

INSIGNIAM 2014 EXECUTIVE SENTIMENT SURVEY

A LOOK AT WHAT IS TOP OF MIND FOR EXECUTIVES AS
THEY LOOK TOWARD 2015 AND BEYOND

In 1835, Samuel Slater

— widely considered to be the father of the American industrial revolution, as denoted by U.S. President Andrew Jackson — published his memoir. Slater, a textile magnate, wrote that “graduate and elevation of standing are founded ... on the industry and enterprise of the people.”

Amazingly, 179 years later, executives are still trying to crack people and culture issues.

The latest snapshot of executive thinking and motivation, captured in the 2014 Insigniam Sentiment Survey, captures an environment beset by disruption; one that challenges executive leaders to reconsider their strategies for achieving organizational success and sharpen their focus on the powerful impact of culture and alignment.

Our annual survey captures the thinking of Insigniam’s extensive international network of major business sectors including healthcare, pharmaceuticals, chemicals, manufacturing, fast-moving consumer goods, energy, and biotech industries.

Organizational culture and its influence on a company’s ability to launch a major change initiative was a key component of this year’s survey. Why this focus on culture? When asked what aspect of their job caused them to lose sleep, 80 percent respondents identified issues related to people — culture, talent, accountability, and execution.

Surprisingly, only half of the executives surveyed said that their company’s actual culture matches what the

company claims to have. Some executives said that even if the actual culture matched the stated culture, it still needed to be changed, regardless of current circumstances.

Perhaps the most shocking finding related to culture was that many respondents said their organization’s culture couldn’t help them realize their strategy because they had no strategy in the first place.

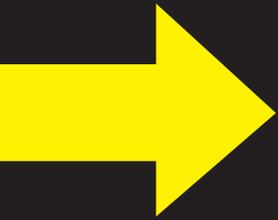
Alignment between corporate culture and strategy was another major theme highlighted in the survey. Respondents recognized the cost of misalignment to their organizations. Seven out of 10 who reported that their company’s culture did not align with their strategy said that their employees were more likely to have lower engagement and suffer from lower morale, with one-half believing that it would cause a drop in performance and one in three saying it increased staff turnover and contributed to a loss of talent.

Interestingly, those who felt their previous change initiatives were not successful cited a lack of resources as a perceived inhibitor. However, those who had led successful transformations said an overreliance on resources was, instead, a factor for failure.

So what actions need to be taken? In our forthcoming report, coming late 2014, we’ll diagnose the breakdowns and offer pathways for breakthroughs. Before it arrives, take an advanced look at the data that unpins our findings.

CONTINUED





RESEARCH SNAPSHOT

80% of Executives Say They Lose Sleep Over People Related Issues in the Companies They Lead

Insigniam's most recent Executive Sentiment Survey captures a snapshot of what's keeping global leaders awake at night and their thinking about their organization's culture and the importance of alignment with current strategies to ensure successful implementation of change initiatives.

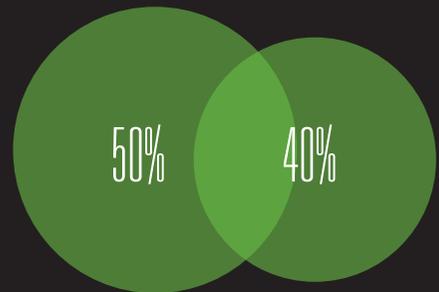
\$20 billion

Leaders of companies with revenue above \$20B worry about culture twice as much as leaders of smaller firms.

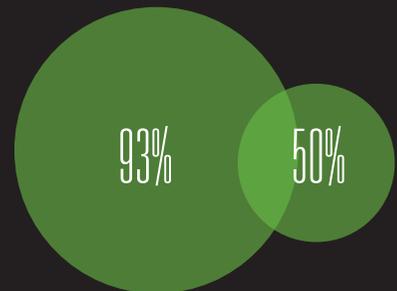


29%

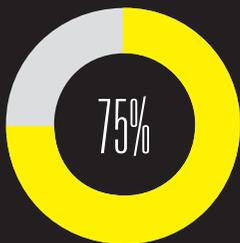
of leaders felt previous change initiatives were fully successful



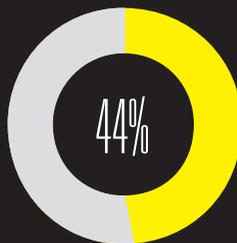
50% of European and Asian executives said their company's stated culture doesn't match actual culture vs. **40% of American executives**



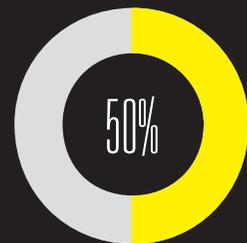
93% of American executives believe proper alignment is critical for a successful change initiative vs. **50% of European executives** who hold this belief



of executives from all geographies agree that efficiency and execution are critical to success

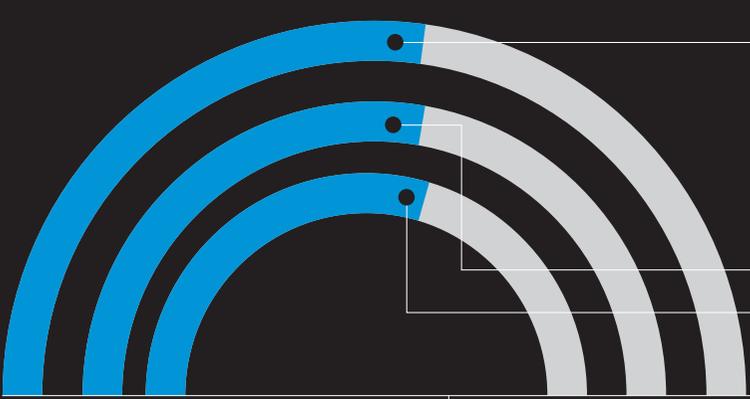


of executives don't believe their company's culture is the one it claims or strives to have



of executives cited insufficient resources as a cause of a less than successful change initiative

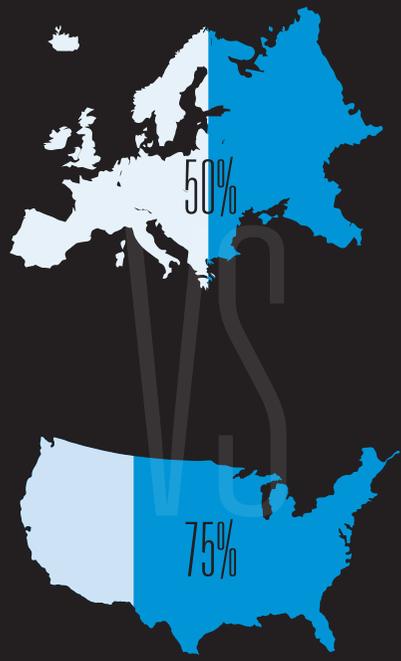
Once executives were able to align corporate strategy and corporate culture



55%
cited
increased
focus and
direction for
the company

55%
reported better
results

58.4%
believe there
is increased
collaboration



50% of European leaders have attempted a change initiative during the past two years vs. 75% of U.S. executives



A heightened awareness of culture is shown to influence success



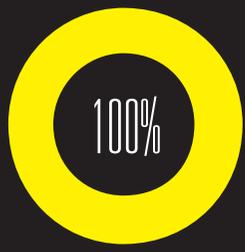
Poor planning is repeatedly cited in unsuccessful initiatives



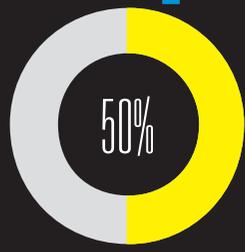
The most critical factor for achieving transformation? Alignment.

top 2

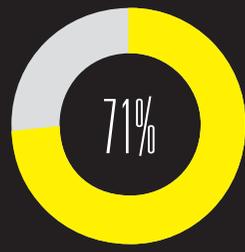
types of results executives point to from proper alignment: **financial and performance-based.**



100% agreement on the benefit of having a culture that aligns with corporate strategy



50% of executives believe a misalignment between company culture and strategy would cause a drop in performance



71% of respondents reporting successful change initiatives cited communication and transparency as crucial factors