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: just 3% of respondents to our survey qualify for this elite group in Russia, 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 Russia.
Lack of leadership slows digital transformation

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

- While two-thirds of Russian executives say senior leadership is equipped to facilitate digital transformation, only 36% say senior leaders are highly proficient at navigating a changing business environment.
- Less than one-fifth (17%) of Russian employees say their company has strategies for cultivating leadership from within the organization, compared to 24% of executives.
- Only 9% of Russian 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.

- While Russian executives and employees say their company’s leadership recognizes the importance of diversity, only about one-third say they have effective diversity programs.
- Nearly half (48%) of executives and 42% of employees in Russia say that diversity has had a positive impact on their company culture.

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.

- One-third of senior executives in Russia are Millennials—a much larger proportion than the overall sample (17%).
- Despite the relatively high proportion of young executives in Russia, only 33% of executives in the country say they have leadership training programs for all levels.
- Succession plans in Russia are murky—only 14% of executives and 12% of employees say their company has clear processes for succession.

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 Russia work at Digital Winner companies.
- Only 37% of Russian employees say that their organization works to encourage employee engagement—one possible reason why only one-third of employees say they feel loyal to their organization as a whole.
- Just 29% of employees say their company actively encourages all employees to participate in training and development programs.

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

It is hard for companies to get where they need to go if their leaders do not know the way. Russian companies in our survey have a higher percentage of young executives, but must do more to improve employee engagement, leadership, and skills-development strategies in order for the next generation of executives to succeed. 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)

### 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 Russia.

**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