

# LEADING TRANSFOR- MATION

REPORT 2022

## FOREWORD

Swiss business leaders say that the impulse for change no longer comes exclusively from outside, but increasingly from within. Moreover, transforming a business is also about changing one's leadership.

In the summer of 2022, 333 leaders completed an annually recurring questionnaire on the challenges and practices of leading in change. In this Leading Transformation Report 2022 (LTR 2022), we not only provide the results of this survey but also an interpretation.

The LTR 2022 is an invitation to leadership teams to jointly develop practices in the sign of change. So get in touch with us to discuss individual and company-specific questions and to jointly evaluate current situations. We look forward to hearing from you.

Sincerely,

Boyden Global Executive Search  
Futureworks  
Information Factory  
Küng Strategy Consulting



# APPROACH AND METHOD

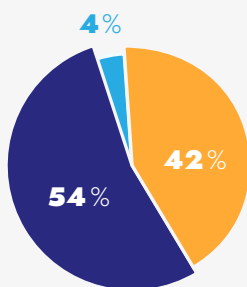
This year, like in 2020 and 2021, business leaders granted us insight into their daily work and practices. They were contacted personally and 333 business leaders, mostly located in Switzerland, responded.

The respondents come from different sectors and companies of various sizes from all over Switzerland and from German-speaking countries.

The respondents answered an online questionnaire, with a structure based on situative scenarios and current knowledge about successful leadership from three perspectives (see page 26). In addition, in-depth interviews were conducted to classify and consolidate the results of the online survey.

## Role

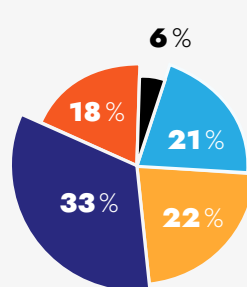
96% of respondents are active at a senior level



- Board of Directors
- Senior management
- Middle management

## Company size

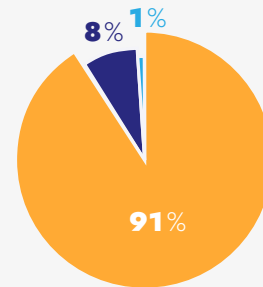
All company sizes are represented



- More than 10,000 employees
- 1,000-10,000 employees
- 100-1,000 employees
- 10-100 employees
- Less than 10 employees

## Country

91% of respondents work in Switzerland



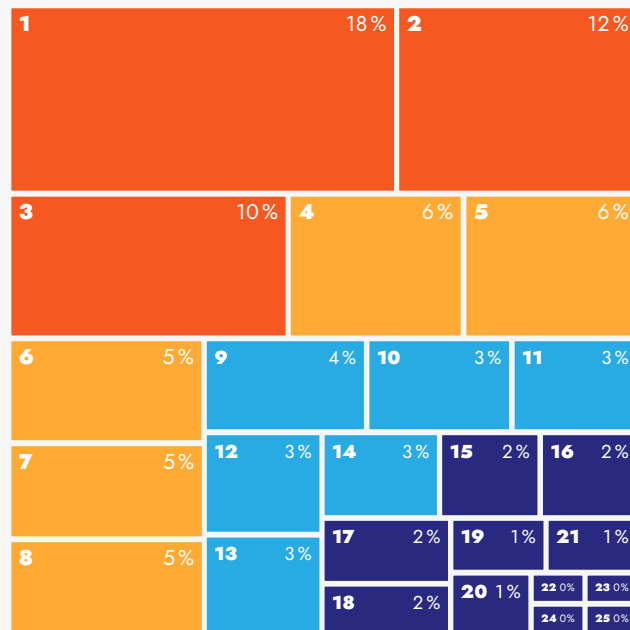
- Switzerland
- Germany
- Other

This report aims to provide leaders with a collegial perspective to enrich the discourse on the future. **The report should act as a source of inspiration for the constructive evaluation of one’s own experiences, so that future tasks and challenges can be better solved.**

The Leading Transformation Report is produced annually so that changes over time can also be shown.

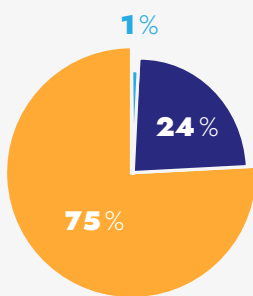
### Industries

All industries are represented – with a focus on the finance industry



### Gender

75% of respondents are male



- Male
- Female
- Other

- 1 Finance and insurance
- 2 Services industry
- 3 IT industry
- 4 Energy
- 5 Health and social care
- 6 Automotive industry
- 7 Construction
- 8 Medical technology
- 9 Electrical equipment
- 10 Trade
- 11 Food industry
- 12 Logistics industry
- 13 Public administration
- 14 Education and teaching
- 15 Chemicals
- 16 Telecommunications
- 17 Transport and storage
- 18 Aerospace
- 19 Real estate and housing
- 20 Textiles and clothing
- 21 Hotels and restaurants
- 22 Mining
- 23 Arts, entertainment and recreation
- 24 Biotechnology
- 25 Water, sewage and waste disposal

1

**GLOBAL TRENDS  
AND THE PANDEMIC  
ARE CHANGING  
COMPANIES  
EXTENSIVELY**



According to the leaders surveyed, Connectivity and New Work are the global trends impacting companies most fundamentally at the moment. Globalisation, on the other hand, has taken a back seat – the COVID-19 pandemic and the disruption of supply chains have left their marks.

On another note, employee expectations have changed the most. Given this, impulses to handle these expectations are necessary and urgent.

Furthermore, it is clear that the potential that Connectivity and New Work offer is at best recognised, but not yet realised.

**The correlation between the two global trends is clear: New Work promotes Connectivity and vice versa. But working remotely is not enough. Corporate culture and business models must adapt to further change. This way Connectivity and New Work can begin to fuel value creation for the business itself.**

## EFFECTS OF GLOBAL TRENDS

- ▶ New Work and Connectivity are the two trends influencing companies the most and the fastest at the moment.

**Speaking from the perspective of a leader: Which of the following megatrends\* have the greatest impact on your company?**

Max. three answers possible



\*[www.zukunftsinstitut.de/dossier/megatrends/#12-megatrends](http://www.zukunftsinstitut.de/dossier/megatrends/#12-megatrends)

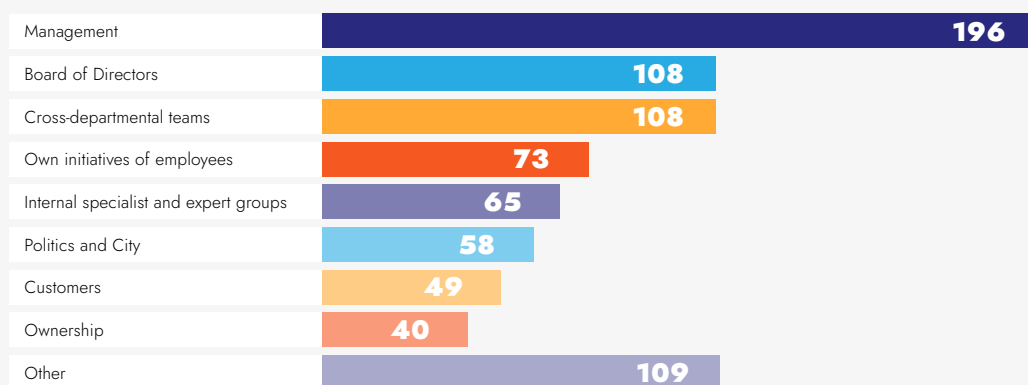


## RESPONSIBILITY FOR NEW IMPULSES

- ▶ New impulses are primarily expected from management, the Board of Directors and from cross-departmental teams.
- ▶ Therefore, the leadership challenge lies in finding a direction together.

### From whom do you expect necessary initiatives for transformation and innovation the most, and the most urgently?

Multiple answers possible

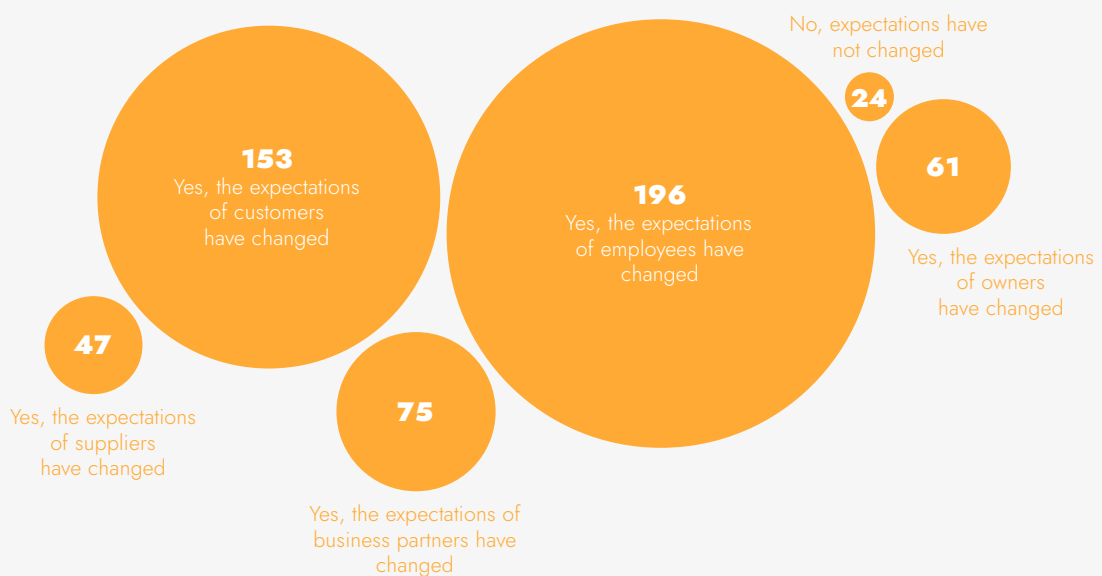


## EXPECTATIONS OF STAKEHOLDERS

- ▶ It is above all the expectations of the employees that have changed.
- ▶ A minority of the leaders in the survey are of the opinion that expectations have not changed at all.

### Compared to last year, have the expectations on your company changed noticeably?

Multiple answers possible



Respondents cited the changed expectations of their employees as the most prevalent and challenging factor. These related primarily to:

- Remote working, not tied to any one place and, increasingly, not specific to any set working hours
- Work-life balance
- Meaningful identification

### **“Old office life is out.”**

*Member of the Executive Board*

According to the executives surveyed, it is the expectations of customers that have changed the most, following those of the employees. And customers are becoming more impatient.

- Digital customer interfaces
- Speed in order processing
- Sustainability

### **“The Holy Trinity: faster, cheaper, more variety.”**

*Member of the Board of Directors*

Business partners ranked third. They expect:

- More efficiency
- More hedging against existing risks
- Digitalisation

Changes in owners' expectations are more moderate. These relate primarily to profitability, sustainability and a successful transformation:

- The pandemic is over, this should now affect the top and bottom line
- In addition to return targets, sustainability targets need to be achieved too
- Sustainable business development alongside coping with external shocks and crises is expected.

### **“The expectations of the company in the field of ESG have risen dramatically.”**

*Member of the Board of Directors*

Supplier expectations have changed too. Problems in supply chains have caused higher prices and a trend towards pre-financing is emerging. Above all, suppliers expect:

- Longer planning cycles and stronger pre-financing of the supply chain
- Digital processes and speed of services
- Speed and flexibility

2

**DIGITALISATION AND  
POSITIONING WERE  
JUST THE BEGINNING**



The leaders surveyed reported successfully managing change through the use of digital technologies and strategic repositioning. Using this as a basis, it is now a matter of adapting the customer offering and further developing the corporate culture for operational success.

The necessary transformation in terms of research, innovation and development seems more difficult to implement. These are areas far removed from the actual business transaction, and also include promoting resilience and maintaining the employability of employees. From the respondents' point of view, changes in corporate structure are the least successful.

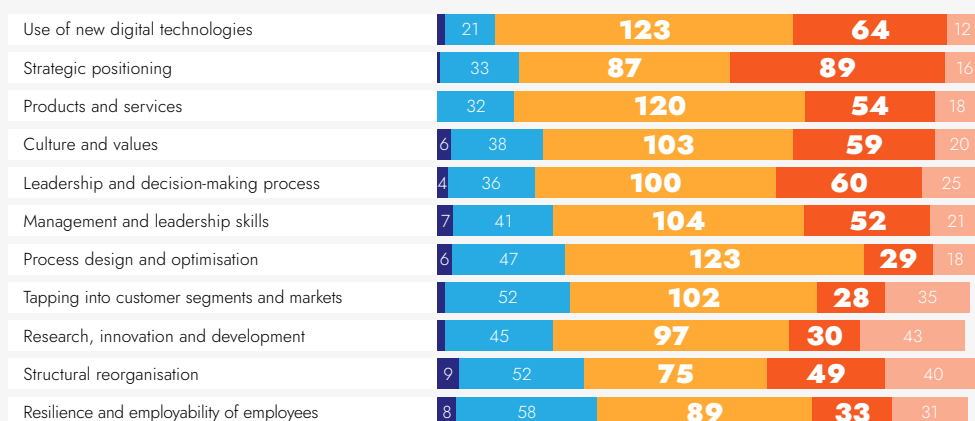
**Externally driven changes entail internal changes that take time.**

## CURRENT STATUS OF TRANSFORMATION INITIATIVES

- ▶ The most successful transformation initiatives are found within digitalisation.
- ▶ Issues less central to business success are not given priority.

**A number of transformation projects were launched in companies in 2021 (LTR 2021). How would you rate the success of these projects thus far in your company in the following areas ...?**

Multiple answers possible



The success of transformation initiatives in 2021 predominantly came from the focus areas culture and leadership, products and services, and strategic positioning. In 2022, leaders were satisfied with the progress shown within these areas. The majority of respondents stated that they had successfully implemented or already achieved crucial milestones.

**“The need for connectivity is well known. Its economic effect, however, is often overestimated in the short term, but underestimated in the long term.”**

*Professor Dr Oliver Gassmann,  
Professor of Business Innovation*

This year, however, leaders saw the greatest success in the use of new digital technologies.

**“We hit a brick wall when it comes structural and cultural change. It will simply take several years.”**

*LTR partner*

In the areas of structural reorganisation, research, innovation and development, as well as resilience and employability, a particularly large number of projects failed or were not even planned. In 2022, the old foundations are still standing, and some employees run the risk of falling by the wayside.

**“Strategy is decision-making. This basic principle is often lost in the complexity of organisations.”**

*Professor Dr Oliver Gassmann,  
Professor of Business Innovation*



An illustration of a tennis court with a blue background and white lines. Four tennis players are shown in various dynamic poses: one in the foreground reaching up with a racket, one in the middle ground ready for a shot, one in the background lunging for a ball, and one in the upper right lunging for a ball. A large, dark blue shadow is cast over the court from the top left. The number '3' is positioned on the left side of the court.

3

**REACTING TO  
CIRCUMSTANCES  
SUPPORTS  
UNDERSTANDING  
AND SHAPING  
CHANGE**



Leaders know communication is key and that success is dependent on addressing communicative tasks from both an entrepreneurial and integrative perspective. This in turn would allow teams to surpass themselves.

With this in mind, respondents indicated a desire to become drivers of change and improve internal cooperation. And they have realised that their own communication is a powerful tool.

The better managers and employees shape and understand change together, the lower the risk of mutual alienation.

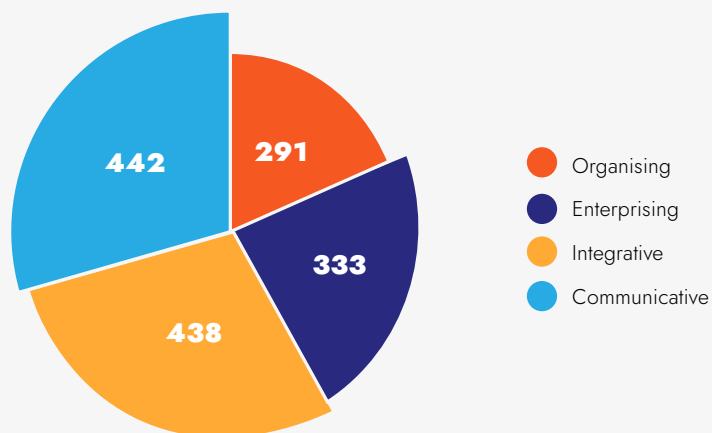
**Flexibility is therefore neither an empty requirement nor an employee incentive. Instead it must be used in a conscious and targeted manner to change the company.**

## CHARACTERISTICS OF A SUCCESSFUL MANAGEMENT APPROACH

- ▶ Communication is cited as the most important dimension of good leadership practice.
- ▶ However, managers must be able to deal with different dimensions in order to master change.

**From your own personal everyday experience:  
What are the key characteristics of a leadership practice  
capable of navigating change?**

Multiple answers possible

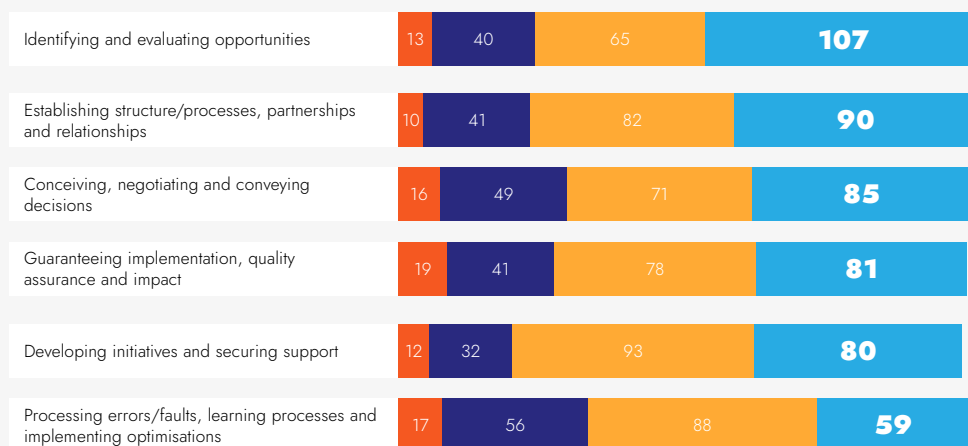


## STRENGTHS AND WEAKNESSES OF MANAGEMENT PRACTICES

- ▶ For the respondents, recognising opportunities is the strongest leadership practice in their company.
- ▶ They consider the greatest weakness to be the ability to process errors and faults and to implement learning processes and optimisation.

### Where do you see the strengths/weakness of management practices in your company?

Multiple answers possible



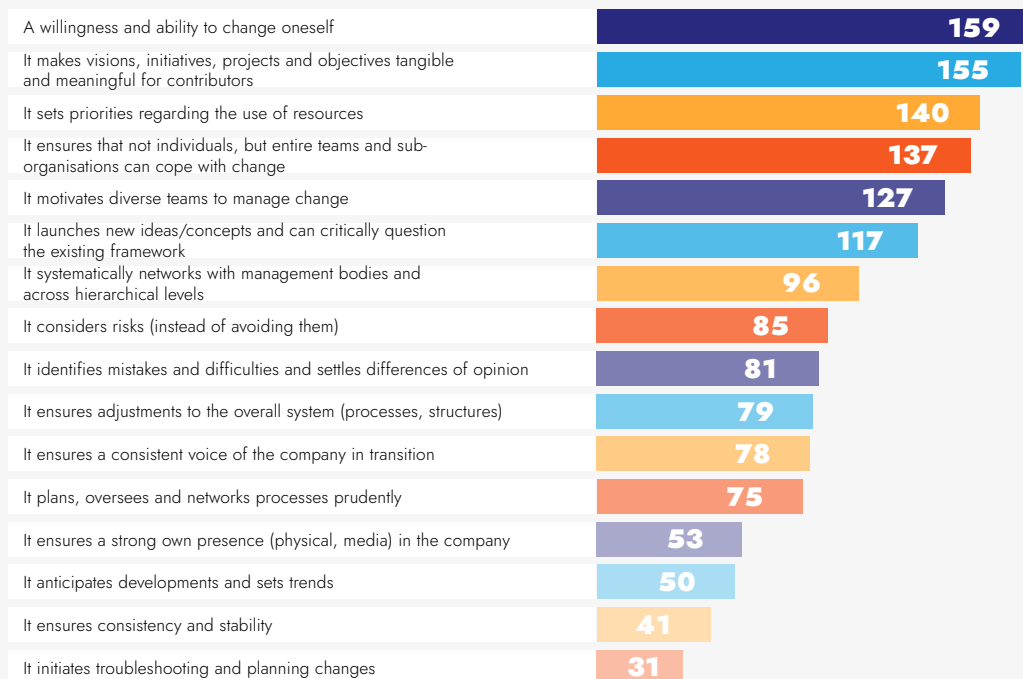
- I cannot evaluate
- Is a weakness
- Is currently being reviewed
- Is a strength

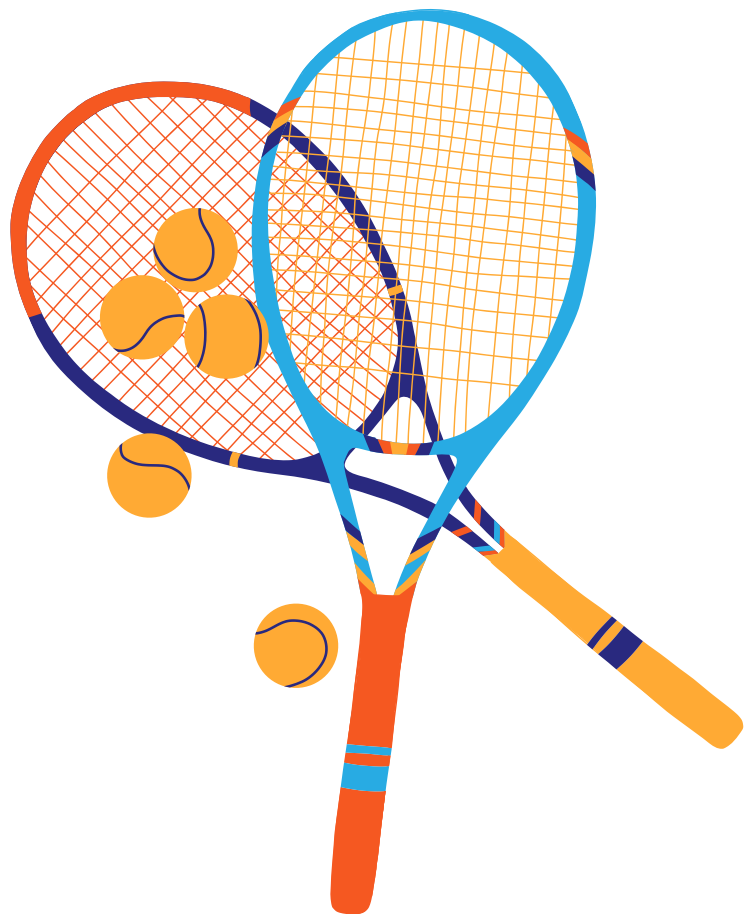
## ATTRIBUTES OF SUCCESSFUL LEADERSHIP IN TRANSITION

- The respondents stated willingness and ability to change oneself and one's own leadership practice as the most important attribute of effective leadership in transition.

### From your own personal everyday experience: What are the key characteristics of a leadership practice capable of navigating change?

Multiple answers possible





## FURTHER DEVELOPMENT OF PERSONAL MANAGEMENT SKILLS

- Above all, managers want to become better at empowering themselves and others to surpass themselves.

**For which of the management tasks listed here would you most urgently like to increase your personal impact and develop your skills?**

Multiple answers possible



The executives surveyed see the ability to empower people to achieve more than they originally thought possible as the personal skill with the greatest development potential.

The second most commonly cited was the ability to establish context for projects and initiatives. This corresponds with the previous outcome of increased expectations of employees. If the bigger picture is clear, employees can contribute in a more meaningful way.

**“In a culture of trust, in which setbacks are permitted or even celebrated, being bold is encouraged.”**

*Lara Meyer,  
CEO of Hotelplan*

The respondents want to improve in this respect – so they can set milestones and provide orientation in turbulent, uncertain times.

Classic leadership skills such as “setting and reviewing rules” or “asserting yourself” were ranked as less relevant in transformation. The trend is towards extending trust instead of supervision.

**“It’s not the number of days spent working from home that matter, but results-oriented leadership and trust in employees.”**

*Professor Dr Oliver Gassmann,  
Professor of Business Innovation*

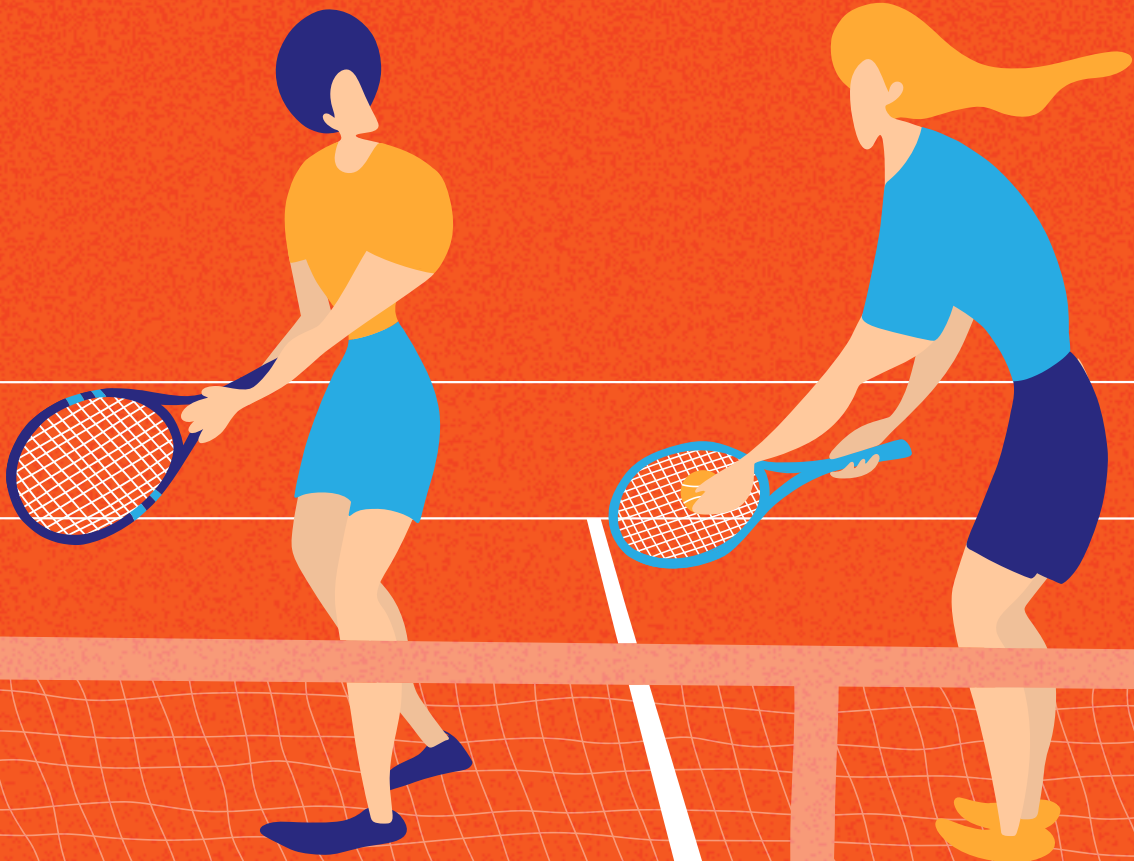
As a result, employees are expected to manage themselves and give and receive feedback. Increasingly, this forces them to move out of their comfort zone.

**“We are seeing a somewhat schizophrenic dilemma between self-organisation and the demand for leadership.”**

*Member of the Executive Board*

4

**LEADING  
TRANSFORMATION  
AS A MODEL**





**By Peter Stücheli-Herlach**  
**Zurich University of Applied Sciences (ZHAW)**

“Leading Transformation” is a leadership practice that shapes the future. It identifies change in companies and their markets at an early stage and then it creates conditions for employees to use it productively.

Being able and willing to decide despite ongoing change and great uncertainty is at the core of “Leading Transformation”. The current situation has demonstrated how important this is: with the pandemic, the disruption of supply chains, the digitalisation of work and new wars. Rapid adaptation has paid off – all the more so when the next test was already in sight.

The annual Leading Transformation Report (LTR) provides a snapshot of the practice of leaders from the Swiss economy. In doing so it lays the foundation for a dialogue on leadership practice in transition and its continuous improvement.

The structure of the survey and the evaluation of the results are based on current models for leadership as a communicative entrepreneurial practice.

# 1. LEADERSHIP AMID CHANGING MARKETS

## **Trends are developments that force decisions – and open up new opportunities**

Leadership cannot and does not want to change the world or society. But it wants to define and differentiate between what is necessary for a company and its customers in view of important trends and what is urgent. It shapes change through decisions, which in turn can always be changed

– and must be changed. It weighs up interests against the backdrop of functioning relationships within and outside the company. Leading Transformation translates the openness and uncertainty of overarching trends into development opportunities.

# 2. LEADERSHIP OF COMPANIES IN TRANSITION

## **Organisations change through communication**

Leadership makes it possible for relationships within the company itself to change. It perceives risks, hurdles and hindrances, and creates the conditions for teams and employees to overcome these. The people who are best placed to show the path to

success are those who show what change looks like, thereby giving meaning to necessary decisions: promising and prescribing change alone will never lead to the goal. Communication isn't the sole factor in shaping relationships, but without it, nothing works.

### 3. LEADERSHIP WITH PEOPLE IN TRANSITION

#### **People change themselves and the company**

Leadership in transition is daily work in relationship with a counterpart, allowing change and exemplifying it. It is decisive and challenging, but also integrating and inspiring. This makes change visible, communicable and learnable. Personal

skills and decision-making patterns are coming to the fore – the same applies to their bundling and further development in management teams.

**Deciding together means changing together.**

# AN INVITATION FOR DIALOGUE

This report aims to contribute to the further development of leadership practice in ongoing transformation processes. The results of the LTR 2022 are therefore intended to initiate a dialogue and inspire exchange among leaders – so the knowledge gained can flow back into their management practice and be put to use.

We therefore invite you to join our discussion about the challenges and practice of ongoing digital, economic and social transformations. If you are interested in discussing the LTR 2022, would like more information about our events or would like to participate in the report in the future, please contact us:

**[leadingtransformation@futureworks.ch](mailto:leadingtransformation@futureworks.ch)**





## PARTNERS INVOLVED IN THE CREATION OF THIS REPORT

### **Boyden Global Executive Search**

Boyden is a leading global consultancy firm in the areas of executive search and leadership consulting, with over 75 offices in more than 40 countries. With our offices in Zurich and Geneva, we fill select executive positions on managerial boards at leading Swiss companies, with whom we have maintained a successful partnership for many years.

### **Futureworks**

Futureworks is a creative consultancy. We help successful companies to stay successful. To do this, we empower them to adopt the perspective of their customers and create fulfilling experiences. This translates into valuable offerings, a growing number of delighted customers and a more profitable business. Futureworks – from Customer Insight to Business Impact.

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Turning data into business value

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### **Küng Strategy Consulting**

Successful business people follow their goals and ensure profitable growth. Sometimes, they require honest discussion with a skilled, experienced and ambitious partner. Gebi Küng has been that partner for 15 years.

### **ZHAW**

Zurich School of Applied Linguistics, Institute of Applied Media Studies, Organisational Communication and the Public Sphere.

The research team focuses on leadership as a communicative practice of modern value creation.



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