

The Three Conditions That Matter Most for Transformation



Most transformations don't fail because of poor strategy. They fail because the organization isn't set up to change.

Leaders often focus on refining strategy, restructuring teams, and launching new initiatives. But even the most well-designed plans stall when the underlying **conditions for change** aren't in place.

Our research shows that transformation success depends less on leaders' plans, and more on whether they [genuinely believe in the change](#). This aligns with our experience working with clients, where this gap is often rooted in a disconnect in belief. While many leaders understand the need for change, fewer are deeply convinced or able to instill that conviction across the organization, or actively create the conditions that allow change to take hold.

Russell Reynolds Associates' [Transformational Leadership Study](#) reveals that only about one in three (29%) of leaders believe their organization has been extremely or very successful in their transformation efforts, despite a large majority (79%) of leaders agreeing that transformation is extremely or very critical to their organization's long-term growth and stability.

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So why is success so elusive?

Perhaps one of the biggest barriers is [organizational inertia](#). As leaders, you know better than anyone that changing the status quo—even within small portions of the business—is extremely hard. Yet, even when the right systems of transformation are in place, deeply ingrained ways of working can derail the most thoughtfully designed transformations. That's why creating the conditions for change is such an important leadership responsibility.

Methodology

Drawing from dozens of interviews with CEOs and using survey data from our 2025 Transformational Leadership Survey with over 1,000 executives—CEOs, C-suite leaders, and next-generation leaders (one to two levels below the C-suite)—we identified 27 organizational dimensions spanning culture, talent, structure, hierarchy, and communication that influence transformation outcomes.

Next, via our survey, we gathered data on how leaders scored their organizations on these dimensions. Using a factor analysis—a common statistical technique for detecting common themes within data—we isolated eight distinct factors, or conditions for change.

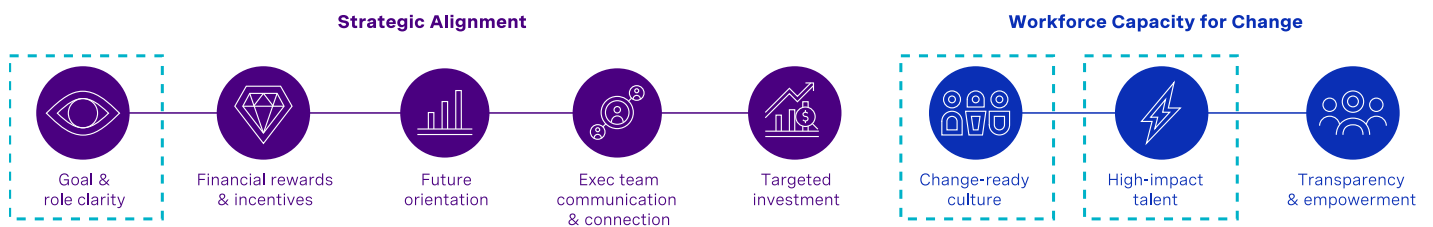
We then conducted a relative importance analysis to link these conditions for change to transformation outcomes. Transformation outcomes were determined by leaders' rating of their organization's transformation efforts on a 5-point scale from 'not at all successful' to 'extremely successful.'

METHODOLOGY

The three conditions that drive transformation success

By linking the conditions for change to transformation's outcomes, a clear pattern emerged. While all eight factors play important roles, three consistently have a disproportionate impact on success. Together, they account for more than half (56%) of the difference between transformations that stall and those that deliver lasting results.

Figure 1: The eight organizational conditions needed for transformation—and the three that stand above the rest



Source: Russell Reynolds Associates 2025 Transformational Leadership Survey



Condition #1: Change-ready culture

Change-ready culture rises above the other factors we measured, displaying the most influence over transformation success. This is not about waiting for change to happen; rather, it is about maintaining a constant state of readiness, being adaptive, and driving continuous evolution.

We define culture as the values and behaviors that shape how work gets done. In this context, a change-ready culture encourages individuals to challenge long-held assumptions, to rethink established processes, and to experiment without fear of negative consequences. A change-ready culture should foster continuous learning and improvement, even when familiar ways of working feel safer or more efficient. Questioning the status quo is not disruptive; it is expected.

In our interviews with CEOs who have led successful transformations, they describe culture as a direct function of the leadership team and their behaviors. It begins with clearly articulated values around innovation, experimentation, and curiosity. Moreover, those values need to bleed throughout the organization. Developing a change-ready culture requires leaders (especially the CEO) to humbly model these values, setting aside ego and remaining open to learning.

Practically, this means transformation is not just a top-down directive, but a shared organizational responsibility. Leaders must position it as an opportunity, not merely an initiative, and empower teams to take ownership rather than wait for instruction. This also means giving your teams space for creative risk-taking and room to fail.

While it is one of the most important conditions for successful transformation, it is also one of the most difficult to get right. On average, the leaders we surveyed rated their organizations' ability to drive a change-ready culture as a relative weakness.



Condition #2: High-impact talent

High impact talent is the second most influential factor over transformation success. It highlights the importance of placing the right individuals in the right roles to drive transformation forward.

High-impact talent includes employees who are highly motivated by the organization's mission, who believe in their ability to make a meaningful impact on the organization's goals, and who bring (or can develop) the right skills for future success. This requires [evaluating current leaders](#)—from the C-suite team to those executing day-to-day priorities—and [investing in development](#) when there are transformation capability gaps.

The CEOs we interviewed emphasized the importance of reskilling their workforce—whether that meant building fluency in new technologies or evolving commercial capabilities. But reskilling is not simply a training program. Leaders must create an environment where their teams embrace ambiguity, challenge historic ways of working, and focus on continuous learning.

At the same time, several CEOs acknowledged that reskilling alone is not always enough. In some cases, transformation requires difficult decisions around leadership team structure and composition. It can mean reshaping the top team, replacing leaders who are misaligned with the future direction of the organization, and bringing in individuals who offer critical experience or new perspectives. For many of these CEOs, these early decisions set the tone for the rest of their transformation journeys.



"You need to combine people who have been at the organization for many years and understand there's no alternative but to move in this new direction with people who understand the new world you're heading into. That's why we brought in talent from the cloud, cybersecurity, and internet of things sectors and put them together."

José María Álvarez-Pallete López

Former CEO and Chair of Telefónica S.A



Condition #3: Goal and role clarity

Goal and role clarity consists of establishing clear performance metrics, well-defined roles and responsibilities, and a shared understanding of the organization's direction among the executive team. It converts belief in the transformation into coordinated action.

In our experience working with clients, many organizations are still running transformations on legacy operating models built for incremental change. This limits their ability to move quickly, remove barriers, and continuously reprioritize as conditions evolve. Increasingly, leaders need to shift towards more dynamic operating cadences, with faster decision-making, greater cross-enterprise alignment, and more frequent reassessment of priorities.

To do this, the CEOs we interviewed described a range of clarity-building tactics, particularly among the senior leadership team. Many emphasized the importance of ensuring every leader fully understood the “why” behind the need for change. In practice, this took different forms: regular discussions about market dynamics and the evolving competitive landscape; structured leadership development programs; or deliberate encouragement of constructive debate. One CEO described intentionally sharing a bold perspective to spark open dialogue and test assumptions. These efforts deepen a leadership team's understanding of challenges and opportunities—and help develop alignment around priorities.

While creating alignment and clarity may seem straightforward, overlooking this critical condition can quickly derail transformation efforts. True transformation cannot take hold without a shared and deeply felt understanding of the need for change.

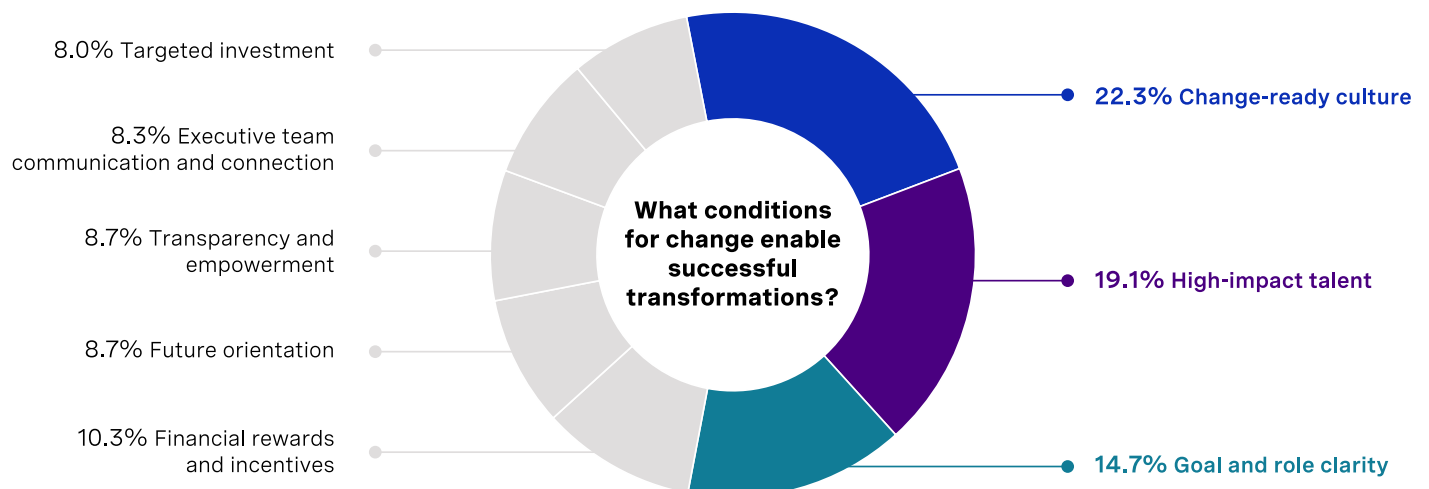


“I would thank people for disagreeing and debating in the executive team in private. But once we made a decision, whether it was unanimous or not, everyone left that room with a united voice about the decisions we made.”

James Hackett

Former CEO of Anadarko Petroleum

Figure 2: Relative impact of factors on transformation success



Source: Russell Reynolds Associates 2025 Transformational Leadership Survey | Among CEOs, C-level leaders, and next-gen leaders (n=1,245) | Note: This analysis shows which factors are most influential relative to others. Lower-ranked items may still matter—they simply exert less relative impact in this context.

How do successful leadership teams create the conditions for change?

Our interviews with current and former CEOs who have led successful transformations revealed a range of tactics, but also saw a set of common principles and practices emerge that underpinned the objectives of those tactics:

01 Relentless communication of vision and purpose

Transformation requires clarity. Leaders must continuously articulate and reinforce the “why” behind the change to inspire at every level. The CEOs we interviewed achieved this through consistent storytelling that brought the change to life, regular leadership touchpoints and town halls that maintained alignment, and structured learning opportunities that deepened understanding of why change is necessary.

02 Change one chapter at a time

Our interviewees emphasized that effective transformation must be broken down into manageable phases. This requires setting near-term goals that clearly connect to the long-term vision, designing processes that are both sustainable and engaging, and fostering a culture of discovery in which progress is deliberately recognized and celebrated.

03 Align incentives to enterprise outcomes

In our interviews, CEOs consistently pointed to incentives as a critical lever for driving behavior change. It reinforces the behaviors you want to see by anchoring everyone around clear metrics that keep focus sharp and teams moving in the same direction. This often involves evolving compensation, KPIs, and recognition systems that reinforce collective (rather than siloed) success.

04 Model the behaviors you want

Leaders ultimately set the tone for behaviors that cascade throughout the rest of the organization. In our interviews, CEOs highlighted the importance of consistently demonstrating the values and expectations they seek to embed. This includes building trust through transparency and vulnerability, maintaining a learning orientation, and giving deliberate attention to the interpersonal, or “softer,” dimensions of leadership.

05 Understand and actively manage culture

The CEOs we interviewed were clear: culture does not create itself. It requires deliberate structure and attention. In practice, leaders pointed to several approaches, including defining a culture score that tracks progress, engaging experts, such as psychologists, to conduct confidential interviews, and maintaining an open dialogue with employees through forums like focus groups and informal check-ins.

06 Unlock the power of many

Finally, CEOs emphasized that transformation succeeds when ownership extends beyond the executive team. This involves ensuring the right individuals, not just the executive team, are leading critical initiatives, maintaining regular executive meetings or informal check-ins, and reassessing priorities with progress and changing conditions.

Key Takeaways

- **Transformation success depends on leadership creating the right conditions, not just strategy**
Even well-designed transformation plans fail when organizations lack the underlying readiness and belief needed to support change.
 - **A change-ready culture is the strongest driver of success**
Organizations that encourage experimentation, continuous learning, and challenging the status quo are far more likely to sustain transformation.
 - **High-impact talent accelerates progress**
Having the right people in the right roles—along with a focus on reskilling and, when necessary, reshaping leadership teams—is critical to moving transformation forward.
 - **Clarity turns intent into action**
Clear goals, defined roles, and a shared understanding of the “why” enable faster decision-making, alignment, and execution across the organization.
 - **Leadership behavior sets the foundation for change**
Successful transformations are driven by leaders who communicate consistently, align incentives, model desired behaviors, and actively shape culture across the business.
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Authors

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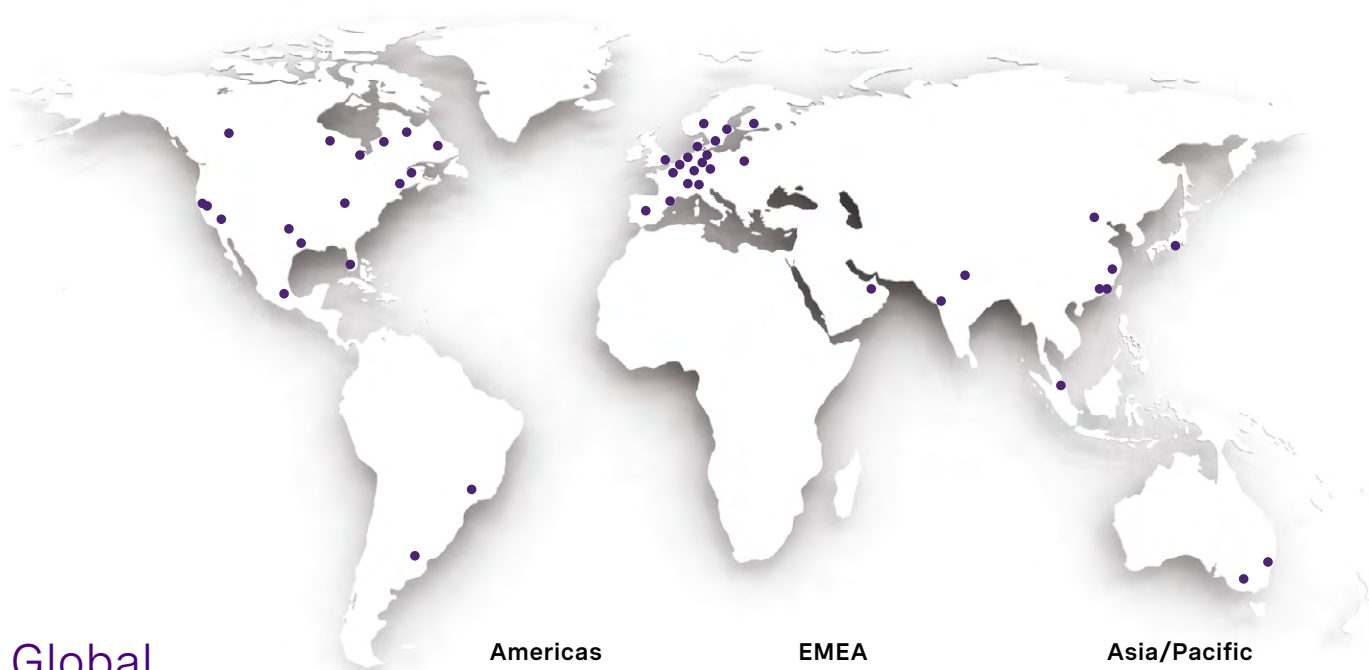
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