Longevity-Centered Leadership: Bringing Your People's Best within the Value Creation Management Agenda

Oleksiy Osiyevskyy
University of Calgary, Canada

Vladyslav Biloshapka
Kyiv National Economic University, Ukraine

Yuriy Sorochynskiy
CEO Nemiroff Vodka Co, Ukraine

Abstract

Corporate longevity depends on the organization's ability to sustain a winning business model by continually improving the value creation mechanisms to match the market dynamics amidst uncertainty. This paper underscores the critical role of "Winning Leaders" (characterized by an external focus of attention and an internal focus of accountability) in driving the value creation process as the foundation for organizational longevity. By leveraging the SVEO framework (Specificity, Validity, Executability, and Optionality) for strategizing within the value creation management process, we offer a roadmap for ensuring the sustainable support of longevity-centered leadership. Central to our discussion is the novel Attention/Accountability Matrix, which categorizes leadership attitudes and behaviors and illustrates how organizations can identify and transition managers from non-productive zones to the Winning Leadership zone. We emphasize the importance of a high-performance culture and the development of a robust leadership pipeline, where top executives mentor and cultivate future leaders capable of multi-scenario strategizing and proactive value creation. These insights provide a practical approach for sustaining competitive advantage and offer implications for reshaping business education to foster customer-focused and resilient leadership across organizational levels.

Introduction

Established large and medium companies are the foundation of the national economy, providing stability, employment, investment in innovations, tax revenues, and retirement safety. However, the longevity of these organizations in the Western World has been rapidly declining in recent decades,[1,2] with failure trends accelerating due to recent COVID-19 pandemics and current challenges to globalization and established world order. Not surprisingly, corporate mortality is becoming a significant concern for business leaders, institutional investors and governments.

It is well-established that long-term organizational prosperity hinges on a healthy, "winner business model" that delivers outstanding customer value while simultaneously providing fair profit or share growth for investors.[3,4] Yet, having 'happy customers' AND 'happy shareholders' cannot be taken for granted: No existing competitive advantage can guarantee long-term success, and no manager can perpetually rest on the laurels from past accomplishments. The winner state requires a company to be alert to changes in the marketplace (e.g., customers, rivals, technologies, regulations, and geopolitical environment), continuously innovating and improving the business model to match the changing environment. As such, the process of value creation management becomes the foundation of organizational longevity.[5,6,7]

The SVEO strategic agenda framework provides a structured approach to incorporate value creation management into the organizational strategizing process for achieving fit with the environment and ensuring organizational success in volatile and unpredictable contexts.[8] Within this framework, *Specificity* requires that strategic goals and business model improvements are clearly articulated, ensuring alignment among stakeholders and enabling precise implementation of innovative initiatives. *Validity* ensures that strategic plans are firmly rooted in data-driven insights and evidence, fostering the business model alignment with market realities and stakeholder needs. To turn strategy into reality, *Executability* emphasizes the practical steps needed to operationalize the strategic agenda through business model change. Finally, sustainable firm prosperity in an uncertain and multi-scenario future necessitates a commitment to *Optionality*,[9] implying developing and strategically leveraging the portfolio of key assets to enable growth ambitions irrespective of uncertainty of the future. Optionality is the firm-level mechanism for achieving antifragility,[10] entailing embedding flexibility into the strategic agenda and allowing the company to pivot and adapt to unforeseen changes while leveraging emerging opportunities. This involves developing scenario plans, maintaining versatile capabilities, and fostering an organizational culture that embraces agility and resilience.

In this process of continuous change and adaptation to an unpredictable future through setting the SVEO agenda, the crucial role belongs to the pool of leaders within the organization, which cannot be limited to the C-suite only. Indeed, as correctly pointed out in the Global Leadership Forecast 2025, "*organizations that fail to support and develop their leaders risk losing not just talent, but organizational resilience itself.*"[11] Moving from mere resilience to achieving prosperous longevity, we suggest the long-term health of a firm hinges on having the critical mass of top and upcoming leaders with an *internal focus of accountability* yet an *external focus of attention*;[32] these individuals ensure the continuous adjustment of the firm's business model and competitive position to the evolving customer needs, marketplace disruptions and the dynamics of internal organizational environment. Not surprisingly, maintaining an effective "leadership factory" is the first critical pillar of superior organizational health, according to McKinsey & Company.[12] Arguably, today's rapid decline in corporate longevity is explained, to a large extent, by the scarcity of such leaders on top and within the ranks of the organizations, with the vacuum filled in by the opposing management types.

How to nurture the leadership support for the winner business model state (i.e., superior customer and business value)? How to make sure that your company has a critical mass of leaders that can thrive in a multi-scenario, uncertain future by enacting the SVEO-based strategic agendas? The current paper provides a roadmap for creating and sustaining the winning leadership pipeline in the organization. For this, we discuss the challenges of maintaining the winning business models, the characteristics of leaders that can support this process (internal focus of accountability and external focus of attention), and the practical ways of selecting and developing emerging leaders.

Corporate Longevity: Who Can Lead the Value Creation Process?

Many great companies sooner or later achieve the aspired winner state, when the consumers' estimation of the received benefits exceeds the price paid, while the prices charged exceed the firm's costs. Yet, once this state is reached, the firm must employ specific strategies to remain there, lest the consumer value slips into a negative region, i.e., willingness-to-pay moving below price asked because of the competitor offerings or evolving customer needs.[13] History vividly teaches us that the value provided to consumers tends to erode with time. For example, the customers wanted bright colors and comfortable ride in a closed cabin, which Henry Ford failed to deliver in a timely manner after the initial spectacular success of the Model T. Similarly, Barnes & Noble and Borders have allowed their dominance in book retailing to blind them to the disruptive threat of convenient and low-cost Amazon's online bookselling value proposition. To avoid these failures and maintain prosperous corporate longevity, business leaders must constantly maintain the value creation process along two paths:[14]

(a) Benefit – maintaining the relevance of the customer value proposition, making it the best offer for the price asked compared to competitors

(b) Focus – clearly defining the primary customer that appreciates the firm's value proposition most and concentrating on serving this customer

The challenge is that value creation must be maintained not only in the present but also in the future. As such, the leaders must be able to develop and implement the strategies for a multi-scenario future (Optionality part of the SVEO framework); for this, they must be alert to the sources of strategic uncertainty. They must also be able to conceive of the future events in their firms' environments: e.g., foresee scenarios effectuated by possible crucial economic, political, regulatory, social, and technological advancements.[15] Furthermore, this strategic uncertainty should result in noticing and leveraging the opportunities for growth as opposed to threats to mitigate. This makes the value-creation opportunity in a particular future scenario a key unit of analysis in strategic decision making, aiming to expand the managers' decision-making horizon of options and to creatively leverage available constrained resources.

The primary question becomes: what kind of leaders can maintain the competitive value proposition's benefits and preserve a clear focus on evolving primary customer groups? In complex organizations, this kind of leadership cannot hinge on a single leader or a small leadership team; instead, it must be practiced across all levels of the organization.[16] In other words, the winning business model requires the development and support of capable leaders at levels acting as grassroots activators and agents of change to maintain fit with the changing environmental conditions.

Alas, the vibrant literature on leadership mostly concentrates on a top leader's characteristics and practices, intending to help practicing managers to become ones. However, this emphasis on becoming a "charismatic" (or "transformational," or "Level 5") leader largely misses the key point: Real leadership is about creating new leaders within your organization rather than improving the leadership capabilities of a single person or a small top management team. For example, Jim Collins's ideas of "Level 5 Leadership" portray the leader as self-effacing and incredibly ambitious for the organizational cause, but simultaneously modest, quiet, and reserved.[17] Although we fully agree that these are crucial features of an effective leader, this description largely neglects the need to nurture new leaders and move beyond the persona of the top manager. The winning business model is supported by the shift from “leadership by self-example” to “leadership by example of others.” The humbleness of Collin’s “Level 5 Leaders” is a necessary but not sufficient condition for this.

Ask yourself a simple question: what part of the notable changes in your business emerged from ideas originating NOT from the CEO or top management team? The answer to this test indicates the top management team’s ability to grow new leaders, which is a prerequisite for long-term organizational success in a winner business model stage. Of course, for some time, a company can leverage its charismatic leader, but without nurturing the new ones, its winner business model is not healthy and has limited longevity.

Manual management and control plague companies with charismatic leaders, where all changes originate in one place. Its opposite decentralizes the authority and responsibility for adjustment of the company’s value proposition benefit and focus; this approach ensures the continuity in the firm’s successful development and its organizational health. Consider the slow yet steady demise of General Electrics after Jack Welch’s departure: As the former GE director (and a billionaire co-founder of Home Depot) Ken Langone has recently noted: “*Jack ran the business. Jack to me was one of the finest managers I’ve ever since in my life. He knew everything about his business.*”[33] To Jack Welch’s credit, he was efficient in eliminating helplessness (which we discuss later) from General Electric; yet, even this was insufficient to set the company on the longevity path. Alas, this single-person-centered leadership style, although frequently yielding short-term performance, is detrimental to the winner business model’s long-term health. When examined through the SVEO framework, critical limitations of Jack Welch’s leadership approach become apparent, particularly with Optionality and Validity. His strategy emphasized operational specificity and immediate profitability but lacked the flexibility to adapt to unforeseen future challenges, such as shifts in global markets, technological disruptions, and changing stakeholder expectations. This narrow focus constrained GE’s ability to maintain long-term strategic resilience. Furthermore, Validity was compromised as the company’s leadership team failed to be alert to declining long-term appropriateness of the key assumptions underpinning GE's strategy – such as the perpetuation of market dominance and the sustainability of aggressive cost-cutting measures. Emerging from the brilliant mind of a single leader, these were not rigorously tested or updated in response to evolving external conditions. Without incorporating diverse scenarios and fostering a culture of adaptability among its leadership pipeline, GE struggled to sustain its competitive edge in the post-Welch era market by market and technology developments coupled with changes in consumers' generations.

Characteristics of a Potential Winning Leader

Realizing the necessity of growing a pipeline of emerging leaders, which candidates should get priority? What kind of current and future leaders can ensure constant improvement in the customer and business value of the business model within the established organization? Who can ensure that your company's future is not a hostage of the single, basic scenario of doing more "business as usual" while the turbulence of the marketplace makes this path obsolete? Fully agreeing with Michael Raynor about the crucial role of the corporate boards in this process,[18] we must also emphasize the need to ensure that effective optionality thinking is taking place within the strategic and operational management levels.

The key premise of this study, based on the combination of our experience and evidence from prior studies, suggests that the leaders of companies with prosperous longevity possess two characteristics: the external focus of attention and the internal focus of accountability.

The ***Focus of accountability*** reflects an individual's predisposition to **assume** or **escape** accountability for the consequences of their decisions and actions.

Box 1. Psychological Foundations of the Focus of Accountability Construct

Focus of accountability is the manifestation within the organizational context of the well-established individual psychological trait known as locus of control. Locus of control reflects the degree of an individual's deeply held belief that they have control over the outcome of life's major events.[19,20] Internal locus of control implies a belief that a person can control their life, with its major accomplishments and occasional failures. This trait has long been acknowledged among the key characteristics of effective leaders.[21,22] On the other hand, an external locus of control means a belief that one's life is controlled by outside factors, out of individual influence, chance, or fate.

In organizational settings, individual predispositions interact with corporate culture, decision-making systems, incentive structures and social expectations, shaping how accountability is assumed or avoided. The focus of accountability builds on the locus of control concept but explicitly considers the organizational environment in which leadership behaviors are enacted. It reflects the tendency in managerial decision-making and behavior to assume (internal focus) or deflect/escape (external focus) the accountability for the consequences of their actions within the organization.

In business, an internal focus of accountability reflects the can-do attitude and concentration of efforts on the result, not the process. It ensures that a manager assumes full accountability for the firm's or business unit's results, which is a prerequisite for effective business value capture or profitability management. Of course, unexpected things happen, but the leader's internal focus of accountability stimulates the appropriate responses to them, i.e., entrepreneurial adjustment of plans and strategies, rather than engaging in a blaming game. Furthermore, managers with an internal focus of accountability are able not only to embrace the ultimate irresolvable uncertainty of the future, but also to take advantage of it through conceiving of and preparing for thriving in multiple future scenarios, in line with the basic strategic optionality principles of SVEO approach.[23]

The external focus of accountability, on the other hand, undermines the organization's ability to sustain long-term success. Individuals with an external focus of accountability tend to deflect responsibility for business performance, seeking explanations in circumstances beyond their control rather than actively shaping the firm's trajectory. This mindset fosters a reactive, rather than proactive, leadership culture where managers wait for external validation, corporate mandates, or crisis-driven interventions instead of driving strategic adaptation themselves. Moreover, organizations dominated by such individuals risk falling into a pattern of inertia, where necessary changes are either delayed or resisted due to a prevailing belief that success or failure is dictated by uncontrollable forces. Such managers often struggle to take ownership of decision-making, resulting in missed opportunities for innovation and competitive renewal.

Focus of attention reflects the manager's intrinsic tendency to unconsciously concentrate their attention on the external environment (e.g., evolving customer needs, marketplace situation, within-organization dynamics, developing their teams) or internal, self-serving issues (e.g., political struggles to ensure personal career development). Within organizational settings, the internal focus of attention manifests itself in egocentric behavior. Such managers are "concerned not that the right things are getting done but things get done without them";[24] similarly, in case of failure, the agenda is to show they are the last to be blamed for the failure. Of course, even managers with an internal focus of attention can deliberately concentrate their attention on the external environment, but once the need to do so weakens, they unconsciously switch back to internal, egocentric issues. This leads to disastrous long-term consequences for their organizations.

Box 2. Theoretical Foundations of the Focus of Attention Construct

Focus of attention can be understood through the Attention-Based View (ABV) and Cognitive Load Theory (CLT). According to ABV,[25,26] leaders' attention focus dictates what issues they prioritize, how they process strategic stimuli, and how they act upon competitive and organizational challenges. From this perspective, leaders with an external focus of attention engage in continuous environmental scanning, ensuring that their organizations adapt to shifting market dynamics. In contrast, an internal focus of attention results in narrow cognitive framing, where leaders prioritize internal status, organizational politics, and career positioning over strategic foresight. CLTfurther reinforces this view;[27,28] this perspective explains that externally focused leaders optimize their cognitive resources by allocating germane cognitive load toward market responsiveness and decision-making agility. Conversely, internally focused leaders experience high extraneous cognitive load, as they expend mental energy on navigating bureaucratic complexity rather than value creation. This theoretical lens clarifies why leaders with an external focus of attention are better positioned to sustain strategic optionality and long-term corporate longevity.

In an established business, the external focus of attention keeps the needs of customers, competitor actions and the development of their teams in cognitive proximity, which makes a manager always alert to emerging marketplace opportunities. This alertness to opportunities becomes ingrained in the leader's cognitive mindset, which underpins the constant quest for increasing customer value. Internally oriented managers, on the other hand, think about value-creating opportunities only occasionally (e.g., during the annual planning cycles), which is far from the optimal approach for systematic organizational development.

The external focus of attention is the pre-condition for alertness to early signs of the emerging fundamental trends in the business environment (such as changing consumer preferences, disruptive technologies and business models, new powerful competitors) that form the multi-scenario strategizing set. Notably, the external focus of attention does not mean the managers are not looking for power in the organization, ignore politics or go against their interests. Instead, it makes sure that they take advantage of their power in the interests of creating value for all stakeholders (customers, partners and organization), rather than to advance their personal career agendas.

The Four Zones: Attention/Accountability Leadership Matrix

Juxtaposing the two essential leadership characteristics yields the Attention/Accountability Leadership Matrix with four distinct zones presented in Figure 1.

Figure 1. Attention/Accountability Leadership Matrix

Focus of attention	**External (customers/markets/ organization)**	**Observation**	**Winning Leadership**
	Internal (egocentric concentration on personal career)	**Helplessness**	**Transacting**
		External (escaping the accountability)	**Internal (assuming the accountability)**
		Focus of accountability	

Within this matrix, the managers within the ***observation zone (“observers”)*** are usually melancholic dreamers who notice external changes yet do not assume accountability for exploiting or adjusting to them. They are deeply concerned about the direction of a company but are not ready to do anything to change the course. In other words, while being attuned to external market trends, they fail to assume accountability for leveraging these insights into actionable strategies. Such individuals can be, for example, effective low-level marketing analysts, but moving them up the hierarchy to leadership roles without proper development would be detrimental to organizational health. Their lack of Executability (within the SVEO model) impedes the organization's ability to capitalize on external opportunities, often leaving identified trends unexploited or mismanaged. For example, observers may understand evolving customer needs or competitor actions but lack the clarity to translate these observations into a well-defined value proposition, target audience, or operational priorities. The absence of alignment with internal teams and resources exacerbates the problem, leading to fragmented efforts and missed opportunities. As a result, organizations dominated by observers risk stagnation, with valuable external insights failing to generate meaningful improvements in value creation.

The managers within the ***helplessness zone***, devote their full attention and efforts to office politics yet are ignorant of the customer needs. Such inwardly focused leaders deflect responsibility for external market trends and corresponding organizational outcomes. This dynamic severely compromises the ability to engage in co-creation with internal and external stakeholders, as these leaders prioritize self-preservation over addressing customer or market requirements. Value creation stagnates because there is no alignment between internal actions and external customer benefits, leading to reduced competitive relevance. Without externally-focused intensity to drive innovation or ambition, the organization becomes reactive rather than proactive. Managers in this quadrant often discourage entrepreneurial thinking within their teams, creating a culture of disengagement and stifling the organization's ability to adapt or grow in a multi-scenario future.

Helplessness zone managers can be great professionals and specialists, very competent in their areas. Yet, this expertise usually fuels proving that the negative results are not caused by them; all negative outcomes become someone else's fault. At first sight, some of these people may seem competent, but they fail to answer the most important questions even within their zone of responsibility. For example, a "helpless" marketing manager may know everything about the company's market size, target segment and positioning, but simple basic questions like "Why are our customers selecting us over competitors?" or "What is our company's share-of-wallet within our largest customers and what do we need to grow it?" put them in a state of confusion. If such managers reach leadership positions without the development of their leadership capabilities, it becomes a tragedy for their subordinates, who are faced with a choice of either becoming "helpless" themselves or leaving the firm altogether.

The external focus of accountability makes managers of the helplessness and observation zones to constantly escape the accountability for the firm's results. Alas, these leadership types are contagious, multiplying themselves through selecting managers who are willing to take accountability for their actions (winning leadership and transactional zones in Figure 1) and supporting other helpless and observing bureaucrats. Of course, sometimes such tendencies are developed as a way adjust to dysfunctional upper-level management, when the individuals are constantly trying to understand what their upper leaders wants and try to cater to these wants regardless of what the environment needs. As such, organizational helplessness ultimately leads to the decline of great companies. Furthermore, the critical mass of such managers will bring to stop any efforts of productive managers from the other two zones of the matrix.

The managers within ***transacting zone*** can possibly underpin the winner business model as long as they remain in positions related to internal operations, responsible for business value creation, e.g., ensuring that costs are getting optimized without compromising on customers' willingness-to-pay. These managers are very pragmatic, maintaining the "hired guns" mindsets; they are constantly focused on their own KPIs rather than the company's long-term prospects. Transactional managers detach themselves from the company and rarely engage in meaningful discussions of its health and prosperity, largely neglecting the long-term strategic goals. While admittedly, they may ensure short-term deliverables, their approach often neglects the optionality principle of strategic agenda framework, leaving the organization ill-prepared for future uncertainties or opportunities. These leaders tend to lack the alignment needed to integrate cross-departmental efforts toward a unified strategic objective. Additionally, the transactional focus undermines co-creation with stakeholders; instead, they prioritize immediate results over collaboration and innovation.

However, most importantly, the transactional managers create antecedents for helplessness within their teams. Such individuals aspire to be visible, successful leaders themselves ("leadership by self-example"), while longevity-centered leadership demands nurturing other leaders ("leadership by example of others"). Similarly, they rarely speak up to confront their higher-ups, even when they see their managers' mistakes in decision-making or strategizing. CEOs of private companies or Presidents of public organizations dominated by transactional managers find themselves in echo chambers, lacking frank feedback on the quality of their decisions and the executability of their strategies. Not surprisingly, over time, the organizations dominated by transacting zone leaders experience a decline in customer relevance and competitive positioning due to the lack of forward-looking strategies and adaptability to reality.

Ensuring that individuals within the Observation, Helplessness, and Transacting quadrants do not rise into key leadership roles without proper development is a fundamental responsibility of the CEO and corporate board. A failure to actively coach, mentor, and transform the sufficient number of individuals into Winning Leaders before promotion risks creating a critical mass of ineffective leadership, ultimately triggering an organizational decline that no business model can withstand. With each manager from the Observation, Helplessness, and Transacting quadrant, an organization is losing twice: through under-performance in the short-term, and through "freezing" the current, inefficient state for the future, losing the right people and accelerating the wrong practices. If an organization becomes overrun by such leadership types, its ability to adapt, innovate, and sustain competitive value erodes; this failure rests squarely on the CEO and the board. Without intentional intervention, this leadership vacuum will cripple the organization's ability to maintain its winning business model, leading to stagnation, strategic misalignment, and eventual corporate mortality. The remainder of this article is dedicated to preventing this outcome, outlining how to systematically develop high-optionality leaders who can drive sustainable corporate longevity.

The Winning Leadership Zone

The long-term health and prosperity of the organization, therefore, hinges on the constant supply of ***winning leaders*** characterized by an external focus of attention and an internal focus of accountability. These managers are willing to take responsibility for the firm's or business unit's results (i.e., business value capture) by pursuing emerging opportunities to make external customers happy (i.e., customer value capture). Of course, this responsibility might occasionally backfire if the well-justified and properly validated projects championed by these leaders turn out unsuccessful in the uncertain business environment; yet, adherence to the principles of strategic optionality in multi-scenario future keeps these risks for a personal career under control.

Box 3. The Winning Leadership Zone

Satya Nadella exemplifies a Winning Leader by embodying the two critical dimensions: external focus of attention and internal focus of accountability, ensuring both strategic foresight and decisive internal action. Upon becoming CEO of Microsoft in 2014, he swiftly recognized the growing dominance of cloud computing and artificial intelligence, pivoting Microsoft's focus towards Azure and enterprise solutions. His external market awareness allowed him to anticipate customer needs and competitive threats, while his internal accountability ensured that Microsoft executed this transformation with precision. More importantly, Nadella cultivated an organizational culture of learning and adaptability, emphasizing a "growth mindset" and removing rigid internal silos that had previously hindered innovation. By doing so, he not only made a strategic shift but also built the internal mechanisms that would allow Microsoft to sustain its competitive advantage in a multi-scenario future – a core principle of strategic optionality.

Nadella also avoided the pitfalls of Observation (insight without action) and Helplessness (internal politicking at the expense of market relevance). Instead, he orchestrated change while holding himself accountable for results, embodying the Winning quadrant of leadership. This success was not merely about responding to industry trends but about actively shaping the future of their organizations, ensuring their companies remained adaptive, resilient, and strategically positioned for long-term success.

The Leadership Pipeline

The essence of our argument is that corporate longevity requires not only having a critical mass of winning leaders, but also their strong commitment to helping others get into this zone through proper selection and mentorship of managers from other zones (especially helplessness). In other words, the critical mass of winning leaders within a company must also fulfill their function.

The key leadership task of the company's top management team, therefore, is to proactively shape the corporate culture, eliminating the office politics and individual loyalty (the "friend-or-foe" mentality), concentrating instead on selecting and developing the winning leaders, should the company wish to stay in business in the future. The assessment and observation of behavior of their team members becomes crucial for moving them into the Winning zone.

Unfortunately, today's leadership development industry is full of naïve recommendations about simple ways of developing and nurturing organizational leaders.[29] These suggestions and frameworks do not address the very limited conditions under which adults really change their behaviors. This is why the high-performance culture is so critical in generating such conditions, as it installs both incentives for keeping proactive customer-centric behavior and consequences when leaders shift to an opposite direction. The long-term corporate prosperity, therefore, ultimately hinges upon the high-performance management culture supported by the managers within the leadership zone, who ensure the constant development of crucial competencies within an organization, such as making valuable commitments, setting agenda and expectations, providing corrective feedback, gaining commitments from the team, and – most importantly – developing others.[30] Only leaders with the external focus of attention and internal focus of accountability can proactively manage the strategic optionality of the assets and capabilities of their firms, enabling prosperous growth amidst the jolts and disruptions of the uncertain future.

Box 4. A Roadmap for Establishing a Leadership Pipeline

Recognizing that adults typically change their behavior only when existing conditions prevent them from achieving desired outcomes, organizations must create a system that actively stimulates and reinforces the behaviors of Winning Leaders. Of course, not every individual can become a Winning Leader; rather, the task of a healthy leadership pipeline is to ensure that the organization has a critical mass of such leaders across all levels.

The system for developing Winning Leaders should combine clear incentives with structured accountability to align individual actions with organizational objectives. Key elements include establishing challenging yet attainable performance metrics tie.d to external market opportunities, embedding mechanisms for continuous feedback and self-assessment, and fostering a high-performance culture that celebrates entrepreneurial thinking and customer-centric innovation. Additionally, providing leaders with stretch assignments and cross-functional rotations ensures exposure to diverse scenarios, helping them develop multi-scenario strategic agility. By integrating these elements, organizations can cultivate an environment that pushes leaders to adopt behaviors aligned with external focus of attention and internal focus of accountability, driving sustained value creation and long-term corporate success.

The particular elements of the system include:

1. ***Identify and Select Potential Winning Leaders***
   - ***Use the Attention/Accountability Matrix:*** *Identify managers with the external focus of attention and the internal focus of accountability during the hiring and promotion processes.*
   - ***Data-Driven Selection:*** *Use assessments and performance analytics to spot emerging leaders.*
   - ***Leadership Radar:*** *Create a system to flag employees showing proactive, customer-focused behavior.*

2. ***Foster Opportunity-Focused Thinking***
   - ***Multi-Scenario Thinking for Optionality:*** *Train leaders to consider multiple future scenarios.*
   - *"**What If?**" Exercises: Engage leaders in exercises on customer and market shifts.*
   - ***Reward Initiative:*** *Recognize leaders who identify and act on growth opportunities.*

3. ***Develop Leaders Through Rotations and Stretch Assignments***
   - ***Cross-Functional Rotations:*** *Expose potential leaders to multiple business areas.*
   - ***Stretch Assignments:*** *Assign high-stakes, unfamiliar projects to build adaptability.*
   - ***Leadership Fellowships:*** *Create time-bound leadership roles for high-potential leaders.*

4. ***Build a Culture of Customer-Centricity and Accountability***
   - ***External Focus:*** *Promote customer-centric thinking and integrate customer metrics into leadership reviews.*
   - ***Accountability Systems:*** *Hold leaders accountable for customer and operational outcomes.*
   - ***Public Accountability:*** *Recognize leaders who take ownership of challenges and showcase growth.*

5. ***Mentorship and Coaching***
   - ***Internal Mentors:*** *Pair emerging leaders with experienced mentors.*
   - ***Feedback Loops:*** *Provide continuous "growth coaching" instead of only performance reviews.*
   - ***Train Leaders to Coach:*** *Encourage senior leaders to mentor and develop new leaders.*

6. Institutionalize Leadership Development
- ***Formal Development Programs:*** *Create structured pathways for leadership roles.*
- ***Leadership Heat Maps:*** *Visualize where leadership potential is strongest within the organization.*
- ***Succession Planning:*** *Embed leadership development into succession planning.*

7. Cultivate a High-Performance Culture
- ***Growth Mindset:*** *Instill a culture of continuous learning and adaptability.*
- ***Challenge and Support:*** *Use a mix of challenging assignments and supportive coaching.*
- ***Align Incentives:*** *Reward leaders for developing future leaders and achieving long-term outcomes.*

From a CEO's practice perspective, implementing the Box 4 suggestions requires making leadership development a core strategic priority rather than an HR function. First, the leadership pipeline development must be tied to executive KPIs and compensation, ensuring that senior leaders are accountable for mentoring and promoting high-potential talent. Furthermore, it is crucial to institutionalize regular leadership succession reviews, where executives identify and discuss emerging leaders and the actions needed to move them into higher-impact roles.

Second, it is necessary to disrupt traditional promotion paths by mandating stretch assignments. For instance, before any senior leadership appointment, the candidates must demonstrate success in leading a high-risk transformation project, a failing division turnaround, or a cross-functional innovation initiative. To facilitate these opportunities, organizations should implement structured development programs that challenge emerging Winning Leaders while providing them with the necessary support and visibility. Strategic project assignments can immerse potential leaders in critical business challenges such as digital transformation, market expansion, or sustainability integration. Likewise, struggling business units can serve as leadership incubators where high-potential candidates take charge of diagnosing issues, designing recovery strategies, and executing turnaround plans under executive guidance. Innovation labs and cross-functional task forces can offer further avenues for leadership growth, requiring managers to collaborate across departments to pilot disruptive technologies or new business models. Additionally, crisis management assignments – such as handling supply chain disruptions, regulatory shifts, or unexpected market downturns – can build resilience and decision-making agility. By embedding these developmental experiences into leadership pathways, companies ensure that their future executives are tested in real-world challenges, fostering a pipeline of resilient, high-impact leaders capable of sustaining long-term organizational success.

Finally, executive promotions must be tied to their ability to develop leaders, ensuring that no one moves up without proving they can build a sustainable talent pipeline. By embedding leadership pipeline development into the rhythm of business operations, incentives, and succession planning, a CEO ensures that Winning Leaders are not only identified but actively created, tested, and elevated before taking on critical roles.

At the end of the day, true leadership unites individual intellect, will and integrity, which imply the ability to ask the right questions and get frank answers. True leaders can clearly answer the crucial for longevity question: "When our current revenue engine stalls, which alternative growth engines will we have?"[31] The external focus of attention (i.e., having customer value creation at the center of their thinking) and internal focus of accountability (or readiness and willingness to assume responsibility for the results) are crucial for all of these characteristics. Such leaders relentlessly develop individual and collective intellect, which allows them to ask and select the really important, usually hard and uncomfortable questions. Then, such leaders accumulate their own and collective will to find answers to these questions, despite all difficulties. And finally, such leaders have the integrity not to avoid direct answers to tough questions, acting in the interests of their customers and organizations, even if the tough questions and frank answers cast doubt on the quality of their own performance and leadership.

Summary

In summary, the long-term survival and prosperity of a firm are determined by its ability to develop and maintain a healthy, sustainable value creation process in its business model amidst the uncertain future. Yet, the health of the winner business model is determined by a healthy leadership pipeline spanning all levels of the organization. We therefore suggest that a crucial task of today's leaders of established industry champions is to nurture the new leaders that will eventually displace them. To build a sustainable pipeline of Winning Leaders, organizations can begin by identifying and focusing on 2-3 high-potential individuals, investing significant time and resources into their development. These leaders should embody the qualities of an external focus of attention and an internal focus of accountability, making them prime candidates for driving strategic agility and value creation. This initial focus allows top management to mentor these individuals closely, providing them with opportunities to grow through stretch assignments, cross-functional rotations, and exposure to multi-scenario strategizing. As these leaders mature and demonstrate success, the organization can transition from leadership by self-example – where top executives serve as the sole standard-bearers – to leadership by example of others. This approach ensures the ripple effect of leadership development, where the first cohort of Winning Leaders inspires, mentors, and cultivates subsequent generations, embedding a culture of entrepreneurial thinking and resilience throughout the organization.

While fully agreeing with Jim Collins's view that "Level 5 leaders" are needed to move a Good company to Greatness, it is important to stress that most Great companies will ultimately be dethroned because of a lack of winning leaders and an abundance of observers and helpless bureaucrats. To maintain the winning position, therefore, the current top managers must devote particular attention to the careful selection of managers who have the internal focus of accountability yet the external focus of attention. The selected winning leaders then must be tasked and motivated to engage in entrepreneurial thinking to stimulate organizational growth by taking advantage of emerging market opportunities. At the same time, the critical mass of such leaders will create a magnet that will attract and maintain suitable managers.

Admittedly, at this stage, more research is needed to understand if *all* individuals can move between the zones of Attention/Accountability Leadership Matrix (in Figure 1); i.e., if managers in observation, helplessness and transacting zones can become winning leaders through deliberate actions. Until this is clear, the emphasis must remain on the selection of the winning leaders for top positions.

Finally, the current study yields clear implications for business education, as traditional leadership development approaches must evolve to equip future leaders with the skills and mindset required to thrive in dynamic, uncertain environments. Business schools should prioritize fostering an external focus of attention and an internal focus of accountability among students, emphasizing the principles of strategic optionality and multi-scenario thinking. Programs should focus on experiential learning, such as simulations, real-world consulting projects, and cross-disciplinary collaboration, to prepare students for the complexity of modern business challenges. Additionally, educators must shift from simply teaching leadership theories to instilling the practical ability to identify, mentor, and grow Winning Leaders within organizations. Notably, like any other professional education, business education's main goal is to enhance the competencies of future leaders. The only evidence of competence is the future leader's behavior; if the latter does not change, the education course is useless for such individual.

By embedding these priorities into curricula, business education can produce leaders capable of navigating turbulence with clarity, adaptability, and a commitment to value creation, ensuring both personal success and organizational longevity.

Authors

Oleksiy Osiyevskyy is a Professor of Entrepreneurship & Innovation at the Haskayne School of Business, University of Calgary. In scholarship, he concentrates on the problem of achieving and sustaining firm growth and prosperous longevity through successful engagement in entrepreneurial strategies. Oleksiy's research program is supported by Haskayne's Future Fund Fellowship and numerous competitive grants. Since joining the University of Calgary in 2017 (from Northeastern University, Boston), he has developed and launched a signature "Entrepreneurial Thinking" course required for all Haskayne MBA students, for which he has served as a coordinator ever since. Oleksiy founded his first Internet startup back in 2003, during his undergraduate studies. Since that time, he has been actively engaged in real-world business practice across the globe as an entrepreneur, manager within large companies, consultant and educator. Oleksiy has mentored, co-founded, invested in, and served on the boards of numerous startups within a broad range of industries (education, food, medical devices, transportation, e-commerce, among others), and engaged in strategic innovation projects within large organizations.
email: oosiyevs@ucalgary.ca

Dr. Vladyslav Biloshapka is a Professor of International Management at the Kyiv National Economic University. Having obtained the experience of teaching in Western business schools, he was among the pioneering group of educational leaders to bring the global management programs, practices and approaches to Ukraine in 1990s. Vladyslav's combination of consulting, coaching, and teaching has contributed to the successful transformation and market championship of many Ukrainian companies, which are now becoming important players in Eastern Europe and beyond. The basis of this transformation is his unique, novel set of management frameworks under the umbrella term of a "Culture of High-Performance Management." Dr. Biloshapka is also an active researcher. His first papers appeared in Harvard Business Review in 2004, and since that time, he was relentlessly engaged in exporting the best management ideas, originating in the Ukrainian context, to the global management scholarship discourse.
email: vladyslav.biloshapka@kneu.ua

Yuriy Sorochynskiy is a seasoned business executive and strategist with over 25 years of experience in corporate leadership, crisis management, and value-driven transformation. As the CEO of Nemiroff Vodka Co., he has led the company's expansion into over 60 global markets, steering it through complex geopolitical and

economic disruptions. His expertise spans corporate finance, law, marketing, and production excellence, making him a respected figure in Ukrainian business circles. A thought leader and reflective practitioner, Yuriy has also played a key role in shaping public discourse on crisis leadership and entrepreneurship through his Forbes Ukraine interview series, where he recorded in-depth discussions with numerous top Ukrainian CEOs. These conversations serve as an empirical foundation for his research work, capturing firsthand accounts of resilience, innovation, and strategic decision-making during unprecedented challenges.
email: yuriy.sorochynskiy@nemiroff.pro

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32. The terms *focus of accountability* and *focus of attention* are defined in the following section, "Characteristics of a Potential Winning Leader." In a nutshell, the internal focus of accountability reflects an approach to decision-making and actions assuming that a person themselves (as opposed to external circumstances) is in control of their life; such individuals assume rather than escape accountability for the consequences of their actions. The external focus of attention implies the unconscious tendency to concentrate the person's attention on the business environment (customers, markets, within-organization dynamics, team development) as opposed to self-serving, egotistic issues (e.g., career-focused political struggles).
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