

Leaders 2020



Fact sheet: Illinois

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—but an impressive 24% of US respondents to our survey qualify for this elite group in Illinois, 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 state of Illinois.

Lack of leadership slows digital transformation

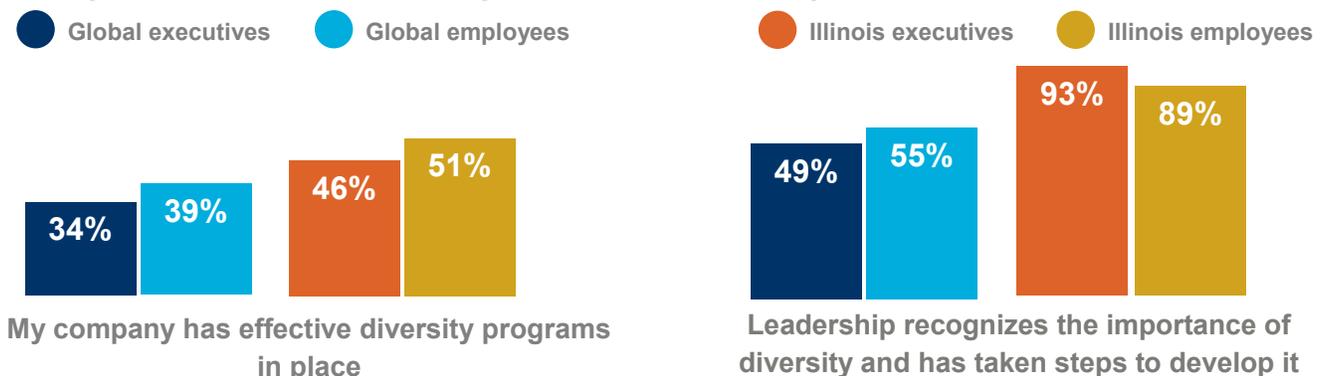
Executives and employees at most companies say management lacks critical digital skills.



- Executives (26%) and employees (27%) agree that their mid-managers are not proficient in using technology to achieve competitive advantage.
- Decision-making needs to be updated for the digital economy. Just 32% of Illinois executives say decisions are distributed across the organization, and only 30% say decisions are transparent to the people affected by them.
- Companies based in Illinois are more likely than others around the world to say employees have the skills they need to keep up with technology, but only 55% say they have the strategies to develop employee skill sets.

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.



- Executives and employees have both seen above-average growth in diversity over the last three years among the general workforce, mid-level leadership, and senior management.
- Half (51%) of Illinois executives say that diversity has had a positive effect on financial performance—well above the 30% average.

Millennial executives are impatient for change

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

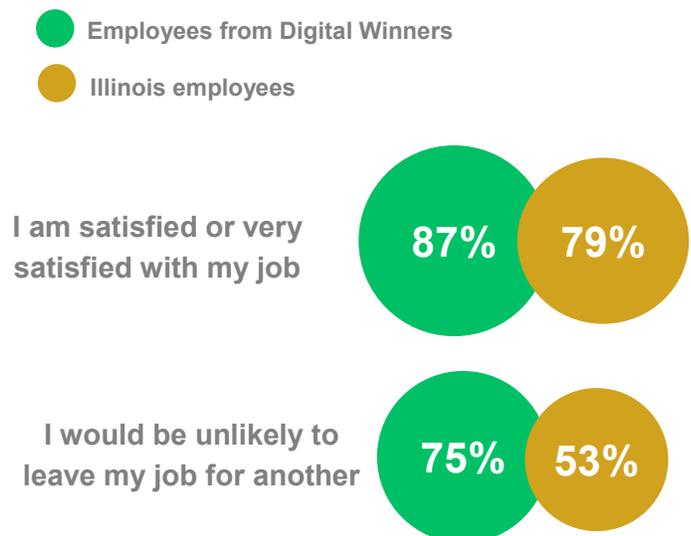
- Nearly one-quarter (24%) of senior executives in our Illinois sample are Millennials, compared with 17% worldwide.
- Just 53% of Illinois executives are confident in their company’s recruiting strategies—a problem they will need to address as more younger employees join the executive suite, along with the ability to develop employee skill sets.



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 employee respondents in Illinois are from Digital Winner companies.
- Employees in Illinois are significantly more satisfied than the global average. Some possible reasons for that satisfaction: employees are more likely to say that highly talented workers advance quickly (72%), that their culture values employee satisfaction (68%), and that leadership discourages complexity and bureaucracy (59%).



Conclusion

It is hard for companies to get where they need to go if their leaders do not know the way. Illinois respondents are leading in diversity and in talent development, but both mid-managers and senior leaders need to update digital skills to stay ahead of the competition. 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; about 3% are from Illinois.

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