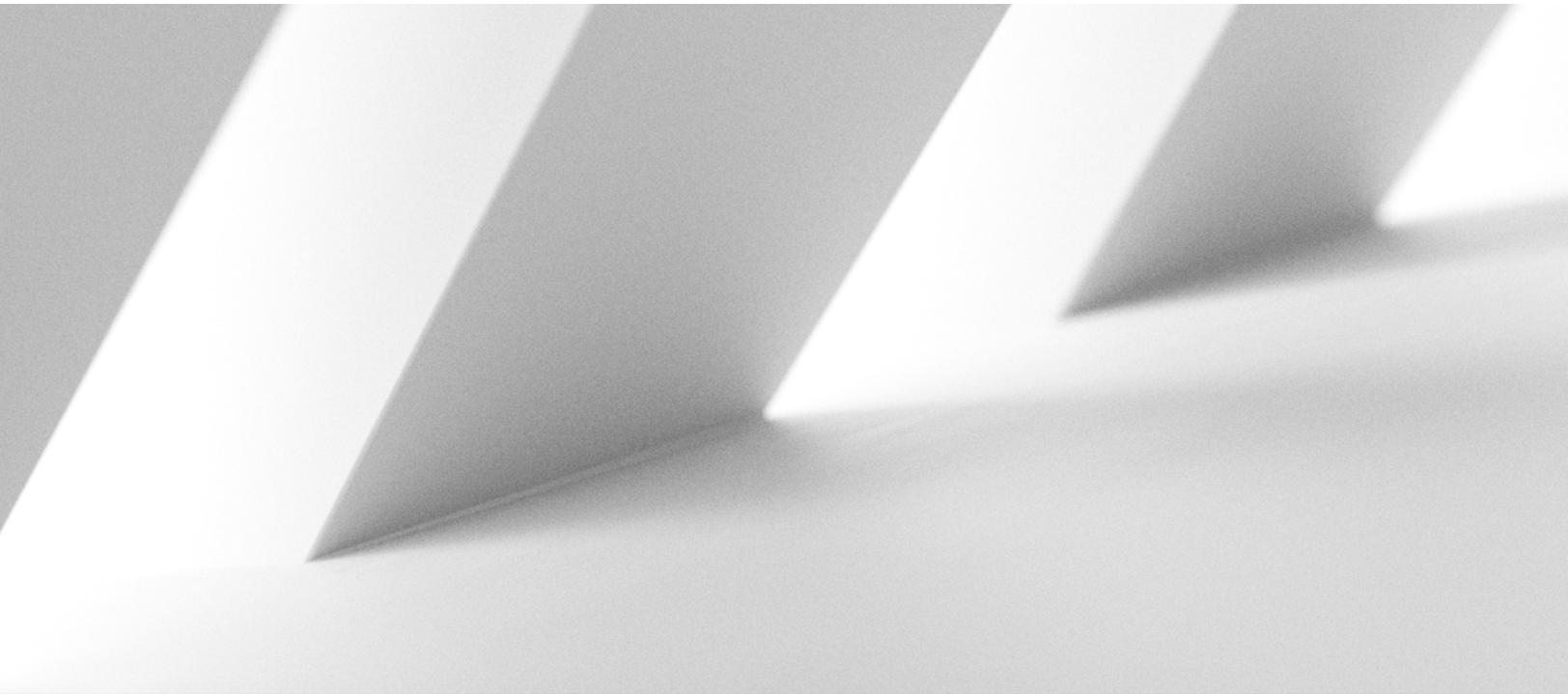


# Leadership/#Disrupted

A study of over six thousand senior executive assessments, benchmarking new indicators of effective leadership



This paper explores the growing importance of innovation leadership and inclusive leadership in banking. It is based on a study of over six thousand senior executives carried out over the past four years, and provides new perspectives on these indicators of forward-thinking leadership.

Part 1. Changing how to analyze and develop talent

Part 2. A new lens on leadership competencies

**Part 3. A new lens for identifying talent**

#### Dataset composition

**Total:** 6,111 executives

**Gender:** 4,417 male and 1,496 female executives

**Leaders:** 626 CEOs, 1,744 CxOs

**Regions:** 2,526 EMEA, 2,437 Americas, 940 Asia Pacific

**Sector:** 1,386 Financial Services, including 689 Banking

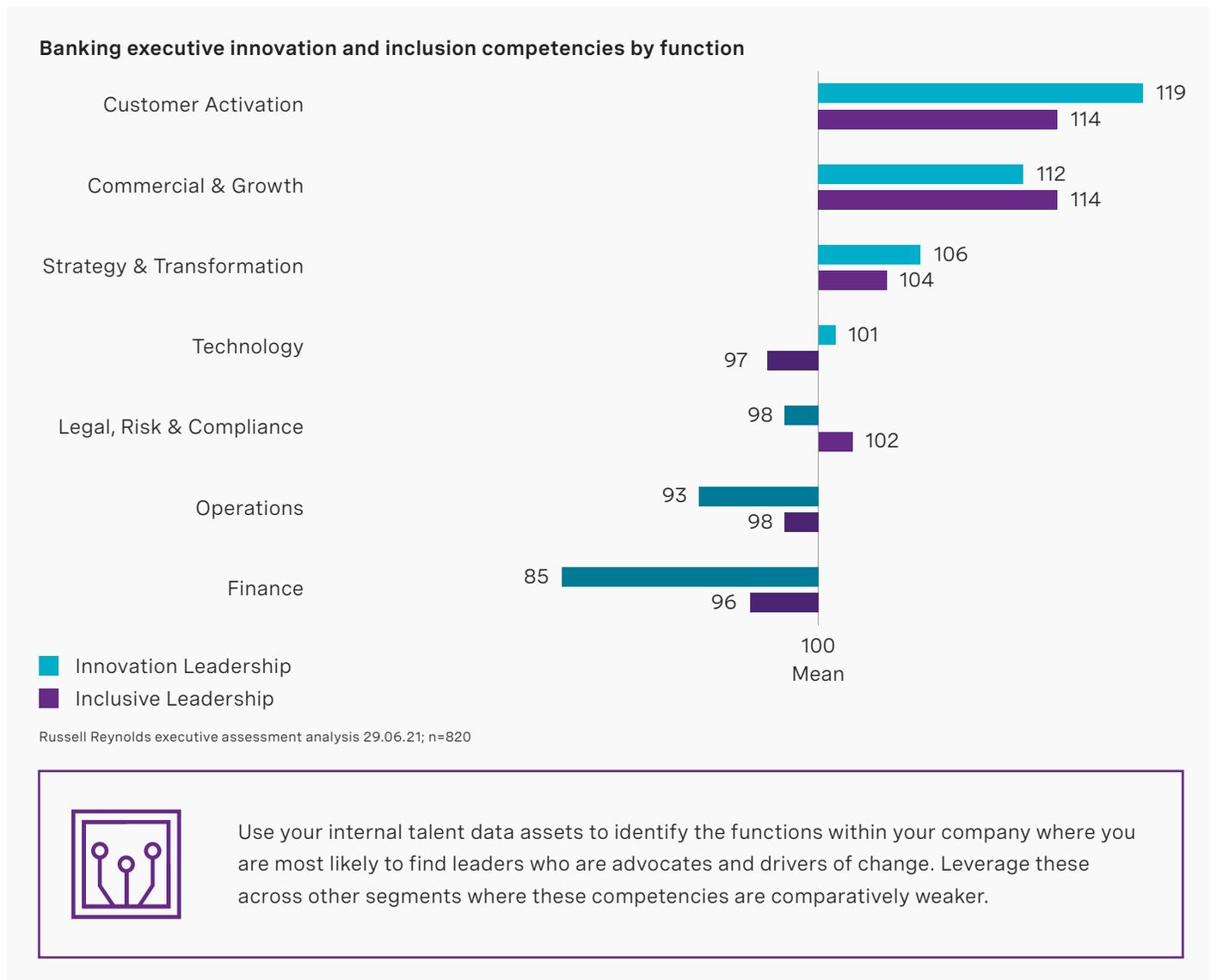


# Use Data to Uncover Strengths and Weaknesses

**Talent data can provide valuable insights as to where pools of desired competencies sit within an organization. It can help us to understand which functions are causing the greatest drag on transformation efforts, and those that are drivers of change.**

For banks, there is a critical need for innovation and inclusion leadership competencies to tackle the digital, social and cultural challenges the industry is presently facing.

Analysis of our benchmark of senior banking executives shows that there is a high degree of variance in these competencies across functions within the sector, with a particular division between customer-centric teams and those in the back-office.



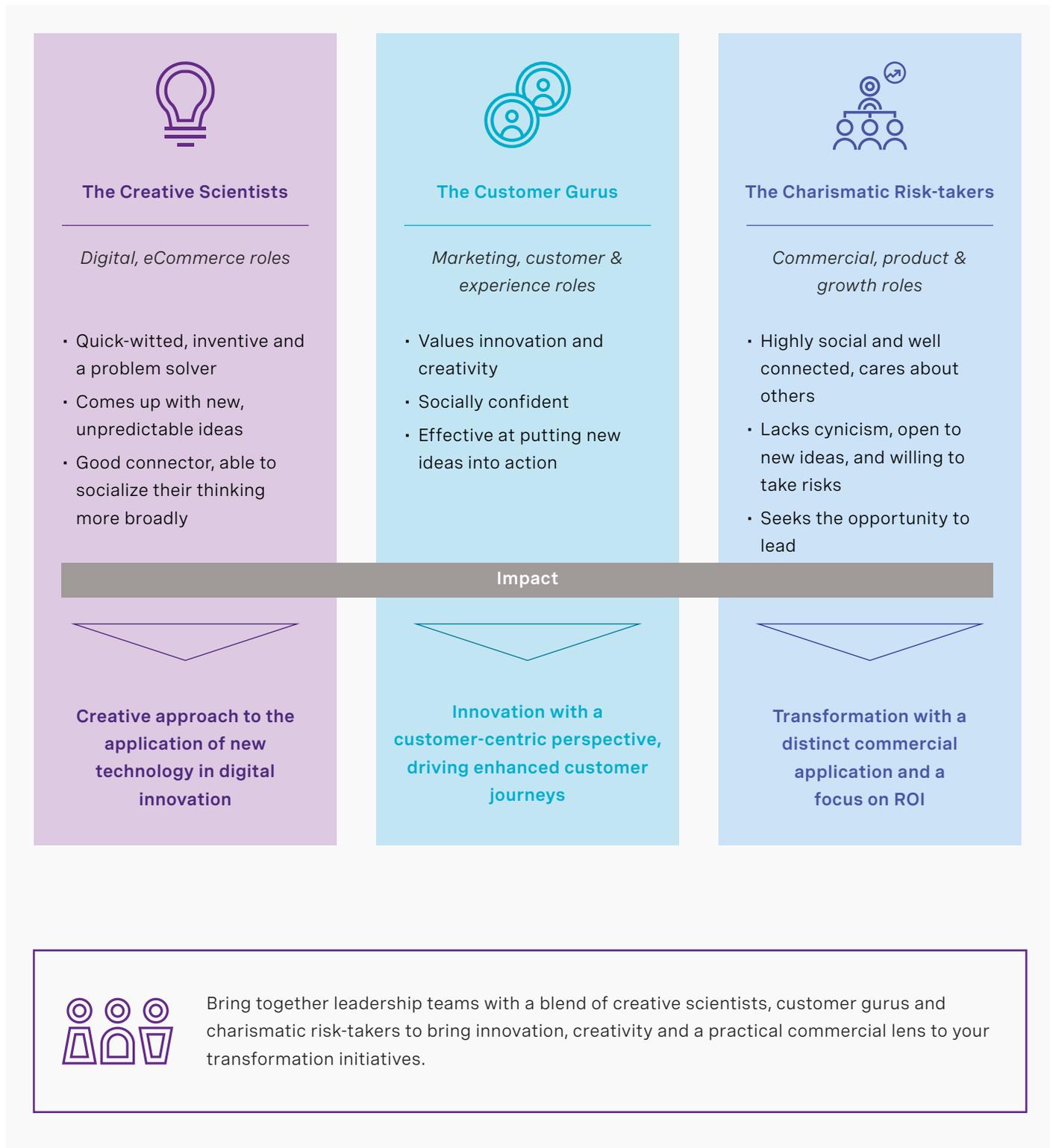
# Leverage Your Inclusive Innovators

**Our benchmark data highlights banking go-to-market functions tend to outperform significantly in both innovative and inclusive competencies.**

These are the organizations' experts in customer experience, engagement and insight, with the vision and discipline to scale up successful ideas. They are often immersed in new technology, particularly as it relates to customer activation and engagement.



Within these functions we see three leadership archetypes whose competencies can improve the overall effectiveness and efficiency of change initiatives.



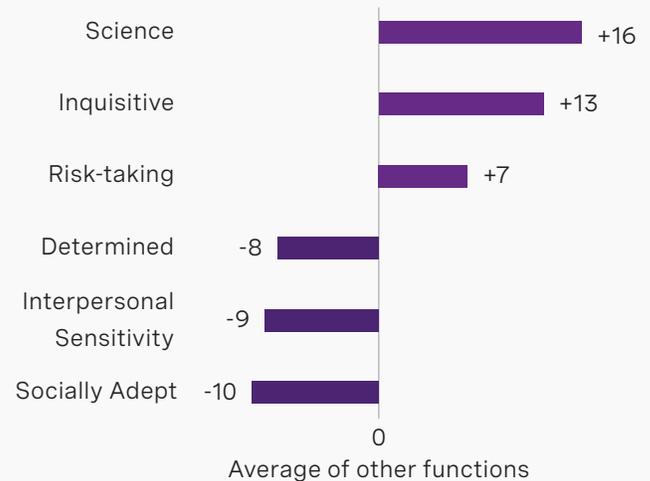
# Innovation Does Not Blossom in Isolation

## Technology functions are at the frontline of digital disruption in the banking sector, and the right leaders here can supercharge change.

Our data shows that, on average, technology leaders tend to offer strong innovative and disruptive competencies. This suggests that they are likely to be adept at experimenting with new technologies and new ways of doing things.

However, they tend to score lower on relationship and pragmatic-oriented competencies, and so may lack connectivity with the business and a sensitivity to the needs of its customers. This risks innovation being developed without a practical commercial or customer-oriented intent.

Banking technology assessment scores benchmarked against other functions



Source: RRA executive assessment analysis (2021); n=986

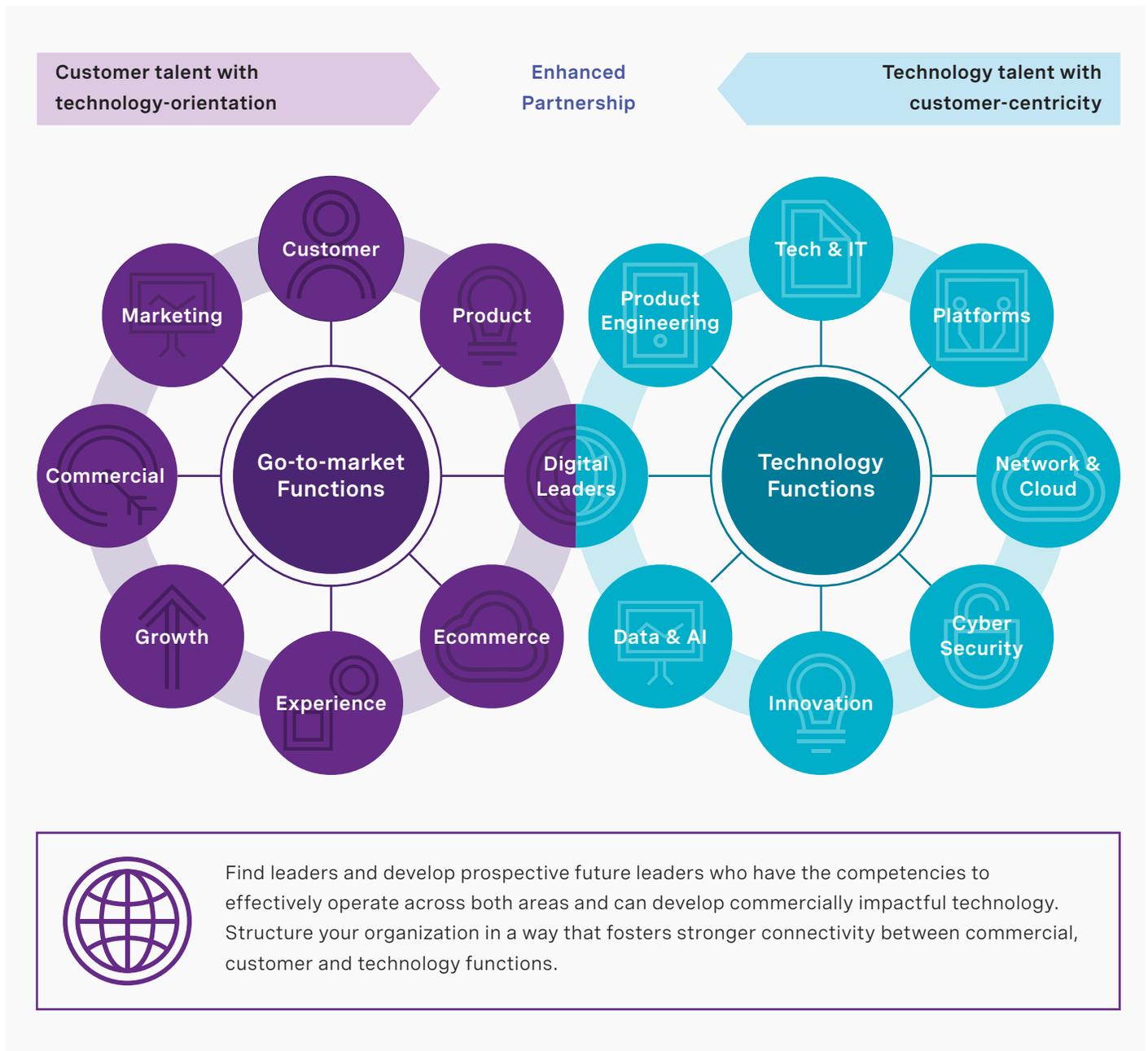


When hiring technology leaders, a focus should be on finding those who can navigate complex internal ecosystems and can partner with the business to design and deliver commercially applicable innovation.

# Foster Cross-Functional Partnerships

**We have seen digital transformation delivered effectively in banking and across other sectors where technology and go-to-market leaders have operated in close unity, to deliver digital solutions that meet evolving customer expectations.**

Digital leaders who can span across both - with an awareness of the potential applications of new technology, insight into customer needs, and of the practical side of service delivery - can supercharge the effectiveness of this partnership.



# Combine Data Sources For Greater Insight

**Changing the target competency mix can impact an organization’s ability to meet sales targets, deliver efficiency gains, develop new products, or even improve overall performance.**

Correlating executive competency data to these performance metrics can offer perspectives on what works best, and whether maintaining your current approach is good enough.

For example, indicative analysis of our dataset shows that companies in the banking sector with stronger innovation and inclusive leadership competencies have been more resilient through the COVID-19 period, with higher overall market capitalization growth.

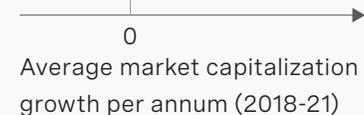
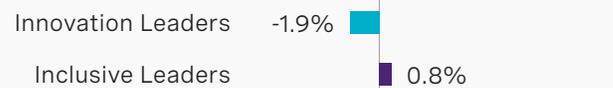
This insight allows us to better advise clients on how to find and develop leaders who will be more likely to have a beneficial impact on their bottom line.

## Banking firms with more competent leaders experience higher growth

### Above Average Firms



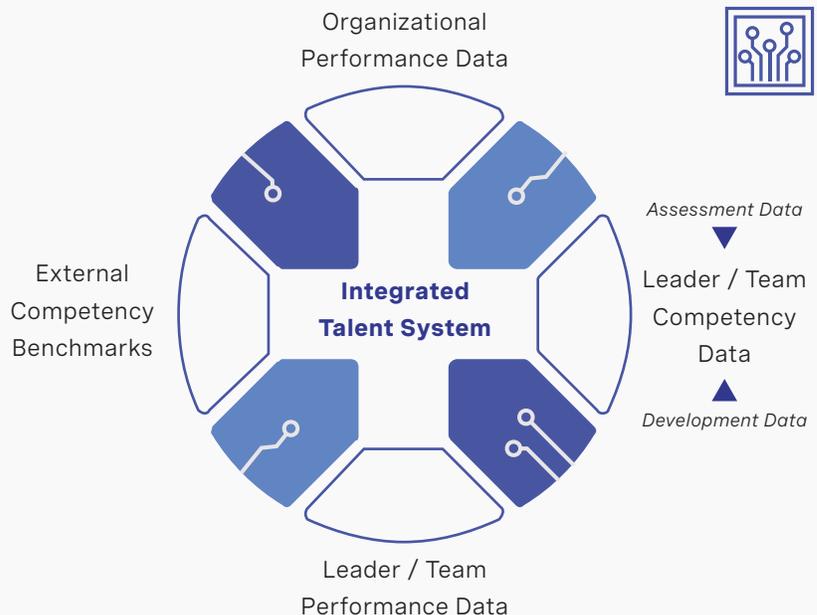
### Below Average Firms



Source: RRA Analysis; S&P Capital IQ (data 2018-2021); n=243

Design internal talent information systems to correlate competency and performance metrics. Key here is close collaboration between HR, technology and firm leadership to:

1. Map out the desired competencies that work within the specific context of your organization and its strategic objectives.
2. Build these in to a centralized and fully integrated talent data analytics platform to generate predictive and prescriptive insights.



# Appendix: Methodology

## Changing how we measure potential

**The methodology was developed by our in-house psychologists in partnership with Hogan Assessments. It is based on studies of “best-in-class” senior leaders, mapped to a 95 percent confidence interval, and synthetically validated against a dataset of 5.5 million executives.**

Innovation Leadership	Inclusive leadership	
<ul style="list-style-type: none"><li>• Innovative</li><li>• Disruptive</li><li>• Bold in leadership</li><li>• Socially adept</li><li>• Determined</li></ul>	<b>Intra-personal</b> <ul style="list-style-type: none"><li>• Identifying motivations, privilege &amp; acumen</li><li>• Reading situations/challenges</li><li>• Reflecting with empathy</li><li>• Holding self accountable</li></ul>	<b>Inter-personal</b> <ul style="list-style-type: none"><li>• Leveraging differences to win</li><li>• Fostering open dialogue</li><li>• Developing with feedback</li><li>• Holding others accountable</li></ul>

**These are derived from weighted aggregates of twenty eight psychometrics, normalized against our global senior executive assessment dataset:**

- Adjustment
- Aesthetics
- Affiliation
- Altruistic
- Ambition
- Bold
- Commerce
- Compliance
- Diligent
- Dutiful
- Excitable
- Grounded
- Hedonism
- Inquisitive
- Interpersonal Sensitivity
- Learning Approach
- Leisurely
- Power
- Prudence
- Recognition
- Reserved
- Restrained
- Risk-tolerant
- Science
- Security
- Skeptical
- Sociability

Please feel free to contact us to discuss any of these topics further

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# About Russell Reynolds Associates

Russell Reynolds Associates is a global leadership advisory and search firm. Our 470+ consultants in 47 offices work with public, private and nonprofit organizations across all industries and regions. We help our clients build teams of transformational leaders who can meet today's challenges and anticipate the digital, economic and political trends that are reshaping the global business environment. From helping boards with their structure, culture and effectiveness to identifying, assessing and defining the best leadership for organizations, our teams bring their decades of expertise to help clients address their most complex leadership issues. We exist to improve the way the world is led.

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