

Leaders 2020

Fact sheet: Global findings



The pace of change in today's Digital Economy puts new demands on executive leadership, but the results of a global research program by Oxford Economics and SAP show that most companies are stuck in the past.

Some companies are more prepared for the digital future. Oxford Economics identified a set of capabilities and practices that define the best-led organizations—we call them Digital Winners. At most companies, digital transformation is just beginning—only 16% of respondents qualify for this elite group.



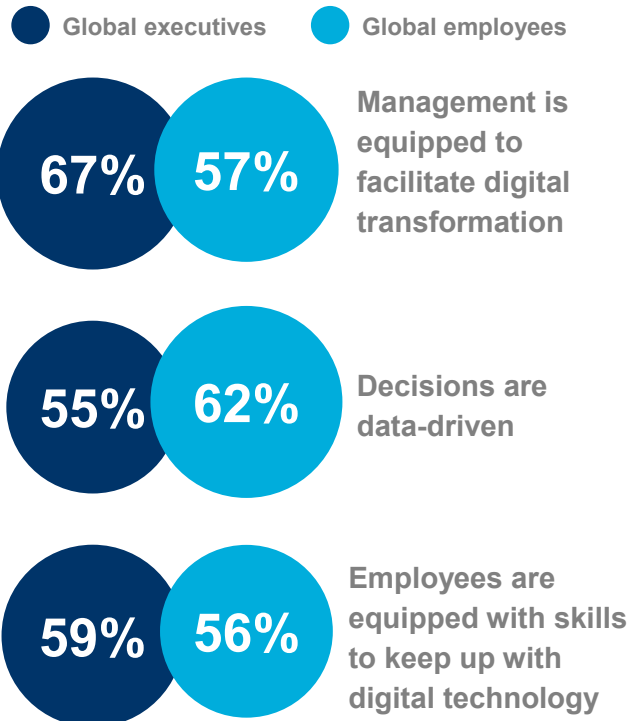
Our analysis of the data shows organizations that meet our criteria see better financial results and have happier, more engaged employees.

Four themes, outlined on the following pages, emerged from our analysis of the data. By focusing on any shortfalls in these areas, companies can boost their chances of becoming Digital Winners.

This fact sheet outlines key findings for the overall global sample.

The leadership opportunity

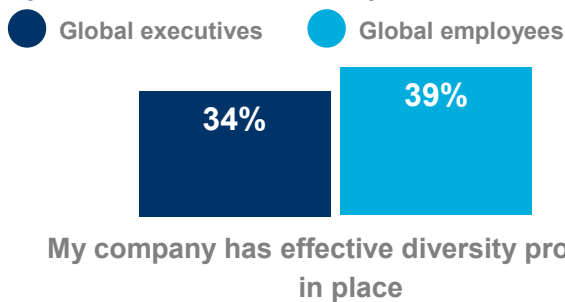
Executives and employees at most companies say management lacks critical digital skills.



- Both executives and employees see room for improvement. For example, just 36% of executives and 31% of employees say mid-managers are proficient at using technology for competitive advantage.
- Only 60% of companies have adequate programs to ensure they are developing a digital workforce, according to executives—a bad sign for future leadership.
- Executives may be overconfident in recruitment processes: 68% say they have the right strategies in place to hire the skilled workers they need, but only 53% say they attract qualified applicants.

Diversity pays off

Diversity levels are not where they should be for most companies—but they are higher at those with superior executive leadership and better financial performance.



- Diversity has increased substantially among the general workforce over the past three years. But change has been slower to come to mid-level management, and is even less evident among senior executives and corporate boards.
- Roughly half of executives and employees say diversity has had a positive impact on culture, and only one-third say it has had a positive impact on financial performance—perhaps due to lackluster efforts to cultivate it. Digital Winners are more likely to report positive effects.

Millennial executives are impatient for change

A new generation is rising up the org chart, and these young executives want more from leadership.

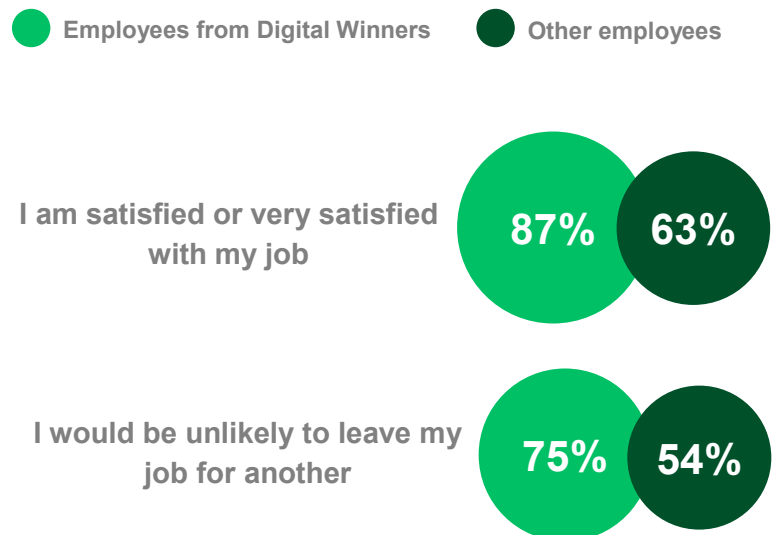
- Millennials already are the largest group in the workforce, and make up 17% of the senior executives in our survey.
- Millennial executives are less confident in their company’s ability to recruit skilled workers (54%, vs. 70% of others), develop talent for the digital workplace (52% vs. 65%), and plan for succession (39% vs. 56%).
- Young executives are more focused on diversity and its benefits: they tend to come from companies that value diversity and take steps to build it.



Digital Winners have more engaged employees

Employees who work at companies with better executive leadership are more satisfied and engaged—and less likely to leave for a new position.

- Workers from Digital Winners are happier in their jobs—and satisfaction drives performance. 93% of very satisfied employees routinely go well beyond the minimum requirements of their job, vs. 39% of dissatisfied workers.
- 80% of employees from Digital Winners say their company values employee satisfaction, vs. 55% of others.



Conclusion

It is hard for companies to get where they need to go if their leaders do not know the way. Our research identifies several areas where companies can improve their leadership skills—and their business performance.

- **Communicate a company-wide digital vision.** The best leaders not only have a strategy for going digital—they are sharing it with employees across the organization.
- **Continuously update executive and employee skill sets.** Everyone, from the ground floor to the executive suite, needs digital skills and the ability to learn new ones quickly.
- **Flatten the organization.** Leadership needs to empower managers and workers across the enterprise to make decisions quickly, without bureaucratic bottlenecks.
- **Emphasize diversity.** Companies that cultivate a diverse workforce and take a broad range of employee perspectives into account are better poised to succeed in a global economy—and to keep employees happy and engaged.
- **Listen to young executives.** The growing cohort of Millennial executives has a strong vision for leadership in the digital economy—taking their advice may be a shortcut to digital transformation.

About the research

Oxford Economics and SAP surveyed 2,050 senior executives and 2,050 employees from 21 countries in the second quarter of 2016 about leadership and workforce development for the Digital Economy.

Location: United States, Canada, Brazil, Mexico, Colombia, Singapore, Malaysia, Thailand, Philippines, Indonesia, Australia, New Zealand, Japan, Korea, China, India, France, United Kingdom, Germany, Spain, and Russia

Industries: The overall sample is split roughly evenly among Financial Services, Retail, Public Sector, Healthcare, Consumer Goods, Professional Services, Manufacturing, and Technology

Functions: The overall sample is split evenly among Finance, HR, IT, Sales/Marketing, and Procurement

Company size: 25% \$250m–\$499 m; 25% \$500m–\$1 bn; 50% more than \$1 bn

Gender: 50% male, 50% female

Age: 50% of employees are Millennials

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