

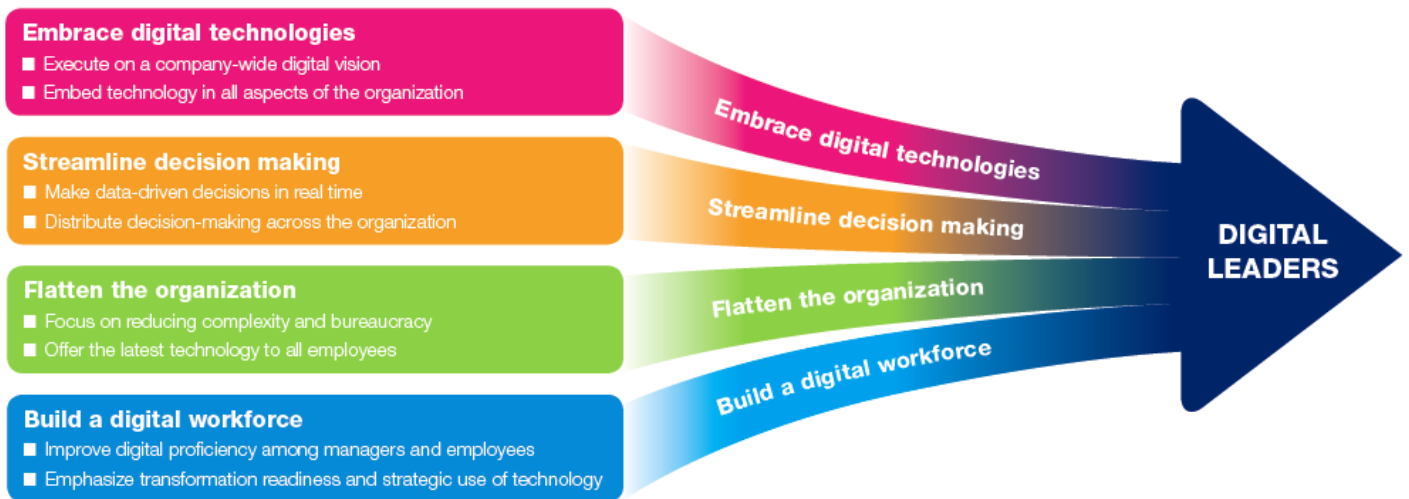
# Leaders 2020

## Fact sheet: Korea



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 Leaders. At most companies, digital transformation is just beginning: 15% of respondents to our survey qualify for this elite group in Korea, compared with 16% of the overall sample.



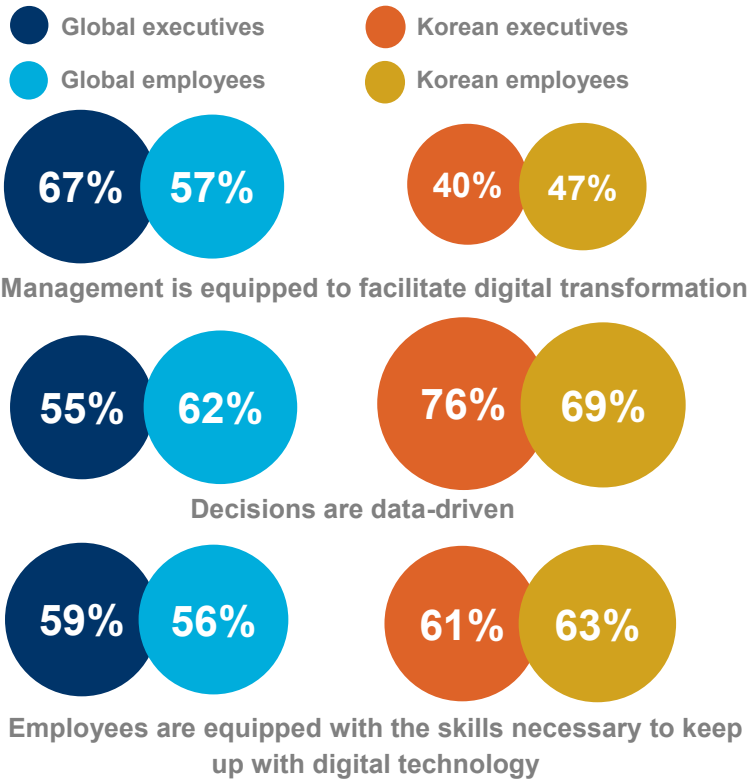
Our analysis of the data shows organizations that meet our criteria see better financial results and have happier, more engaged employees.

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

This fact sheet outlines key findings for Korea.

## Lack of leadership slows digital transformation

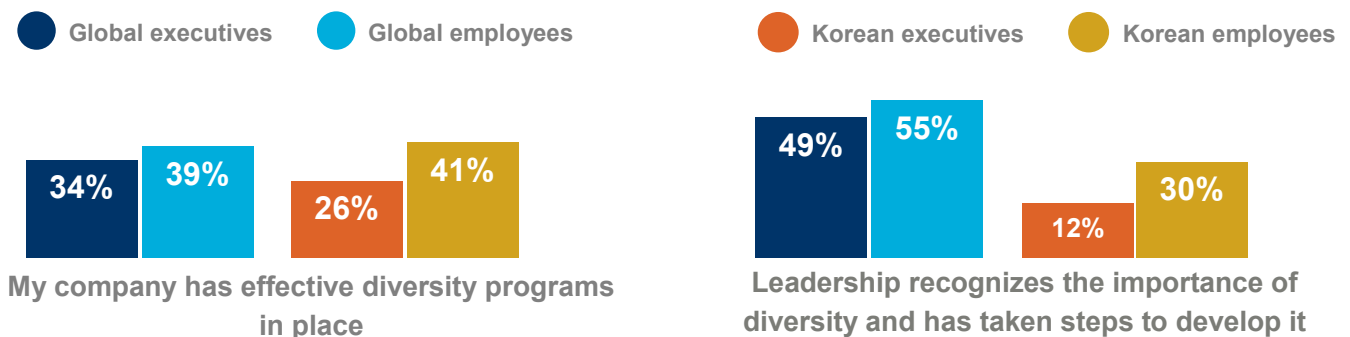
*Executives and employees at most companies say management lacks critical digital skills.*



- Executives and employees in Korea are less likely than their global peers to say senior management is highly proficient in managing a global workforce.
- Korean companies are working hard to prepare for the future—more than three-quarters of employees and executives agree that their company devotes resources toward training the next generation of leaders.
- More than half of executives and employees in Korea say their company emphasizes up-to-date skills and invests in development programs.

## Diversity pays off

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



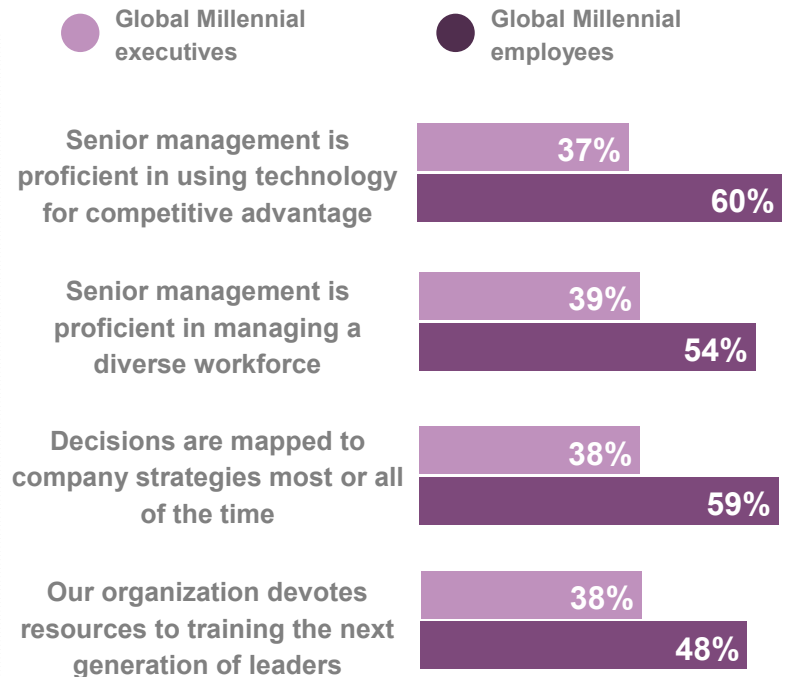
- Diversity may be Korean companies' largest stumbling block when it comes to becoming Digital Leaders—executives are much less likely to say their company has effective programs or that leadership recognizes its importance.
- While 43% of employees say that diversity has had a positive impact on financial performance, only 6% of executives agree.

*Note: Bullet points represent survey results not pictured in the charts.*

## Millennial executives are impatient for change

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

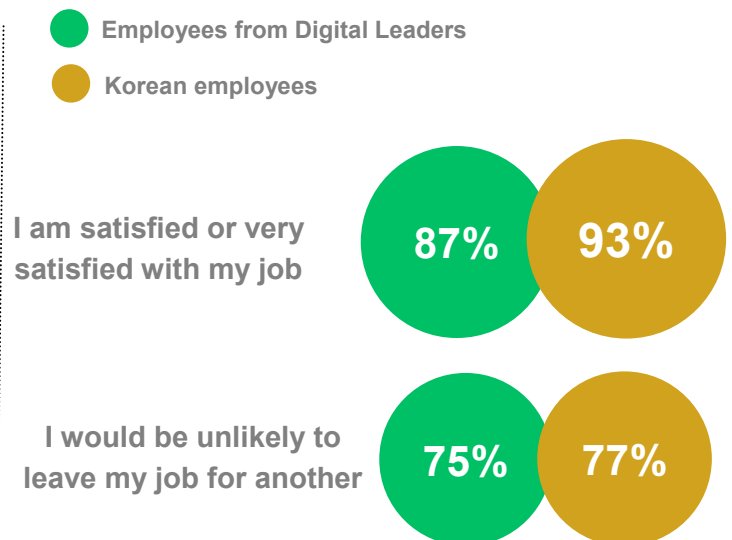
- 14% of executives from our survey in Korea are Millennials, compared with 17% worldwide.
- Companies need strategies to bring younger leaders into the C-suite. Though more than half of Korean executives say their company has clear succession processes, just 25% of employees agree.
- More than two-thirds (68%) of Korean executives say leaders are expected to develop talent and are rewarded for doing so, but less than half of executives say leadership works with employees to develop their careers.



## Digital Leaders 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.*

- Just 13% of employees in Korea are from Digital Leader companies.
- Korean employees report high levels of satisfaction with their jobs—perhaps because three-quarters of employees say that their organization works to encourage employee engagement.
- More than three-quarters (78%) of workers say leadership gives ample feedback to employees, and 76% say leaders have regular contact with employees.



## Conclusion

Korean companies excel when it comes to employee engagement and skills development, but their career-development and diversity programs are less mature—both important factors in building the next generation of leaders. 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.

For more on what it takes to become a Digital Leader, see [www.successfactors.com](http://www.successfactors.com)

### 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. Roughly 5% of the overall sample comes from Korea.

**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