



Are You a Generative Leader?

To BCG's network around the world,

I have never seen such a rapid increase in what's expected of leaders as I have in the past few years—with no sign of a slowdown to come.

Looking beyond high business-performance demands, and even beyond the pandemic, leaders are facing pressures driven by the imperative of environmental stewardship; rapid growth in digitization and AI; deteriorating geopolitics; new work models; heightened employee wants and needs; and diversity, equity, and inclusion goals—along with increased expectations for greater CEO and company visibility on controversial issues.

In BCG's extensive research into leadership success, we've seen a long-term trend, now sped up, that calls upon leaders to shift away from an extractive style (squeezing the most out of the organization to drive results) and toward a [generative approach](#), with a focus on building the capacity of the organization to rapidly adapt, live its purpose, and grow.

Generative leaders are motivated by the belief that supporting employees, society, and the planet should be at the core of the business agenda. And data consistently shows that companies that actively work to generate value for a broader set of stakeholders tend to deliver better returns to shareholders, too.

How can you tell if you're a generative leader? Here are some example questions to consider:

- Do you take time to reflect on the purpose of your organization at the end of meetings with teams? Do you remember to acknowledge those who are going above and beyond to contribute to that purpose?
- Are you regularly asking for suggestions from customers, suppliers, employees, and societal stakeholders on how to improve your organization's positive impact?
- Have you challenged your team in the past six months on how your organization can shrink its carbon footprint by half? Accelerate circularity? Be nature positive?
- Do you solicit feedback on the effectiveness of your meetings and work to ensure broader participation and genuine inclusion?
- Do you check in with your teams to make sure they have the technology and data they need to supercharge their work?
- Are you increasing your own skills in areas such as AI, big data, and virtual collaboration tools—and remembering to share what you've learned with your teams?

Leaders who answer “yes” to questions like these are modeling generative behaviors—leading with [their head, their heart, and their hands](#)—and also frequently driving outsize business performance. A couple examples:

In order to move Italian utility Enel into renewable energy, CEO Francesco Starace made a number of remarkably bold moves, including encouraging team members to spend 20% of their time on innovative projects, introducing a “my best failure” initiative to promote creativity and encourage risk taking, and launching a crowdsourcing platform that allows outsiders to propose solutions to different innovation challenges.

This kind of generative approach advocates and celebrates team leadership, not heroic individual leaders. Six years after launching this program of reinvention, Enel became the world's largest supplier of renewable energy—and increased its market value by 2.6 times.

Or take the well-known example of Satya Nadella and his remarkable tenure as Microsoft's CEO. Nadella set out to transform the company's adversarial culture into an environment focused on a growth mindset, collaboration, an obsession with the customer, and DEI—while also thoughtfully and boldly contributing to society on technology challenges and beyond.

While pressures on leaders are multiplying, adopting a generative model also can be

more rewarding, energizing, and fulfilling. The article below lays out how to put generative leadership into practice and provides more examples of teams that are pursuing a better vision for the workplace, society, and the planet and creating stronger, more sustainable businesses as a result.

Until next week,



Rich Lesser
Global Chair

Further Reading



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