Striking a Balance with Whole-brain Leadership

Fall Session 2019

Thursday, November 7, 2019
THE CURRENT ENVIRONMENT
HALF OF THE S&P 500 ARE LIKELY TO DISAPPEAR IN A DECADE

41% of S&P 500 consumer centric companies have been acquired or gone out of business since 2000.

50% of the current S&P 500 are predicted to meet the same fate within the next 10 years.

1 Accenture analysis of Bloomberg Market Data, 2017
2 Anthony, Scott D., S. Patrick Vinguerie, and Andrew Waldeck, Corporate Longevity: Turbulence Ahead for Large Organizations, Innosight, 2016
Many products or services can now be scaled to serve the entire world.

Consumers collaborate to share information and are more informed than ever before.

In this informed, global market environment, there is increasingly little room for average providers who provide proximity, familiarity or a relatively low-risk brand.

In the new paradigm, unknown companies can unseat existing market leaders quite rapidly, simply by using new technologies to offering a superior product or service.
SOLUTION & TALENT NEEDS

In order to remain dominant, companies going through digital transformations need to focus on the most differentiating technologies and, similarly, their digital talent strategy needs to focus on differentiated talent quality.

• “Digital transformation” is a term being used for companies that are modernizing. Digital transformation entails introducing new technologies across the front, middle and back office of the enterprise to ensure that a company beats its competitors.

• Using the disruptive technologies that are available requires scarce and differentiated technical talent.

• Companies that can secure scarce digital talent to support new capabilities are more likely to win in the market.

• Companies with superior EQ remain more internally communicative, collaborative, engaging and agile – and can adapt to changing markets while getting the most out of their people.

Source: Accenture workforce of the future research, 2018
RESEARCH FINDINGS
FINDINGS SUMMARY

Whole-Brain (higher-EQ) leadership enables creation of a more informed, networked, interdependent organization and improved competitive agility.
C-SUITE WITH HIGH EQ REPORT STRONGER AVERAGE GROWTH & PROFITABILITY

+22%  Average 3-yr Revenue growth

+34%  Average 3-yr Profit (EBITDA) growth
LEADERS ARE INCREASING FOCUS ON EQ

8% C-suite that use a whole-brain approach today

82% Intend to use a higher EQ approach in the next 3 years
Employees and consumers

C-suite
Board of Directors
Employees and consumers

200 PHONE INTERVIEWS

11,400 ONLINE SURVEYS

189 PARTICIPANTS IN WORKSHOP, INTERVIEWS, FOCUS GROUPS
Say disruptive impact of new technologies has increased 85%

Say disruptive impact of constantly shifting customer demands has increased 74%

Say disruptive impact of new market entrants has increased 72%

Say employees are among their most disruptive stakeholders 49%
“I value what benefits me.”

“EMPOWERED”

“I can challenge companies.”

AGITATORS

Employees: 15%
Customers: 19%

Employees: 35%
Customers: 30%

INDIFFERENT

“NOT EMPOWERED”

“I can’t challenge companies.”

PATHFINDERS

Employees: 31%
Customers: 31%

Employees: 18%
Customers: 21%

DISENFRANCHISED

“ME”

“WE”

“I value what benefits society.”

Customers: 31%

Employees: 18%

Customers: 21%

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A SUPER GROUP WITH SUPER POWERS

Their composition defies conventional wisdom

Not gender specific

Female 52%
Male 48%

Not generation specific

40+ 48%
>40 52%

Both customer & employee

49% 51%

A group you cannot afford to ignore

>2x
...as employees more likely to be on the fast track to leadership and possess critical skills

84%
...as consumers more likely to be in the top 10% of household incomes

Have clear and different expectations of leadership

57%
...as employees more likely to place a particular emphasis on working for companies who have a clear purpose they can relate to

67%
...as consumers more likely to place a particular emphasis on buying from companies who contribute to society
89% of the C-suite have formal training in left-directed degrees.
THE C-SUITE’S SELF-DESCRIBED GAPS CLEARLY DEFINE THE STARTING POINT

65% of the C-suite say a right brain skill is their weakest

• Intuition
• Empathy & self awareness
• Vigilance to the external environment

…and compounds the impact of a continuing left-brain weakness: Understanding of new technology & having the right tech skills to advise teams
MANAGE THE RISK BY CLOSING THE GAP

View of key skills required of leadership:

- **Pathfinder**
- **C-suite**

- Ability to influence, coach and empower others
- Creative thinking and experimentation
- Ability to synthesize diverse thinking and viewpoints
- Creating an inclusive team environment
- Being vigilant to the external environment
- Empathy and self-awareness
- Willingness to embrace and enact change
- Intuition
- Ability to lead others
- Data analysis and interpretation
- Critical reasoning
- Results orientation
- Understanding of new tech & having the right tech skills to advise teams
- Having a clear vision and strategy for the team
- Making tough decisions effectively
HOW TO ADDRESS:
C-SUITE SOLUTION
Diversify the C-suite strengths

9 in 10 of C-suite executives are already addressing current skills gaps

55% re-skilling C-suite members

46% bringing in new talent from outside

Source: New Rules of Engagement, C-suite Survey
#2. RELINQUISH SOME TRADITIONAL LEADERSHIP FOR RELEVANCY AND CURRENCY

<table>
<thead>
<tr>
<th>HIGH RISK</th>
<th>HIGH REWARD</th>
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<tr>
<td>5x</td>
<td>2x</td>
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<tr>
<td>more likely to take action in numbers against their employer</td>
<td>more likely to be completely motivated to give their best for their employer</td>
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<tr>
<td>61%</td>
<td>2x</td>
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<td>have already taken disruptive action, voicing their disappointment as a customer</td>
<td>more likely as a customer to choose a more expensive brand because they prefer what it stands for</td>
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#3. THE ENTERPRISE POTENTIAL OF WHOLE BRAIN: GREATER THAN RIGHT + LEFT

Applying new, richer depths of the left...

- Data science
- Analytics
- Visualization
- Machine learning
- AI

...with more tangible applications of the right...

- Creative thinking
- Experimentation
- Innovation
- Empathy
- Intuition

...to solve the highest value problems with data-led and human centric design approaches
HOW TO ADDRESS:

COMPREHENSIVE WORKFORCE SOLUTION
TALENT STRATEGY & OUTCOMES

Talent strategy drives competitive advantage through 5 employee outcomes.

**Talent Strategy**
- Leadership
- Culture
- Recruiting
- Employee Value Proposition
- Learning & Development
- Performance Management
- Career Framework

**Sustained Competitive Advantage & ROI:**

**Employees:**
1. are more attracted to your company than to your competitors’
2. have increased capability and reach competence levels earlier
3. are engaged and do more work
4. do more innovative and/or better quality work
5. invest in the organization and remain with the organization longer
### Leadership
- **Q1**: Refine Leadership Competency Framework
- **Q2**: Define People Metrics (leaders measured by defined metrics)
- **Q3**: Align Leaders
- **Q4**: Engage Team Leaders and Stakeholders

### Culture
- **Q2**: Optimize Culture
- **Q3**: Engage Team Leaders and Stakeholders
- **Q4**: Engage Culture Champions and Associates

### Career Framework
- **Q1**: Develop Competency Framework
- **Q2**: Refine Role Descriptions with Competency Proficiency Levels
- **Q3**: Pilot Skills Assessment Approach
- **Q4**: Deploy Skills Assessment
- **Q1**: Analyze Potential Career Paths
- **Q2**: Create Career Framework (including career archetypes)
- **Q3**: Develop and Socialize Career Framework

### Performance Management
- **Q1**: Improve Performance Management Process
- **Q2**: Pilot Performance Management Process
- **Q3**: Refine Performance Management Process
- **Q4**: Deploy performance metrics
- **Q1**: Define Performance Metrics (Individual Contributor/Leader Level)

### Learning & Development
- **Q1**: Identify Learning Priorities
- **Q2**: Develop Learning Approach and Plan
- **Q3**: Pilot Learning Approach
- **Q4**: Deploy Onboarding, Learning & Development and Continuous Improvement

### Employee Value Proposition
- **Q1**: Define Employee Value Proposition (EVP) (comprised of employer brand, job descriptions, human interactions, compensation and recognition, career opportunities, & work environment)
- **Q2**: Promote Employer Brand & Refine EVP

### Talent Acquisition
- **Q1**: Scope Workload and Necessary Workforce
- **Q2**: Create Strategic Recruiting Plan
- **Q3**: Create Workforce Planning Capability
- **Q4**: Execute Recruiting, Screening & Hiring
- **Q1**: Refine Recruiting Plan

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**Note:** A modular approach should be used that is adequate to attract and retain elite digital talent.
1. Create an employee experience that unlocks the most human potential, using increased EQ.

2. Articulate an employee value proposition to the talent markets that is customized to the most value generating talent.

3. Become part of the talent ecosystem that the most value generating talent inhabits.

4. Obtain the most value generating, elite technical talent for differentiated organizational strengths – and make sure they have differentiated EQ.

5. Reskill at all levels, including leadership; institutionalize life-long learning, and upskill people at scale – to include EQ.