

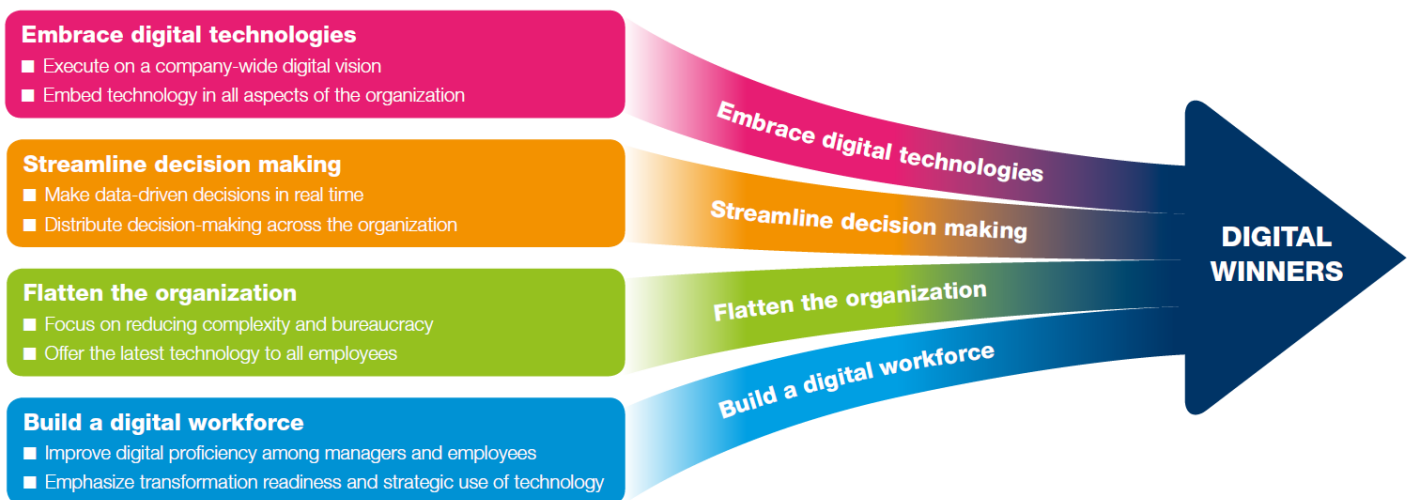
Leaders 2020



Fact sheet: Spain

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: 22% of respondents to our survey qualify for this elite group in Spain, 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 Spain.

Lack of leadership slows digital transformation

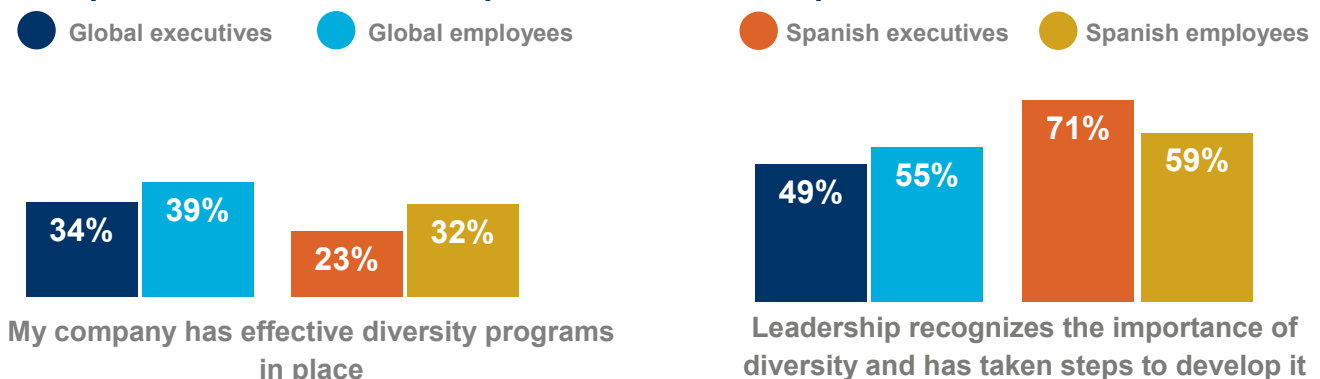
Executives and employees at most companies say management lacks critical digital skills.



- Less than half of executives and employees in Spain say senior management is proficient in navigating a changing business environment.
- Nearly 90% of Spanish executives say their company encourages workers and leaders to continually develop new skills; 82% of employees agree.
- Spanish companies have work to do to cultivate future management: only 31% of executives say their company devotes resources to training the next generation of 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.

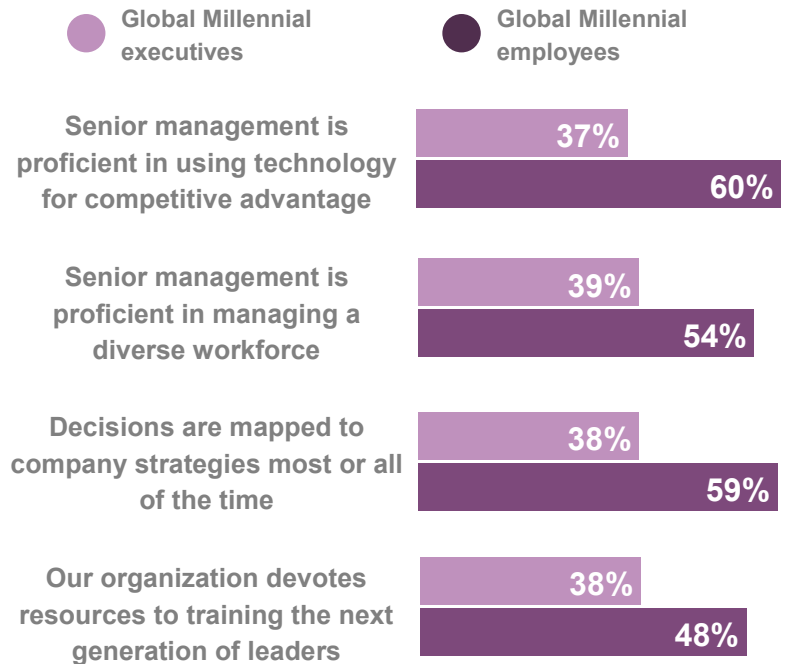


- Less than a quarter of Spanish executives say they have effective diversity programs in place, but 71% say company leadership recognizes diversity's importance takes steps to develop it.
- Spanish executives and employees are less likely than global respondents to say that diversity has had a positive impact on company culture (45% and 44%, respectively).

Millennial executives are impatient for change

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

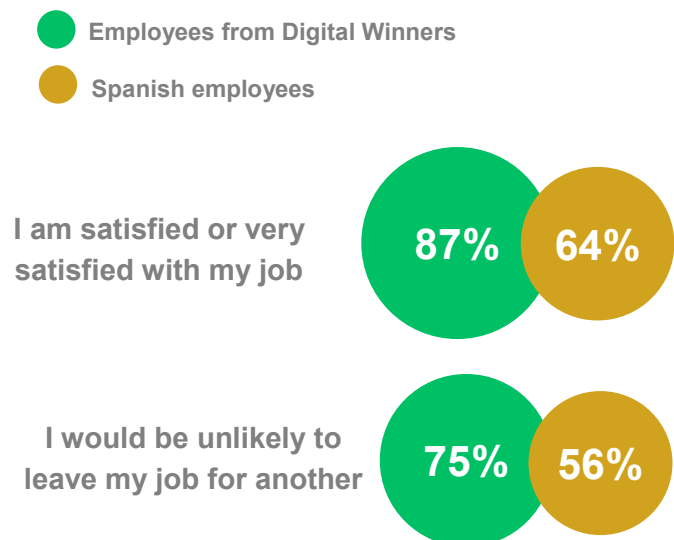
- Only 6% of senior executives in Spain are Millennials—a much smaller proportion than the overall sample (17%).
- Nearly three-quarters (71%) of Spanish executives say they have strategies for cultivating leadership from within the organization, but only 59% of employees agree.
- Millennial executives around the world tend to be more focused on diversity—an area where Spanish companies currently lag.



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 10% of employees in Spain work at Digital Winner companies. Spanish companies should emulate Digital Winners to improve employee engagement and satisfaction levels.
- Only one-third of employees say their company encourages all employees to participate in training and development programs, and a paltry 29% say that leadership has regular contact with workers. Improving efforts in these areas may increase employee satisfaction levels.



Conclusion

It is hard for companies to get where they need to go if their leaders do not know the way. While Spanish companies excel at skills development, employees and executives agree that their leadership development programs are lacking. And while a majority of employees are satisfied, employee satisfaction levels have room to grow. 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 5% of the overall sample comes from Spain.

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