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Korn Ferry Research Shows Organizational Agility Top Strategic Priority for Companies on FORTUNE's Most Admired Companies Rankings

- Companies on List Continually Innovate to Capture Next Market Opportunity; Excel at Managing the Pace of Change -

LOS ANGELES--(BUSINESS WIRE)-- Organizational agility is a top strategic priority for organizations that made FORTUNE's list of the World's Most Admired Companies. That according to research conducted by Korn Ferry (NYSE:KFY) as part of the firm's partnership with FORTUNE on the project.

The World's Most Admired Companies (WMAC) rankings are the definitive benchmark on corporate reputation. Korn Ferry has partnered with FORTUNE for more than 20 years to provide deep insights into the business practices that make these companies highly regarded and successful. This year, the firm's research analyzed the steps WMACs are taking to build organizational agility.

Preparing for changes ahead

According to the Korn Ferry research, 95 percent of WMACs say organizational agility is a "critical" or "very important" focus area. Organizational agility is defined as a company's ability to adapt quickly to changing environments to maintain or enhance its market position. By far the dominant motivation reported by WMACs for focusing on organizational agility is responding to changing customer needs and requirements, followed by technological change and opportunities to disrupt the industry.

"It's not surprising that the World's Most Admired Companies are taking a proactive approach to embedding agility into their organizations," said Mel Stark senior client partner, Korn Ferry. "A hallmark of WMACs is consistently strong performance and reputations amid changing business conditions."

Organizations that are fully mature with respect to agility display well-developed approaches to defining opportunities and strategies, combined with strong organizational/people capabilities to anticipate or respond. WMACs are ahead of their peers in both areas.

World's Most Admired Companies Excel Compared to Peers

Korn Ferry surveyed 486 senior executives from companies that participated in the annual WMAC rankings. For the purpose of the study, WMACs were defined as those that are among the top 50 overall "all-stars" or ranked among the top three in their respective

industries. All other participating companies were considered “peers.”

Following are key findings regarding defining opportunities and strategies:

- Eighty-four percent of WMAC executives agree that their companies are always looking to innovate and capture the next market opportunity (as compared with 66 percent of executives from peer companies).
- Seventy-seven percent of WMAC executives indicate that their organizations do a good job of managing the pace of change to ensure that they focus on a reasonable number of priorities and initiatives (versus 59 percent of executives from peer companies).
- Sixty-five percent of WMAC executives report that their companies have effective mechanisms for capturing data and learning from both successes and failures (as compared with 50 percent of executives from peer companies).
- Seventy percent of WMAC executives note that their companies effectively shift resources (financial support, talent, managerial attention) away from less promising initiatives and toward more attractive opportunities (versus 61 percent of executives from peer companies).

Following are key findings regarding organizational/people capabilities and agility:

- Seventy percent of WMAC executives indicate that their organizations have a well-developed talent strategy that is aligned with business priorities (as compared to 59 percent of executives from peer companies).
- Importantly, in implementing talent strategies, WMACs take a forward-looking perspective. Seventy-one percent of WMAC executives report that their organizations have developed success profiles for key roles that define capabilities needed both now and for the future (versus 57 percent of executives from peer companies).
- Seventy-four percent of WMAC executives say that their companies evaluate learning agility in promotion and succession decisions (as compared with 66 percent of executives from peer companies).
- Eighty-eight percent of WMAC executives agree that in matching people to initiatives and teams, their companies value expertise over formal position (versus 74 percent of executives from peer companies).

“The World’s Most Admired Companies recognize that even in a world increasingly driven by technology, people remain the critical determinant of success,” said Mark Royal, senior director, Korn Ferry. “These exemplary companies look beyond current needs to develop the organizational capacity to respond in agile ways to opportunities and challenges ahead, with well-developed talent strategies and success profiles for key roles that emphasize the capabilities that will be required for the future.”

About the FORTUNE/Korn Ferry World’s Most Admired Companies research

Korn Ferry has collaborated with FORTUNE annually since 1997 to identify, select and rank the World’s Most Admired Companies and uncover the business practices that make these companies both highly regarded and successful. For more information on how the rankings

are determined, please view the full methodology on Korn Ferry's website.

About Korn Ferry

Korn Ferry is a global organizational consulting firm. We help companies design their organization – the structure, the roles and responsibilities, as well as how they compensate, develop and motivate their people. As importantly, we help organizations select and hire the talent they need to execute their strategy. Our approximately 7,000 colleagues serve clients in more than 50 countries.

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