

EXECUTIVE SUMMARY

THE BLACK P&L LEADER

INSIGHTS AND
LESSONS FROM SENIOR
BLACK P&L LEADERS IN
CORPORATE AMERICA



THE EXECUTIVE LEADERSHIP COUNCIL
The Power of Inclusive Leadership

The difficult truth.



Only **four Fortune
500 CEOs are Black.**

Four.

Today, only four Fortune 500 CEOs are Black—that's less than 1%. More than 10 years ago, there were seven. In five years, there may be none.

Even amid progress, corporate America is losing its diversity—and at a fast clip. Organizations have made strides to create more welcoming and inclusive cultures, and yet the number of senior Black executives, specifically senior Black profit-and-loss (P&L) leaders, continues to decline. In fact, fewer than 10% of the most senior P&L leaders in the Fortune 500 are Black. That has left the pipeline for Black CEO successors lower than ever before, with no real sign of change in sight. It's an alarming reality, one that Korn Ferry wanted to understand in greater detail.

The Korn Ferry Institute, in partnership with The Executive Leadership Council (ELC), interviewed 28 senior Black P&L leaders at Fortune 500 companies who are CEOs or report to CEOs and who have full remit over a significant P&L operation or the business itself. We analyzed these structured interviews, as well as leveraged the results of Korn Ferry's Four Dimensions of Leadership (KF4D) psychometric-based assessment, which nearly three-quarters of leaders completed.

Key findings.

What we've found is that all roads lead to bias against Black leaders' readiness. Unlike their counterparts, Black executives are often perceived by the majority as not having the intellectual rigor or leadership ability to manage large, highly complex P&L positions. But we learned that the leaders who participated in this study are among the most driven executives in corporate America. They are not only ready to take on tomorrow's business challenges but are in many ways as strong as, if not more effective than, many of their peers. They believe in their companies' missions. They're driven to make an impact. They're determined to succeed—and pave the way for those coming up behind them. The senior executives in our study systematically manage and take down headwinds that have the potential to get in their way. They forge ahead despite the obstacles and turn setbacks into growth opportunities. They walk into the office every day with confidence, courage, and commitment, prevailing and accomplishing what few others do.

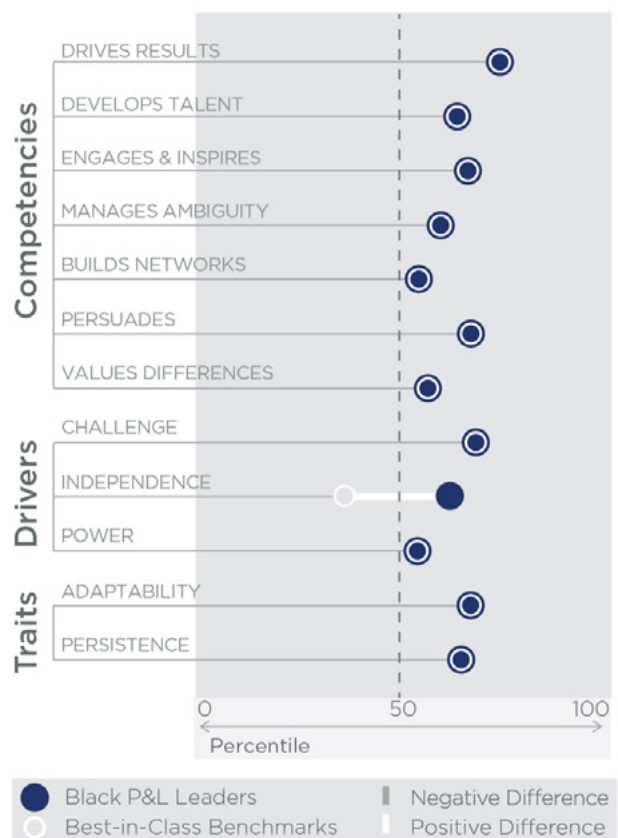




Best-in-class leaders.

Black P&L leaders match or exceed Korn Ferry's KF4D best-in-class benchmark profile for senior executives.

Black P&L leaders match or exceed the best-in-class benchmark in many ways.



© Korn Ferry 2019. All rights reserved. | 20 leaders were assessed with KF4D.

Masters of their own destiny.

Leaving their careers to chance was never in the cards for 60% of these Black P&L leaders. They took highly strategic, analytical, and planful approaches to their professional development, taking the initiative and being accountable for their career progress. These executives made deep, personal commitments to gain the skills and experiences they needed to succeed and overcome barriers and challenges.

Willing to risk it all.

Many of these Black P&L leaders weren't afraid to put everything on the line, even if it meant possible failure. More than 80% of the executives said they've taken risks because they knew they would gain something of higher value. Perhaps it was a more visible position where they could have greater influence on the business; an opportunity to build or strengthen a valuable skill set to be effective in their current or future roles; or personal fulfillment in conquering a big challenge that would impact the future of their companies or the marketplace in which they operate.

Not easily shaken.

The Black P&L leaders didn't let setbacks *set them back*. Instead, they powered through obstacles and challenges, and faced adversity with maturity and grace. Many of these executives were guided by something much higher than themselves, whether it be a passion for their company's vision and purpose or their spiritual faith. Whatever it was, these executives found sources of inspiration to persevere, stay focused, and keep looking forward, never taking their attention off the business.

A need to overperform—and outperform.

Being Black in corporate America means confronting misperceptions about skills and performance. Nearly 60% of the Black P&L leaders we interviewed reported having to work twice as hard—and accomplish twice as much—to be seen on the same level as their colleagues. Yet the executives in our study said, despite their success, they had to repeatedly perform well in tough assignments before they could climb the corporate ladder. The Black P&L leaders always had to demonstrate their capabilities and point out what they've already done, rather than have leadership take a chance based on their potential.

Punching above their weight.

Sometimes, the smartest move a person can make in their career is to run toward the fire—not away from it. And that's exactly what many of these Black P&L leaders did: 50% of the executives said they intentionally sought out

tough projects with P&L responsibilities that would challenge them both professionally and personally, thus giving them greater visibility within their organizations. They were proactive in taking on complex stretch assignments that built skills and accelerated self-development, and embraced the opportunity to grow from difficult work situations.

Beating the odds.

Many of these Black P&L leaders broke through the glass ceiling only to find themselves standing on a glass cliff. In order to “prove their value” to the organization, they were given high-risk assignments where few could have succeeded. In fact, 36% of the executives said they were assigned extremely tough projects that no one else wanted to handle and that had a high risk of failure. What's more, many of these Black P&L leaders were given these risky assignments under the unspoken assumption that it was in order to prove their worth.

Sponsors are critical.

Even with all the fortitude demonstrated by these P&L leaders, they also knew they could not make it by going at it alone. They recognized and understood the importance of having key people in their corner. Nearly 86% of the Black P&L leaders said having a sponsor was indispensable to their career progression. Their sponsors opened doors and provided exposure, which helped move the Black executives into bigger positions and advance their careers. Their sponsors also promoted Black executives—or advocated for promoting them—which granted the P&L leaders access to opportunities and critical relationships that ultimately helped them gain the credibility required to advance.

Why it matters.

These Black P&L leaders are not an anomaly. High-performing Black talent exists at all levels across the corporate community. Yet despite investing in large-scale diversity and inclusion (D&I) initiatives, firms are still not bringing enough Black talent into the leadership pipeline. Instead, Black executives are more likely to be positioned in functional roles (think head of human resources, director of corporate social responsibility, or chief diversity officer) that are less likely to lead to a chief executive position.

By overlooking Black executives, especially those who have the potential to be P&L leaders, companies are missing out on an important source of leadership talent—one that, when leveraged fully, can drive superior results. After all, studies have found that diverse and inclusive organizations outpace the competition. Just consider the numbers: data shows that companies with ethnically diverse executive

teams are 70%¹ more likely to capture new markets than their less-diverse peers. If that isn't enough, they also generate 38%² more in revenue from innovative products and services.

A sound business strategy alone won't grow a business. One factor critical to a company's success is having a diverse mix of talent who can tackle the complex challenges the organization will face now and beyond the horizon. And at a time when new technologies transform markets in the blink of an eye, there's never been a greater need for leaders who can contribute the new ideas, strategies, and approaches that are required to win in a dynamic and global business environment.

To maximize those profits, organizations will need to cultivate an engaged workforce that leads to a truly diverse and inclusive C-suite. If they don't, then they will only hurt their bottom line.

Find out more.

Read the full report at www.kornferry.com/institute/the-black-p&L-leader for:

- **More detail on our findings.**
- **Insights on what organizations can do to both remove the headwinds facing Black P&L leaders and build a more diverse leadership pipeline.**
- **Advice for aspiring Black P&L leaders on what they can do to break through the glass ceiling.**

¹ Innovation, Diversity and Market Growth, Center for Talent Innovation, 2013.

² The Mix that Matters, The Boston Consulting Group, 2017.



About Korn Ferry

Korn Ferry is a global organizational consulting firm. We help clients synchronize strategy and talent to drive superior performance. We work with organizations to design their structures, roles, and responsibilities. We help them hire the right people to bring their strategy to life. And we advise them on how to reward, develop, and motivate their people.

About The Executive Leadership Council

The Executive Leadership Council (ELC) is a national organization of more than 800 members who are current and former Black CEOs; senior executives at Fortune 1000 and Global 500 companies; as well as entrepreneurs at top-tier firms and global thought leaders. Established in 1986, The ELC has worked to build an inclusive business leadership pipeline. The ELC empower Black corporate leaders to make significant and impactful contributions in the global marketplace and their communities.