



The **third** annual

State of Agile Culture Report



Agile
Business
Consortium



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Objectives

The [Agile Business Consortium](#), defines agile culture as:

‘Creating an **environment** that is underpinned by **values**, **behaviours** and **practices** which enable organisations, teams and individuals to be more **adaptive**, **flexible**, **innovative** and **resilient** when dealing with complexity, uncertainty and change’.

Having successfully delivered agile transformations in a range of businesses, engaging over 12,500 employees, [JCURV](#) knows that an agile working culture is shaped by a company’s structure, leadership, and people, although how this works is not always readily understood.

Our [first and second State of Agile Culture Reports](#) in 2020 and 2022 respectively looked at the key cultural and behavioural components that create an agile culture and drive organisational agility. Our research found that leadership is an essential enabling factor to building a strong agile culture.

We commissioned this third State of Agile Culture Report in 2023 to examine the impact of different leadership styles on agile culture, business agility, organisational resilience and performance.

Our aims

We set out to:



Understand the **impact different leadership styles** have on agile culture and business agility.



Understand the **business case for changing leadership styles** and the key enablers to increase leadership agility.



Understand the **impact of an agile culture on company performance** and **resilience** in a recession environment.



Methodology

We did this by surveying over 1,000 people in a range of organisations, from small businesses to FTSE 100 companies – at all levels – who are dealing with this cultural challenge on a daily basis. We used a neuroscience-based survey tool from [Truthsayers](#) that not only captured explicit responses but also implicit reaction times (IRTs). This allowed us to accurately understand what respondents instinctively think and feel rather than only gathering tick box responses.

Executive summary

Businesses face challenging times.

The past few years have seen the fallout from Brexit, international unrest, and a global pandemic, along with successive changes in the UK government. Living in a volatile, uncertain, complex, and ambiguous (VUCA) world has contributed to the financial instability and

subsequent cost-of-living crisis the country is currently experiencing.

This is shining a light on the ability of organisations to respond to sudden and unpredictable events. The pace of change has necessitated a transformation in how businesses operate, pushing them to adapt their leadership styles, embrace remote working models, and accelerate towards digitalisation.

Our third State of Agile Culture Report explores the impact of leadership styles on agile culture, business agility, organisational resilience and performance in a recession environment.

The research has revealed valuable insights about agile leadership and culture:



A strong agile culture can increase commercial performance by **277%**.



Post-heroic leadership is highly correlated with a strong agile culture (**0.82 correlation**). *See page 5 for definition.



Post-heroic leaders are closely associated to organisations which can respond more quickly and effectively to market challenges and opportunities (**0.86 correlation**).



Only **10%** of leaders demonstrate post-heroic leadership qualities.



Perceived strength of leadership agility has stalled at **47%** compared to 56% pre-pandemic.



71% of employees do not believe their leaders are capable of responding to market changes.



There is a significant gap in leadership's awareness and understanding of agile behaviours:

- **97%** of C-suite members believe they role model agile behaviours, but only 2% of delivery team members agree.
- **80%** of C-suite members feel that leaders in their organisation can adapt and pivot, while just 15% of senior leaders agree.
- **91%** of C-suite members feel experimentation is encouraged, compared with 35% of delivery team members.



The top three levers that leaders can pull to unlock improved commercial performance are:

- Investing in agile coaching and training for themselves and delivery team members.
- Providing greater clarity of intent / business focus and priorities.
- Creating and sustaining a safe agile working environment.



Post-heroic leadership is the way to build a strong agile culture, organisational agility, resilience, and improve commercial performance. The case for investing in leadership capabilities and moving to this style of leadership has never been stronger.

Agile leadership: heroic and post-heroic



Given that leadership is key to building and enabling a strong agile culture, **we wanted to examine the impact of leadership styles across business and culture in more depth.**

To do this, we have focused on one of the most critical leadership capabilities needed today – leadership agility. This is the ability to lead effectively under conditions of rapid change and mounting complexity.

In our report, we characterise leaders as ‘heroic’ leaders or ‘post-heroic’ leaders, a distinction first made by David Bradford and Allan Cohen in their book [Managing for Excellence](#). This framework explains that as leaders develop their agility and progress on the path to mastering this capability, they can evolve from being heroic leaders to post-heroic leaders.

Heroic leaders demonstrate a ‘command and control’ approach to leadership. They rarely empower others, instead assigning tasks and managing direct reports on a 1:1 basis.

Post-heroic leaders, on the other hand, foster working environments in which team members feel empowered and engaged. While retaining the accountability required of their role, they do so without inhibiting their team’s potential.

Heroic leadership



"I"



Direct & control



Smart



Hero



People = problems



1 to 1



Task focus



Win/lose



Feedback

Post-heroic leadership



"We"



Inspire with vision



Collaborate



Coach & cultivate



People = assets



Curiosity experiments



Purpose focus



Win/win



Seek feedback

Economic uncertainty requires leaders who are adaptable and versatile, who delegate decision-making and empower their teams to make informed decisions at pace, i.e., post-heroic leaders.

However, research has shown that around only 10% of leaders demonstrate genuine post-heroic qualities.

We examine the impact of post-heroic leadership on culture, resilience, and performance, and look at how leaders can role-model these behaviours.

We use the following eight attributes to identify these qualities:

- ◆ Empowering others.
- ◆ Encouraging experimentation.
- ◆ Providing clarity of intent.
- ◆ Focusing on value.
- ◆ Driving collaboration.
- ◆ Fostering a feedback culture.
- ◆ Promoting agile ways of working.
- ◆ Applying different lenses when looking at a problem to understand any unintended consequences.



“Very few companies have developed the level of agility needed to keep pace with the ever-increasing degree of change and complexity in their **business environment**. A major reason for this ‘**agility gap**’ is the need for more ‘**agile leaders**’, not just in the executive suite but at all organisational levels”.

Bill Joiner, CEO, ChangeWise

Post-heroic leadership can strengthen agile culture and increase commercial performance



Our research has revealed that **building a strong agile culture yields an increased commercial performance of 277%.**

The attributes above exemplify a truly agile and post-heroic leader.

We compared the top 10% of leaders demonstrating these qualities with the strength of their organisation's agile culture. The resulting near-perfect correlation (0.82) suggests that **post-heroic leadership qualities constitute a vital part of an agile culture.**

Post-heroic leaders are associated with organisations that have stronger agile cultures



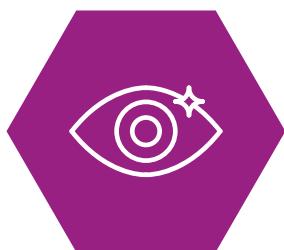
Empowerment is a key attribute of post-heroic leadership and agile culture



Empowering others is a key attribute of post-heroic leadership. Our survey demonstrated **just 44% of respondents feel empowered by their leaders.**

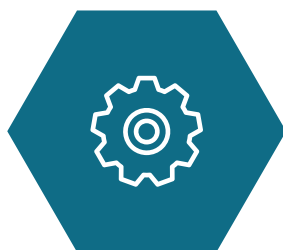
Considering each of the three tenets of empowerment helps us to understand where leaders should focus their efforts in driving both greater empowerment and performance.

The three tenets of empowerment



1. Clarity of the aspiration:

A clear, shared understanding of what target outcomes the organisation is trying to achieve and the definition of success.



2. Competency to achieve the aspiration:

Equipping teams with sufficient skills and capabilities to be empowered to achieve the desired outcomes.



3. Relinquishment of control as to how to realise the aspiration:

Teams have the ownership to get to the target state with leaders serving them to get there.



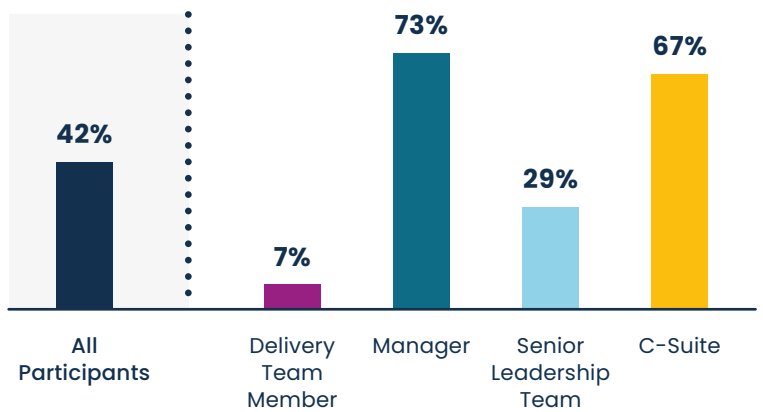
With respect to leaders establishing **clarity of intent**, only 41% of respondents felt clear about the direction of their organisation and team. This suggests that leaders have not mastered the challenge of cascading a clear vision for

their business, and consequently, that team members cannot translate their leadership’s goals to sufficiently guide their own priorities. Leaders must focus on clarity of intent to drive and deliver superior business performance.

Regarding **competency**, this year’s data reveals notable disparities in the level of training that individuals feel they receive.

Only 42% of respondents agreed they are getting trained or coached in agile ways of working, including less than one third (29%) of senior leaders and only 7% of delivery team members.

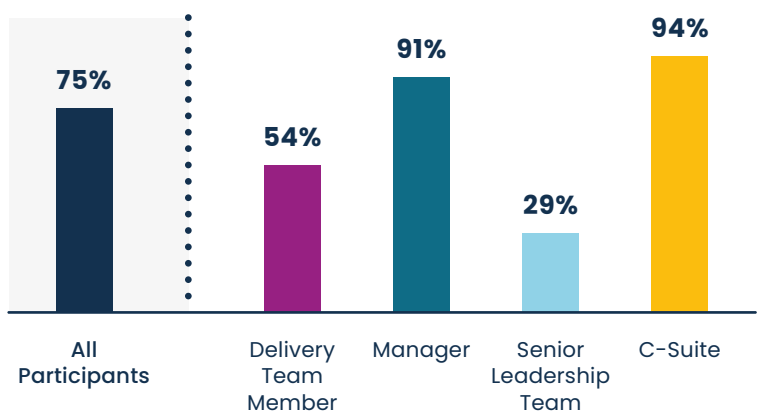
“I am getting trained or coached on agile”



Interestingly, while more delivery team members said they feel capable of working in an agile working environment (still relatively low at 54%), again, less than one third (29%) of senior leaders are confident when it comes to agile working.

It is worth noting that employees place great value on learning and development, and this remains a great way for companies to invest in employees, increase engagement and support staff retention, while also benefiting from performance improvements.

“I am capable of working in an agile environment”



Our survey suggests that leaders who want to improve organisational performance should reflect on their own capability, and that of their peers, to lead in an agile environment, upskilling and providing dedicated coaching support as needed. This will form a solid foundation from which to upskill and support the broader organisation.



As for **relinquishment of control**, the survey also revealed that 60% of respondents felt their work-life balance was not very good, suggesting an unrealistic workload, and just over half (57%) felt they were “really enjoying their role”. In certain sectors such as financial services, this reduces to just 28%, and in retail fewer than one in ten employees (8%) felt empowered.



It is important to allow teams to estimate the duration and effort involved in their projects, and decide how to deliver desired outcomes. Leaders must be receptive to what teams’ feel is realistic to deliver in a given timeframe and ruthlessly prioritise to ensure workloads are manageable.



“When you’re introducing agile to a **new organisation**, you can spend too long thinking and talking about what you’re going to do... but it’s when people are **feeling it** and **breathing it** that people understand what you’re trying to achieve through **empowerment**”.

Craig Woodhouse

Technology Delivery Director,
Schroders Personal Wealth

Post-heroic leaders foster feedback culture



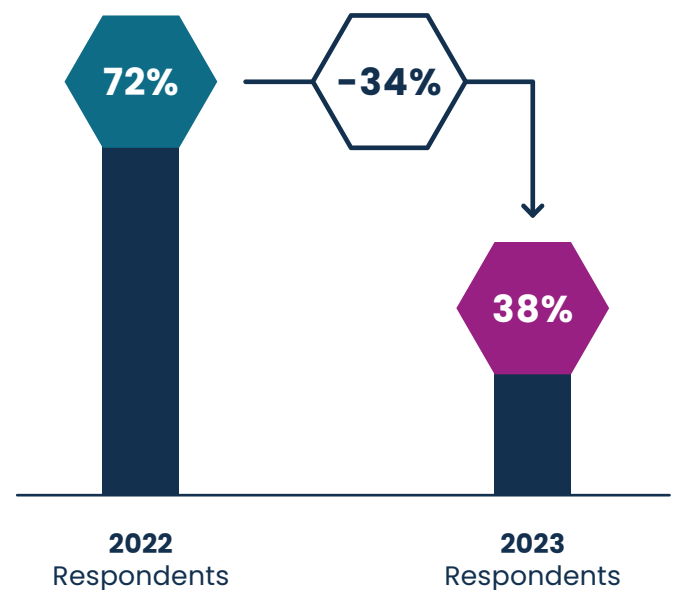
Leaders continue to play a significant role in creating an **effective feedback culture**.

In last year's report, their ability to give and receive meaningful feedback was the single most important factor in building an agile culture. Nevertheless, this was the second lowest scoring company capability this year, with only 38% of respondents believing that other employees and managers regularly exchange feedback to support personal development.

Interestingly, this measure has also experienced the biggest drop since our 2022 report (falling by over one third from 72%), suggesting that organisations are falling behind in this area.

While 78% of delivery team members agree, only 41% of senior leaders agree and just 12% of managers. Leaders clearly need to act on this, creating the right environment and equipping management with the skills needed to exchange feedback effectively.

"We regularly give and receive feedback to support our personal development"



Wider industry research has shown that leaders who display humility and proactively ask for feedback from their teams (role-modelling this behaviour), create a trusting environment where team members feel comfortable sharing and asking for feedback in return.

JCURV's article '[How Leaders Can Create A Positive Feedback Environment](#)', identified four key steps leaders can take to achieve this, so that giving feedback becomes natural, and benefits both parties.

How leaders can create a positive feedback environment

**01**

Create a psychologically safe environment

Build an environment where employees feel safe in taking risks, expressing ideas and concerns, and feel able speak up if they have questions or make mistakes.

**02**

Consider your timings and motives

The best time to ask for sincere feedback is immediately after performance reviews. In this context, employees can be honest and feel less concerned about how their feedback might appear.

**03**

Ask open questions

The richest feedback will come from questions asked in an open, broad, and reflective manner e.g. *"How can I improve my leadership skills. Do you have any observations that you can share?"*

**04**

Respond appropriately, show gratitude

Many leaders ask the right questions in the right way, yet fail to respond with humility and gratitude. It takes a lot for employees to share feedback, particularly upwards or peer-to-peer, so take time to acknowledge the feedback, ask for examples if you need more context, and take care not to be defensive.



Asking for feedback yourself is the ideal starting point for creating a safe feedback environment and building a strong agile culture.



'Creating a **positive feedback culture** has been shown to **boost organisational performance** and **individual motivation, learning and development**. Guidance and support are necessary at all levels of organisations to ensure people are having the **right conversations** to support **increased performance** and **personal growth**'.

Ben Hutchinson, Director, JCURV

Leadership and business agility



The pandemic forced many organisations to **fundamentally re-evaluate their processes, tools, and techniques.**

It saw non-agile organisations apply, and benefit from, agile ways of working. However, it also revealed that leaders became less agile in their behaviours, with the perceived strength of

leadership agility recorded at 44% in 2022, compared with 56% pre-pandemic in 2020.

This year, we found that leaders have not been able to re-establish these qualities following the initial reaction to the pandemic, stalling at 47%. This signals the need for a renewed dedication to agile culture and principles.

Leadership qualities surveyed

	2022	2023
Empowering others	17%	44%
Encouraging experimentation	35%	70%
Providing clarity of intent	N/A	41%
Focusing on value	48%	62%
Driving collaboration	43%	49%
Fostering a feedback culture	N/A	41%
Role modelling agile behaviours	34%	48%
Promoting agile ways of working	60%	67%
Applying different lenses when looking at a problem to understand unintended consequences	53%	34%
More agile behaviours as a result of the global economic downturn	N/A	31%
Capable of adapting the organisation to respond to market changes	N/A	29%
Average	44%	47%



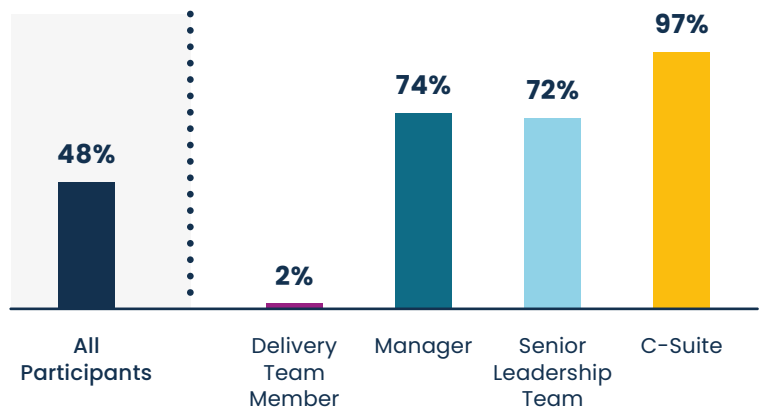
Faced with economic challenges, and unprecedented changes in workplace and employee satisfaction, the need for agility has never been more apparent. Our research shows

that leaders embodying post-heroic leadership styles are closely associated with organisations that can respond quickly and effectively to market challenges and opportunities (0.86 correlation).

While the percentage of leaders role-modelling agile behaviours has increased from 34% to 48% since last year's report, our findings demonstrated a stark difference in perspective between delivery team members and the C-suite. While 97% of C-suite respondents believe they role model agile behaviours, just 2% of delivery team members agree.

Comparing this with last year's scores of 73% for C-suite and 16% for team members highlights a significant and widening chasm between leaders and those on the front line of delivery, demonstrating a further need for leaders to strengthen their post-heroic leadership qualities.

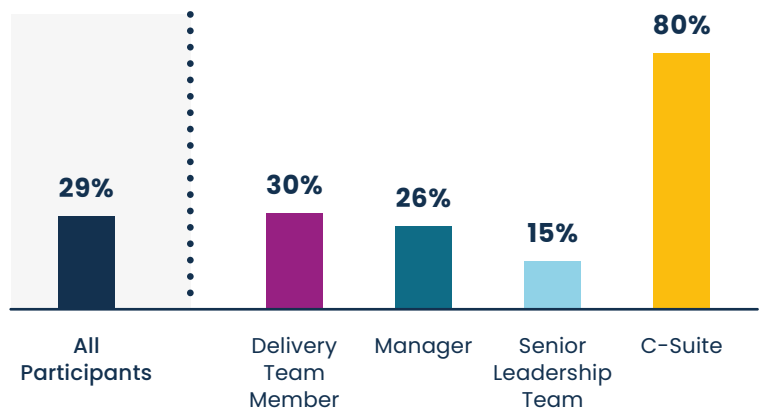
"Our leaders role model agile behaviours"



We also uncovered that only 29% of employees believed their leaders were capable of adapting to changing market conditions, with this figure dropping to just 11% and 10% in the financial services and retail sectors respectively.

The results revealed interesting disparities in perception across different organisational levels. 80% of C-suite members agree that leaders in their organisation can adapt and pivot, while for senior leaders (those one level below in seniority) only a mere 15% concur, with less than 30% of both managers and delivery team members in agreement.

"Our leaders are capable of adapting our organisation to respond to market changes"





This shows most workers simply do not have faith in their leaders' abilities to respond to market opportunities, as well as a significant gap in the leadership's awareness of their own capabilities. How leaders address this gap in perception will go a long way to determining the fate of their organisations.



For today's organisations to thrive and succeed in volatile circumstances, leaders need to role-model agile behaviours, and foster an adaptable and versatile culture.



'In most cases, employees don't leave **organisations** because of the job, they leave because of the **leadership** and **culture**. It is for this reason that leaders should be **inspiring**, **collaborative** and **innovative**. A C-suite with these qualities brings out the best in its employees and allows organisations to **react quicker** to changes within the market'.

Mwaka Lungu

Managing Director,
Agile Business Consortium

Leadership and organisational resilience



An agile culture and leadership enable organisations to **respond dynamically to challenges and opportunities which ensure long-term survival.**

In the late 1970s, the average tenure of S&P 500 companies was 30–35 years; this is **expected to halve** within the present decade as the pace of change continues to accelerate. This is clear when we consider that only one third (35%) of respondents expressed confidence in their job security. In some ‘challenged’ industries, such as ‘brick and mortar’ retail, 13% believed their company would still exist in ten years’ time, while just 6% feel secure in their jobs.

We found that resilient organisations are closely affiliated with post-heroic leaders (0.75 correlation) and strong agile cultures (0.71 correlation).

Industry research has shown the importance of encouraging experimentation in organisations so they can remain successful and reinvent themselves when needed. Respondents working for resilient organisations typically report that leaders encourage experimentation to improve performance. This year we saw

the number of leaders encouraging experimentation jump to 70% compared with 35% in 2022.

Organisations which offer significant psychological safety can facilitate the three key determinants of learning: experimentation, willingness to speak up and collaboration.

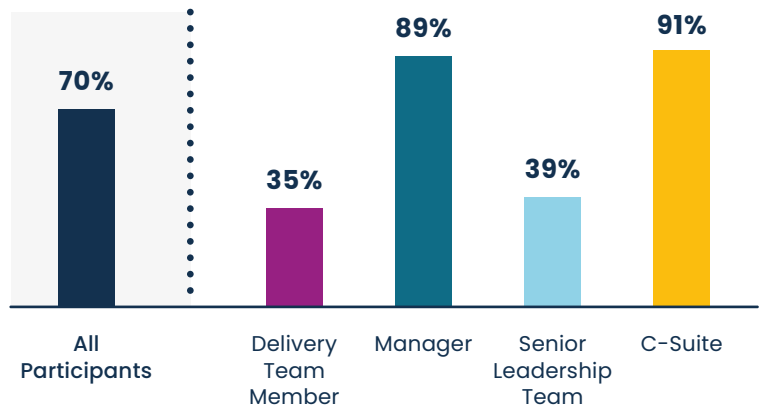
In other words, encouraging experimentation in a supportive environment delivers enhanced performance, resilience, and a more satisfying work environment.

Psychological safety is important because learning relies on trial-and-error approaches which, inevitably, involve failures – as well as valuable learning opportunities. Employees should be encouraged to carry out small trials using novel practices. This can generate ideas for new products or innovative solutions to known problems, improving company performance and resilience.

This year's data highlights differences in the extent to which individuals of different seniority believe that leaders encourage them to experiment.

Only 35% of delivery team members and 39% of senior leaders feel experimentation is encouraged, compared with 91% of the C-suite.

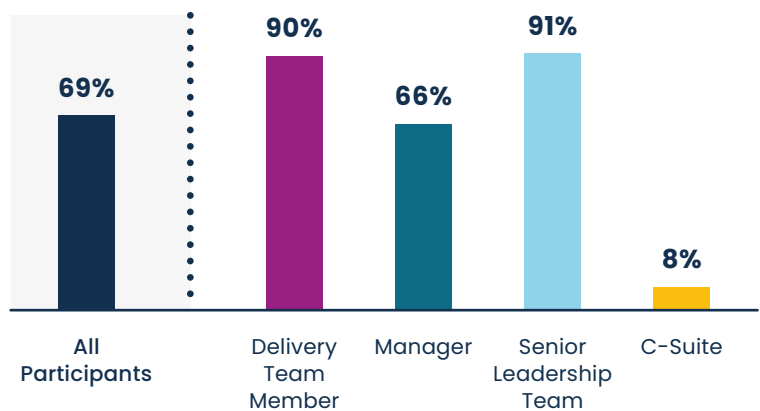
"Our leaders encourage us to experiment to improve performance"



Yet the pattern is reversed when responding from their own perspective on whether they can safely experience failure: only 8% of C-suite members feel this is possible, while most delivery team members and senior leaders feel able to fail (90% and 91% respectively).

This suggests that fear of failure at top levels might be preventing C-suite teams from encouraging experimentation elsewhere. However, the fact that very few respondents feel that failure would be punished suggests they may be more willing to experiment if encouraged to do so by leaders.

"I can experience failure without being reprimanded"



"Leaders cannot be **solely responsible** for responding to today's pace of change. We have seen a huge improvement in **engagement** and **performance levels** through creating a **safe environment** for people to test and learn. We celebrate our failures as well as our wins, putting an emphasis on reflecting and sharing lessons learned: **fail fast, learn faster**'.

Phil Dick, Data & Analytics Transformation Director, Coca-Cola Europacific Partners

The top three levers to unlock improved commercial performance



Across all 37 attributes assessed in the study, the **top three leadership components that align most strongly with increased commercial performance** are:



1. Prioritising agile coaching and training:

So employees feel capable of working in an agile environment and leaders are equipped to actively role-model post-heroic behaviours.



2. Providing greater clarity of intent:

To effectively prioritise business focus on the highest value outcomes.



3. Creating and sustaining a safe agile working environment:

Through empowerment, fostering a feedback culture, and encouraging experimentation to improve performance.



It's no surprise that these actions are closely linked to post-heroic leadership qualities. However, it can take time to embody these qualities. Below, we set out the capabilities demonstrated by post-heroic leaders and explore tangible steps that leaders can take to develop their agility.

How to role model post-heroic leadership



1. Empower others

Take a step back and listen to the ideas of your team before expressing your own opinion or making a decision. It may take longer for the group to reach a desirable solution, yet the buy-in and quality of the decision is likely to be higher if everyone's perspectives have been considered.

Consider how you can delegate some decision-making authority to your team to empower and engage people. Remember you don't need to take an all-or-nothing approach to empowerment – the Management 3.0 mindset defines [seven levels of delegation](#) which set parameters to enable you to delegate different decisions based on their risk and impact.



2. Encourage experimentation

Traditional leaders are often reliant on tried and tested approaches. Post-heroic leaders, on the other hand, appreciate their own biases and are prepared to challenge their own assumptions.

As a leader it is your responsibility to foster an environment in which team members feel safe to fail, provided they 'fail fast' and learn from it. Lead by example through taking calculated risks and being open and transparent when they fall short; celebrate the learnings and reward individuals for trying new ways of doing things.



3. Provide clarity of intent

Empowerment relies on a clear, shared understanding of what your organisation is trying to achieve and how it will achieve this. Start by co-creating and clearly articulating the desired future state for your organisation. Agree the key strategic outcomes to deliver against this vision over the near and longer term and define target measures of success.

As these larger organisational priorities are cascaded down to delivery teams, it is crucial to demonstrate how team-level priorities link back to strategic outcomes, ensuring everyone buys into them and can see the impact of what they are working on.



4. Focus on value

As well as what we actively choose to focus our time on, it is equally important to understand what we are de-prioritising and *not* doing. The Chief Technology Officer of Dr. Martens, one of our clients, summed this up: *"You can do anything, but you can't do everything."* Regardless of industry sector, company size or geography, we all operate within constraints.

The key to focusing on value is ruthless prioritisation. Considering the realistic capacity of your teams, what are the top deliverables which will have the greatest impact in realising your goals? Ensure everyone is clear on the value you are driving towards by framing your outcomes in terms of the value you are looking to deliver... what is the "so what"?



5. Drive collaboration

Having developed technical or functional expertise in a particular area, leaders can be over-reliant on their prior experience when approaching new problems and be judgemental about views that differ from their own.

Recognising that developing and honing ideas with contributions from others ultimately improves outcomes – post-heroic leaders actively seek and promote these contributions. Recognise the value that comes from different perspectives and experience, and create an empowering, collaborative culture.



6. Cultivate a feedback culture

The first step is to ask for feedback yourself. Role-model this behaviour by encouraging regular feedback from your team. Treat feedback as a gift, ensuring you are open and receptive when receiving comments, not defensive.



7. Promote agile ways of working

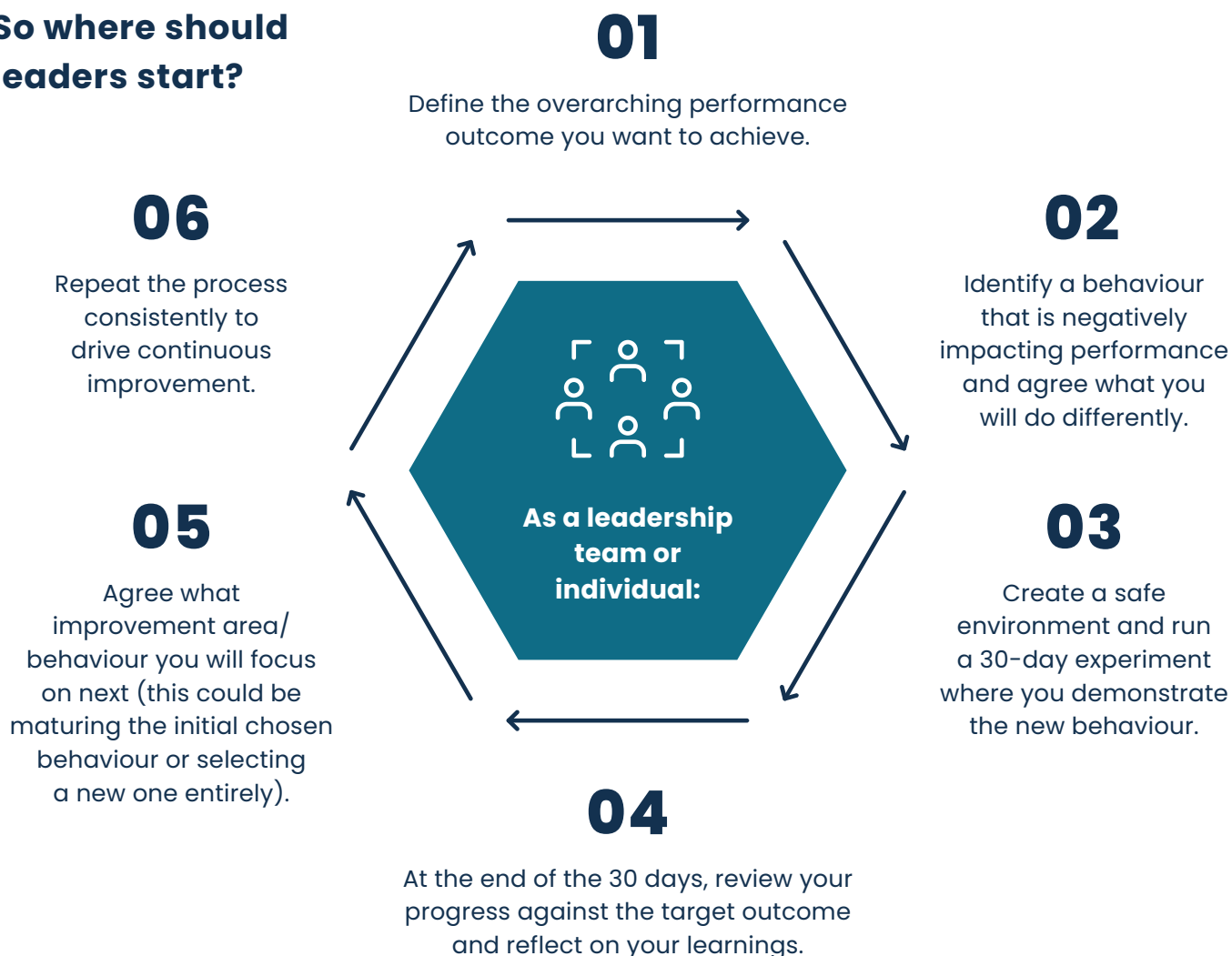
Empowering your teams is only possible when they are equipped with the right skills and capabilities to succeed in an agile environment. Baseline how deeply agile ways of working are embedded throughout the organisation, from cultural behaviours through to technical maturity, helps to identify where to focus your efforts.

Conclusion

Leadership and culture are the head and heart of any organisation, and the **people, behaviours, and values** are what bring an organisation to life.

As we have shown, post-heroic leadership is the way to build a strong agile culture, organisational agility, resilience, and improve commercial performance. The case for investing in leadership capabilities and moving to this style of leadership has never been stronger.

So where should leaders start?



By proactively developing post-heroic leaders, organisations will reap the rewards of more effective leadership, greater organisational agility, and improved commercial performance.

About the survey

Background and report overview

The survey ran from 02/2023 to 06/2023 and was a collaboration between JCURV, Truthsayers and the Agile Business Consortium.

We combined a bespoke survey centred on the key areas that shape a thriving agile culture, with an innovative method of capturing user feedback – implicit reaction times (IRT). This ensured that we identified focus areas for improving agile culture in organisations, while removing conscious bias from respondents.

The survey focused on three areas of cultural agility: myself (employees), my company and leadership.

This allowed us to identify how the individual, company environment and leadership interacted to enable or inhibit agility. When combined with our background data, we were able to pinpoint striking insights into how organisations and leaders can achieve success on their agile journey.

Demographics

The Third State of Agile Culture Report is published by JCURV, Agile Business Consortium and Truthsayers. Our **1,051**

respondents come from a variety of industries and organisations.



Company size	Count	Percentage
<500	456	43%
501 – 1,000	98	9%
1,001 – 5,000	159	15%
5,001 – 20,000	79	8%
>20,000	259	25%

Methodology

We conducted our analysis using an advanced online surveying approach which measures IRT, as well as using traditional tick box questionnaires.

IRT captures people’s immediate, intuitive, gut responses, which are often very different from what they say. Unlike traditional surveys, no questions are asked. The IRT bypasses conscious thought processes by measuring the reaction time of how employees respond ‘yes’ or ‘no’ to a statement.

As a result, we were able to tap into employees’ true emotions and feelings to obtain honest and unbiased data.

The output of our approach gave us a combination of traditional survey results along with a deeper view that indicates where cognitive dissonance – when what we say and what we feel are different – occurs. This leads to mental discomfort and may require changes in attitude, beliefs, or behaviours to restore comfort.

Sector	Percentage
Financial Services	25%
Professional Services	18%
Technology	10%
Government	7%
Industrial/Manufacturing	6%
Non-profit	4%
Telecommunications	4%
Energy	4%
Insurance	3%
Healthcare & Pharma	3%
Education	3%
Other	12%

Seniority	Count	Percentage
C-Suite	103	10%
SLT	321	31%
Manager	391	37%
Delivery Team Member	236	22%

About us



JCURV is an agile management consultancy firm whose mission is to increase their clients' agility, so they can thrive in an uncertain world. **JCURV helps clients with:**

- Increasing enterprise-wide agility.
- Accelerating innovation.
- Programme and project acceleration.
- Rapid definition and strategy mobilisation.
- Extracting value from data at pace.

Contact: georgie@jcurv.com or kieran@jcurv.com



Truthsayers is a neurotech firm whose mission is to enable happier, more productive workplaces for millions of organisations worldwide.

Truthsayers wants to fundamentally change the way that people engage at work, whether that is between an employer and their employees, or an organisation and its customers. It is what the team are passionate about and why they get up in the morning and come to work. Its Neurotech® platform combines neuroscience with technology and data to deliver insights that simply have not been made available to businesses before.

Contact: contact@truthsayers.io

Agile Business Consortium

The **Agile Business Consortium** is the not-for-profit professional body for business agility, dedicated to defining, growing and uniting the field worldwide.

Its membership accreditations enable individuals and organisations to develop the talent and skills needed to remain relevant and responsive in a fast-changing world.

Originally founded in 1994 as the DSDM Consortium – it helped shape the Agile Manifesto and has continued to pioneer new approaches and support the growth of business agility at individual and organisational levels.

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