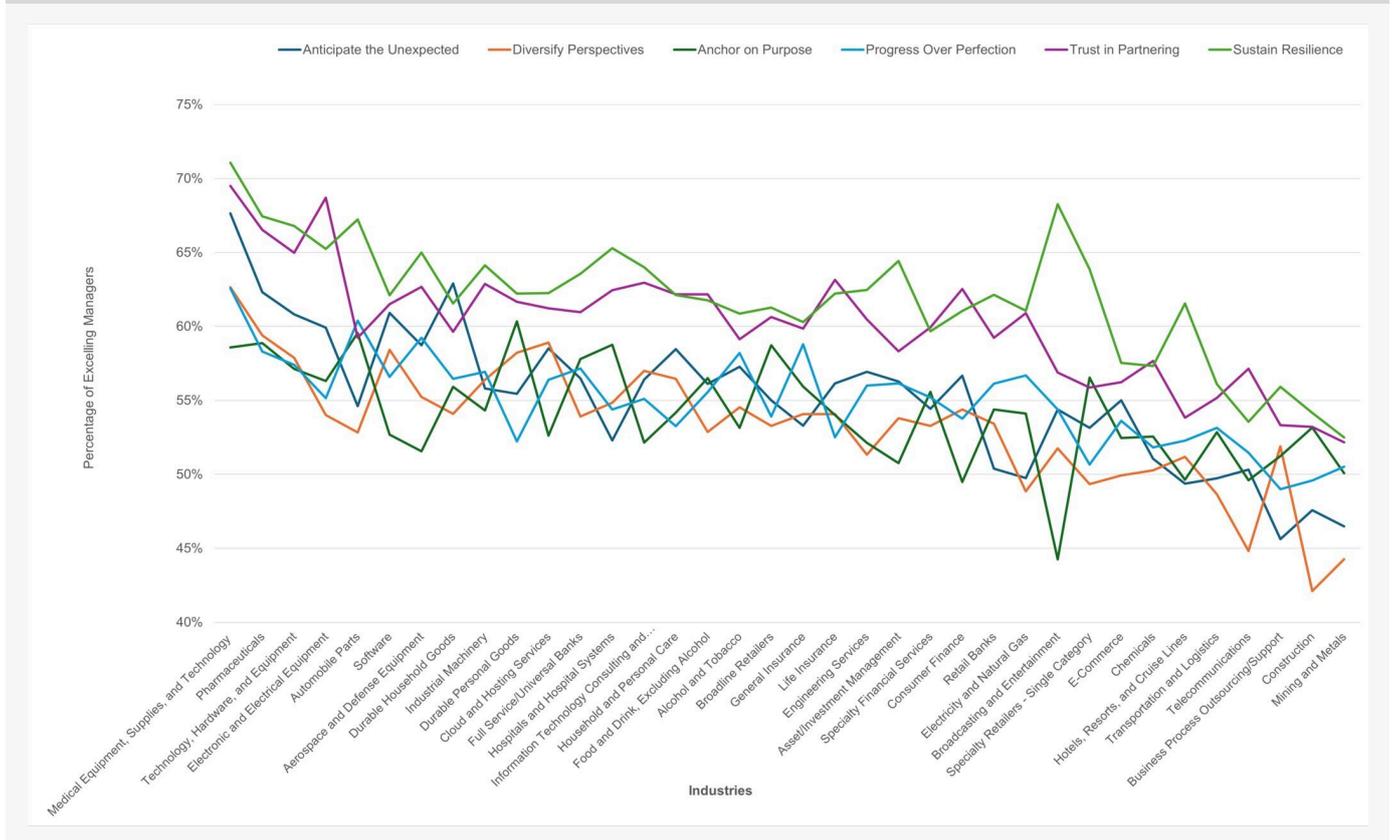
3. Adaptable Companies Align Their Goals with Their Purpose.

Organizations that excel in the principle of Anchor on Purpose have a strong sense of meaning and direction—they cultivate higher employee engagement, meet goals more effectively, and help workers feel grounded and confident during ambiguities. Korn Ferry found that industries such as automobile parts and broadline retailers score highly on this principle,

with 60% and 59% of their managers excelling, respectively. By comparison, only 49% of managers in consumer finance and 44% in broadcasting and entertainment meet the target. As Gen Z enters the workplace and remote work becomes more common, nurturing connection and engagement across the entire workforce is increasingly crucial. Companies can address this need by aligning their efforts with their purpose, using both established practices and new approaches. Employees become more productive and engaged when they see how their work supports the company's purpose, whether it is aspirational or concrete. Adaptable industries understand that while a company's purpose doesn't have to be revolutionary, it does need to be consistently prioritized to drive strong performance and transformation.

4. Risk Adversity is the Death of Action. The Progress over Perfection principle is all about taking action—putting that product on the market, trying that new production method, or starting that new project before all details are perfected. Industries such as aerospace and defense equipment and general insurance both have 59% of their managers scoring high on

Figure 1. Percentage of managers excelling at each ADAPTS principle by industry. Excelling means meeting or surpassing the target score, indicating change readiness. Managers must reach the target score to be performing adequately in a given principle.



Progress over Perfection. On the other hand, business process outsourcing and specialty retailers face challenges with this principle, with only 49% and 51% of their managers succeeding, respectively. To drive meaningful transformation, risk-averse industries must take proactive steps and adopt a mindset that embraces experimentation, even if it means facing potential challenges. Industries that aim for zero error can often inhibit innovation, stifle creativity, and limit growth opportunities because their focus on minimizing risks can lead to inaction. Adaptable industries understand that innovation cannot be achieved without setbacks, failure, and iteration. Instead of avoiding risks entirely, traditionally risk-averse industries should focus on managing them while remaining open to new ideas and approaches. This strategy will help them become more adaptable.

5. Innovative Industries Collaborate Internally and Externally. Industries that score high on Trust in Partnering, which focuses on networking and collaboration, utilize partnerships to harness collective intelligence and creativity. Compared to other ADAPTS principles, Korn Ferry data reveals that industries tend to score especially high in this principle. Over two-thirds of their managers score well in industries such as pharmaceuticals (67%) and electronic and electrical equipment (69%). A few industries struggle, with only 52% of managers in mining and metals and only 54% in hotels, resorts, and cruise lines excelling. Organizations should leverage partnerships to improve performance even further and to drive transformation. They should [encourage both internal and external collaboration](#) and build relationships across companies and industries. External partners, in particular, can offer fresh outside perspectives, insights, and guidance on business issues such as AI integration. In this quickly changing business world, growing a dynamic network of connections is crucial.

6. Transformative Companies Stay Calm—and Compassionate. To Sustain Resilience is to keep the ship moving forward. Companies that remain calm and focus on their goals during disruptions maintain resilience despite pressure. Korn Ferry's research found that 71% of managers in medical equipment, supplies, and technology and 68% in broadcasting entertainment score high on this principle, while only 52% in mining and metals and 54% in telecommunications excel. These industries can improve their resilience by calling upon one powerful and crucial tool: empathy. Resilient and adaptable leaders understand people—including themselves—[need breaks](#), guidance, and grace to

avoid becoming [overwhelmed and burnt out](#). Empathetic leaders provide emotional and structural support, allowing teams to maintain high performance and seek transformation during company highs and lows. Leaders help their teams stay resilient and adaptable in the face of challenges by cultivating empathy and supporting employee well-being.

Embrace ADAPTS For A Better Future

Adaptability is the compass that leads industries into tomorrow. By using the ADAPTS model, companies can identify, recruit, and develop managers who are prepared for change, even if they come from outside the organization. These adaptable leaders will help companies sustain performance and reach new horizons.

The strong link between WMAC and ADAPTS industry scores shows the critical role of change readiness in achieving success. Companies that prioritize adaptability will unlock vast opportunities for growth and transformation. Embracing the ADAPTS model is an excellent starting point for organizations to become more adaptable.

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About Korn Ferry

Korn Ferry is a global organizational consulting firm. We work with our clients to design optimal organizational structures, roles, and responsibilities. We help them hire the right people and advise them on how to reward and motivate their workforce while developing professionals as they navigate and advance their careers.