

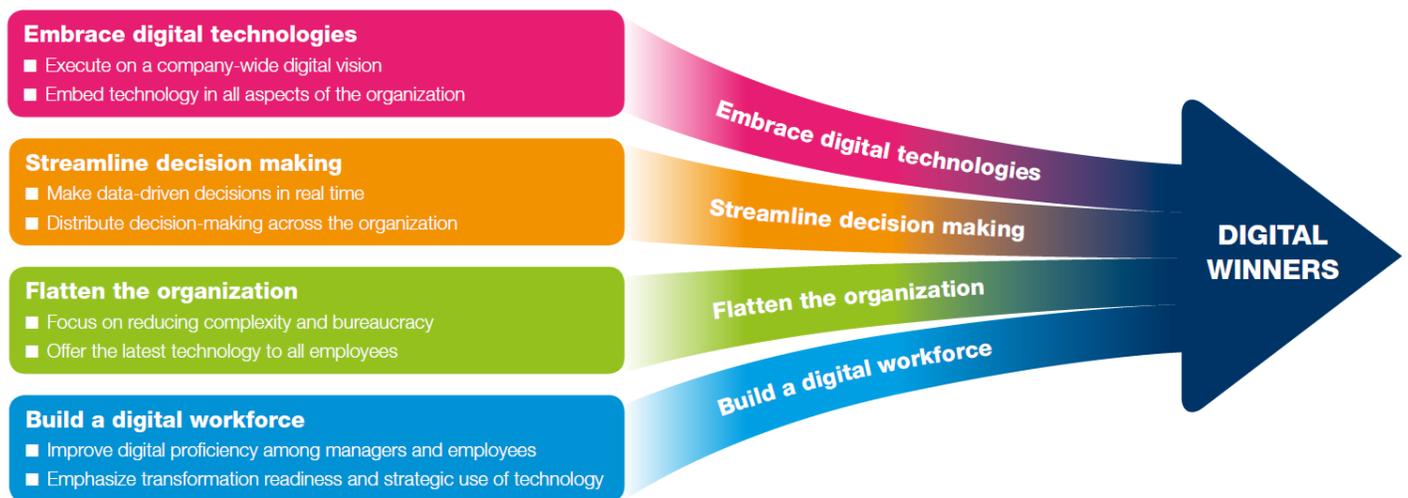
Leaders 2020

Fact sheet: United States



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 12% of respondents to our survey qualify for this elite group in the United States, compared with 16% of the overall sample.



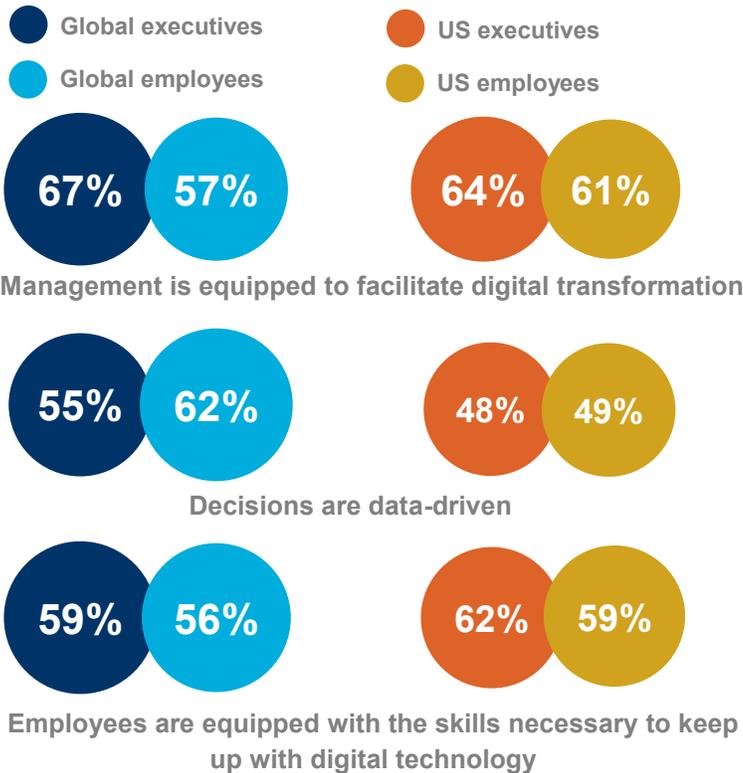
Our analysis of the data shows organizations that meet our criteria see better financial results and have happier, more engaged employees.

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 Winners.

This fact sheet outlines key findings for the United States.

Lack of leadership slows digital transformation

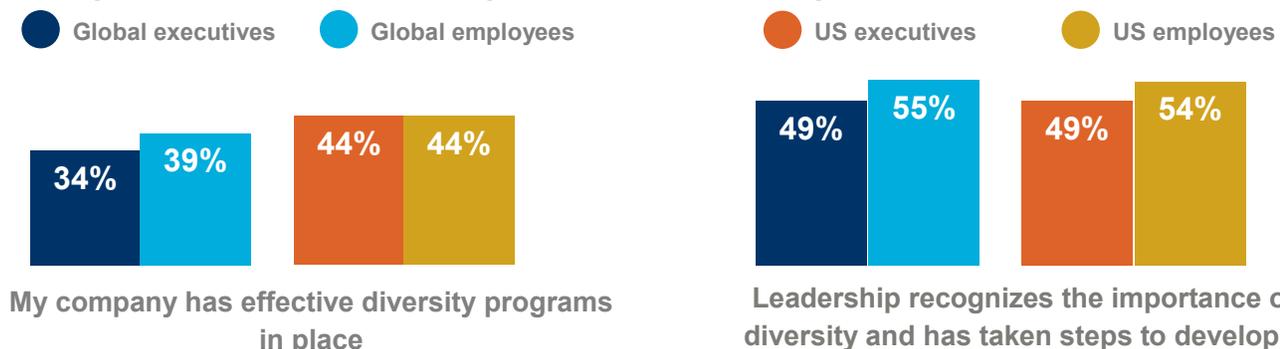
Executives and employees at most companies say management lacks critical digital skills.



- US executives are confident in senior management’s proficiency, but less so in mid-management—only 26% say managers are proficient in using technology for competitive advantage.
- US companies are giving their next generation of leaders a boost—more than 60% of employees and executives say their company has leadership training programs for all levels.
- That’s not just talk—similar percentages of both groups say their organization devotes resources to training those future leaders.

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.



- American executives are not sold on diversity’s benefits—only 39% say it has had a positive influence on culture, and 34% say it has had a positive impact on financial performance.
- Both employees and executives in the US are less likely than their global peers to report an increase in diversity among senior leadership (24% and 20%, respectively), mid-level leadership (40%, 31%), and the general workforce (56%, 58%).

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.

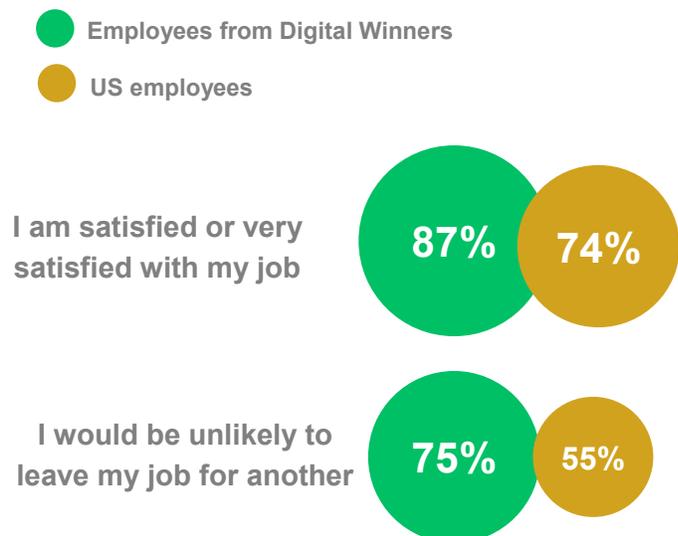
- Millennials make up 15% of the executive sample in the US, compared with 17% worldwide.
- While US companies tend to lead when it comes to talent development, less than half of executives say their company has clear processes for succession.
- Diversity strategies—an important factor to Millennial executives—need attention in the US. Only 44% of American executives say they have effective diversity programs in place.



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.

- Just 4% of employees in the US work at Digital Winner companies.
- American workers tend to be more satisfied and loyal to their jobs—more than three-quarters of employees say they are loyal to their organizations, teams, and managers.
- Three-quarters (76%) of US employees say leadership gives ample ongoing feedback, and 57% say leadership works with employees to develop their careers.



Conclusion

It is hard for companies to get where they need to go if their leaders do not know the way. American companies excel at skills development and employee engagement, but need to develop diversity programs and update decision-making processes for the digital economy. 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 Winner, see 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 20% of the overall sample comes from the US.

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