



accenture

The arc of modern leadership

How agile, responsible, connected
leaders create winning cultures



What is strong leadership?

Let's start with what **it isn't**.

Leadership isn't a title. It isn't seniority. It isn't a number of direct reports, or a list of responsibilities.

Leadership is about influencing a group in service of a goal. It sounds simple, but it's incredibly complex for leaders whose organizations are struggling to find firm ground across their diverse stakeholder groups and amidst shifting political, social and economic sands.

Customers are making buying decisions based on sustainability and values. Shareholders are looking beyond the bottom line. People are reevaluating their careers, with a staggering 95% of workers considering a change.¹ And employees are increasingly looking to their employers to help meet their holistic needs. Juggling the expectations of all these stakeholders requires a thriving culture.

Leaders often underestimate the influence they have in developing a strong culture – one that builds trust, drives job satisfaction and enables people to maximize their potential. But culture comes from the top, and when leaders embrace this role and nurture an inclusive culture focused on the needs of all stakeholders, everyone wins.

When leaders are **agile, responsible and connected (the 'arc' of modern leadership)**, they can create people-centered cultures built on trust and belonging that serve their employees, customers, shareholders and society.

This is a defining moment – and a fleeting one. The leaders who embrace this urgent opportunity to inspire people, instill purpose and influence performance, will be able to unlock potential and attract and retain the top talent required to thrive today and into the future.



Creating a people-centered culture



Leaders set strong foundations for transformation and growth by building people-centered cultures based on trust and psychological safety. They give people the confidence to bring their full selves to work and to have open, honest and challenging conversations.

Ilhan Scheer

Global Lead, Product & Technology,
Talent & Organization, Accenture

Our Care to Do Better research² identifies the six main human needs that leave people 'Net Better Off' (NBO) relational, purposeful, emotional, mental, physical, financial and employable.

Creating work experiences that meet these needs not only strengthens trust, but also boosts individuals' potential and business results.

Culture encompasses what people do, how they do it and why they do it. And there's a growing consensus around why culture matters. A full 92% of executives believe that improving culture will improve value.³ 80% of job-hunters say they are seeking a strong culture.⁴ And organizational culture was addressed in 53% of company earnings calls we analyzed between January 2020 and April 2022.⁵



People thrive when they feel they belong. The highest-performing organizations create positive cultures and equitable experiences so that people can participate fully, build relationships, deliver impact and grow their careers. Research shows that belonging manifests across four categories – having influence over decisions, being respected by your peers and managers, feeling comfortable speaking up and receiving sponsorship from a senior leader who can help you advance and grow.⁶

Culture and creativity go hand-in-hand. In fact, measures of ‘innovation mindset’ (an individual’s willingness and ability to be innovative at work) are six times higher in the most-equal cultures than in the least-equal ones.¹

Organizations must therefore nurture human capabilities and unlock human ingenuity with the same rigor and speed with which they pursue technology adoption.

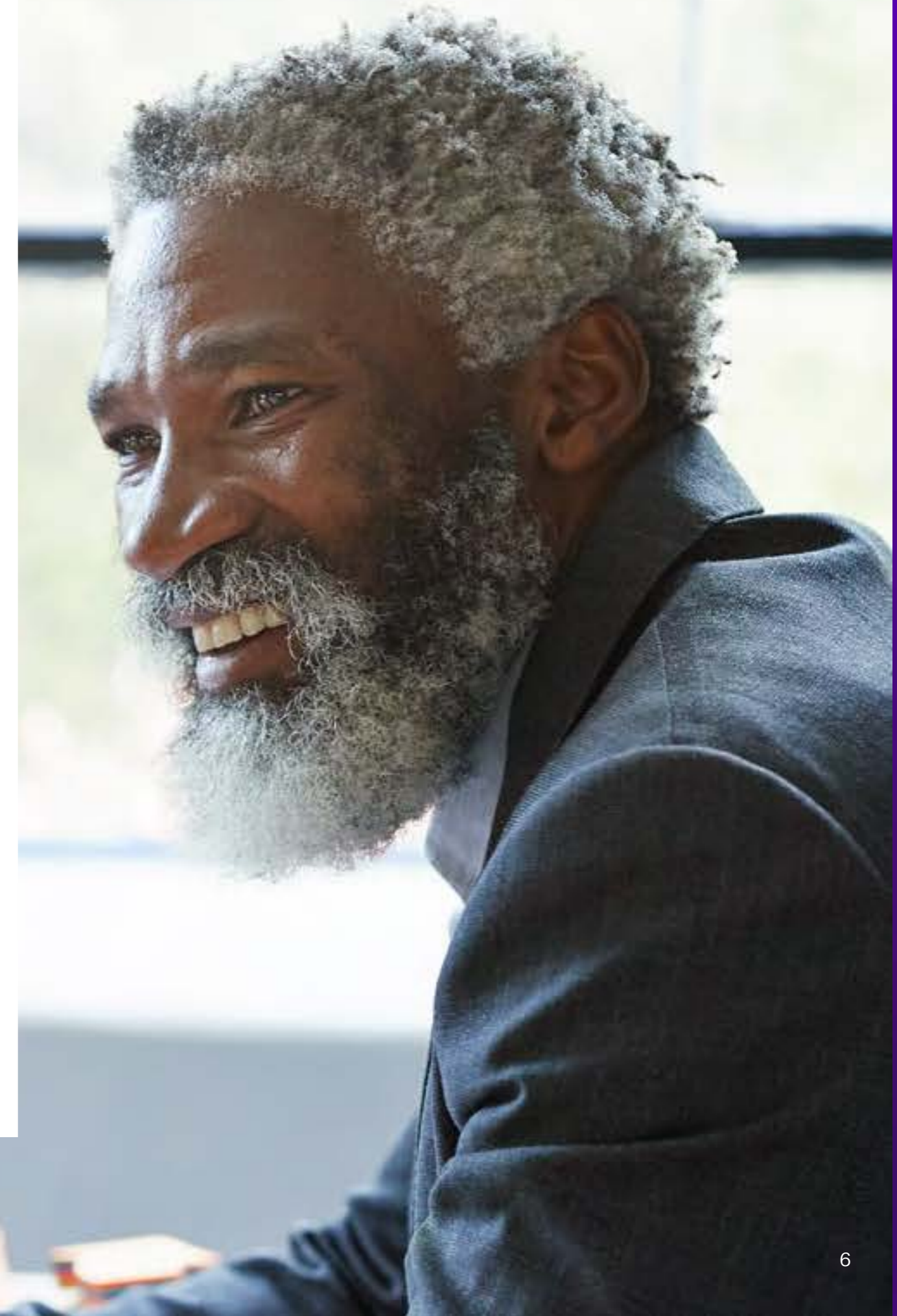
These capabilities include building digital fluency throughout all levels of the workforce, enabling people to be productive anywhere and adopting human-centric leadership principles. Powering an organization with new technologies while ignoring these human capabilities results in higher burnout and turnover – stunting innovation.

So what are people looking for when it comes to culture?



If you look at the most customer-obsessed businesses in the world, they also deliver superlative employee experiences, a currency which has been ignored for a very long time.

Tanuj Kapilashrami
Chief Human Resources Officer, Standard Chartered



5 characteristics of a winning culture

Organizations might know what a thriving, people-centered culture looks like, but many struggle to deliver the culture they crave.

Organizational cultures are unique, constantly evolving and dependent, to some extent, on a core purpose and values. Accenture research⁷ found that thriving cultures do share certain key characteristics.

Embracing these five characteristics will help your organization create a workplace that people aspire to join – one that leaves its employees Net Better Off, drives innovation and contributes positively to society.



Growth-orientated

Focused on improvement and development by encouraging innovation and experimentation.

Agile

Ready to pivot, by understanding and responding to the environment and adapting accordingly.

Purposeful

Connecting people to the organization's purpose and values, and fostering engagement.

Open

Transparent and collaborative, solving problems together.

Inclusive

Supports people and helps them feel like they belong.

A photograph of three women sitting at a wooden table in a meeting. The woman in the center, with long brown hair and bangs, is wearing a yellow top and smiling broadly. The woman on the left has short grey hair and is wearing a dark grey top, looking towards the center. The woman on the right has dark hair and glasses, wearing a white patterned top, also smiling. The background is a blurred office setting.

Take the lead

Ninety percent of CEOs say their companies are undergoing an accelerated digital transformation.⁸

As organizations embrace agile ways of working in order to adapt and thrive, it can be tempting to invest in short-term solutions that maintain the status quo rather than tackling underlying issues that drive future improvements. And when culture is seen as peripheral to the core business, people-focused initiatives are often the first to face budget cuts during periods of cost reduction. This must change.

It is crucial for modern leaders to ensure that culture isn't peripheral – that it's integral, and to emphasize the importance of developing the qualities that create a people-centered culture, contributing to psychological safety, high performing teams, and connection.

In order to enjoy the benefits of true culture change (increased innovation, productivity and retention), leaders must adopt new skillsets and behaviors. 'Modern CEOs' lead by example in this area, prioritizing empathy, transparency and trustworthiness as key leadership traits.⁴

Creating a people-centered culture built for sustainable success requires leaders to embrace the full 'arc' of modern leadership: agile, responsible and connected.

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Command and control leadership is failing employees in our complex, unpredictable world. We now know there are better ways of leading which inspire optimism and confidence even in the most challenging of times.

Professor Fiona Devine, OBE
Director Alliance Manchester Business School

Agile leadership

With research highlighting that one-third of those closest to the C-suite and one-quarter of middle managers are resistant to change⁹, companies need more agile leaders.

For change initiatives to be a success, leaders and their teams need to be on board. Agile leadership accelerates change, and agility is an essential characteristic for leaders, especially in times of uncertainty and compressed transformation. But agile leaders must strike a tricky balance, serving as enablers and disruptors at the same time. This is the agile leader paradox.¹⁰





What agile leaders have in common:

They build the foundations of psychological safety.

Leaders create a safe environment to build trust and commitment. To achieve this, they manage themselves and their reactions consistently and effectively and respond positively to challenge and feedback. By better understanding their own emotional intelligence, leaders develop deeper relationships and can help people learn from mistakes in a way that leaves them feeling confident in taking intelligent risks in the future.

They instil the courage to disrupt and put customers first.

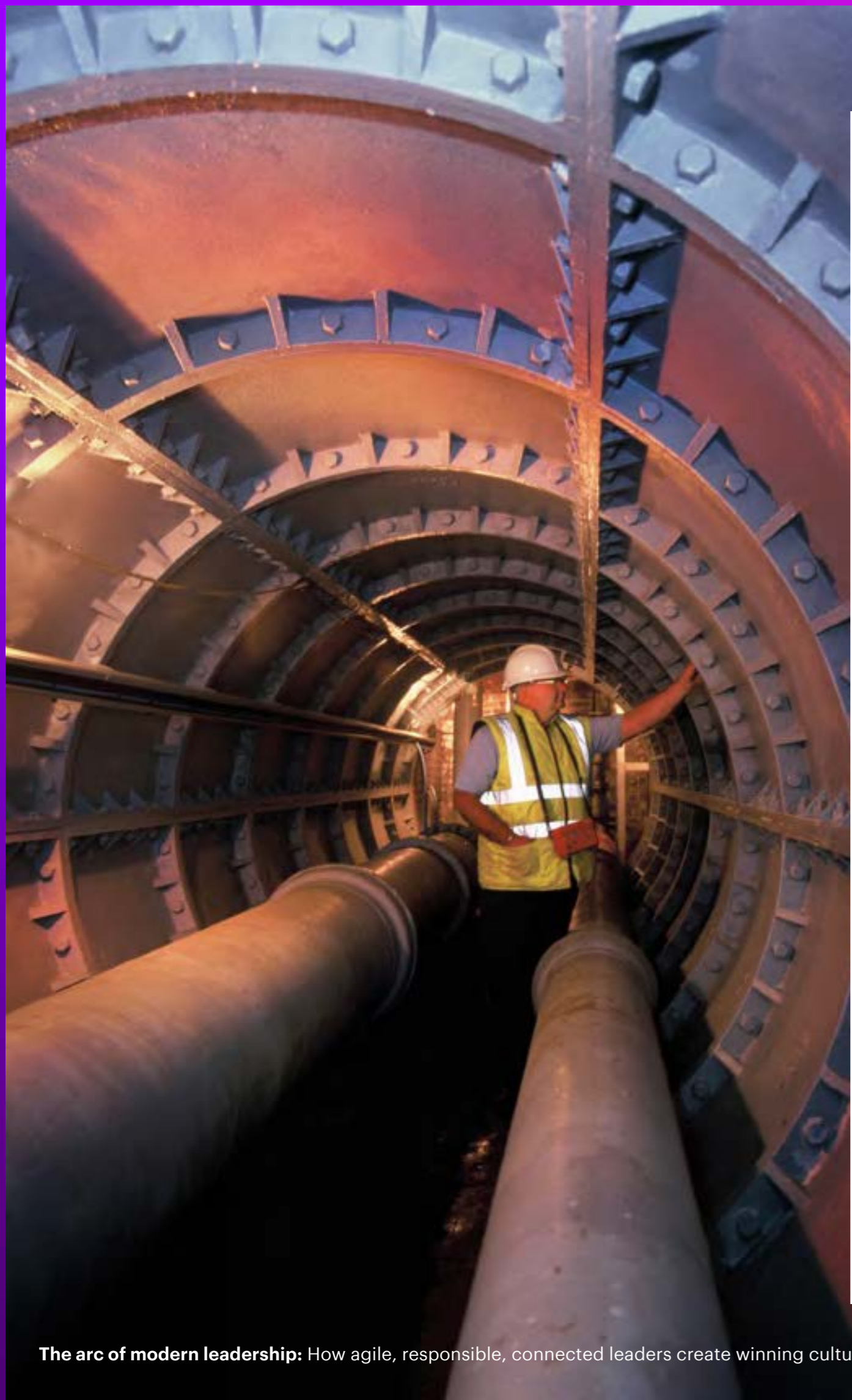
With 92% of executives reporting that their organization is innovating as a matter of urgency¹, disruptive thinking is a critical skill for leaders. Leaders enable their people to innovate and execute change at pace by asking teams to think expansively and challenge assumptions whilst giving them the freedom to fail fast and learn. And as customer expectations evolve rapidly, anticipating their diverse needs and acting as the voice of the customer internally, is a priority for agile leaders to deliver exceptional customer value for all.

They create space to focus on key priorities and performance improvement.

Organizations must simplify processes and leaders need to ruthlessly prioritize, focusing on the few goals that make the biggest difference. Agile leaders coach individuals and their teams to improve and accelerate their performance in line with challenging objectives.

They empower teams to deliver quickly and collaboratively.

Leaders encourage teams to make intelligent decisions and devolve decision-making by moving it closer to the customer. This means providing teams with the information, tools and skills needed and encouraging collaboration by breaking down silos. The business benefit is clear and 71% of executives told us that they have already, or are planning to, decentralize decision-making in parts of their business in response to the shifting international business environment and to increase performance.¹



Case study

Transforming business through agile behaviors

This UK private utility needed to change to improve performance and the customer experience. To achieve a sustainable cultural and business transformation, it needed everyone to be engaged and to embrace agile and digital ways of working, led by their leaders.

By defining what agile behavior would look like in the content of their organization, focusing on psychological safety, growth mindset, prioritisation, devolving decision making and collaboration, the senior leadership team were able to create a transformation roadmap. Over 100 days, leaders were equipped with the specific skills to support and embed culture change, through rapid learning cycles, intensive group coaching and a nudge campaign to encourage new habits and behavior change.

This intensive and innovative approach has proven that developing agile leaders and behaviors results in benefits for the business, employees, and customers. 93% of reports stated that they felt supported by their manager, an increase of 19%. The business also reported a 36% increase in people having the skills to give customers what they need, which resulted in a 30% reduction in customer complaints.



Responsible leadership

Responsible leaders are emotionally intelligent. They communicate the organization's purpose, lead with a strong moral compass and develop a thriving, people-led culture.

At the same time, they consider the wider societal context – from political, health and economic upheaval to social justice movements to becoming more sustainable – and adapt accordingly.

And this matters to customers as well as employees, with 74% of customers believing that ethical corporate practices and values are an important reason to choose a brand.¹²

What responsible leaders have in common¹³

They include diverse stakeholders.

To safeguard trust and positive impact for all, leaders must stand in the shoes of their stakeholders when making decisions and foster inclusive environments where diverse individuals have a voice and feel they belong. Accountable decisions are strengthened by widespread participation and perspectives, balancing the interests of profit, people and the planet.

They show emotion and intuition.

Now more than ever, people expect leaders to show up fully as themselves, with compassion, humility and vulnerability. To unlock commitment and creativity, and gain trust, honesty and emotional engagement, leaders must consistently demonstrate the same behaviors and encourage people to use their instinct and imagination.

They provide a clear mission and sustainable purpose.

To advance common goals, responsible leaders inspire a shared vision of sustainable prosperity for the organization and its stakeholders. Leaders help make sense of what is happening in the wider society and support conversation amongst their teams and people, and they implement long-term commitments with integrity and transparency.

They embrace emerging technology and innovate responsibly.

Leaders can create new organizational and societal value by cultivating a culture of creativity that helps people apply new technology to solve problems. By putting responsible processes in place, leaders can minimize any potential negative consequences.

They seek intellect and insight.

By encouraging people to challenge orthodox ideas and championing continuous learning and the sharing of knowledge, leaders can consistently adapt and improve agile decision-making to achieve success.



Case study

Creating an inclusive and diverse culture

This multinational insurance company offers an object lesson in how leaders can create a sustained culture of diversity, equity and inclusion (DEI) across global operations.

The company wanted to inspire its leaders to show up with new thinking and behaviors that supported three goals – to embrace an action-orientated mindset, drive learning and capture the hearts and minds of employees, and to embed sustained change that drives continuous transformation.

Applying Accenture's technology-enabled 'All Against Racism' and 'Inclusive Leadership' platforms, the company provided its leaders with rich personalized learning paths and harnessed data to better understand employee sentiment and refine the learning strategy.

The company's top global leaders became immersed in DEI insights and identified the key actions needed to realize their vision. They then shared this vision across the business through storytelling and role modelling behaviors. Experimentation sessions for people managers across multiple regions activated initiatives globally, and coaching support helped to embed sustained cultural change, inspire new ways of working and unlock new behaviors.

Leaders now feel they have permission to drive change and are emboldened, knowing the company supports them. More than 5,000 leaders and HR business partners engaged in online and in-person experiences to understand DEI perceptions within the organization and take steps towards a greater culture of belonging. Leadership made personal commitments, signaling the start of a fundamental cultural shift – from curbing exclusive behaviors to removing divisive language in internal standards and policies.



Connected leadership

Connected leaders focus on meeting their people's holistic needs, resulting in highly motivated workers and better business results.

Connected leaders create what we call omni-connected experiences. Omni-connection ensures that people can fully participate and have an equitable experience—forging relationships, creating both personal and business value and impact, and growing their careers.

When companies and leaders put omni-connection at the heart of employees' experiences and their culture, they deliver value in several ways. Being omni-connected accounts for 59% of someone's intention to stay with a company, and employees that benefit from omni-connected experiences are 29% more likely to experience a deeper level of trust toward their organization and team. And for shareholders, omni-connected companies experience a 7.4% revenue growth premium per year.¹⁴

For leaders, the remit is clear: there is a positive correlation between belonging and the bottom line.



Great leaders connect people, customers and nations, and yet they also challenge the status quo, disrupt thinking and break well-established norms.

Simon Hayward

Global Lead – Leadership & Culture,
Accenture



What connected leaders have in common¹⁵

They connect people to purpose and direction.

Leaders have a sense of mission that is contagious, telling stories to engage people and help them make sense of where the organization is going. When leaders understand the power of communication and inspire others to believe in the purpose by providing meaning and clarity, they achieve greater commitment, alignment and productivity. The more people understand, the more fulfilled and driven they are.

They authentically demonstrate values-based behaviors.

Leaders understand the importance of mentorship and allyship and understand that – as role models – their actions speak more loudly than words. When leaders act with integrity, compassion and balance, they build deep relationships which builds trust with teams and people. When leaders get the day-to-day experiences right, they can increase Net Better Off by up to five times. And, when employees are NBO, they are twice as likely to feel like they belong.³

They share power and devolve decision-making.

To empower others, leaders need to believe and trust in others' ability and enable them to make decisions as close to the customer as possible. By coaching team members to become great decision makers and building tech-savvy capabilities, leaders can create a positive cycle of reinforcement and generate huge loyalty, fueling growth and success.

They are dedicated collaborators.

To build high-performing teams that work towards shared goals and bring the best out of people so they experience high levels of satisfaction, leaders need to bust silo working and nurture positive behaviors that create trust and mutual respect.

They enable new ways of working.

By consistently being curious and looking for new ways to innovate, connected leaders can lead change. Leaders must always look to improve and adapt in line with changing market and customer expectations and encourage their people to do the same.



Case study

Delivering promises at Yodel

Following a restructure, Yodel wanted to place colleagues and customers at the heart of the organization in line with its brand promise.

Employee attrition was high, and the organization wanted to engage and motivate colleagues, devolving responsibility more widely to increase efficiency and improve performance.

The company introduced three new core practices: great one-to-ones, great team daily huddles and great team reviews, building management capability to deliver and embed these three new practices for over 400 leaders.

The transformation focused on the capability of senior managers to devolve people management responsibility more widely across the business, with an emphasis on changing everyday habits through conversations.

The outcomes achieved were far beyond expectations for both employees and customers and the business went from loss-making to profitable in two years. Employee retention improved, sickness absence reduced, and voluntary turnover reduced from 38% to 3%. Yodel's customer satisfaction score was at a record high at 89.7%, and the customer Net Promoter Score increased from +48.8 to +64.3.

“

Introducing a more agile and connected style of leadership was key to becoming more centered on customers, creating cultural change, and turning our business around. We kept things simple, turned managers into agile leaders, and got colleagues on board with new ways of working. The difference is incredible.

Mike Hancox
CEO, Yodel

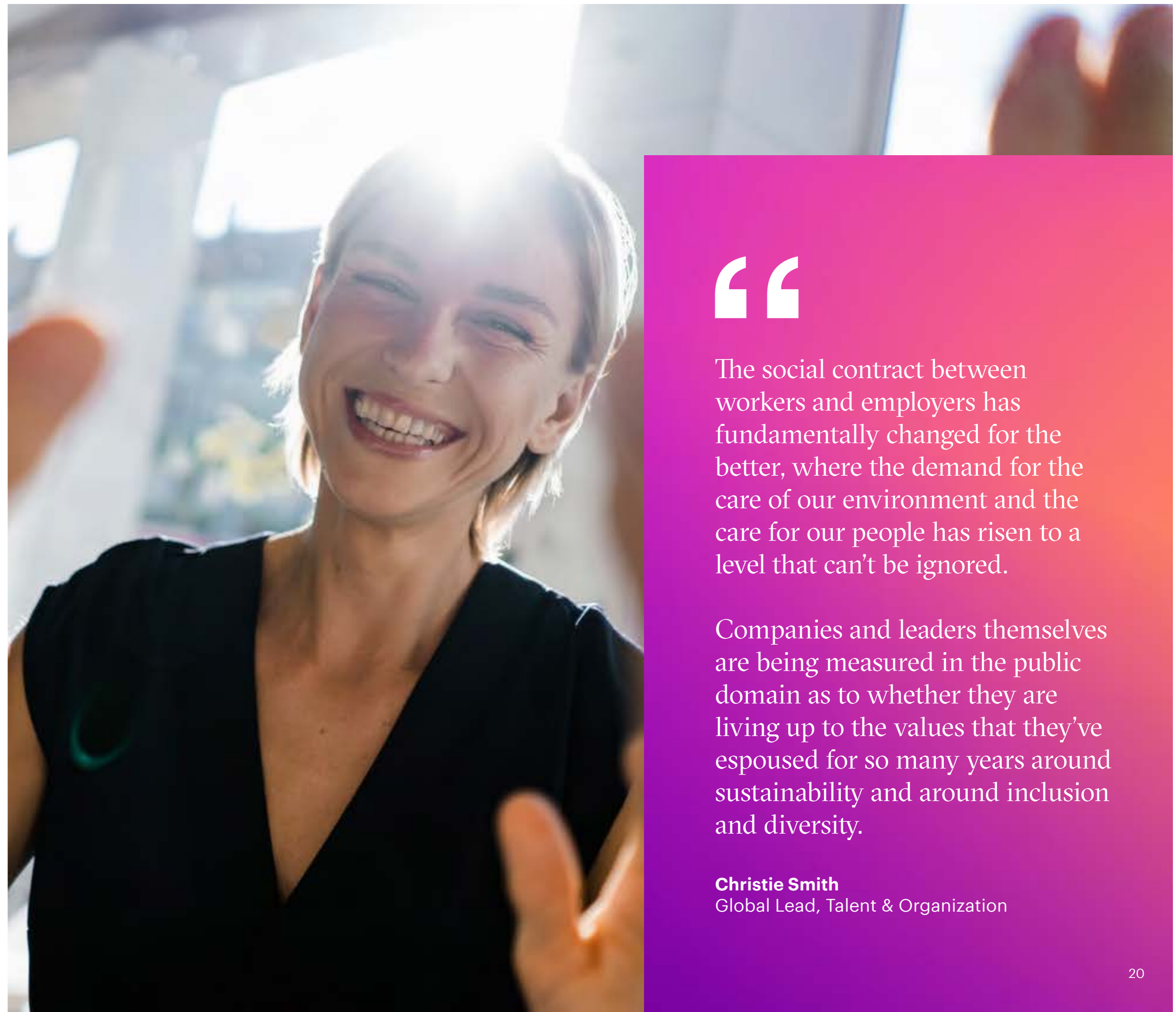


The next step: six actions for leaders

Change is not easy – at the company or individual level. To enjoy the benefits of true culture change, like increased innovation, productivity and retention, leaders must adopt new skillsets and behaviors.

By being authentic, empowering, visionary and collaborative, leaders create a human-centered, growth-orientated, innovative and purposeful culture.

Leaders who are **agile, responsible and connected** are able to effectively and consistently manage, motivate, include and inspire their workforces. And in doing so, they live up to their promises and bring out the best in their people.



The social contract between workers and employers has fundamentally changed for the better, where the demand for the care of our environment and the care for our people has risen to a level that can't be ignored.

Companies and leaders themselves are being measured in the public domain as to whether they are living up to the values that they've espoused for so many years around sustainability and around inclusion and diversity.

Christie Smith
Global Lead, Talent & Organization



1

Lead With **Agility**

Responding at speed requires an agile mindset that starts at the top. Leaders will need to evangelize agility across the organization, especially as people's roles and requirements evolve.



2

Lead With **Empathy**

Connected leaders should put themselves in their peoples' shoes and understand their situations. They should work hard to empower individuals and teams and provide accountability to all.



3

Lead With **Innovation**

Technology is changing at an unprecedented pace. Leaders should embrace the cloud, AI and automation, working alongside machines to strengthen their leadership capabilities.



4

Lead With **Purpose**

Create a sense of purpose, by building a long-term sense of meaning and connection to the role of people and teams. Identify short-term drivers of motivation that connect with everyday rewards.



5

Lead With **Energy**

Build powerful coalitions of commercial value—enabling people and teams to deliver with a shared conviction of purpose and identity. Enable wellness of mind and body—building endurance and avoiding burnout.



6

Lead With **Edge**

Be 'edge-centric' by pushing decision-making to the front-line and driving change at pace through adaptive learning. Be a multiplier of human performance by giving others the edge to deliver results.

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