The Leadership Accountability Gap

A Global Study Exploring the Real State of Leadership in Organizations Today

By Vince Molinaro, Ph.D., Global Managing Director -
Leadership Transformation Practice
Lee Hecht Harrison

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PREFACE

At Lee Hecht Harrison, we are passionate about making a difference in peoples' careers and building better leaders so our clients can transform their workforce to evolve and grow.

In my discussions with our global clients, many express that the world today is changing fast and furious and that many of their leaders are having a hard time "keeping-up", let alone "stepping-up." In this era of continuous disruption and uncertainty, companies need leaders who can embrace, navigate, and lead change and transformation.

As a result, leadership development continues to be a top priority for many CEOs and CHROs. However, despite the significant investment, companies are dissatisfied with the outcomes. At a time when they need leadership in their organizations to be at its strongest, it simply isn't.

We set out to understand the nature of this problem through our global study. We wanted to identify insights to help our clients better realize their investment in developing their leaders.

What we found at the heart of this problem is a challenge in leadership accountability. Three out of every four organizations responding to our survey say that leadership accountability is a critical business issues. Yet only 37% are satisfied with the degree of true accountability demonstrated by their leaders.

As you will see in this report, the leadership accountability gap is not only real, but also addressing it has a profound impact on the effectiveness of an organization's leaders and their ability to drive workforce transformation. The report shows the global nature of the problem and provides practical recommendations to help organizations close the leadership accountability gap.

Peter Alcide

President and Chief Operating Officer
Lee Hecht Harrison

INTRODUCTION

WHAT DOES IT MEAN TO BE A LEADER TODAY?

This critical question faces every organization and their leaders— now more than ever.

We're experiencing a period of unprecedented change. Business as we know it has been disrupted by the onset of new digital technologies; threats from nontraditional competitors; increased regulatory pressures; reinvention of work; sweeping demographic changes in the workforce; and the chronic political and economic uncertainty prevalent around the world.

In response to this change, organizations are transforming themselves to remain relevant and successful in this new landscape. Many are at critical inflection points, determining the best strategies to move forward. To be successful, strong leadership at every level is an absolute must.

Companies are working feverishly to develop their teams' leadership skills, yet few are achieving the desired results. A recent study revealed that clients are dissatisfied with their current leadership development, as well as the state of their leadership and the undue risk this presents. Given the ever-present need to adapt in the current climate, a lack of clearly-defined leadership and decision-making could turn a potential watershed moment into disaster.

The report found a core problem: a lack of leadership accountability. Accountable leadership is a requirement for building an organization that can thrive and remain agile, prepared to meet the needs of tomorrow. Without this accountability, it's become evident that people in leadership roles at several organizations are doing anything but leading. They carry the right titles and collect bigger paychecks, but they aren't stepping up in meaningful ways to help their companies succeed.

This is known as the **'leadership accountability gap'** and it represents a significant chasm between expectations of our leaders and their actual, measurable performance.

The problem exists. To solve it, it's necessary to identify the root cause. By considering careful research analyses, surveys and data, organizations can develop best practices to suit their unique needs and shrink this accountability gap in their leadership.

In 2015, Lee Hecht Harrison (LHH) partnered with HR People + Strategy (HRPS) to explore the state of leadership accountability in North American companies. HRPS is the executive division of the Society of Human Resources Management (SHRM), a professional society representing 285,000 members in more than 165 countries.

It was the first study of its kind, specifically focused on exploring the state of leadership accountability in companies. More than 250 HRPS members in North America were surveyed, representing senior human resource executives across industries—the individuals directly responsible for helping their companies build strong leadership.

The collective response was loud and clear: the leadership accountability gap is real, pervasive and must be addressed.

Nearly three out of every four respondents (72%) believed that leadership accountability is a critical issue in their organization. Despite its perceived importance, only 37% of respondents were satisfied with the level of accountability demonstrated by their leaders.

Discovering the problem to be so wide-spread, the study was expanded globally, to companies in North America, South America, Europe and Asia. The findings of this global study do more than reveal a pervasive issue — they reveal practical ways that organizations can develop leadership accountability and tighten the gap in their own teams.

THE GLOBAL LEADERSHIP ACCOUNTABILITY SURVEY

The study deployed an expanded data collection strategy that included an online survey, a series of international customer events, and interviews with select customers to validate the emerging findings. LHH is the global partner to 70% of Fortune 50 organizations and to 50% of Fortune 500 organizations, along with extensive mid-market work. This allowed for an accurate cross-section of 2,084 participants in senior HR and business executive roles. (See Appendix I).

UNDERSTANDING THE STATE OF LEADERSHIP ACCOUNTABILITY: HIGH LEVEL FINDINGS

Accountable Leadership is a critical capability in today's organizations. Today's objectives are more ambitious and complex, and this means a strong leadership culture needs to be developed.
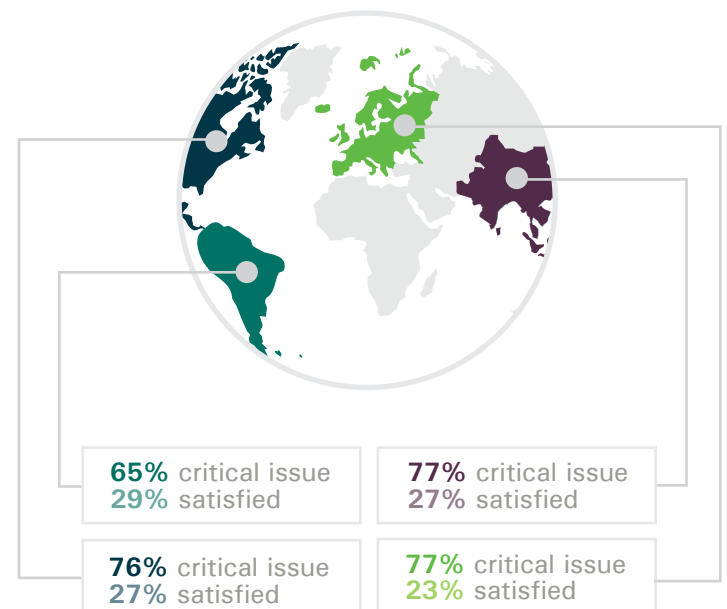
Director Human Resources – Spain

Upon analysis, the results and findings were dramatic: the global survey found nearly identical results to the smaller HRPS survey—with a nearly identical gap.

Overall, 72% of the global respondents believe that leadership accountability is a critical issue in their organization. Only 31% of them were satisfied with the degree of accountability demonstrated by their leaders.
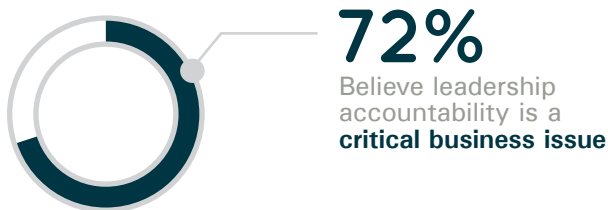
The consistency of these survey findings (shown in the map below) is surprising, noteworthy and ultimately quite telling. The leadership accountability gap is a critical business challenge that knows no borders.

72%
Believe leadership accountability is a **critical business issue**

31%
Satisfied with degree of **leadership accountability**

65% critical issue
29% satisfied

77% critical issue
27% satisfied

76% critical issue
27% satisfied

77% critical issue
23% satisfied

In addition, other aspects of leadership accountability were explored, including the extent to which companies:

- Have set clear expectations of their leaders
- Believe their leaders are fully committed to their roles as leaders
- Have the courage to address mediocre leadership
- Believe they have a strong leadership culture
- Estimate the number or proportion of their leaders who are truly accountable

49%
Have set **clear leadership expectations**

45%
Demonstrate a **high degree of commitment** to their role as leaders

27%
Have a **strong leadership culture**

20%
Have the courage to **address mediocre and unaccountable leaders**

48%
Proportion of **truly accountable leaders**

The results showed that nearly half of the surveyed companies believe they've set clear expectations. Very few admitted to failing to be deliberate or explicit in setting expectations for their leaders.

One stark finding is that less than half of the executives studied believe their leaders are fully committed to their roles. Many leaders are committed to driving business results as well as the technical aspects of their roles; however, fewer leaders are committed to actual leadership – managing people, inspiring teams, addressing performance issues, and building culture (See Appendix II for selected findings by country).

One extremely telling statistic is that only 27% of companies believe they have a strong leadership culture. This is particularly alarming considering the sweeping changes and important decisions being brought about by recent disruptors.

There's widespread agreement across industries that if a company has a weak leadership culture, this creates risk. The organization will not be able to effectively drive change, achieve long-term sustainable success, or attract the best talent.

When searching for answers or causes behind these alarming statistics, one clear indicator is the meager number of companies that feel they have the courage to address mediocrity among their leaders. Respondents acknowledged that, in most cases, they know exactly which leaders are unaccountable. However, they also admitted they typically do not deal with these leaders in a proactive manner. This breeds further mediocrity, increases the lack of accountability and exacerbates the core problem. Many hope that, with more training and development, their leaders will eventually improve their performance; however, the numbers show that this outcome is anything but realistic.

Throughout this report, you'll be offered a series of questions to complete your own audit of the state of Leadership Accountability in your organization. Reflect on your answers and draw your own conclusions about the most pressing needs for your company moving forward.

AUDIT YOUR ORGANIZATION PART A - UNDERSTANDING THE STATE OF LEADERSHIP ACCOUNTABILITY IN YOUR ORGANIZATION

PLEASE RATE EACH QUESTION
(1 = not at all, 5 = to a very great extent)

To what extent:

Is leadership accountability a critical business issue in your organization?

① ② ③ ④ ⑤

Are you satisfied with the degree of leadership accountability demonstrated by your leaders?

① ② ③ ④ ⑤

Has your organization set clear leadership expectations?

① ② ③ ④ ⑤

Does your organization have a strong leadership culture?

① ② ③ ④ ⑤

Does your organization have the courage to address unaccountable and mediocre leadership directly?

① ② ③ ④ ⑤

SATISFACTION WITH LEADERSHIP ACCOUNTABILITY BY LEVEL OF LEADERS

Satisfaction with leadership was explored at three levels: demonstrable accountability from executives, mid-level associates, and the front-line.

While the data points to greater satisfaction with executive level leaders, it's far from an overwhelming endorsement. Taken collectively, these findings suggest there is quite a lot of work ahead for organizations to develop strong leadership accountability across all levels.

52% EXECUTIVE

31% MID-LEVEL

30% FRONT-LINE
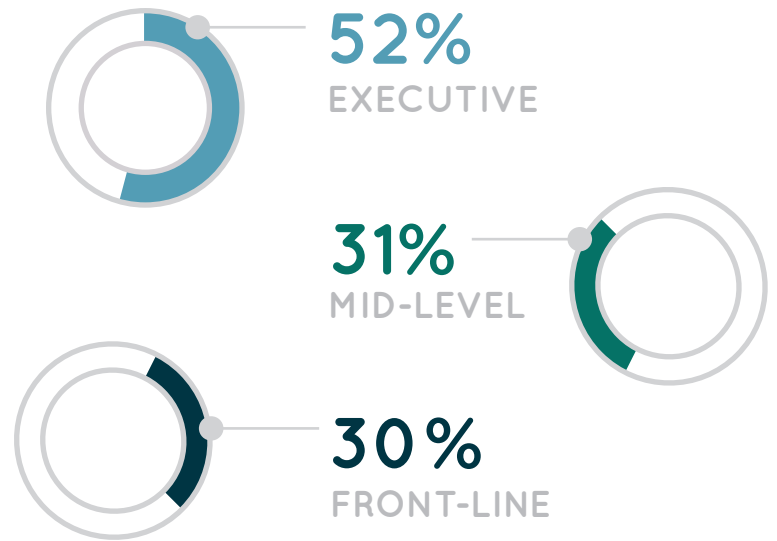
Senior management must be accountable. If there is an accountability gap there, then there will also be one among their direct reports and other leaders below them. An organization will not be successful.

VP Human Resources - France

AUDIT YOUR ORGANIZATION PART B - SATISFACTION WITH LEADERSHIP ACCOUNTABILITY BY LEVEL

**PLEASE RATE EACH QUESTION
(1 = not at all, 5 = to a very great extent)**

To what extent are you satisfied with the leadership accountability demonstrated by:

Executive level leaders?

① ② ③ ④ ⑤

Mid-level leaders?

① ② ③ ④ ⑤

Front-line leaders?

① ② ③ ④ ⑤

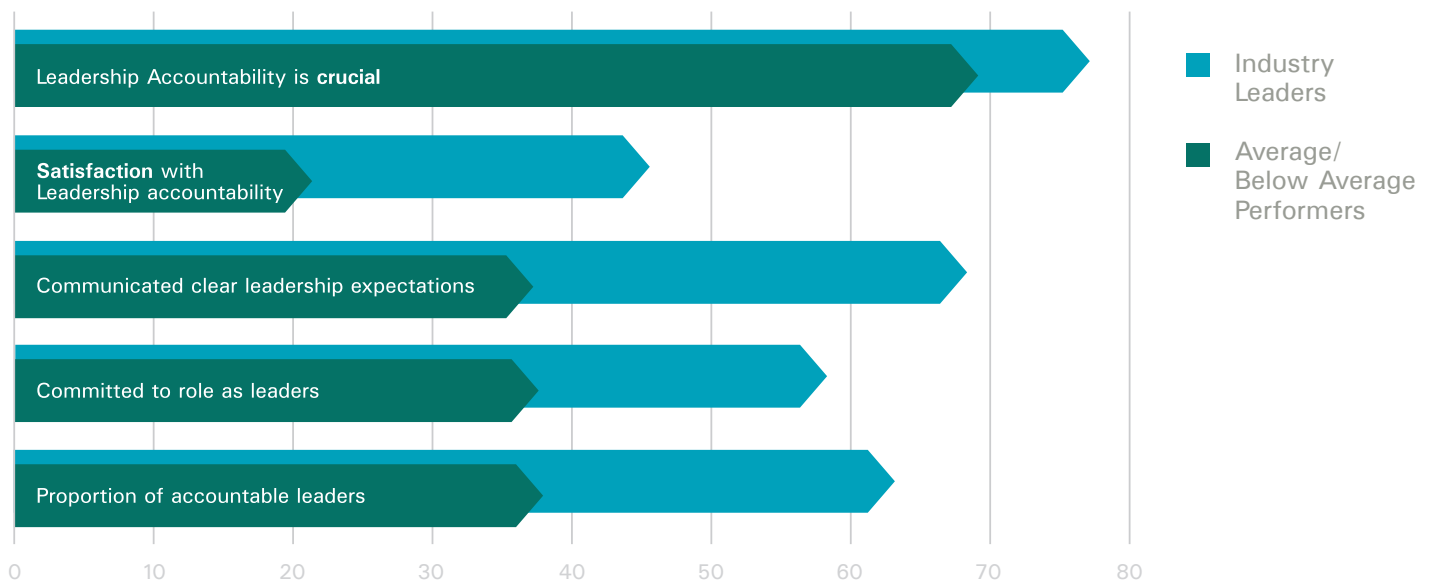# THE RELATIONSHIP BETWEEN LEADERSHIP ACCOUNTABILITY AND COMPANY PERFORMANCE

The initial HRPS study examined the connection between strong leadership accountability and organizational performance. Unsurprisingly, the connection seems quite strong.

Survey respondents were asked to identify whether their organization was an industry-leading (top quartile) performer, average/above-average performer, or poor performer (below 50%) relative to their industry. 29% of respondents self-identified their companies as industry-leading performers; 47% were average performers (not industry-leading, but not low performers); and 14% self-identified themselves as below average or low-performing companies.

THE TABLE BELOW PROVIDES A SUMMARY OF THE OVERALL FINDINGS.

Although leadership accountability is seen as critical among all respondents regardless of their performance, clear differences arise between industry leaders and the rest.

Industry leaders report a higher overall degree of leadership accountability, invest more time in communicating clear expectations, and report having a higher overall proportion of accountable leaders; they didn't become leaders in their field by accident.

- Leadership Accountability is **crucial**
- **Satisfaction** with Leadership accountability
- Communicated clear leadership expectations
- Committed to role as leaders
- Proportion of accountable leaders

Legend:
- ■ Industry Leaders
- ■ Average/ Below Average Performers

0   10   20   30   40   50   60   70   80

A CLOSER LOOK AT LEADERSHIP ACCOUNTABILITY: BEHAVIORS, ORGANIZATIONAL PRACTICES AND CULTURE

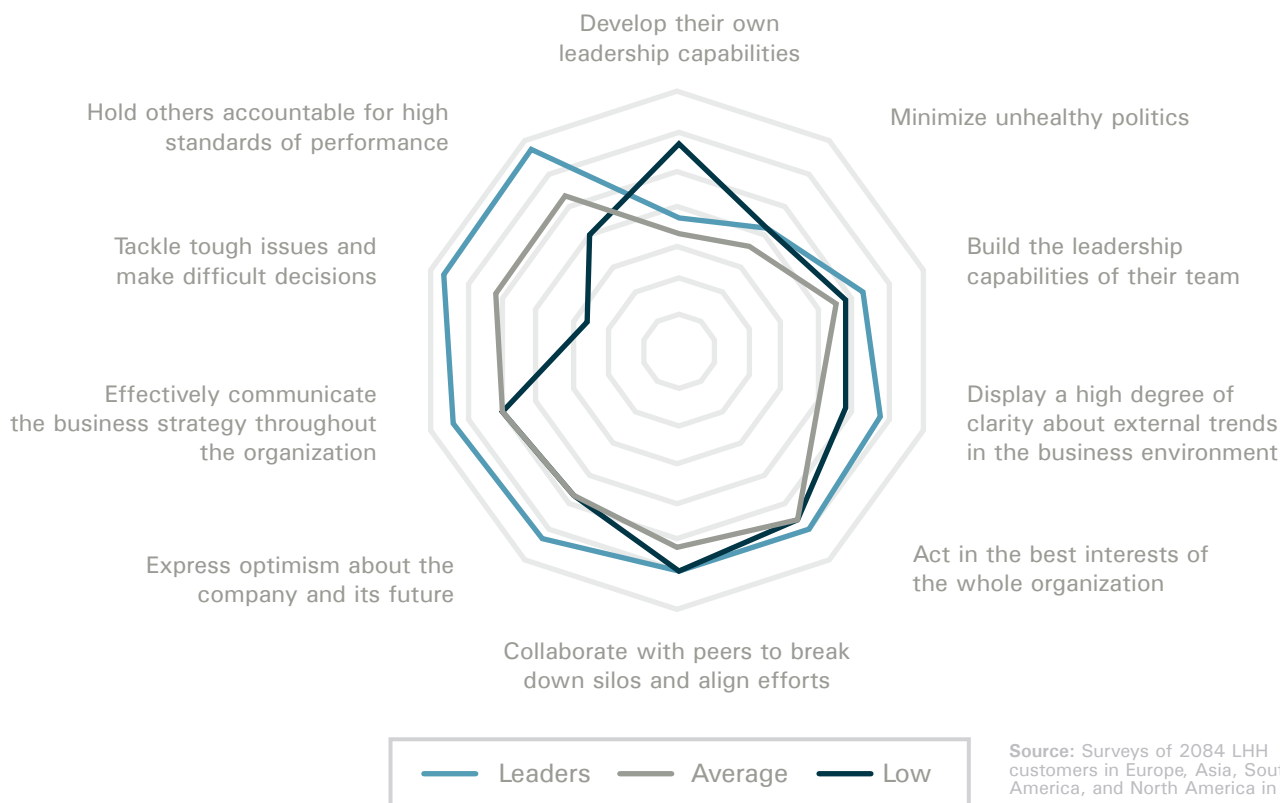**The study explored several detailed questions about accountability through three key dimensions:**

- Behaviors that truly accountable leaders demonstrate day-to-day

- Organizational practices that help create strong leadership accountability

- Cultural attributes that cultivate accountability among leaders

The pattern continues: industry-leading companies outpaced the average and low-performing companies in each of these critical attributes. A deeper examination of all three reveals just how strongly they are connected to organizational performance and success (see Appendix III for comparative results by region).

ACCOUNTABLE LEADERSHIP BEHAVIORS

When asked about the leaders in their companies who are truly accountable, respondents considered the frequency of ten performative behaviors.

The data reveals alignment across all three segments of companies when it comes to accountable leaders. The strongest leaders on their team exhibit these behaviors more frequently than others. However, the chart also shows some very interesting net differences in frequency of behaviors among the three types of organizations, with leaders in the industry-leading companies consistently demonstrating a higher degree of accountability in 80% of behaviors surveyed.

Develop their own leadership capabilities

Hold others accountable for high standards of performance

Minimize unhealthy politics

Tackle tough issues and make difficult decisions

Build the leadership capabilities of their team

Effectively communicate the business strategy throughout the organization

Display a high degree of clarity about external trends in the business environment

Express optimism about the company and its future

Act in the best interests of the whole organization

Collaborate with peers to break down silos and align efforts

Leaders — Average — Low

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The most notable net differences between industry leaders and the average and low-performing companies were revealed in the following five behaviors of accountable leaders:

1. Holding others accountable for high standards of performance

2. Tackling tough issues and making difficult decisions

3. Effectively communicating the strategy throughout the organization

4. Expressing optimism about the company and its future

5. Displaying clarity about external trends in the business environment

These five behaviors tell the story about how accountable leaders behave differently than other leaders; the insights shared during the customer events fit nicely with the data. Here's a closer look at the findings from those discussions:

1. HOLDING OTHERS ACCOUNTABLE FOR HIGH STANDARDS OF PERFORMANCE

Real leadership accountability is built on a foundation of strong standards and clear expectations. Respondents revealed that the leaders in their companies who were truly accountable never settled for merely 'good enough.' They always challenged their teams and colleagues to aim for higher standards of performance. While in many ways this could be considered an obvious point, data indicates that it isn't as common a practice as many organizations would like it to be.

2. TACKLING TOUGH ISSUES AND MAKING DIFFICULT DECISIONS

The largest net difference in the results was in the ability of leaders in industry-leading companies to deal with tough issues and make difficult decisions —a key marker of truly accountable leaders. In the discussions during the study, this was viewed as the most observable and tangible behavior seen in leaders deemed truly accountable. At the same time, it was also the behavior most glaringly absent among more mediocre leaders.

3. EFFECTIVELY COMMUNICATIING THE STRATEGY THROUGHOUT THE ORGANIZATION

Accountable leaders can effectively communicate their company's strategy. This behavior is important because it helps teams and employees understand how their work contributes to making the company successful, in turn making each task more meaningful and rewarding. A clear vision on strategy that can be expressed by leadership helps every team member 'buy in' and stay motivated in their role.

4. EXPRESSING OPTIMISM ABOUT THE COMPANY AND ITS FUTURE

Accountable leaders express optimism about the company and the future. Leaders viewed as unaccountable seem to merely go through the motions in their day-to-day work without personal investment in the direction of the team. Many appear disengaged or unenthusiastic. This undermines the ability of the company to fully engage employees. As one client said, "If leaders are not excited about what we are trying to do as a company, then our employees will never be."

5. DISPLAYING CLARITY ABOUT EXTERNAL TRENDS IN THE BUSINESS ENVIRONMENT

The final behavior which revealed a net difference was in the ability of leaders to be aware of trends in their business environment. Many leaders seem to lead with their heads stuck in the sand, or they seem too internally-focused. In contrast, accountable leaders assess their environment for opportunities, or identify threats and risks they can manage. This proactive nature contributes to stronger accountability overall.

Shifting focus to the other behaviors, similarities were found regarding collaboration with peers to breakdown silos and align efforts, acting in the best interest of the whole organization, and building the capabilities of their teams. It was revealed that, increasingly, these behaviors are becoming more important in the culture of many organizations—particularly those with matrix structures. The nature of work in most companies today is horizontal, requiring leaders to collaborate, act in the best interest of the whole organization, and develop their teams to collaborate effectively with other departments.

Minimizing unhealthy politics was low for all three segments of companies, suggesting that all leaders struggle to address these behaviors within their teams. This reveals a pervasive accountability issue throughout an organization, underscoring the importance of leaders to be accountable and lead by example.

When it comes to developing one's own leadership capabilities, there are libraries of literature available on the topic. Most organizations embrace and laud this behavior, yet it was found to be the lowest-rated behavior in both industry-leading and average companies. And yet, the behavior was highly rated in low-performing organizations, with a clear need to improve.

This was a surprising finding and seems to contradict the conventional wisdom of leadership development. After a deeper exploration of the findings in discussion with respondents, three hypotheses emerged to try to explain the data:

The first hypothesis suggested that it is possible that unaccountable leaders may actually spend too much time developing themselves, at the expense of engaging in some of the other behaviors; personal development may become an avoidance strategy employed by some leaders.

The second hypothesis was that leaders in low-performing companies know that they are struggling to meet the demands of their role and, as a result, are trying to improve themselves by investing in their development.

Finally, some argued that truly accountable leaders develop themselves on the job by engaging in the more difficult leadership behaviors – they challenge themselves to grow on a daily basis.

There was no clear consensus to explain the finding; however, it suggests that companies should take a second look at how much time leaders are spending developing themselves and whether this investment is warranted.

AUDIT YOUR ORGANIZATION PART C - BEHAVIORS OF ACCOUNTABLE LEADERS

**PLEASE RATE EACH QUESTION
(1 = not at all, 5 = to a very great extent)**

Thinking about the truly accountable leaders in your organization, to what extent do they demonstrate these behaviors relative to other leaders?

Display a high degree of clarity about external trends/drivers in your business environment.

① ② ③ ④ ⑤

Express optimism about your business and its future.

① ② ③ ④ ⑤

Effectively communicate the business strategy throughout the organization.

① ② ③ ④ ⑤

Act in the best interests of the organization, rather than for themselves or their team/department.

① ② ③ ④ ⑤

Work collaboratively with peers to break down silos and align the efforts of teams across the organization.

① ② ③ ④ ⑤

Hold others, including their team (direct reports), accountable for high standards of performance.

① ② ③ ④ ⑤

Tackle tough issues and make difficult decisions.

① ② ③ ④ ⑤

Minimize unhealthy politics at all levels throughout the organization.

① ② ③ ④ ⑤

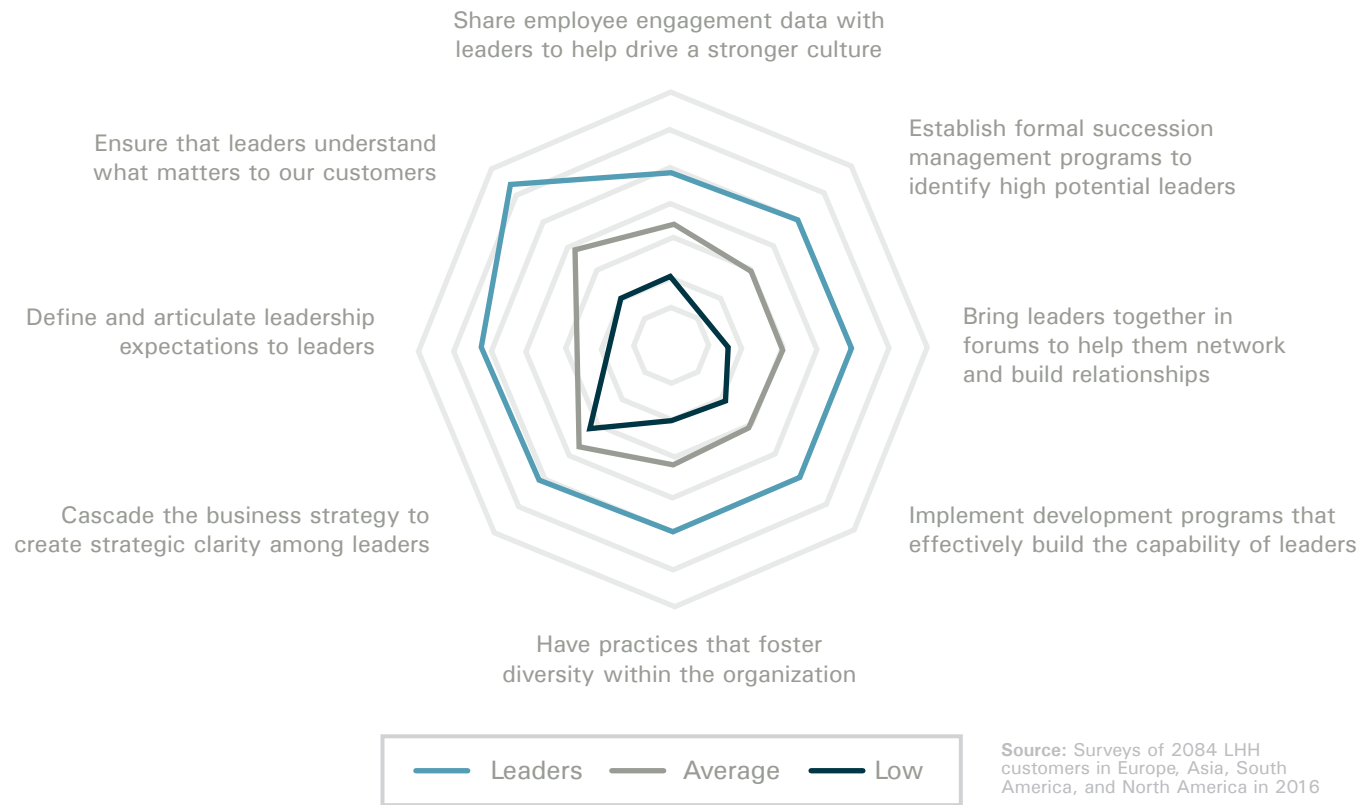Invest time in developing their own leadership capabilities.

① ② ③ ④ ⑤

Build the leadership capabilities of their team/others in the organization.

① ② ③ ④ ⑤

THE ORGANIZATIONAL PRACTICES TO BUILD STRONG LEADERSHIP ACCOUNTABILITY

Findings relative to organizational practices intended to build strong leadership accountability revealed striking differences between industry leaders and the remainder:

Share employee engagement data with leaders to help drive a stronger culture

Ensure that leaders understand what matters to our customers

Establish formal succession management programs to identify high potential leaders

Define and articulate leadership expectations to leaders

Bring leaders together in forums to help them network and build relationships

Cascade the business strategy to create strategic clarity among leaders

Implement development programs that effectively build the capability of leaders

Have practices that foster diversity within the organization

—— Leaders —— Average —— Low

Source: Surveys of 2084 LHH customers in Europe, Asia, South America, and North America in 2016

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Industry-leading organizations considerably outpaced average and low-performing companies across every practice area. In two key areas – 'ensuring that leaders understand what matters to customers' and 'defining leadership expectations' – the gap was even greater, suggesting these are critical practices that companies must seriously consider reevaluating.

When discussed with respondents in detail, greater insight into the importance of each practice came to the forefront:

Ensure that leaders understand what matters to our customers

This practice helps bring clarity to the leaders of the organization. When leaders truly understand the voice of the customer and what matters to them, it creates tremendous focus on key priorities. These then establish a mechanism to drive real accountability.

Define and articulate leadership expectations to leaders

Industry-leading companies make it clear what they expect from their leaders. Often, these messages are presented in a straightforward manner and embedded in the fabric of how the organization operates.

Have practices that have practices that foster diversity within organization

In many companies, leadership often is molded to a traditional male model. However, industry leaders do not type-cast leaders to fit one mold of characteristics; they focus on driving accountability as the primary expectation. This enables a more diverse group of individuals to move into leadership roles.

Share employee engagement data with leaders to help drive a stronger culture

We heard that industry-leading companies are very transparent with their employee engagement data. The data is shared broadly so that leaders with highly engaged teams are recognized, while those with low engagement scores are also made apparent. There is essentially no hiding. This helps drive leader accountability for employee engagement.

Cascade the business strategy to create strategic clarity among leaders

Industry leaders spend considerable time ensuring leaders understand the strategic priorities. This also brings clarity to the organization and provides the foundation for accountability.

Implement development programs that effectively build the capability of leaders

Industry leaders put programs in place that do not merely build skills and capabilities, but also foster strategic clarity and drive accountability.

Establish formal succession management programs to identify high potential leaders

Industry leaders are continually looking to groom the next generation of accountable leaders. Demonstrated accountability is a key marker of future leaders.

Bring leaders together in forums to help them network and build relationships

Industry leaders understand that building a strong culture is critical to their success, so they find ways to facilitate relationship-building among their leaders through forums and other mechanisms.

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AUDIT YOUR ORGANIZATION PART D - ORGANIZATIONAL PRACTICES TO BUILD STRONG LEADERSHIP ACCOUNTABILITY

PLEASE RATE EACH QUESTION
(1 = not at all, 5 = to a very great extent)

Thinking about your organizational practices and how they support or do not support leadership accountability, how satisfied are you with the following practices?

We have defined and clearly articulated our leadership expectations to our leaders.

(1) (2) (3) (4) (5)

We ensure that leaders understand what matters to our customers.

(1) (2) (3) (4) (5)

We strive to create strategic clarity among our leaders by cascading our business strategy and imperatives.

(1) (2) (3) (4) (5)

We share employee engagement data with leaders so they can help drive a stronger culture in our organization.

(1) (2) (3) (4) (5)

We have implemented leadership development programs that effectively build the capability of our leaders.

(1) (2) (3) (4) (5)

We have practices that foster diversity within our organization.

(1) (2) (3) (4) (5)

We regularly bring leaders together in forums to help them network and build relationships.

(1) (2) (3) (4) (5)

We have formal succession management programs to identify high potential leadership talent.

(1) (2) (3) (4) (5)

THE LEADERSHIP CULTURE ATTRIBUTES

Only 27% of companies surveyed believe they have a strong leadership culture. When looking specifically at culture, stark differences arise between industry leaders, average performers, and low performers in seven of the ten attributes assessed.

This suggests that the efforts of leaders to demonstrate accountable behaviors, coupled with a company's commitment to implementing key organizational practices, create the foundation for a strong leadership culture.

"The senior leaders create the culture and set the tone for the organization. It's imperative that they drive the set of behaviors which influence the behaviors of the next line leaders."

EVP Business Development - Singapore

Leaders have the courage to give candid
and constructive feedback to one another

Leaders demonstrate a common passion
and drive to execute our business strategy

Leaders create a common leadership
experience for employees across
the organization

Leaders have clarity about
what our customers value

Leaders promote a culture where
internal politics are kept to a minimum

Leaders model the values
of our organization

Leaders are clear about the leadership
expectations of the organization

Leaders demonstrate a high
degree of personal maturity

Leaders regularly celebrate success in
achieving key milestones of the organization

Leaders are committed to the
idea of "one company"

— Leaders   — Average   — Low

Source: Surveys of 2084 LHH customers in Europe, Asia, South America, and North America in 2016

Discussions regarding leadership culture were robust:

Leaders demonstrate a common passion and drive to execute our business strategy
This was a highly variable attribute of leadership culture. Most customers wanted it to exist, but few felt confident that it did.

Leaders model the values of our organization
There was widespread agreement that this is a common expectation in most companies; however, it seems few reinforce this culturally. In other words, they tolerate leaders who do not model the values, largely because they may drive high performance.

Leaders demonstrate a high degree of personal maturity
Personal maturity was seen as a critical cultural element required for real accountability. However, it is lacking in many companies.

Leaders are committed to the idea of "one company"
We heard many times the desire for companies to have leaders who live up to this cultural attribute. While it is an expressed need, current organizational structure and performance metrics reinforce silo behavior among leaders.

Leaders have clarity about what our customers value
The themes here were similar to the discussion around organizational practices – the voice of the customer is critical to establishing a culture of accountability.

Leaders are clear about the leadership expectations of the organization
This attribute falls largely to the organization. If clear expectations are not set, leaders will not know what to be clear about.

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Leaders regularly celebrate success in achieving key milestones

This attribute was identified as the largest missed opportunity in many companies. Many do not create a culture where this is valued. But they believe that if they did this more consistently, it would be a powerful way to reinforce leadership expectations while recognizing the leaders who are stepping up.

Leaders promote a culture where internal politics are kept to a minimum

This attribute generated a lot of interesting discussion. Some shared with us that many of their leaders are consumed by internal politics, which actually takes them away from leading. Others have addressed this issue head on, and promote and hire leaders who put the company first and are largely apolitical.

Leaders create a common leadership experience for employees across the organization

This was an attribute that few customers actually paid attention to. As a result, they were not surprised that it was rated lower. It's a desire that many executives expressed, but one that seems difficult to drive at present.

Leaders have the courage to give candid and constructive feedback to one another

Peer-to-peer feedback is lacking in almost all organizations. This represents a challenge since many organizations today are matrixed. In many others, work is increasingly done across departments and functional silos. Leaders must work together. Yet, a cultural barrier will limit the ability of leaders to be successful if they can't or won't challenge one another.

AUDIT YOUR ORGANIZATION PART E - ATTRIBUTES OF YOUR LEADERSHIP CULTURE

**PLEASE RATE EACH QUESTION
(1 = not at all, 5 = to a very great extent)**

Thinking about your current leadership culture, to what extent does it possess the following attributes?

Our leaders have clarity about what our customers value.

① ② ③ ④ ⑤

Our leaders demonstrate a common passion and drive to execute our business strategy.

① ② ③ ④ ⑤

Our leaders promote a culture where internal politics are kept to a minimum.

① ② ③ ④ ⑤

Our leaders model the values of our organization.

① ② ③ ④ ⑤

Our leaders create a common leadership experience for employees across our organization.

① ② ③ ④ ⑤

Our leaders are committed to the idea of "one company."

① ② ③ ④ ⑤

Our leaders are clear about what leadership means and what expectations the organization has of them in their roles.

① ② ③ ④ ⑤

Our leaders have the courage to give candid and constructive feedback to one another.

① ② ③ ④ ⑤

Our leaders demonstrate a high degree of personal maturity.

① ② ③ ④ ⑤

Our leaders regularly celebrate success in achieving key milestones.

① ② ③ ④ ⑤

BUILDING STRONG LEADERSHIP ACCOUNTABILITY: THE ROAD AHEAD

The report intended to shed light on a critical business issue that companies worldwide are facing – the leadership accountability gap between expectations of leaders and their actual performance. This issue is more significant than ever given the ever-changing business climate, yet data reveals that the majority of companies are dissatisfied with their leadership development.

"We are going through quite a bit of change in our company. We need our leaders to be truly accountable if we have any chance of successfully navigating through it all.

Global Head of Human Resources – United States

The findings point to a clear conclusion: current investments in leadership development are not actually creating stronger leaders. As such, the shortage of quality leaders to guide any organization into the future is arguably the biggest talent issue facing companies today.

SO, WHAT IS THE NEXT STEP?

A dual response is required. First, organizations must do their part to establish the practices that drive strong leadership accountability. Second, leaders themselves need to step up at the individual level. If both are implemented effectively, then a culture of leadership accountability can be established.

AUDIT YOUR ORGANIZATION PART F - INSIGHTS & ACTION PLAN

1 What are your key insights on the state of leadership accountability in your organization?

2 Based on these insights, what specific actions must you take to strengthen the leadership accountability among your leaders?

THE ORGANIZATIONAL RESPONSE: SHRINKING THE LEADERSHIP ACCOUNTABILITY GAP

There are several practices that organizations can put in place to build strong leadership accountability. The findings from this report showcase the practices that industry-leading companies implement that have the greatest impact. Proven practices to consider include:

MAKE LEADERSHIP ACCOUNTABILITY A BUSINESS PRIORITY

The first step is to make leadership accountability a priority. This means a shared sense of clarity among the board, the CEO, the executive team, and HR on the organization's responsibility to support leaders and drive accountability throughout the enterprise.

"I believe leadership accountability starts at the top. Unfortunately, we do not have complete accountability at the top and, therefore, I do not see it cascading throughout the organization…there is much talk about accountability from the top but not enough action."

CHRO - Canada

SET CLEAR LEADERSHIP EXPECTATIONS

Both discussions and data confirmed that companies need to do a better job of setting clear leadership expectations.

It's imperative to create and communicate a straightforward and clear set of expectations to leaders. This establishes the foundation for true accountability. It sets the tone about what the organization expects and what behaviors are unacceptable.

Once expectations are set, they must be reinforced and embedded in a number of organizational practices; this lets them become core to how the company operates.

ADDRESS MEDIOCRE AND UNACCOUNTABLE LEADERS

Building leadership accountability requires organizations to do some difficult things, including addressing mediocre or unaccountable leaders in their team. This is a challenge for most organizations – only 20% reported it as a strength. Too often, attempts to build accountability are undermined because companies fail to take action regarding weak or ineffective leaders. This failure has consequences; it sends the message to other leaders and employees that you are prepared to tolerate mediocrity. It also disengages your high performers; they will feel that their contributions are minimized or undermined by weak leadership.

"I agree 100% with the importance of leadership accountability. It is the only way to create a high performing culture and to achieve excellent results in a sustainable way. But this has to be ingrained in the company culture."

CHRO - Brazil

COMPLETE THE LEADERSHIP ACCOUNTABILITY AUDIT

This audit (as provided in this report) helps a company perceive their relative strengths and gaps with respect to the three dimensions: behaviors, practices, and culture. The insights gained from this audit will provide you with an understanding of where to focus improvement efforts.

THE INDIVIDUAL RESPONSE: HOW WE CAN TRANSFORM OURSELVES INTO TRULY ACCOUNTABLE LEADERS

The Leadership Contract book offers a road map for leaders to step up and demonstrate strong accountability at the personal level, and they can start by committing to the leadership contract and four key 'terms.'

Truly accountable leaders deliberately put each condition into action:

- Accountable leaders must make the deliberate decision to lead. They need to consciously commit to being truly accountable. They must set high expectations for their personal performance and for those whom they lead.

- Accountable leaders must be clear about their core obligations. They must bring a "one company" perspective to their role and put what's best for the organization ahead of their personal self-interest. They must commit every day to making a meaningful and impactful difference to their customers, stakeholders, and employees.

- Accountable leaders must demonstrate resolve to tackle hard work. Simply put – they don't wimp out. Leadership is not for the faint of heart, and leaders must have the courage to tackle the difficult issues that arise in the course of the job. Accountable leaders have resilience, resolve, and determination.

- Accountable leaders connect to build relationships and a sense of community. They focus on the quality of relationships. They network internally to foster connections that result in high levels of trust and mutual support. This, in turn, drives greater collaboration, innovation, and speed of execution.

FINAL THOUGHTS

As global leaders continue to face unprecedented change and disruption in their environments, it's clear that they need to be stronger than ever before. That is true whether they are leading a company or an entire country.

Yet, at a time when we need our leaders to be at their strongest, many are falling significantly short of their obligations. Global data reveals that at the heart of the challenge is the core problem: a significant **leadership accountability gap.**

The solution is to understand how leaders and their organizations can better step up and demonstrate strong accountability at a personal and collective level.

Our global study included a global online survey, a series of international customer events, and interviews with select customers to validate the emerging findings. In total, 2,084 diverse study participants were accounted for.

THE ONLINE SURVEY

The online survey had 1,116 respondents. It explored leadership accountability in a broad way by exploring three dimensions of leadership accountability: the behaviors typically demonstrated by accountable leaders, the organization's practices which help build strong accountability among leaders and, finally, the key attributes of leadership culture that are important to sustaining leadership accountability.

The online survey distribution by role was:
- 29% C-Suite executives (CEO, COO, EVP)
- 27% senior HR executives (CHRO, EVP, VP)
- 27% HR professionals at the vice president and director level
- 8% HR consultants
- 9% represented the other category

A strong cross-section of industries was represented, suggesting the findings of this study apply to a broad range of companies in several sectors.

Industry Representation
Number of Respondents of Online Survey
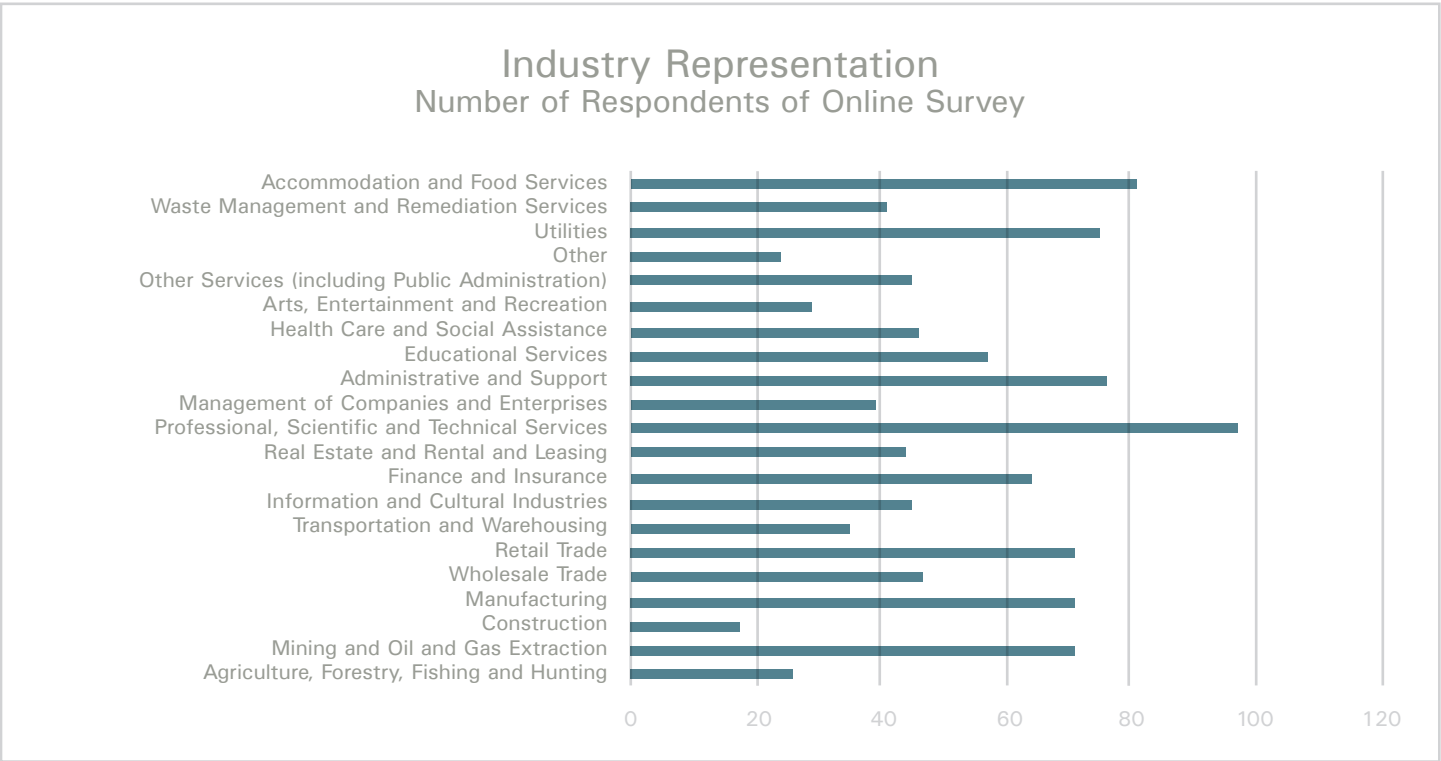
CUSTOMER EVENTS

A series of events were held in 33 cities with a total of 968 customers in attendance. They each completed a short-form survey. In addition, the events were leveraged to cultivate insight on the emerging findings of the survey data.

INTERVIEWS WITH CUSTOMERS

A series of one-on-one interviews with a select number of customers was employed to validate and further explore the themes emerging from the surveys and customer events. A consistent interview guide was used during the interviews, across all industries and segments.

APPENDIX II - COMPARATIVE FINDINGS BY REGION

Data from four geographic regions was analyzed: 47% of the data was gathered from North America, 21% from South America, 21% from Europe and 11% from Asia. The table below compares the results by country and geographic region for a core set of questions explored in the study.

		Leadership Accountability is a Critical Business Issue	Satisfied with Degree of Leadership Accountability	Set clear leadership expectations for leaders	Leaders demonstrate high degree of commitment to their roles	Organization has a strong leadership culture
NORTH AMERICA	Canada	89%	24%	41%	40%	28%
	United States	72%	38%	34%	34%	25%
SOUTH AMERICA	Chile	61%	19%	39%	36%	31%
	Peru	64%	34%	55%	45%	61%
	Columbia	72%	28%	54%	29%	45%
	Brazil	81%	25%	49%	36%	42%
EUROPE	Netherlands	90%	31%	26%	36%	28%
	Germany	80%	40%	37%	32%	29%
	Switzerland	62%	35%	35%	38%	18%
	Belgium	89%	26%	17%	22%	6%
	England	85%	30%	15%	15%	5%
	France	85%	18%	38%	42%	36%
	Spain	66%	37%	56%	53%	59%
ASIA	China	86%	51%	62%	50%	38%
	Singapore	72%	30%	38%	23%	18%
	India	61%	50%	44%	41%	38%

Below, the high level findings for each of the three dimensions of leadership accountability are presented, by region.

BEHAVIORS OF ACCOUNTABLE LEADERS BY REGION

Differences in leadership behaviors by region were examined. Findings revealed slight differences, but considerable consistency in the top behaviors (see chart below).

NORTH AMERICA	SOUTH AMERICA	EUROPE	ASIA
Hold teams accountable for high standards of performance	Tackle tough issues and make difficult decisions	Tackle tough issues and make difficult decisions	Act in the best interest of the whole organization
Tackle tough issues and make difficult decisions	Effectively communicate business strategy throughout the organization	Hold teams accountable for high standards of performance	Effectively communicate business strategy throughout the organization
Express optimism about the company and its future	Hold teams accountable for high standards of performance	Express optimism about the company and its future	Hold teams accountable for high standards of performance
Effectively communicate business strategy throughout the organization	Express optimism about the company and its future	Collaborate with peers to break down silos and align efforts	Display a high degree of clarity about external trends/drivers
Collaborate with peers to break down silos and align efforts	Collaborate with peers to break down silos and align efforts	Display a high degree of clarity about external trends/drivers	Minimize unhealthy politics at all levels in the organization

ORGANIZATIONAL PRACTICES BY REGION

Also examined were differences in organizational practices by region among the responses from industry leaders. Findings reveal slight differences, but considerable consistency in the practices (see chart below).

NORTH AMERICA	SOUTH AMERICA	EUROPE	ASIA
Ensure that leaders understand what matters to customers	Ensure leaders understand what customers value	Share employee engagement data with leaders	Implement practices that foster diversity within the organization
Regularly bring leaders together in forums to help them network and build relationships	Implement leadership development programs that build the capability to leaders	Regularly bring leaders together in forums to help them network and build relationships	Implement leadership development programs that build the capability to leaders
Define and articulate leadership expectations and accountabilities that all leaders must live up to	Define and articulate leadership expectations and accountabilities that all leaders must live up to	Establish formal succession management programs to identify high potential leadership talent	Define and articulate leadership expectations and accountabilities that all leaders must live up to
Implement practices that foster diversity within the organization	Regularly bring leaders together in forums to help them network and build relationships	Implement practices that foster diversity within the organization	Establish formal succession management programs to identify high potential leadership talent
Establish formal succession management programs to identify high potential leadership talent	Strive to create strategic clarity among leaders	Define and articulate leadership expectations and accountabilities that all leaders must live up to	Strive to create strategic clarity among leaders

ATTRIBUTES OF LEADERSHIP CULTURE BY REGION

Also examined were differences in leadership culture attributes by region. Findings revealed slight differences, but considerable consistency (see chart below).

NORTH AMERICA	SOUTH AMERICA	EUROPE	ASIA
Leaders demonstrate a common passion and drive to execute the business strategy	Leaders know what customers value	Leaders demonstrate a common passion and drive to execute the business strategy	Leaders demonstrate a common passion and drive to execute the business strategy
Leaders know what customers value	Leaders demonstrate a common passion and drive to execute the business strategy	Leaders know what customers value	Leaders model the values of the organization
Leaders model the values of the organization	Leaders model the values of the organization	Leaders demonstrate a high degree of personal maturity	Leaders are committed to the idea of "one company"
Leaders demonstrate a high degree of personal maturity	Leaders are committed to the idea of "one company"	Leaders model the values of the organization	Leaders know what customers value
Leaders celebrate success and key milestones	Leaders celebrate success and key milestones	Leaders are clear on the leadership expectations of the organization	Leaders celebrate success and key milestones

ABOUT THE AUTHOR

Vince Molinaro, Ph.D.,

Vince Molinaro travels the world helping organizations successfully transform themselves by building strong leadership cultures with highly engaged and truly accountable leaders.

A *New York Times* best-selling author, speaker and leadership adviser, Vince is the Global Managing Director of the Leadership Transformation Practice with Lee Hecht Harrison.

As a senior executive himself, Vince doesn't just preach leadership accountability – he lives it every day. His passion for strong leadership extends to his writing and global research. He is a go-to source for media, and his writing has been featured regularly in some of the world's leading business publications, including *The Harvard Business Review, Forbes, Inc. Magazine* and the *World Economic Forum.*

Vince's best-selling book, *The Leadership Contract* (Wiley 2016), now in its second edition, is a must-read for all leaders. It currently serves as the foundation for culture change and leadership development at companies around the world. Vince has also co-authored two other books: *Leadership Solutions* (Jossey-Bass, 2007) and *The Leadership Gap* (Wiley, 2005).

He believes that a company's ultimate differentiator comes from building a strong community of leaders, and so he shares his weekly insights and best practices on leadership through his "Gut Check for Leaders" blog (www.theleadershipcontract.com). He can also be followed on Twitter @VinceMolinaro and Facebook.

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Lee Hecht Harrison helps companies transform their leaders and workforce so they can accelerate performance.

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