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 1% of respondents to our survey qualify for this elite group in the UK, 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 Kingdom.
According to executives and employees, UK companies are roughly on par with the global average in terms of building effective diversity programs. But they are far behind the worldwide average when it comes to increasing diversity levels among mid-level and senior leadership.

- UK executives are highly confident in senior management’s proficiency across a broad range of areas, but employees in the country are far less impressed.
- Executives in the UK may be less likely than others to say decisions are data-driven, but they are more likely than the global sample to say other aspects of decision-making are up to date for the digital economy.
- The inverse is true for employees in the UK: they are more likely to say decisions are data-driven, but less likely to say decisions are transparent or mapped to company strategies.

**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.*

- According to executives and employees, UK companies are roughly on par with the global average in terms of building effective diversity programs. But they are far behind the worldwide average when it comes to increasing diversity levels among mid-level and senior leadership.
- UK executives and employees are also less likely than their peers around the world to say diversity has had a positive impact on financial performance.

*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.

- Just 5% of executives in the UK are Millennials—a much smaller proportion than the overall sample (17%).
- Executives and employees in the UK are more likely than their global peers to say their company is training the next generation of leaders—a sign that the number of Millennial executives may rise sharply over the years to come.
- Over three-quarters of UK executives say they have clear succession processes, but only 57% of UK employees agree.

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 6% of surveyed employees in the UK work at Digital Winner companies.
- Despite the relatively small percentage of Digital Winners in the UK, employees in the country report high levels of satisfaction with their jobs.
- UK employees are more likely than global peers to say leadership gives ample feedback (84% vs. 69%), has regular contact with employees (72% vs. 47%), and places a high value on employee satisfaction (62% vs. 57%).

Note: Bullet points represent survey results not pictured in the charts.
Leaders 2020
Fact sheet: UK

Conclusion

It is hard for companies to get where they need to go if their leaders do not know the way. While UK organizations boast high employee satisfaction and engagement levels, they have work to do to build diversity and update management’s abilities in critical areas. 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](http://www.successfactors.com)

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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 the UK.

**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