



Manager Barometer

2020 —
2021

10th Annual Survey of
the Odgers Berndtson
Executive Panel in
Germany, Austria and
Switzerland

Contents

Background and Objectives	3
1 Executive Summary	4
2 Results of the Odgers Berndtson Executive Panel	9
I Personal Motivation and Career Goals	10
II Willingness to change jobs	15
III The Coronavirus Crisis and the Working World	20
IV Sustainability	23
V Purpose	28
VI Success in Times of Crisis (LeadershipGarage)	39
3 Commentary	51
4 Participant Statistics	54
Methodology Notes	58

Background and Objectives



Interesting work, the opportunity for individual development and flexible working conditions have always been high priorities for managers.

Beyond these classic career motivators, today's managers more frequently ask the question "why?", to make sense of their own actions and the purpose of the company. The coronavirus crisis has served to catalyse this trend all the more.

Therefore, in addition to the typical questions about managers' career plans – which this year are to be considered primarily under the altered conditions brought about by the coronavirus crisis – we have focused on the topics of "sustainability" and "purpose".

With regard to sustainable economic activity, we were particularly interested in the importance of sustainability in the day-to-day running of the company and the demands it places on management. With questions on so-called "corporate purpose", we have gone one step further. Here we wanted to find out how well known the purpose of a company is among managers, and what significance the development and implementation of purpose already holds within companies today.

We then explored the topic of purpose in greater depth in the "Purpose Driven Leadership" section, in cooperation with the LeadershipGarage program. Here we investigated how managers can promote the creation of a common purpose and use it to attract and retain employees, especially in the current crisis-driven mobile working environments.

1



Executive Summary

Sustainability and purpose have become integral to companies and are driving cultural change."

Executive Summary

Personal Motivation and Career Goals

The meaningfulness of the position and tasks involved are an increasingly important motivator for managers.

As in previous years, the use of personal strengths and talents in the workplace is the number one career motivator. However, the sense of purpose has clearly increased in importance this year and is once again in second place. Participation in the company's higher objectives, the so-called "purpose" of the company, (an answer option we provided for the first time this year) immediately received the approval of over 40% of managers.

Managers in the Generation Y bracket are increasingly less motivated to participate and assume responsibility on a broader level.

For the majority of younger managers, the sense of purpose is an increasingly important motivator. The top motivator – the use of personal strengths and talents in the workplace – has also become more important for them. On the other hand, motivators that affect personal well-being, such as the joy of leadership, involvement in change in innovative companies or the will to exert influence and actively shape things, have seen a sharp decline.

More than half of all managers are willing to change.

The automotive, telecommunications/technology, consumer goods and industrial sectors are ahead in terms of willingness to effect change. With the exception of the telecommunications/technology sector, which traditionally has a very high propensity to adapt, these are all sectors seeing high levels of structural change and an uncertain long-term outlook. By contrast, the medical/pharmaceutical/chemical, financial services, management consulting/auditing, public sector and energy utilities sectors are more reluctant to change. These are sectors which tend to have a more positive long-term outlook.

Meaningful framework conditions are particularly important when choosing a potential new employer.

Meaningful factors, such as the corporate culture, the company's innovativeness and a corporate purpose with which one can identify, are also very important when choosing a new employer. Conditions such as participation in sales and profits or individual career planning are clearly taking a back seat. For Generation Y managers, flexible working conditions remain the decisive criterion when choosing a job.

Executive Summary

The Coronavirus Crisis and the Working World

Working from everywhere is becoming the norm, but the lack of social contact is increasingly felt.

Mobile working is still strongly practiced in companies even after the lockdown, although to a lesser extent than at the time of our “Coronavirus special survey” in May 2020. A high percentage of managers are satisfied with their home office situation, feel well-balanced and can work more efficiently than in the office. However, it is noticeable that as the homeworking period continues, managers find it more difficult to motivate themselves and social contacts are increasingly lacking.

The coronavirus crisis will change the world of work.

Almost all participants expect a greater acceptance of homeworking regulations and the increased use of video conferencing instead of business trips. The resulting downsizing of office space will primarily change the interplay between on-site and home-based workplaces and bring about new concepts of office organisation. In terms of content, executives expect an acceleration of adaptation and innovation processes, as well as changes in the competencies required in order to successfully manage the crisis.



Executive Summary

Sustainability and Purpose

In six out of ten companies, sustainability is very important.

Companies' commitment to sustainability is distributed relatively evenly between the three areas E (environment), S (social affairs) and G (sustainable corporate governance). However, there is still a need for action in the implementation of sustainability goals. For example, sustainability targets are part of the business strategy for just over half of all companies. At fewer than half of the companies, management lives up to its role model function or commits to compliance with sustainability targets.

Sustainability will change management styles towards value orientation and long-term focus.

Half of the managers see a change in the demands on leadership through sustainability. The focus is on value-oriented management behaviour, communicating the company's purpose and implementing a sustainable management style, such as long-term orientation, delegation of responsibility and employee-centred leadership.

The debate about purpose has become important for companies.

55% of managers are aware of their company's purpose; the majority can also name it. For most companies, economic value creation is a key purpose. Environmental and social issues are much less frequently part of the purpose.

Purpose is a matter for management. However, there is still a need for action in terms of its implementation.

In 80% of companies, purpose is driven by upper management levels. Awareness, knowledge and personal implementation of the purpose clearly decreases in lower management levels. There is still potential at the communicative level in terms of adapting the range of products and services, or in integrating the purpose into everyday working life.

Purpose has an impact on employer image, innovation and employee satisfaction.

Managers rate the importance of purpose as very high. This applies in particular to the retention and enthusiasm of employees, the acquisition of top talent and the future viability of the company. Female managers rate the importance of purpose even more highly than their male colleagues.

The medical/pharmaceutical/chemical (MPC) industry is the frontrunner when it comes to purpose.

The "life science industries" are characterised by a high level of satisfaction and a low willingness to change their managers. Managers who do not welcome change see a high degree of meaning in their current position and are convinced of their employer's future viability. The industry also occupies a leading position in terms of purpose: more than 60% of MPC managers are aware of their company's purpose, and more than 75% of them can also name that purpose. In terms of content, more than 75% of the companies focus on "health and well-being". In terms of implementation, the sector is also clearly ahead of the average for all industries.

Executive Summary

Success in Times of Crisis

LEADERSHIP GARAGE

Individual attitudes towards the subject of purpose are polarised.

7 out of 10 respondents say that the formulation of a clear purpose is important for their company. However, only 4 out of 10 managers are personally convinced of the formulated purpose of their company or indicate that the purpose of their company has a strong influence on their leadership behaviour.

Visibility in management behaviour, communication and corporate structures are the drivers of “shared purpose”.

The “shared purpose” refers to the extent to which all managers and employees are aware of the purpose of the company and can explain it to outsiders. This has been relatively low to date. A broad acceptance of the purpose among managers and employees is considered a prerequisite for a positive effect in the company. The more strongly the influencing factors of leadership, communication and structure are developed, the greater the shared purpose will be.

Shared purpose leads to greater corporate success.

A stronger shared purpose goes hand in hand with greater corporate success. This applies both on the individual level of employees (employee satisfaction, commitment, dedication, cohesion) and on the wider level of the company itself (innovativeness, market success, retention, attractiveness as an employer).

Talking about purpose is not enough; only targeted implementation brings success.

Only when purpose becomes visible in actions will measurable differences in the success of the company result.

Shared purpose coupled with digital performance strengthens the company's success.

An excellent digital performance leads to success on many levels. The better the digital performance is assessed, the greater the success of the company. Digital performance has the biggest impact when the shared purpose is also well developed. In times of crisis, digitalisation supports the shared purpose, because digitalisation enables communication and exchange and is the basic prerequisite for successful cooperation at a distance. It is possible that the exceptional circumstances of the past year will give a boost in this area.

2



Results – Odgers Berndtson Executive Panel

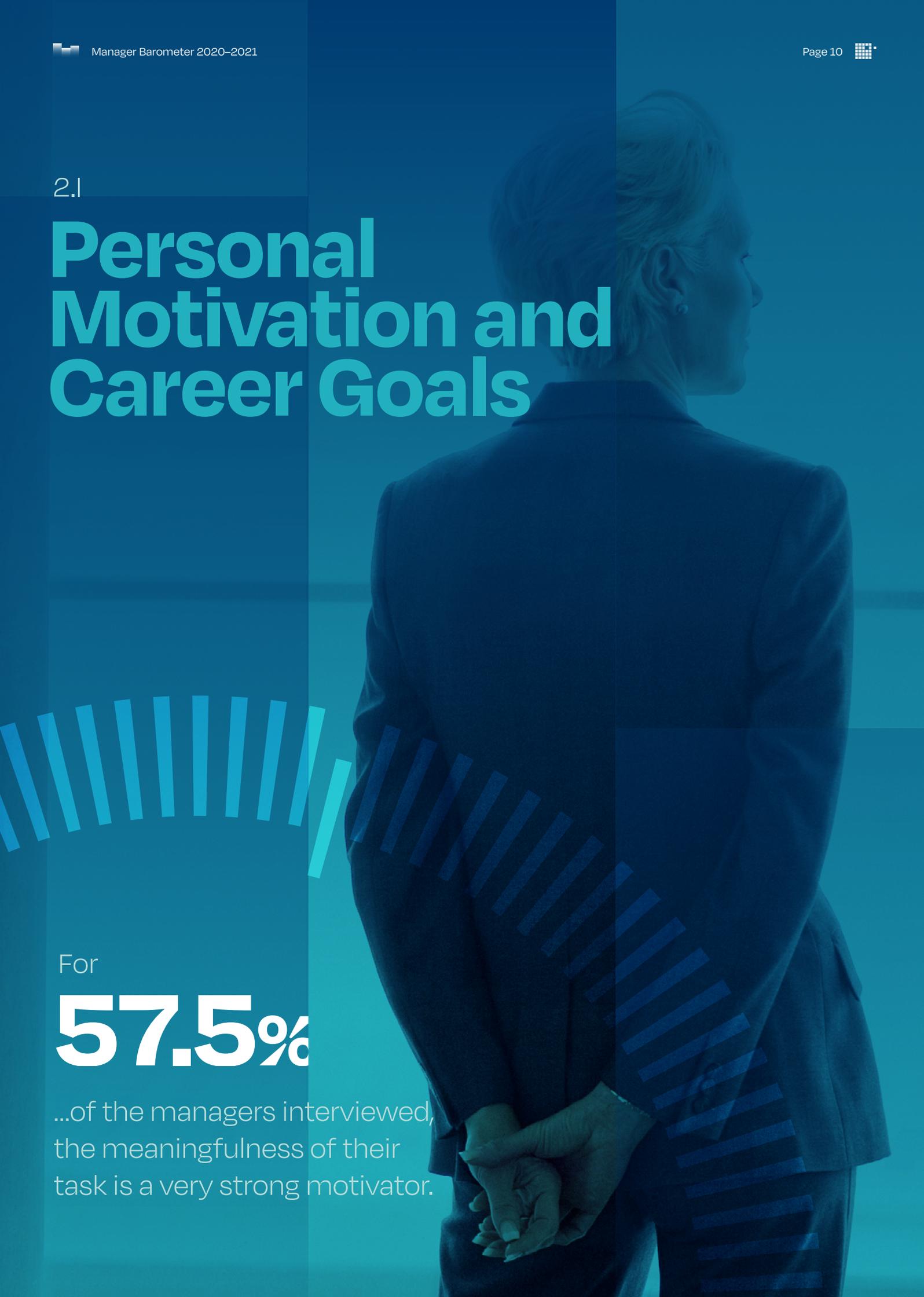
2.1

Personal Motivation and Career Goals

For

57.5%

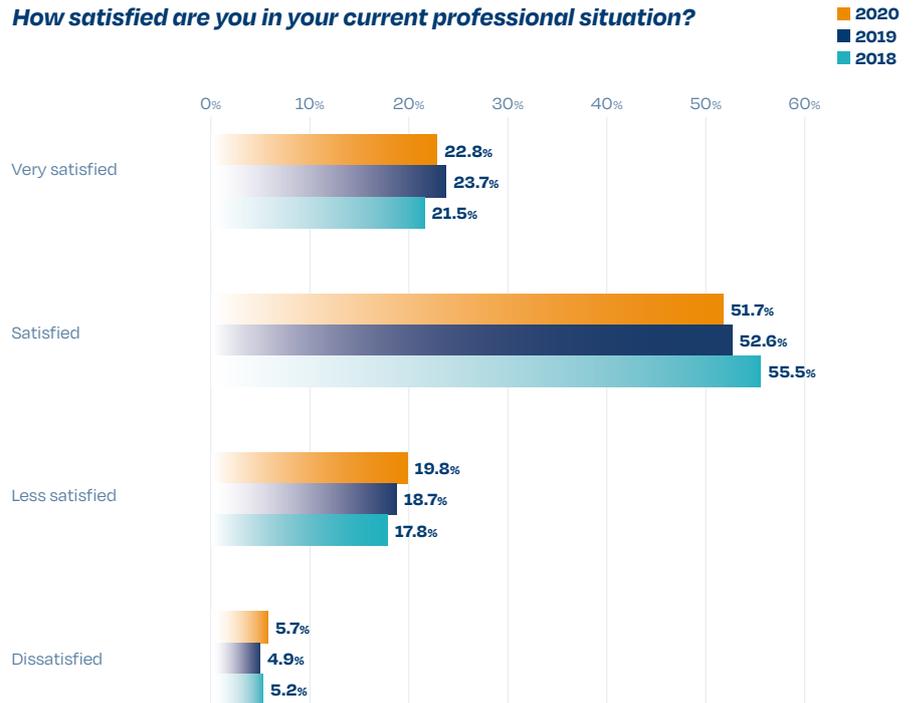
...of the managers interviewed, the meaningfulness of their task is a very strong motivator.



Satisfaction among managers in the D-A-CH region has fallen slightly.

74.5% of the participating managers are satisfied or very satisfied with their current professional position. In the previous year, this figure was slightly higher at 76.4%.

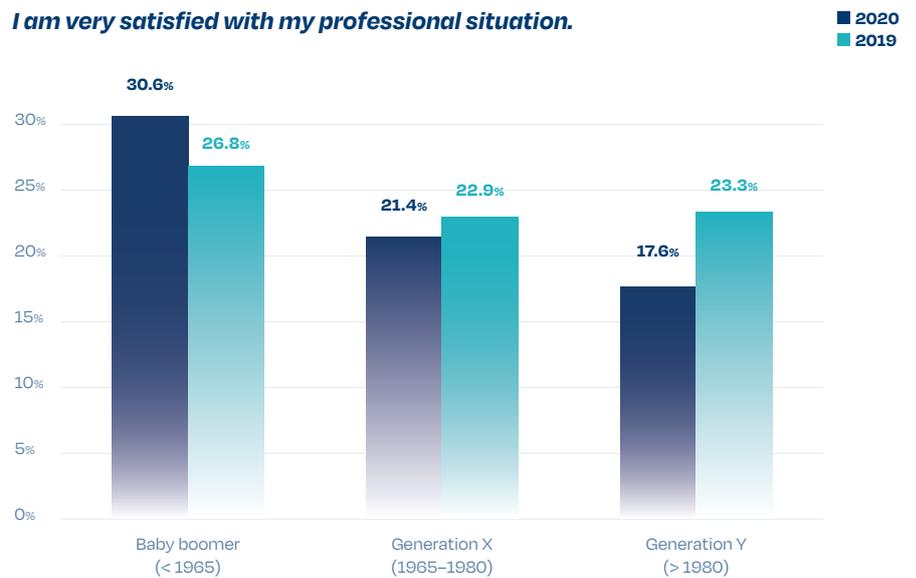
How satisfied are you in your current professional situation?



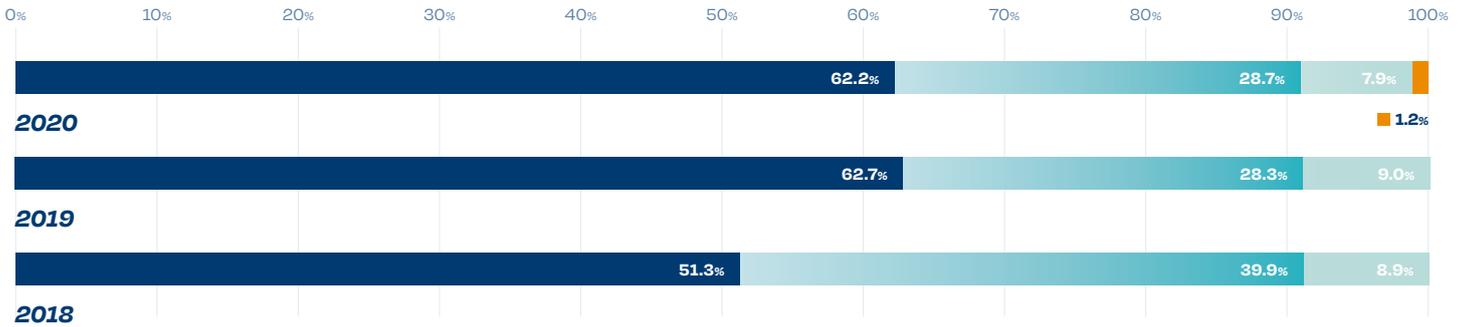
In particular, the satisfaction of Generation Y managers has decreased, whereas the satisfaction of baby boomers has increased.

Managers of the baby boomer generation are most satisfied with their professional situation (30.6%). Among the younger managers of Generation Y it is only 17.6%. This means that the proportion of very satisfied managers in the young age group is only about half as high as among the baby boomers. Among the managers of Generation X, 21.4% state that they are very satisfied.

I am very satisfied with my professional situation.



Which statement applies to the objectives of your professional career?



Career ambition is once again at a high level.

Once again, more than 6 out of 10 managers aim to consistently achieve the maximum in their career. 28.7% are satisfied with the hierarchical level and the responsibility they have currently achieved. 7.9% would also take a step

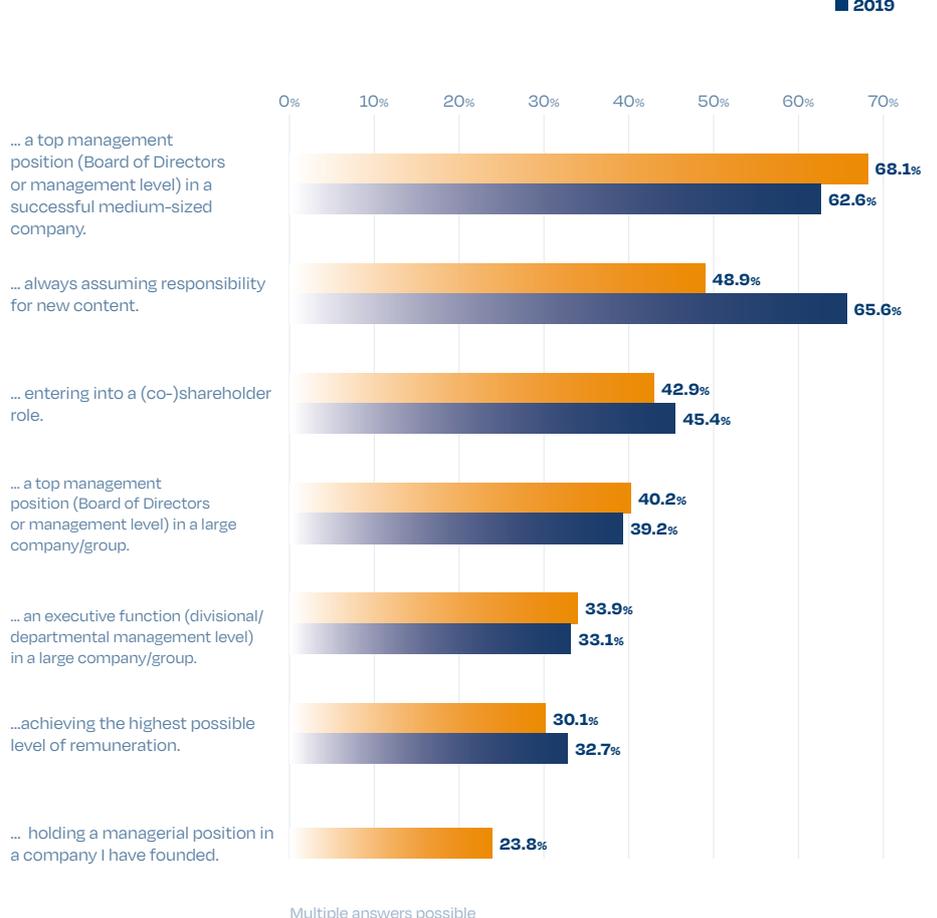
back and carry less responsibility. This means career goals of managers in the D-A-CH region are extremely stable, even under the exceptional circumstances of the coronavirus crisis. Only 1.2% of managers are happy just to keep their jobs while the economy is being restructured.

- I would like to constantly achieve the maximum in my career.
- I am satisfied with the hierarchical level/responsibility for content that I have currently achieved.
- I would also take a step backwards and bear less responsibility (in terms of leadership or content).
- I am happy just to keep my job in view of the restructuring of the economy.

Openness to new substantive challenges is declining in the wake of the coronavirus crisis.

In first place among the targeted positions this year is the rather traditional career goal of a top management position in a successful medium-sized company (68.1%). The desire for continuous new content challenges – frontrunner of the previous year – has, however, clearly declined (48.9% compared to 65.6% in the previous year).

For me, achieving the maximum in my career means...*

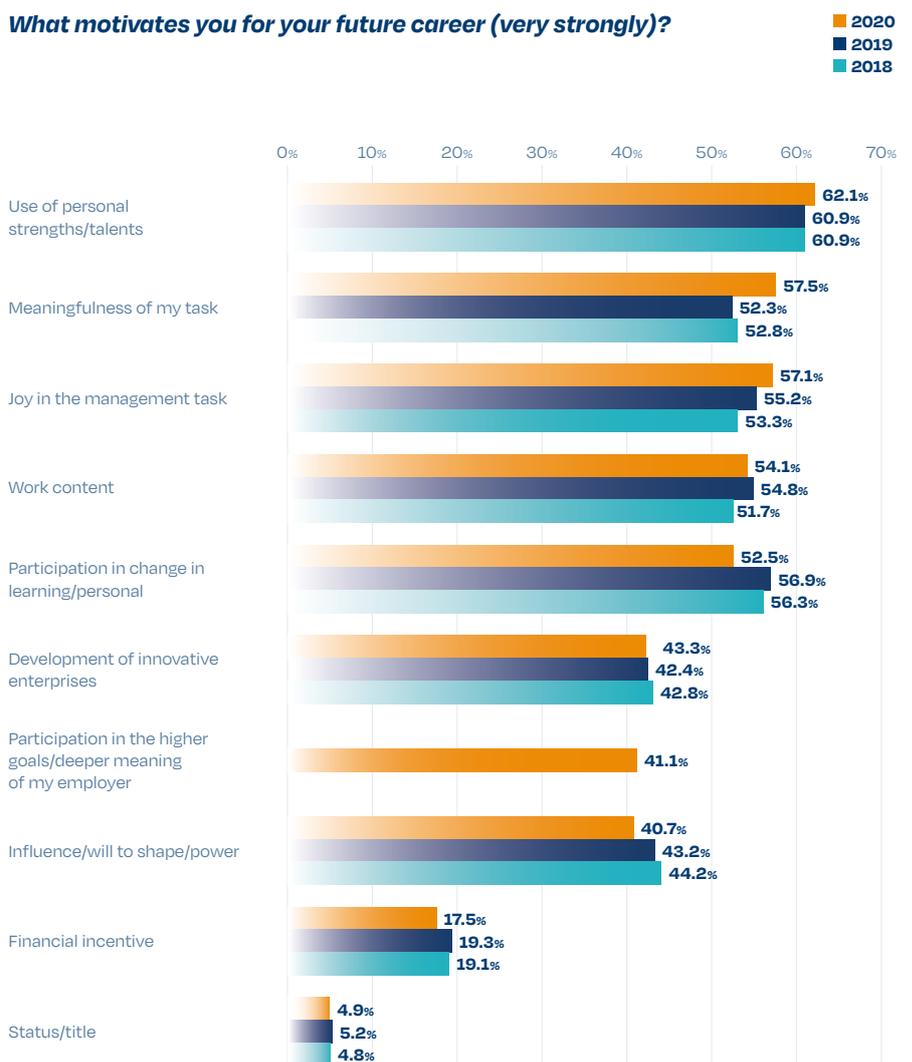




The meaningfulness of the task is gaining importance as a motivator for managers.

As in previous years, the use of personal strengths and talents in the workplace (62.1%) is the number one career motivator. The sense of purpose of the task (57.5%) gained significant importance this year. Participation in the higher goals or “purpose” of the company (an answer option we offered for the first time this year) immediately received 41.1% approval from managers. Joy in management tasks also gained in importance once more.

What motivates you for your future career (very strongly)?



Multiple answers possible

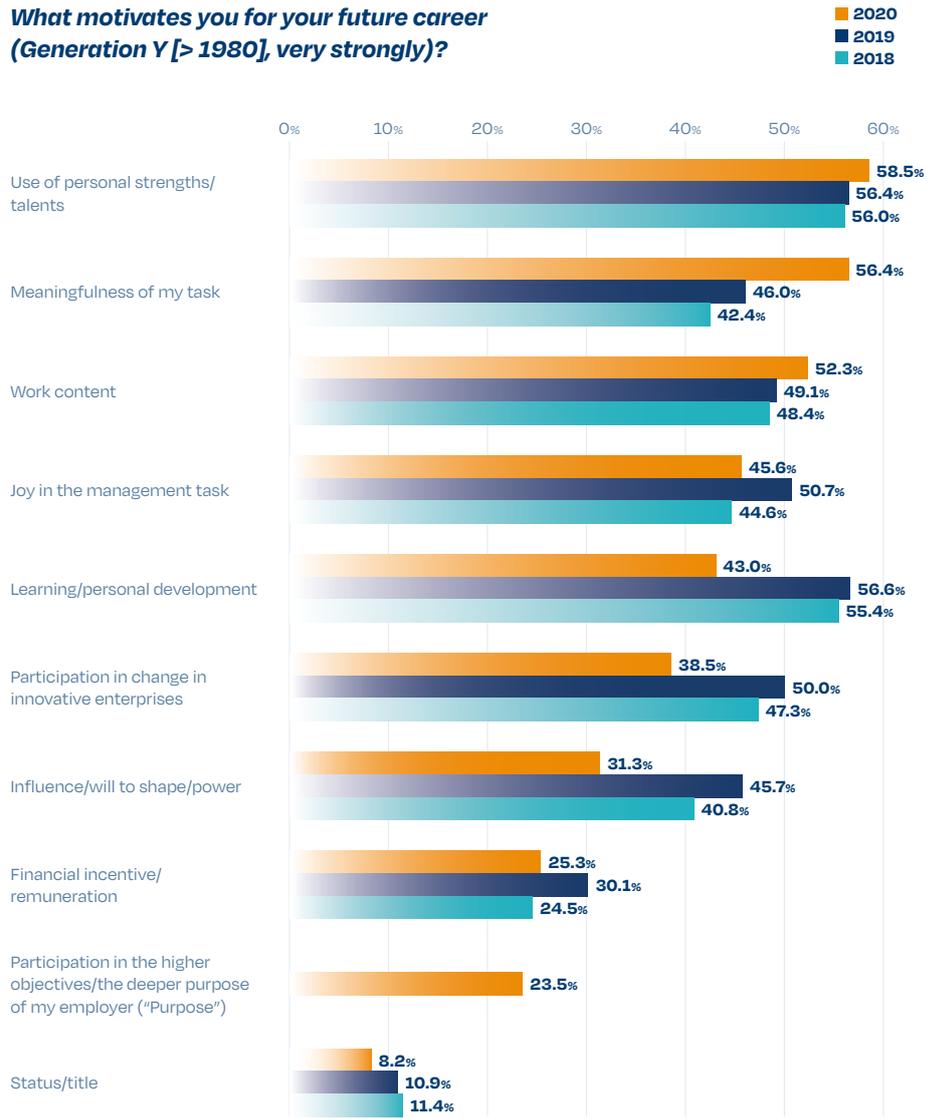
Executive Panel by Odgers Berndtson, n = 2,008 executives

Participation in change and personal development motivate Generation Y managers significantly less.

For 56.4% of the younger managers, the sense of purpose of the task is an increasingly important motivator, which increased by more than 10 percentage points compared to the previous year (46%). Also becoming more significant for this generation are: being the top performer, the use of personal strengths and talents in the workplace (58.5% compared to 56.4% in the previous year), and the work content (52.3% compared to 49.1% in the previous year).

On the other hand, there has been a sharp decline in motivators that have an effect beyond personal well-being, such as the joy of leadership (45.6% compared to 50.7% previously), participation in change in innovative companies (38.5% compared to 50% in the previous year) or influence/will to shape/power (31.3% compared to 45.7% in the previous year). Personal development as a motivator has also declined sharply (43% compared to 56.6% in the previous year).

What motivates you for your future career (Generation Y [> 1980], very strongly)?



Multiple answers possible

2.11

Willingness to change jobs

For

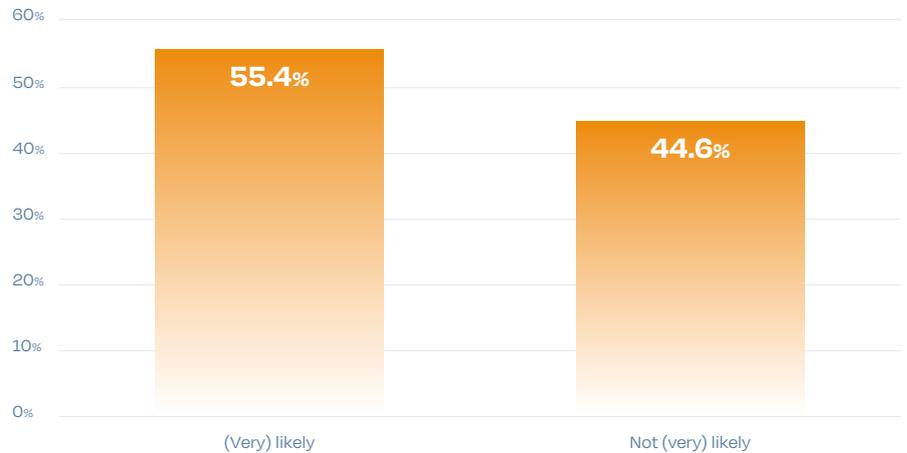
40%

... of Generation Y managers, homeworking is an important basic condition when choosing a job.

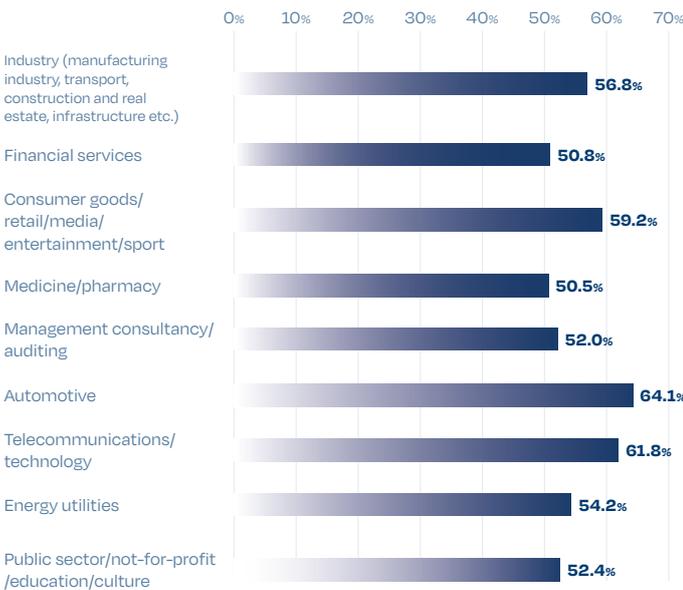
Over half of all managers are currently willing to change jobs.

55.4% of all managers consider a change in their professional situation within the next few months to be likely (29.1%) or very likely (26.4%). 45.5%, on the other hand, see a change as rather unlikely (34.1%) or very unlikely (10.5%). Women (58%) are somewhat more willing to change than men (54.9%).

A change in my professional position is likely within the next few months.



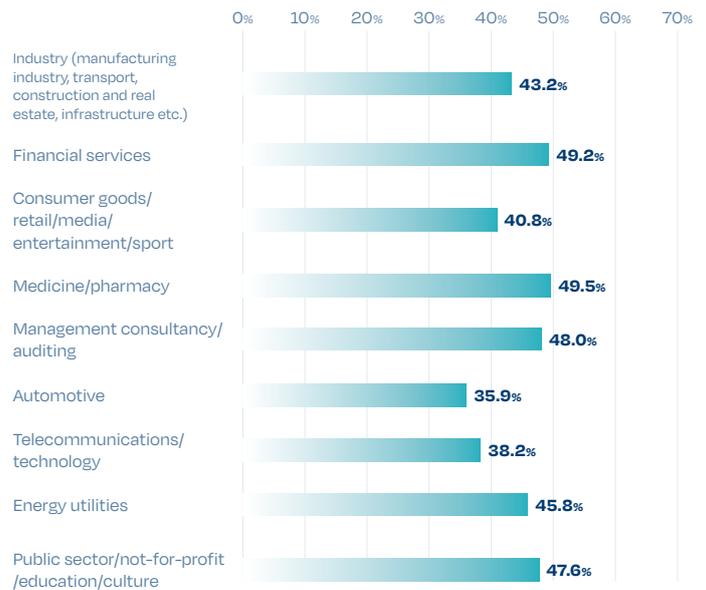
A change in my professional position is (very) likely within the next few months.



Managers from the automotive, telecommunications/media/technology, consumer goods and industrial sectors are particularly willing to change.

In terms of willingness to adapt, the automotive, telecommunications/technology (TT), consumer goods and industrial sectors are ahead. With the exception of TT sectors, which traditionally have a very high willingness to adapt, these are all "old" sectors with high levels of structural change and an uncertain long-term outlook.

A change in my professional position within the next few months is (very) unlikely.

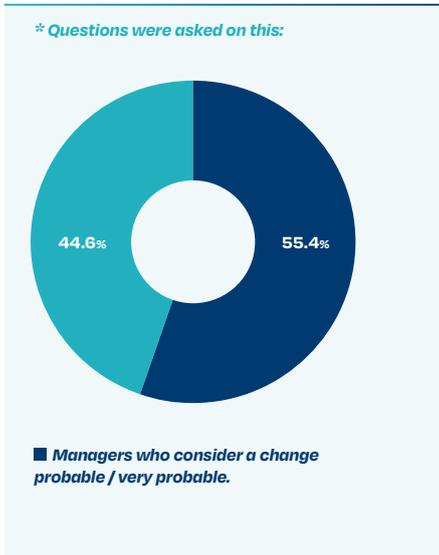


Managers are less willing to change within the medical/pharmaceutical/chemicals, financial services, management consulting/auditing, public service and energy suppliers.

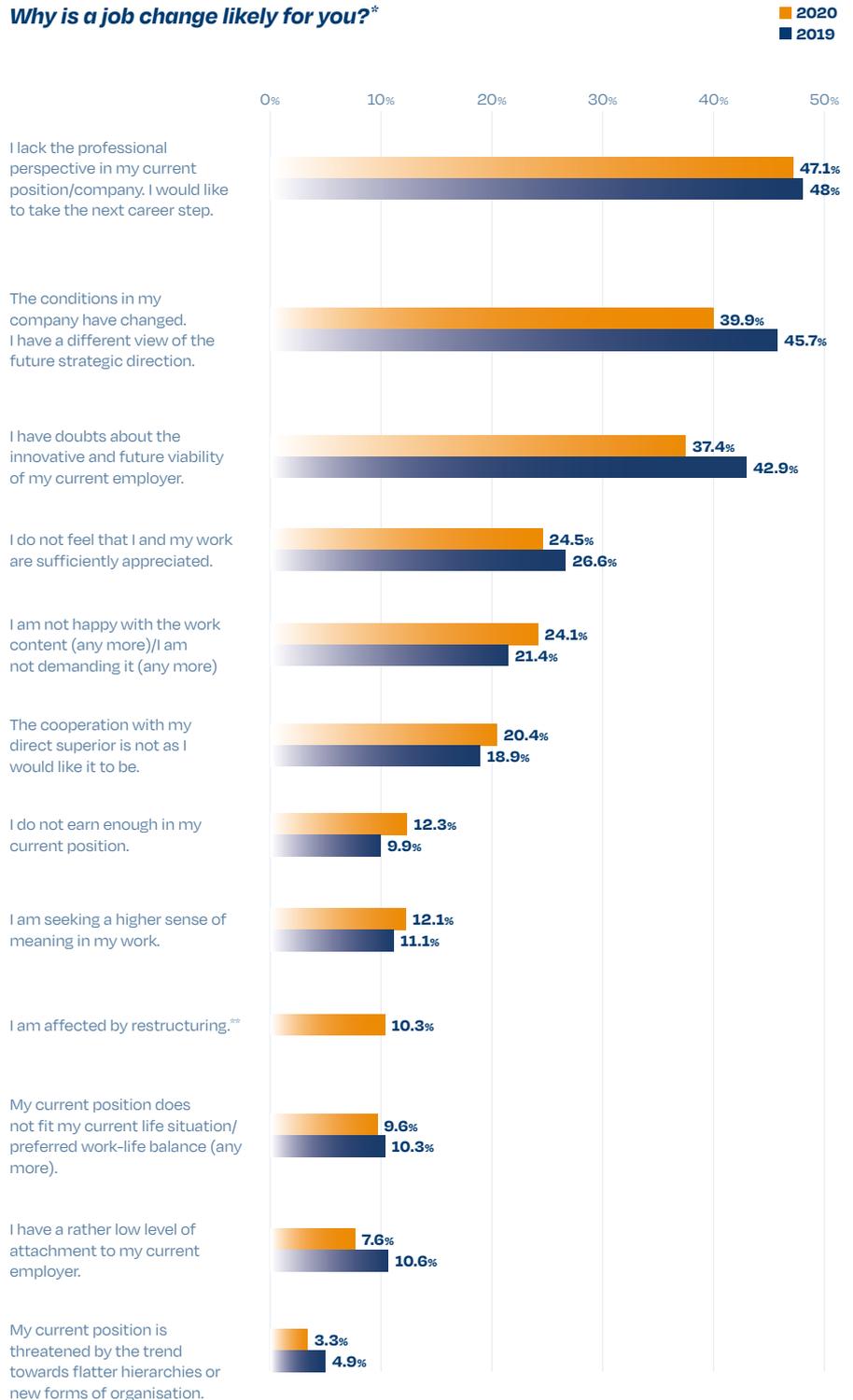
On the other hand, sectors that tend to have a more positive long-term outlook are more reluctant to switch, namely medicine/pharmaceuticals/chemicals, financial services, management consulting/auditing, public services and energy utilities.

The lack of career prospects remains the main reason for job change amongst managers.

Once again the main reason for managers in the D-A-CH region to change jobs is the lack of career prospects (47.1%). However, changes in general conditions/strategy (39.9%) and doubts about the company's innovative ability (37.4%) have receded into the background as reasons for change compared to the previous year. These issues have probably been overshadowed by the crisis, which rendered the outlook of many companies very uncertain, especially at the time of the survey. Even managers who are currently not willing to change seem to be more likely to wait and give significantly less concrete reasons for their decision.



Why is a job change likely for you?*



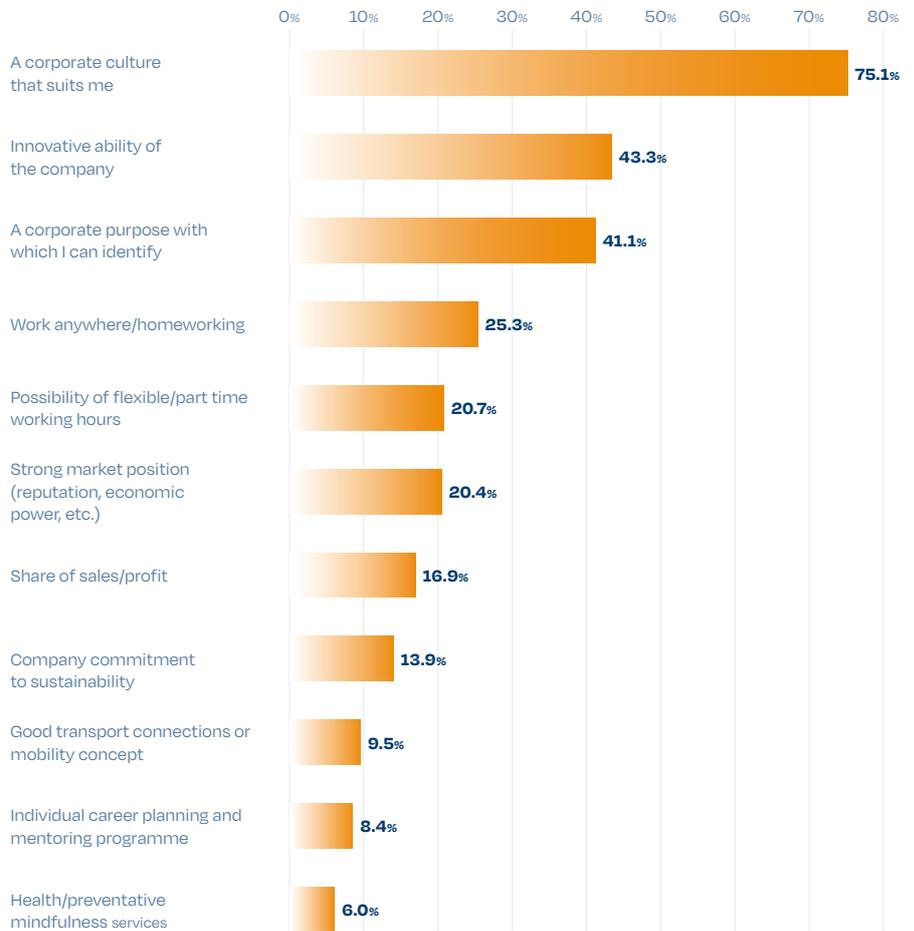
Maximum 3 responses possible

** New response options this year

Meaningful framework conditions are particularly important when choosing a potential new employer.

Meaningful factors, such as a corporate culture that suits one's own personality (75.1%), the company's innovative ability (43.3%) and a corporate purpose with which one can identify (41.1%), are extremely important when choosing a new employer. Organisational framework conditions, such as working independently of a specific location (25.3%) or individual career planning (8.4%), as well as a strong market position for the company (20.4%) are clearly receding into the background compared to the previous year.

Which general conditions are particularly important (very important) for you when considering a potential new employer?



Multiple answers possible

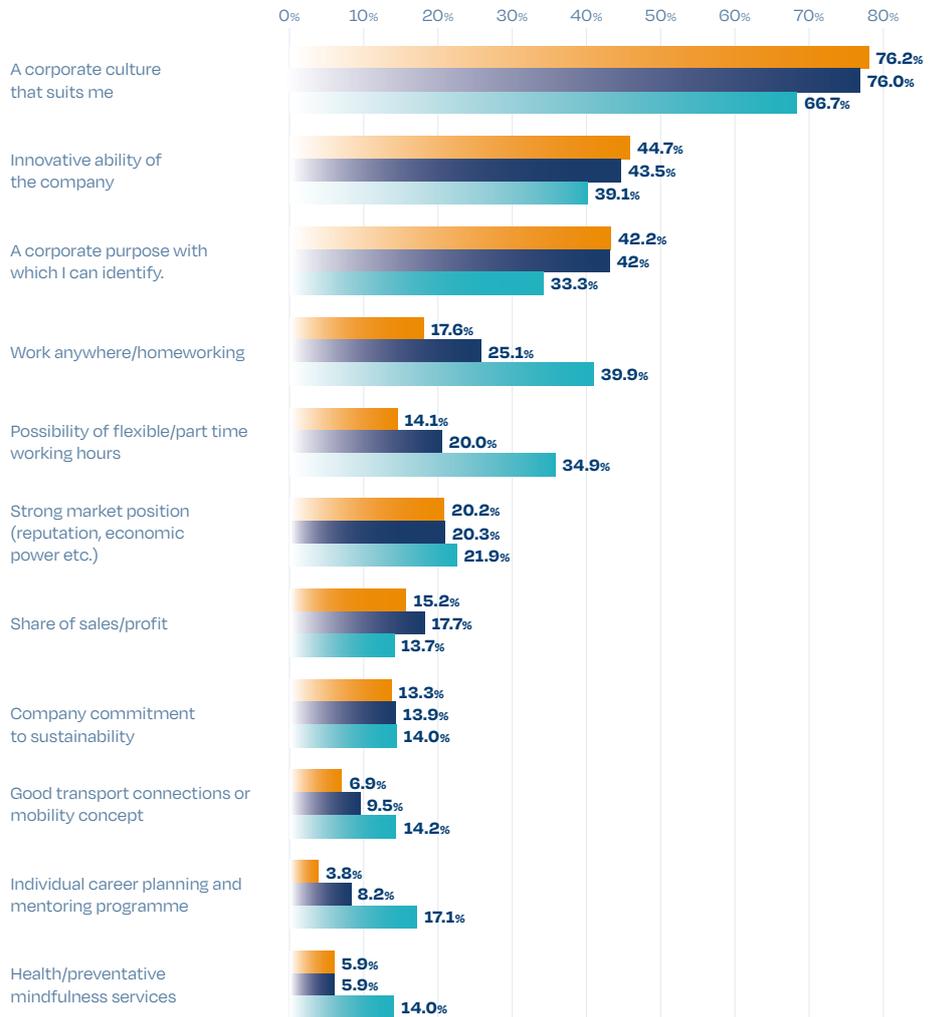
For managers of Generation Y, flexible working conditions are the decisive factor when choosing a job.

A corporate culture that suits the individual is also the top priority for Generation Y when it comes to changing jobs, although to a much lesser extent than for their older colleagues. The younger Generation Y is also much less interested in other criteria that have an overriding connection to the company, such as the company's ability to innovate (39.1%) or a corporate purpose with which they can identify (33.3%).

In contrast, the outstanding importance of flexible working conditions for younger managers is again evident this year. 39.9% would like to have the opportunity to work from any location, while 34.9% would like to see flexible working hours.

Which general conditions are particularly important for you when considering a potential new employer?

■ Baby boomer (<1965)
■ Gen X (1965–1980)
■ Gen Y (>1980)



Multiple answers possible

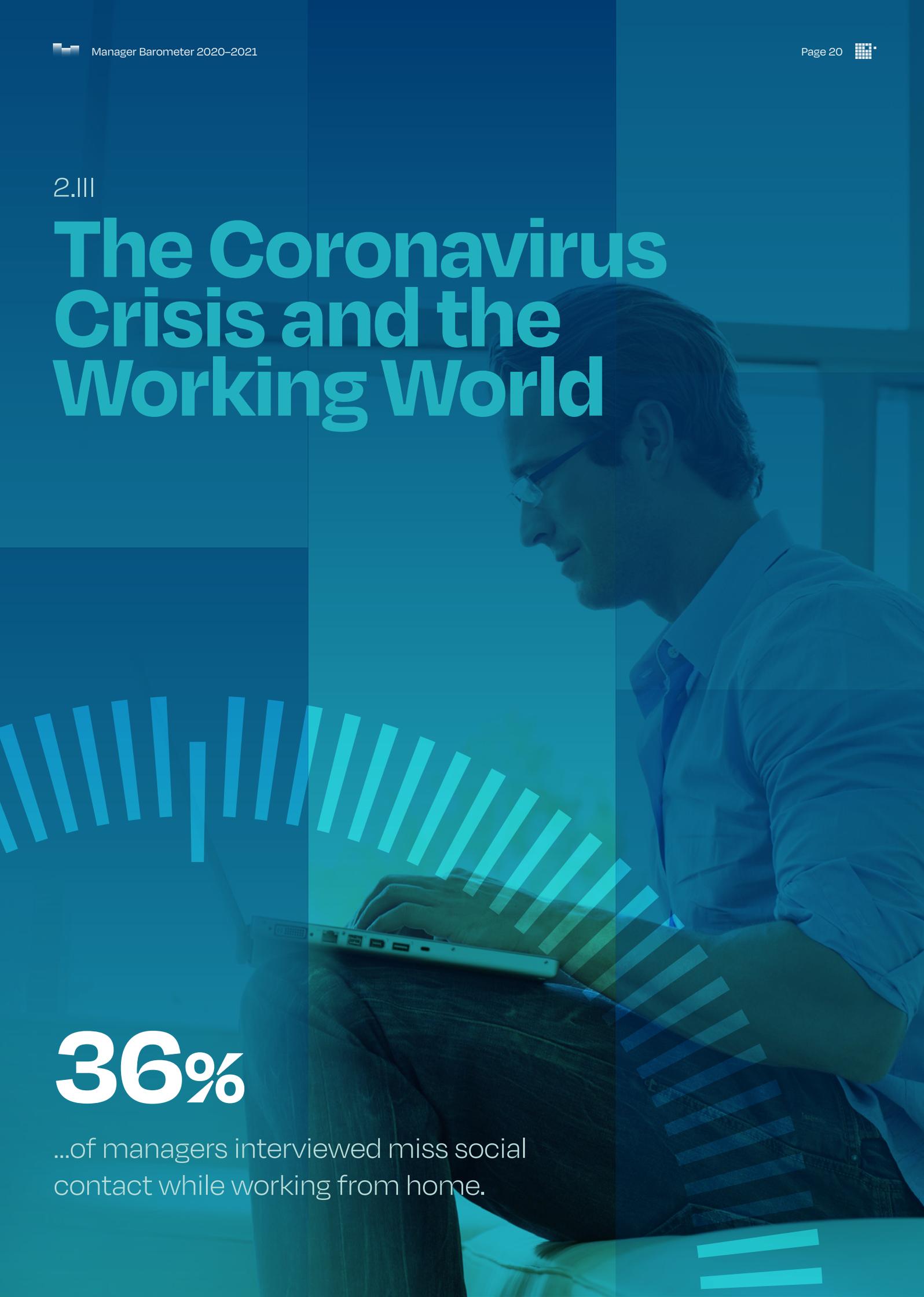


2.III

The Coronavirus Crisis and the Working World

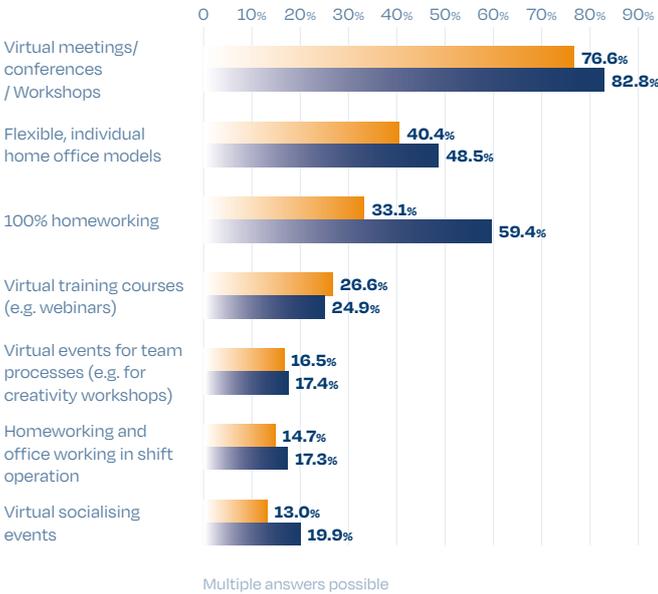
36%

...of managers interviewed miss social contact while working from home.



What mobile working measures are currently in place in your area? (strongly applicable)

■ Sep. 2020 ■ May 2020



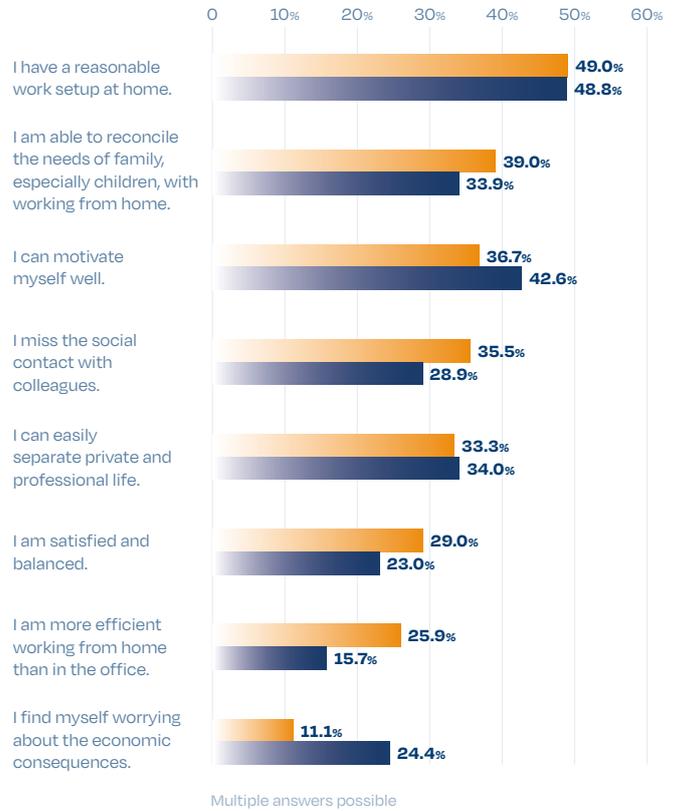
Mobile working will continue in companies even after the lockdown.

Compared to our “Corona Special Survey” in May 2020, significantly fewer managers work exclusively in a home office after the lockdown in September 2020 (33.1% versus 59.4%). Flexible home office models are 40.4% in place (compared to 48.5% in May 2020).

Work from anywhere arrangements, such as virtual meetings/conferences/workshops (76.6%), virtual training (26.6%) or virtual events for team processes (16.5%) are also used beyond the lockdown. Only virtual “socializing” events are less successful and have decreased significantly (13.0% compared with 19.9% in May 2020).

Only if you work from home: please compare your current homeworking situation with your experiences at the beginning of the coronavirus measures. How does working from home affect you personally? (strongly applicable)

■ Sep. 2020 ■ May 2020



The home office is becoming the norm, but social contact is always missed.

Compared to our special survey in May 2020, managers are better able to cope with the conditions in their home office. 39% (compared to 33%) can reconcile the demands of the home office with the needs of family, 29% (compared to 23%) are satisfied and balanced and 25.9% (compared to 15.7%) are more efficient working from home than in the office.

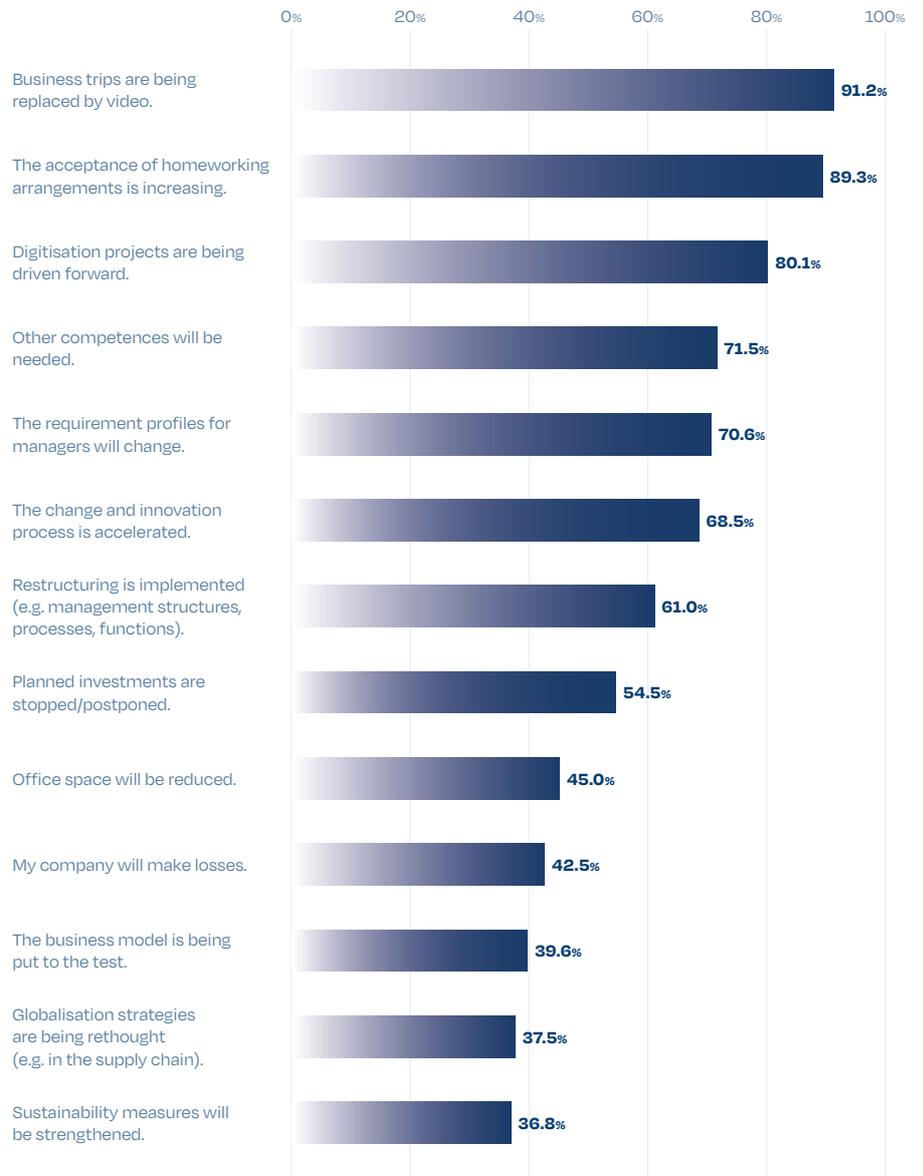
But there are also negative trends: fewer managers (36.7% compared to 42.6%) can motivate themselves well in the home office, and significantly more managers (35.5% compared to 28.9%) miss social contact with colleagues.

The coronavirus crisis will change the world of work.

Almost all participants in the survey (91.2%) expect business trips to be replaced by video conferencing. 89.3% of managers see greater acceptance of homeworking arrangements and – as a consequence – a reduction in office space (45%).

In terms of content, executives also expect ongoing change and innovation processes to be accelerated (68.5%), restructuring to be implemented (61%), and completely different competencies to be required in the future in order to successfully manage the crisis (71.5%).

How do you assess the impact of the coronavirus crisis on your company over the next 12 months (yes/always yes)?



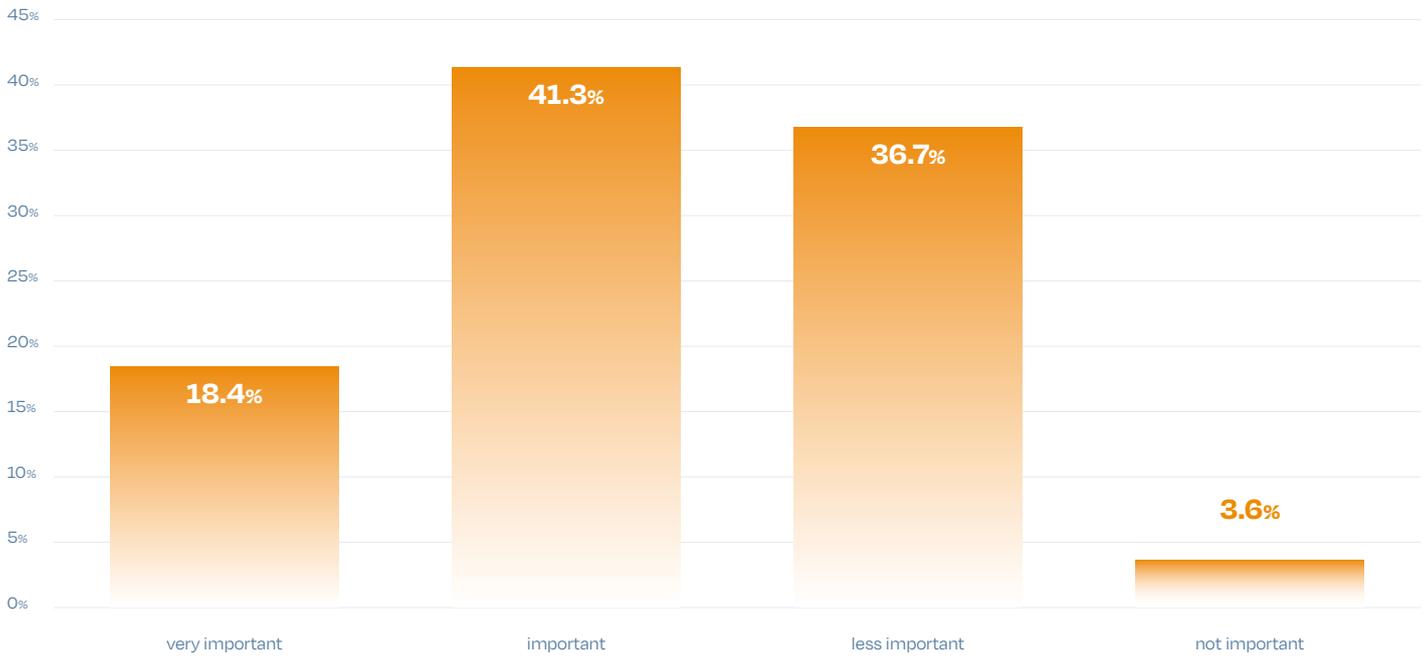
Multiple answers possible

2.IV

Sustainability

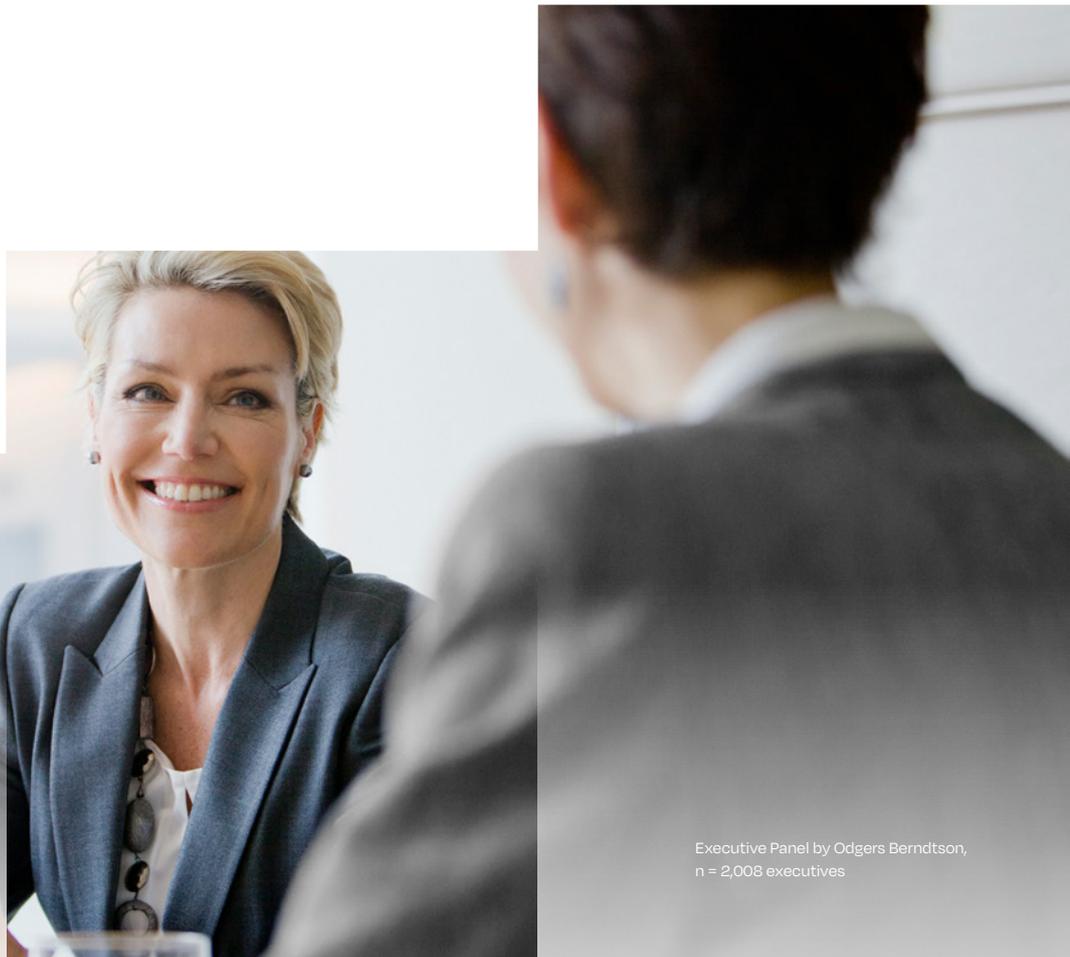
Sustainability refers to measures that serve the long-term preservation of the company or its surroundings, the environment and humanity.”

How important is sustainability in your company?



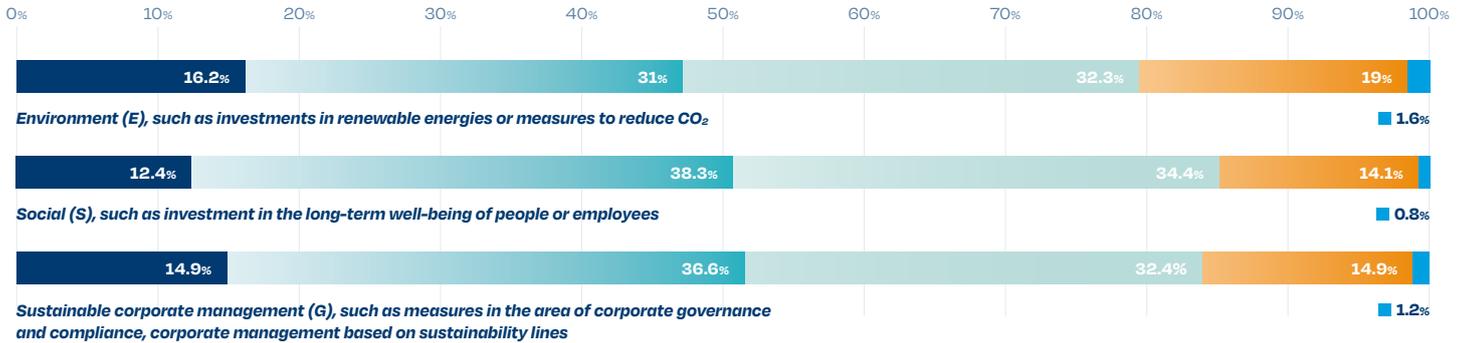
Sustainability is very important for companies.

In six out of ten companies, the issue of sustainability is very important. 18.4% of managers view its significance as “very high” in their company, while 41.3% perceive it as “rather high”. In 36.7% of the companies the topic is of minor importance, and 3.6% of the managers do not perceive it to be of any importance at all.



How strong is your company in the various sustainability areas?*

■ very strong ■ strong ■ less strong ■ not at all strong ■ don't know



The company's commitment to sustainability is distributed relatively evenly between the three areas of environmental, social and sustainable corporate governance.

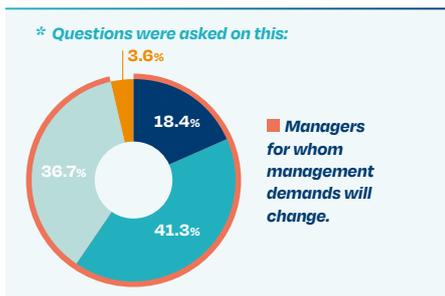
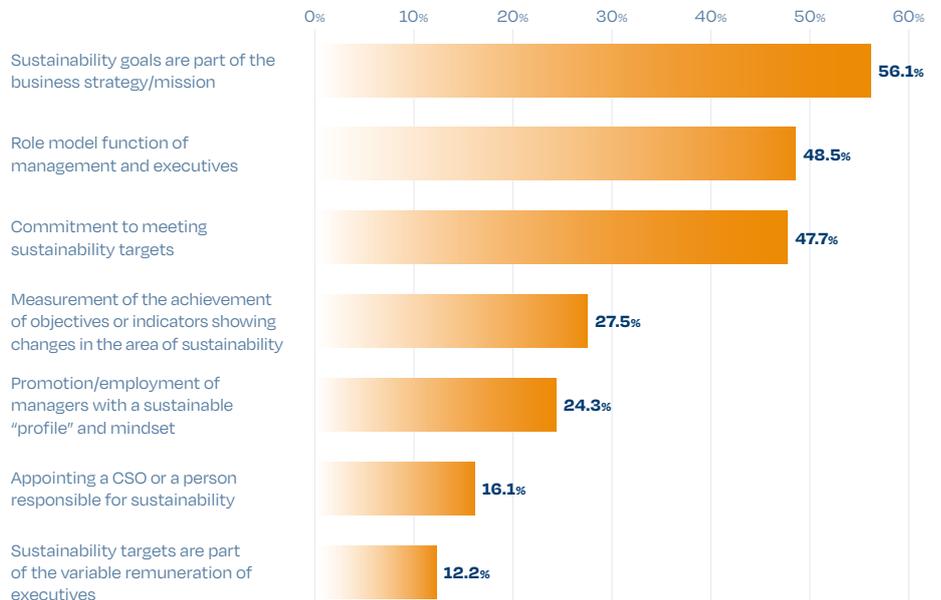
47.2% of the companies (16.2% very strong, 31% rather strong) are committed to the sustainability sector environment (E). 51.2% of the companies (12.4% very strong, 38.8% rather strong) invest in the social field (S).

A good half of the companies (14.9% very strong, 36.6% rather strong) are also active in the area of sustainable corporate management (G).

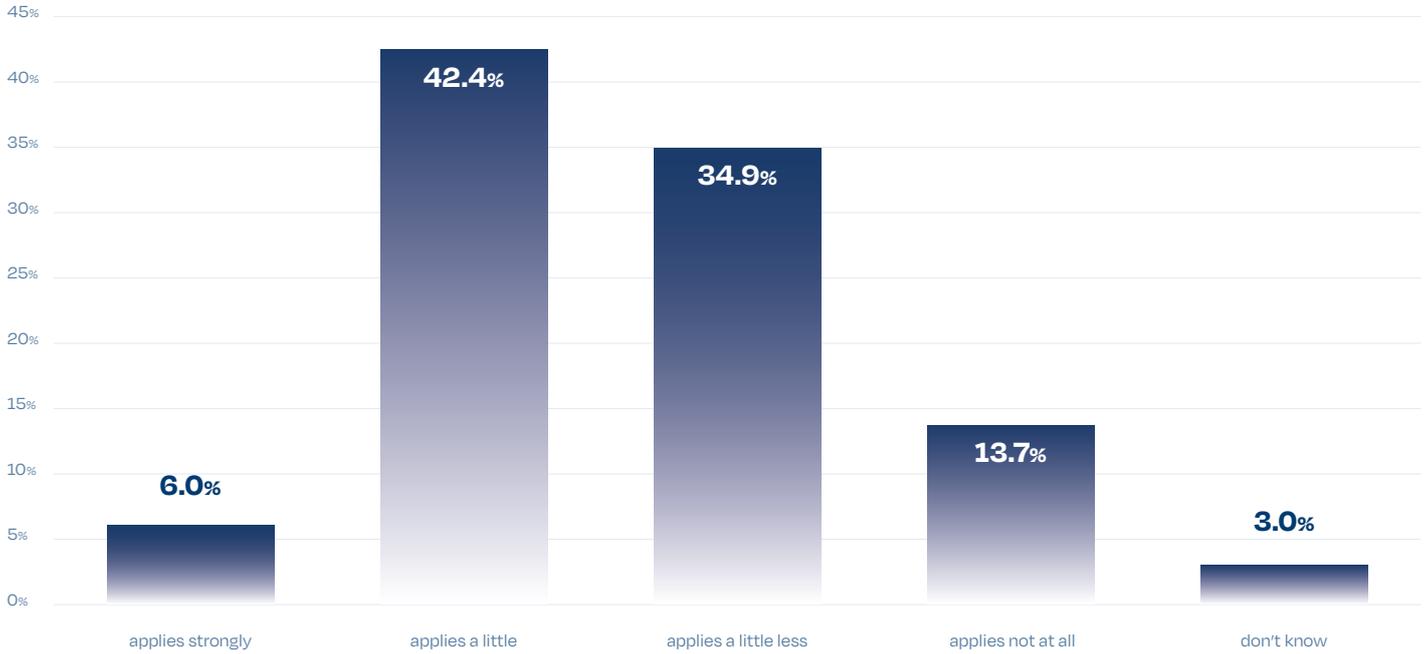
There is still need for action in the implementation of sustainability goals.

In 56.1% of companies, sustainability goals are part of the business strategy or mission statement. In just under half of the companies, management is seen by managers as fulfilling its function as a role model (48.%) or committing itself to meeting sustainability targets (47.7%). Measures such as benchmarking target achievement (27.5%) or promoting managers with a sustainable profile (24.3%) are used even less frequently.

How does your company ensure that the sustainability objectives are implemented in the organisation (fully applies/mainly applies)?*



Will the issue of sustainability change demands on your management activities?



Half of the managers see that leadership activities must change due to sustainability.

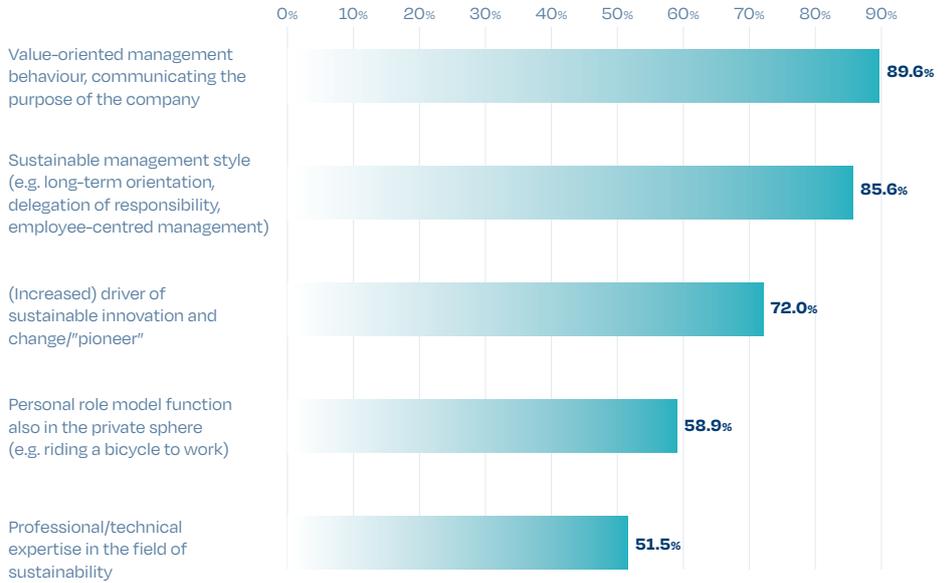
Almost half of the participating managers confirm that the topic of sustainability will change the demands on management activities very strongly (6%) or rather strongly (42.4%). On the other hand, the other half of managers believe that this will be less likely (34.9%) or not at all (13.7%) the case.



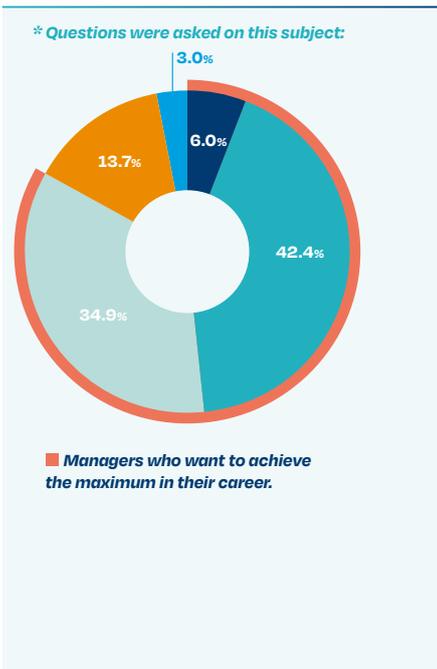
Value orientation and long-term orientation are at the forefront of a changed management style.

Around 90% of managers assume that they will primarily be expected to adopt a value-oriented management behaviour in the future that may convey the overriding “purpose” of a company. 85.6% see the emphasis on a long term sustainable management style. As many as 58.9% of managers still believe that they are personal role models in their private lives in terms of sustainability.

To what extent will the demands placed on a manager change (strongly/predictably true)?



Multiple answers possible



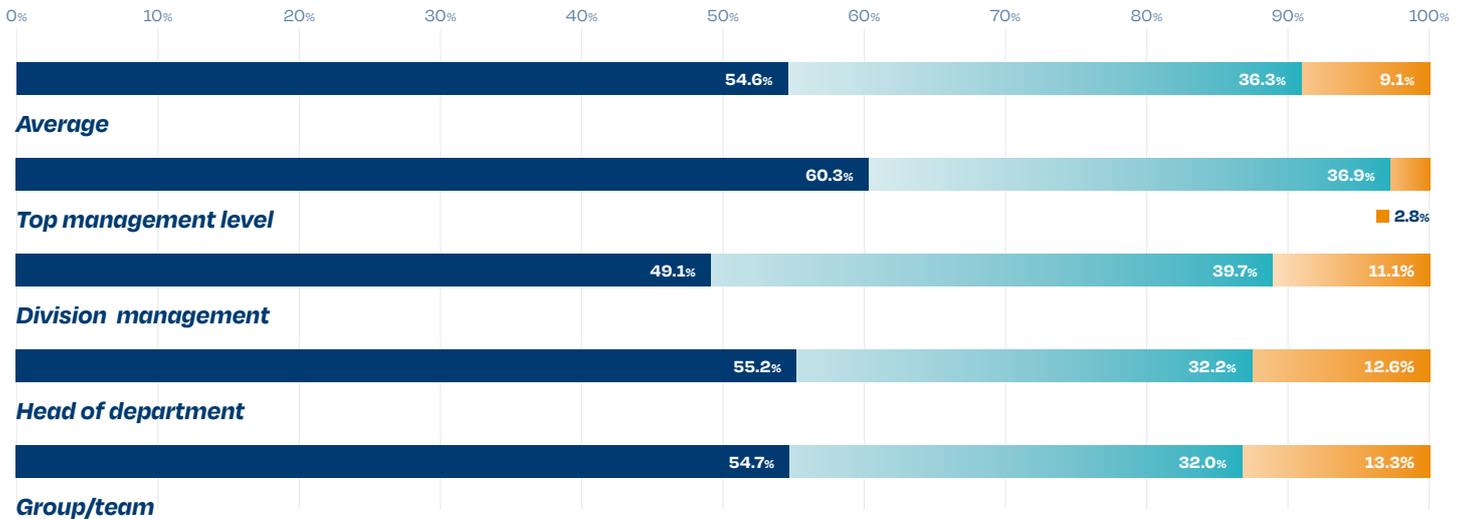
2.V

Purpose

Purpose defines the deeper meaning and aim of a company, taking into account not only profit generation and added customer value, but also its overarching mission for people and the world."

Does your company have a defined “purpose”?

■ Yes ■ No ■ Don't know



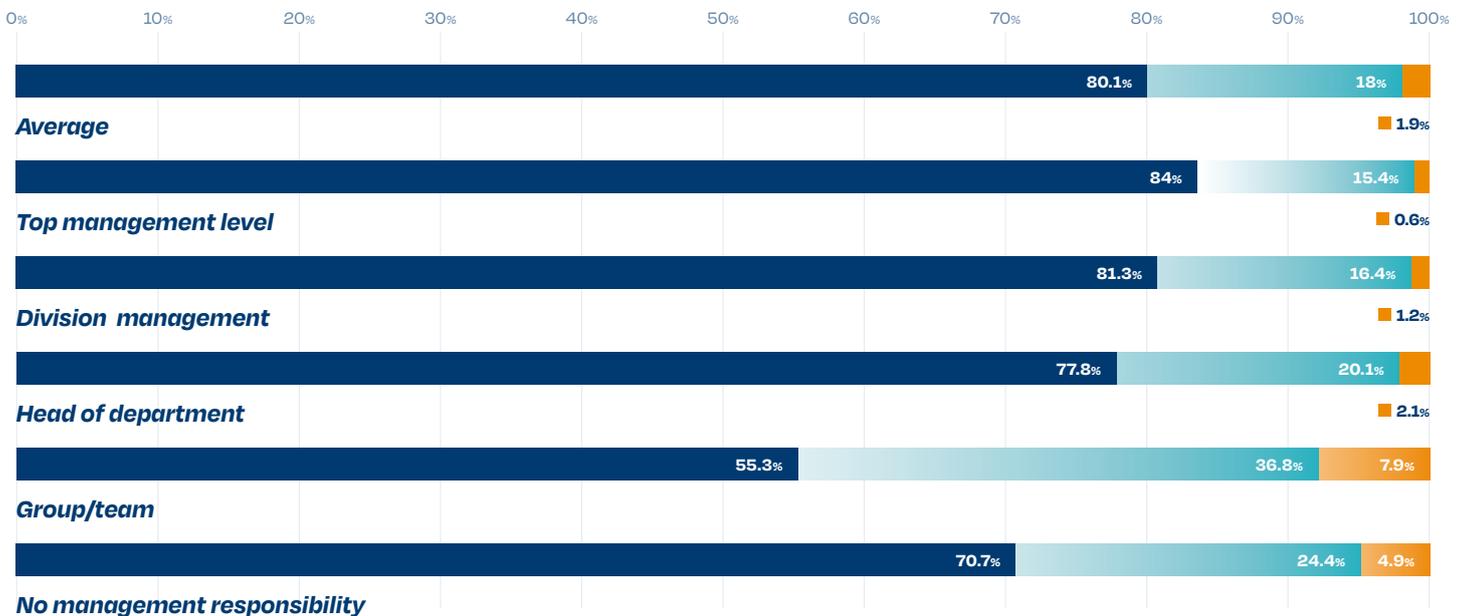
More than half of the managers confirm that their company has a purpose.

54.6% of participating managers state that their company has a purpose. 36.3% of the companies have no purpose according to the managers, 9.1% of the managers do not know.

Awareness of company purpose is much higher at upper levels of leadership than at lower levels.

Can you name the purpose of your company?*

■ Yes ■ To some extent ■ No



Awareness and knowledge of the purpose diminishes significantly at the lower levels of leadership.

80.1% of managers who answered “yes” to the question about a defined purpose can also name it. Knowledge of the purpose decreases in line with the level of the hierarchy: at the upper

management level 84% of managers can also name it, while only 70.7% can do so at group/team management level.

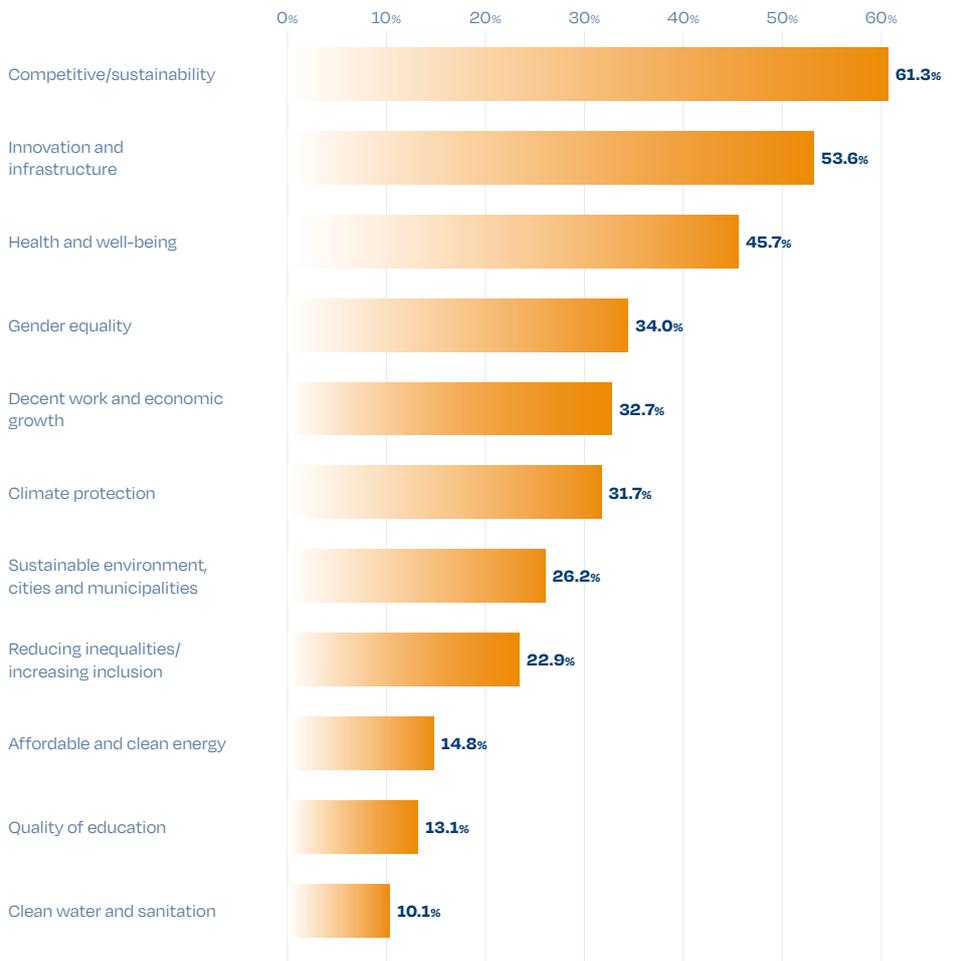
*Managers who answered yes to the question about a defined purpose were interviewed.

Executive Panel by Odgers Berndtson, n = 2,008 executives

For the majority of companies, economic value creation is at the heart of their purpose.

According to managers in 63.3% of the companies, the focus of the purpose is on competitiveness and sustainability. Innovation and infrastructure play a major role in 53.6% of the companies. Ecological factors such as climate protection measures (31.7%) or a sustainable environment, cities and municipalities (26.2%) occur significantly less frequently. Social aspects such as gender equality (34%), increasing inclusion (22.9%) or the quality of education (13.1%) are also reflected in the purpose much less frequently.

What is the main focus of your company's purpose?*



Multiple answers possible

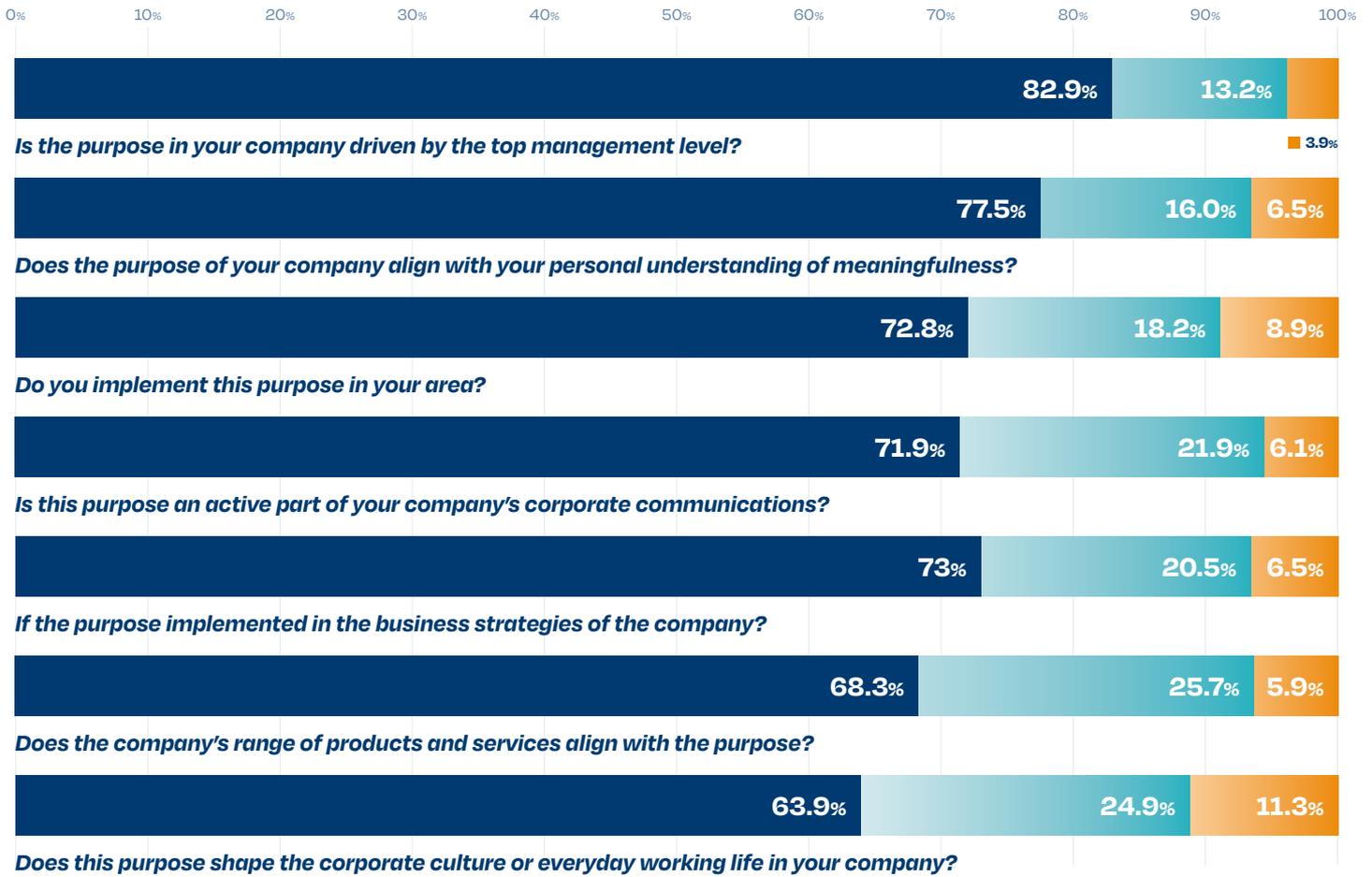


*Managers who answered yes to the question about a defined purpose were interviewed.

Executive Panel by Odgers Berndtson, n = 2,008 executives

Please answer the following questions.*

■ yes/always ■ partly ■ no/not really



Purpose is a matter for management, but its implementation has improvement potential.

In 82.9% of the companies, the purpose is driven by the top management level. In comparison, only 63.9% see this purpose shaping the corporate culture or everyday working life in the company, which shows that there is still some need for action in its implementation.

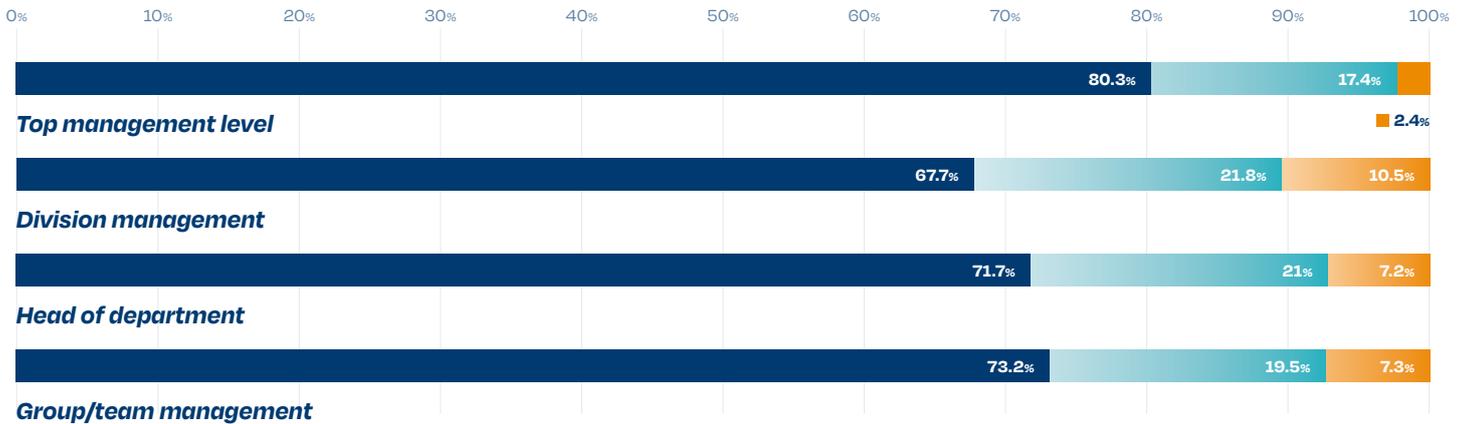
More than three quarters of the participating managers (77.5%) state that the purpose of their company is in line with their personal understanding of meaningfulness. 72.8% confirm that the purpose is implemented by corporate communications. 71.9% observe the implementation in the company's business strategies. 73% of managers implement the purpose in their own area. In 68.3% of the companies, the range of products and services offered already corresponds with the purpose.

*Managers who answered yes to the question about a defined purpose were interviewed.

Executive Panel by Odgers Berndtson, n = 2,008 executives

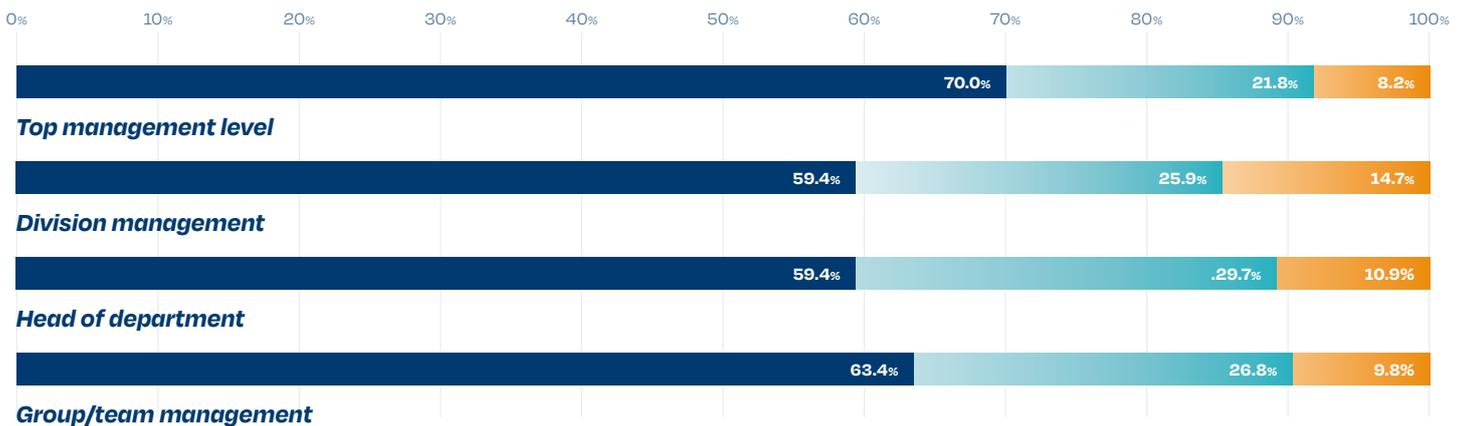
Do you implement this purpose in your area?*

■ yes/always ■ partly ■ no/never



Does this purpose shape the corporate culture or everyday working life in your company?*

■ yes/always ■ partly ■ no/never



The implementation of the purpose shows clear gaps at an organisation's lower levels.

80.3% of top-level managers implement the company purpose in their area themselves, compared to only 73.2% of group and team leaders. Similarly, 70% of top-level managers believe that the purpose shapes the corporate culture or everyday working life in the company, while only 59.4% of departmental managers confirm this.

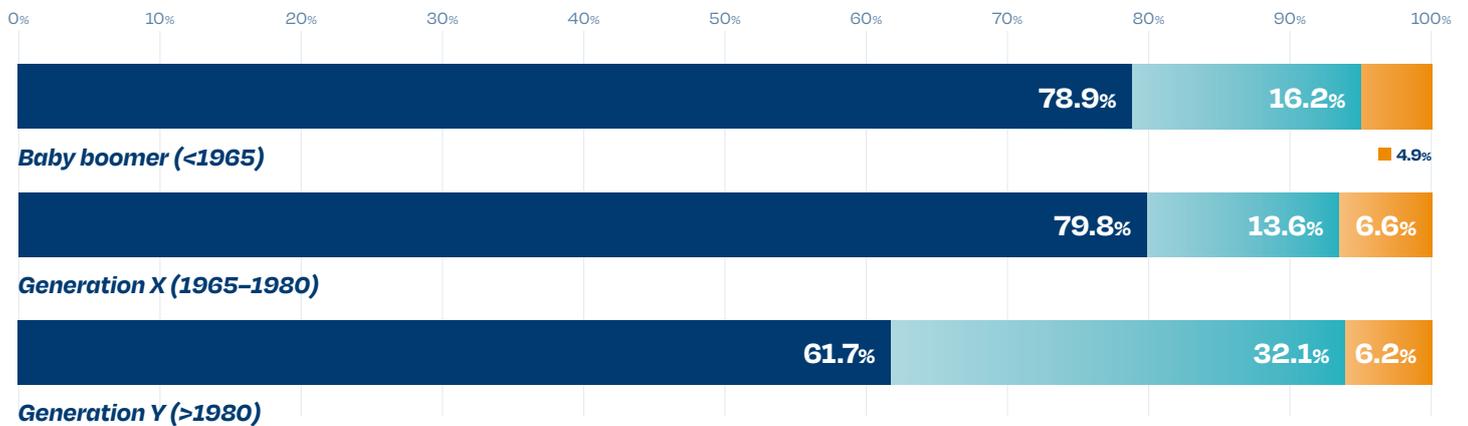
*Managers who answered yes to the question about a defined purpose were interviewed.

Executive Panel by Odgers Berndtson, n = 2,008 executives



Does the purpose of your company coincide with your personal understanding of meaningfulness?*

■ yes/always ■ partly ■ no/never



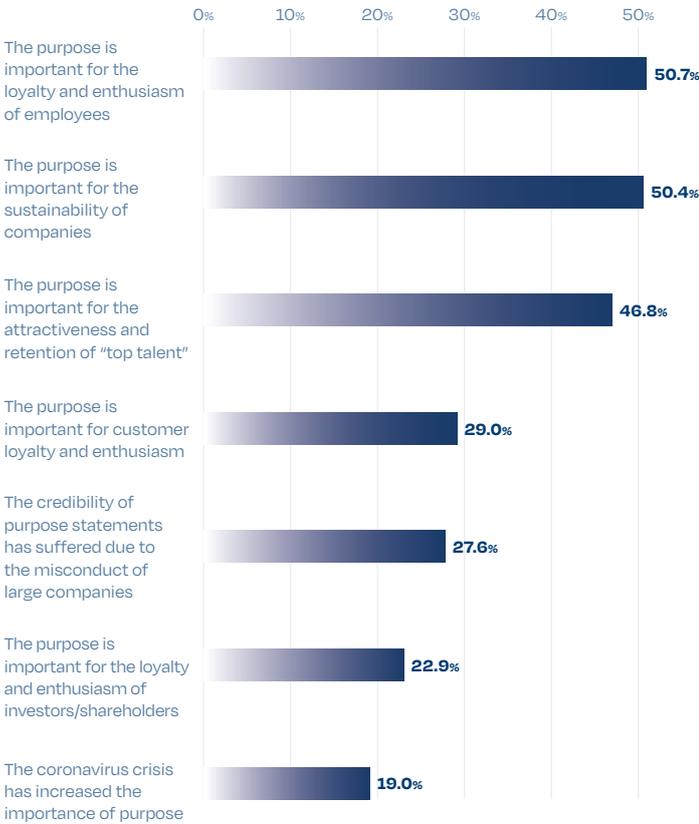
Generation Y managers identify themselves much less with the company's purpose.

Only 61.7% of the younger managers agree with the company's purpose and their personal understanding of its meaningfulness. In contrast, 78.9% of the baby boomers and 79.8% of Generation X feel that they are personally being taken care of.

*Managers who answered yes to the question about a defined purpose were interviewed.

Executive Panel by Odgers Berndtson, n = 2,008 executives

Please assess to which extent the following statements apply.*



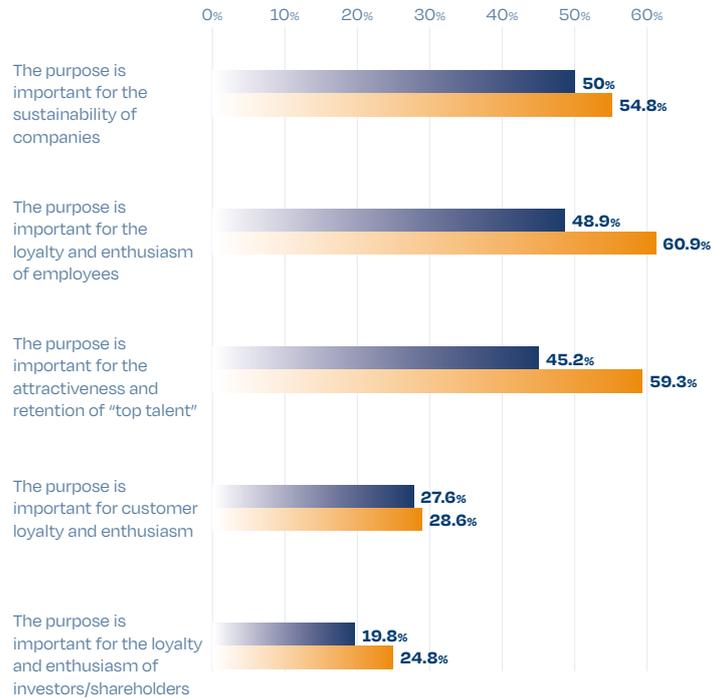
Purpose is extremely important for the future viability of companies and for the retention of employees.

Half of all managers affirm the importance of purpose for the sustainability of the company (50.7%). This applies in particular to the retention and enthusiasm of employees (50.4%). 46.8% also consider purpose to be very important for attracting and retaining "top talent" (46.8%).

By contrast, executives see the importance for other stakeholders, such as customers (29%) or investors/shareholders (22.9%), as less significant.

27.6% believe that the credibility of purpose statements has suffered due to the misconduct of large companies. Only 19% observe an increasing importance of purpose due to the coronavirus crisis.

Please assess to which extent the following statements apply.*



Female managers value the importance of purpose much more than their male colleagues.

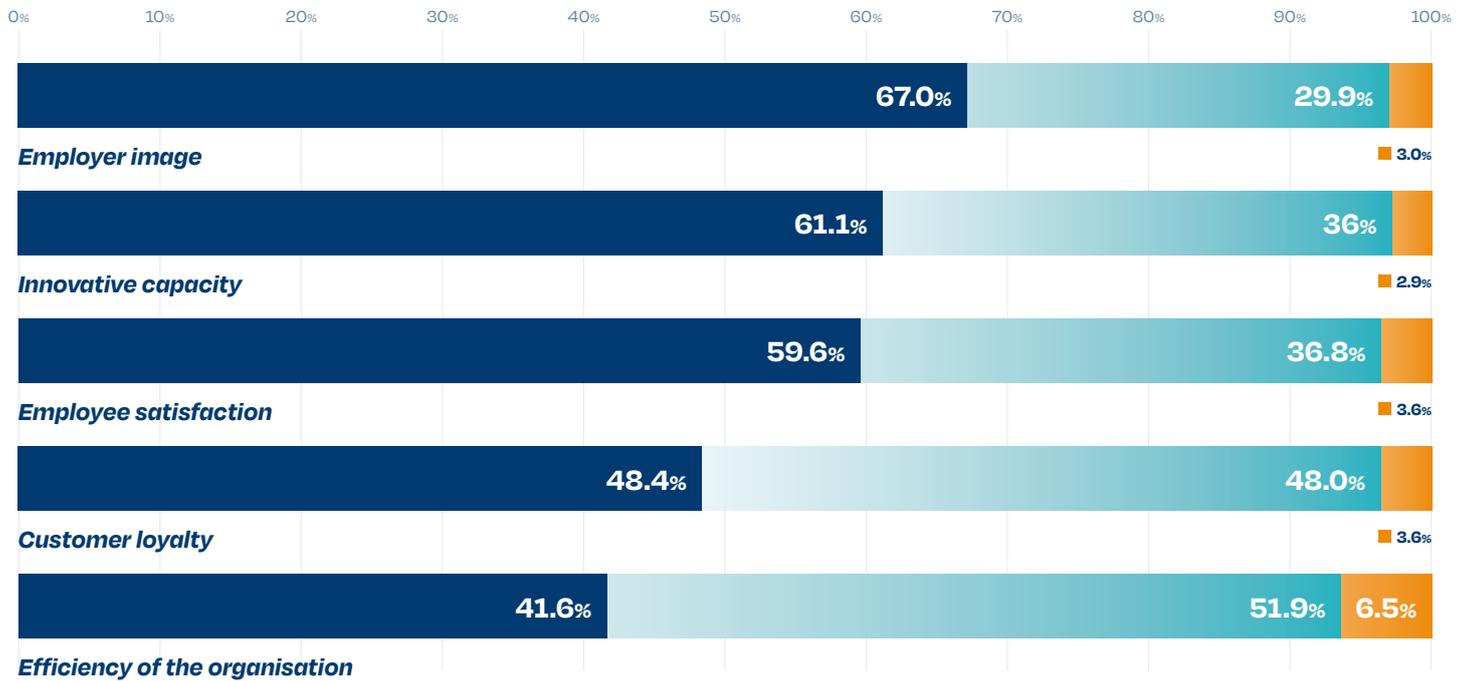
For 60.9% of women, purpose is important for retaining and inspiring employees. In contrast, only 48.9% of their male colleagues agree with this. The same applies to the sustainability of companies. Here 54.8% of women agree, compared to only 50% of men. The difference is greatest when it comes to the attractiveness and retention of "top talent": 59.3% of women agree, compared to 45.2% of men.

*Managers who answered yes to the question about a defined purpose were interviewed.

Executive Panel by Odgers Berndtson, n = 2,008 executives

To what extent have the culture and processes in your company changed due to purpose?*

■ yes/always ■ partly ■ no/never



Purpose has an impact on employer image, innovation and employee satisfaction.

Managers most clearly feel the influence of purpose on the employer image (67.1% very or slightly improved), innovation (61.1%) and employee satisfaction (59.6%). Changes are also visible, although less clearly, in customer loyalty and organisational efficiency.

*Managers who answered yes to the question about a defined purpose were interviewed.
Executive Panel by Odgers Berndtson, n = 2,008 executives

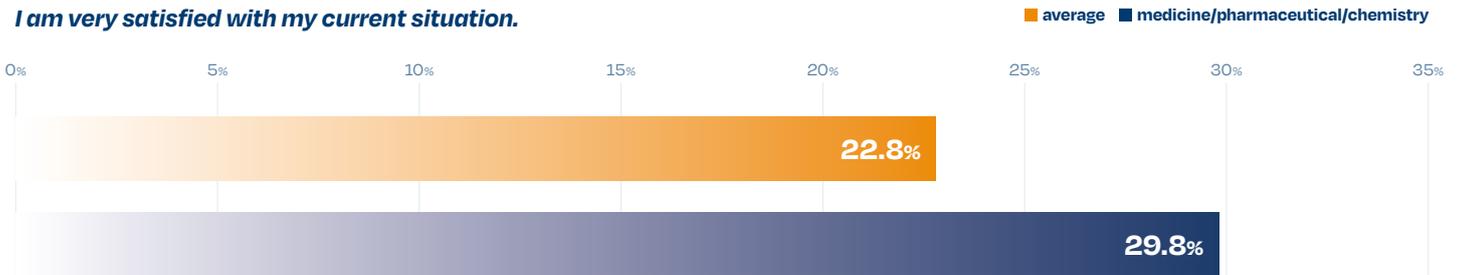
In focus: Purpose in medical, pharmaceutical and chemical sector companies



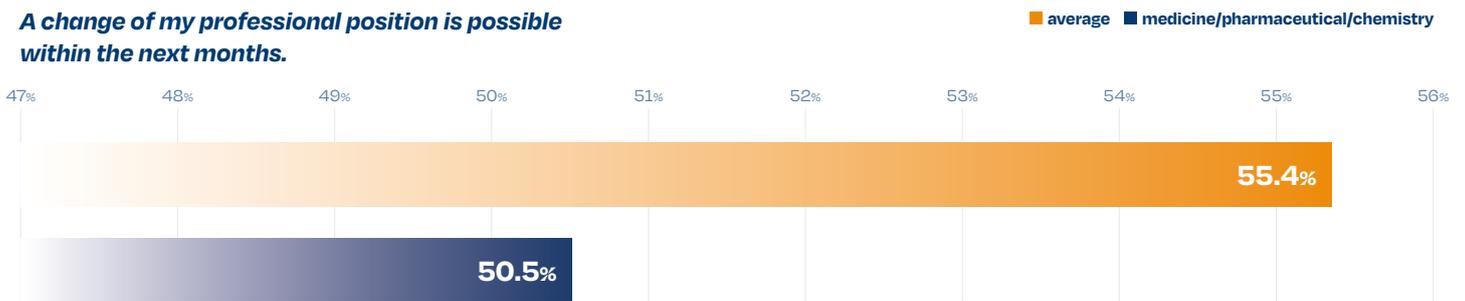


Purpose as a source of meaning: high satisfaction and low willingness to change among managers in the medical/pharmaceutical/chemical sectors

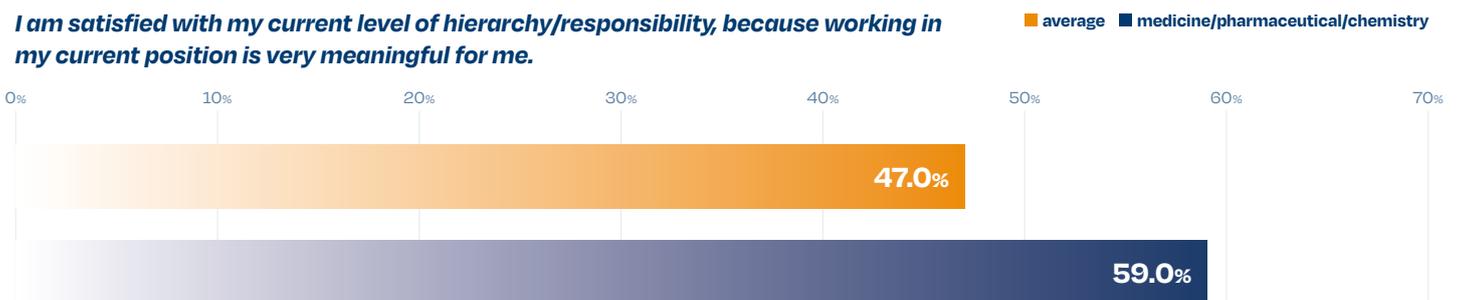
I am very satisfied with my current situation.



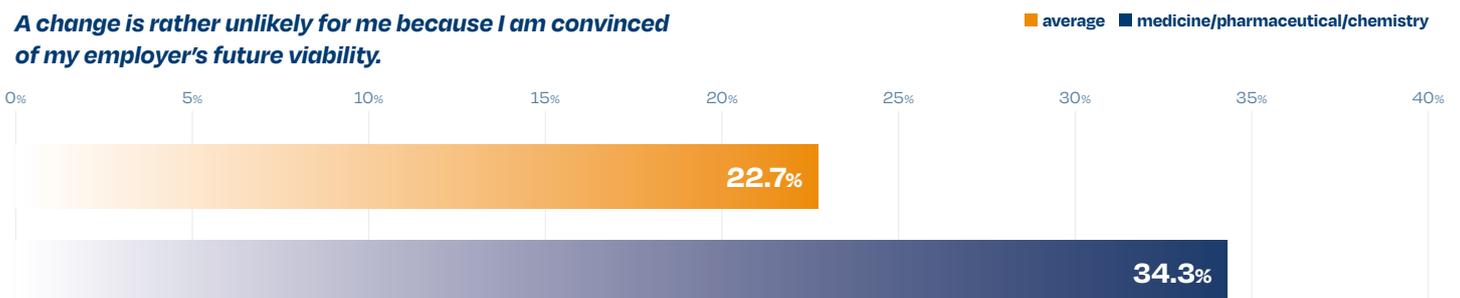
A change of my professional position is possible within the next months.



I am satisfied with my current level of hierarchy/responsibility, because working in my current position is very meaningful for me.



A change is rather unlikely for me because I am convinced of my employer's future viability.



Purpose as a driver: managers in medicine/ pharmaceutical/chemical industries see high implementation of purpose in their companies.

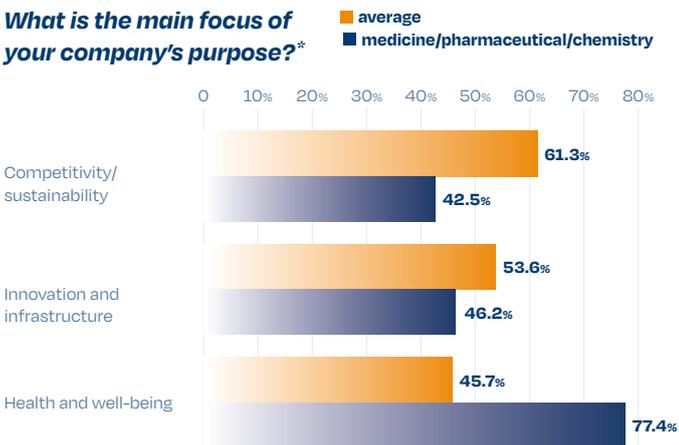
My company has a defined purpose.



I can name the purpose of my company.*

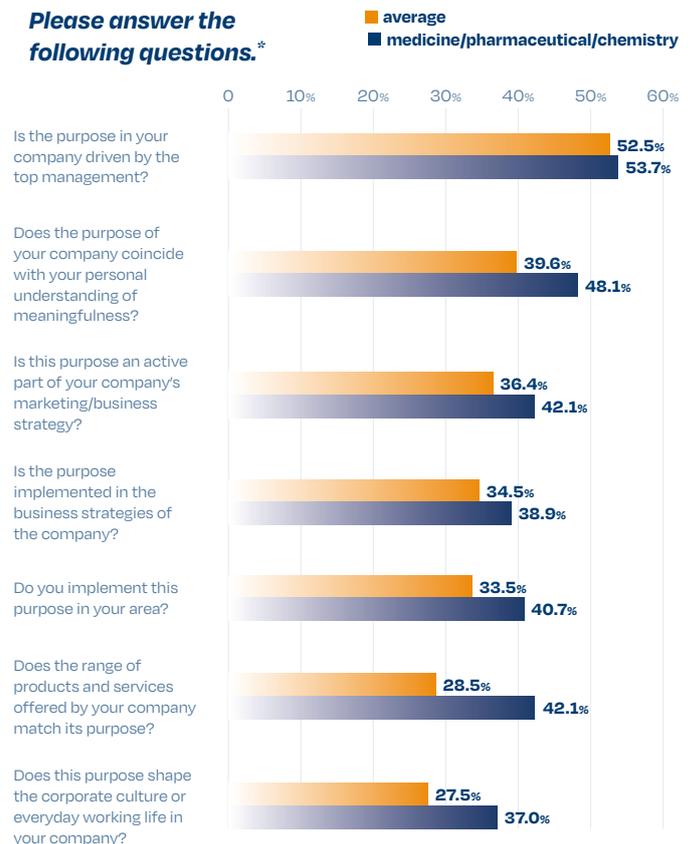


What is the main focus of your company's purpose?*



*The managers interviewed were those who responded to the question of a defined purpose with "yes"

Please answer the following questions.*



2.VI

Success in Times of Crisis

LEADERSHIPGARAGE



The following results are from a a cooperation with the LeadershipGarage. The LeadershipGarage is a collaboration space at the interface between science and industry.

Initiated by Prof. Dr. Sabine Remdisch, head of the Institute for Performance Management at the Leuphana University of Lüneburg, in cooperation with renowned companies and the HSTAR Institute at Stanford University, LeadershipGarage researches the topics of digital collaboration, digital leadership and digital performance and develops innovative solutions for leading, working and learning in the digital world.

The events of the past year have shown that effective cooperation from a distance is becoming increasingly important for companies and organisations, not only as a result of globalisation. If face-to-face work meetings are not possible in times of crisis, the success of cooperation is based not only on acceptable general conditions of the personal working environment and individual planning and self-control skills, but also to a large extent on the awareness of important common intentions, goals and values – the purpose.

There are signs that there will be no full return to earlier forms of work. As a result, leadership and cooperation from a distance will permanently take up a greater share of company work. How exactly does a “shared purpose” influence cooperation? How do managers and employees perceive its influence on the changed cooperation? What effect does the purpose have on the success of the company? How is digital performance changing and how is it influenced by the “shared purpose”? The following analyses of the LeadershipGarage address these questions.

The Topic of Purpose Polarises

71.2% of the respondents state that the formulation of a clear purpose is important for their company.

However, only **42.8%** are personally convinced of the stated purpose of their company.

35.7% state that the purpose of their company has a strong influence on their management behaviour.

27.2% feel that all employees and managers can identify with the purpose of their company.

Digitisation: stimulated as a result of the crisis?

2018 2019 2020



Digitisation: boosted due to the crisis?

The digitisation of work and interaction processes in companies and organisations is a fundamental prerequisite for successful cooperation from a distance. It is possible that the exceptional circumstances of the past year may lead to a new impetus here: satisfaction with the implementation and extent of digitisation is

significantly higher. A higher level of investment in digitisation is also indicated. The fundamental importance of digitisation for the success of the company is still considered to be as high as in the previous year.

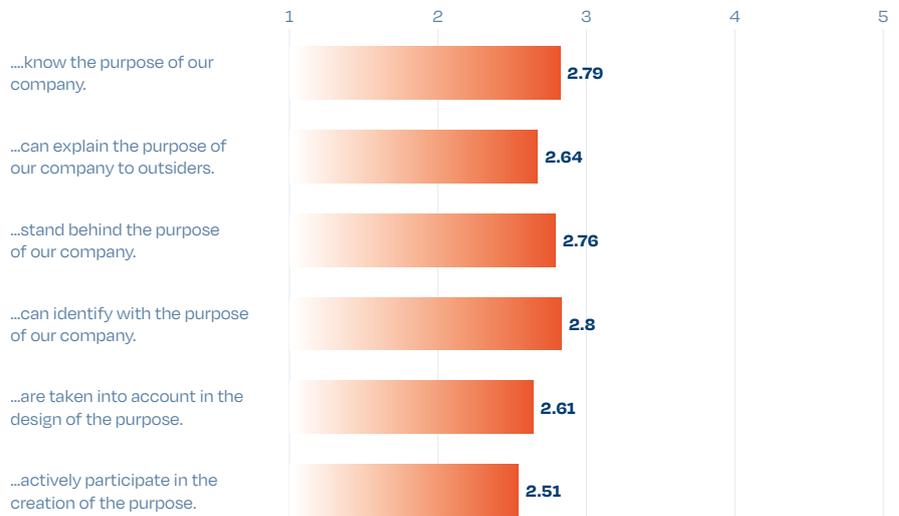
However, the values for satisfaction and implementation are still only in the middle range. There is still plenty of room for improvement.

“Shared purpose” has not yet been spoken of much – in times of crisis digitisation will help augment the shared purpose.

In contrast to individual attitudes towards purpose, “shared purpose” describes the extent to which all managers and employees are aware of the purpose of a company, can explain it to outsiders, identify with it and participate in its design. The analysis shows that, from the point of view of the executives surveyed, the shared purpose has been moderately developed in their companies/ organisations to date.

Shared purpose: knowledge, consent and participation

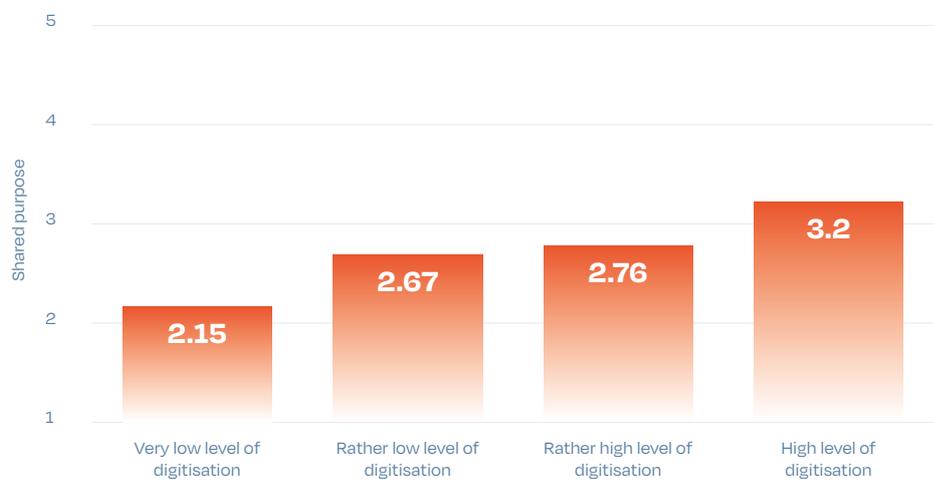
All employees and managers...



(Scale: 1-5 low-high agreement)

The design, perception and dissemination of the purpose depend on successful communication between managers and employees. If direct face-to-face communication is difficult in times of crisis, digitisation ensures exchange; consequently, a higher degree of digitisation is clearly associated with a stronger shared purpose.

Higher degree of digitisation – higher shared purpose



(Scale: 1-5 low-high expression)

**Drivers of “shared purpose”:
visibility in leadership behaviour,
communication and structures.**

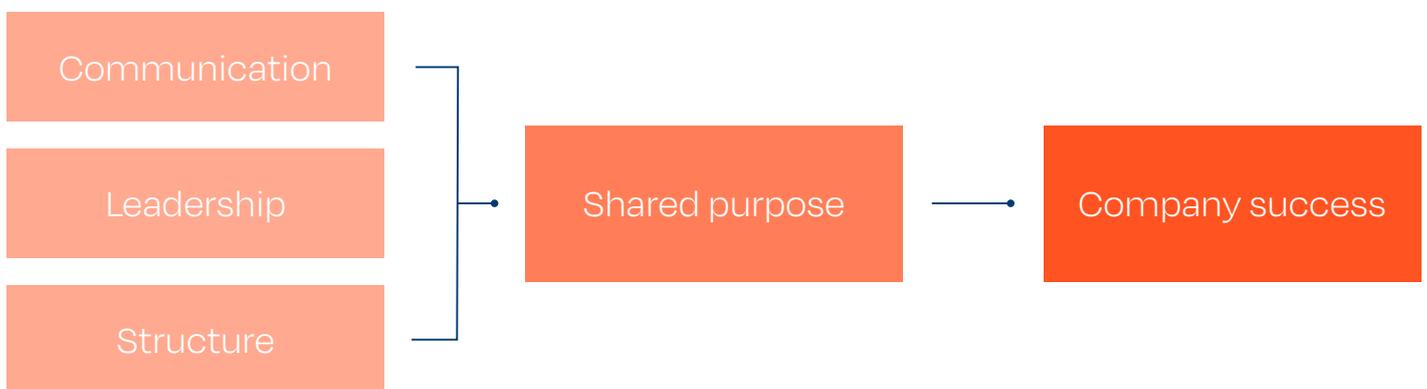
Broadly accepted among managers and employees, “shared purpose” is considered a prerequisite for the purpose to lead to positive effects. The question therefore arises as to which factors or drivers influence the extent of the shared purpose, and which effects of the shared purpose can be observed.

Drivers can be identified on three levels: the visibility of the purpose in management behaviour, in corporate structures and in communication helps ensure that the purpose is known among managers and employees and is omnipresent at work. These drivers are moderately pronounced in the respondents’ companies. At the same time, it is clear that on all three levels, greater visibility of the purpose is associated with more characteristics of the

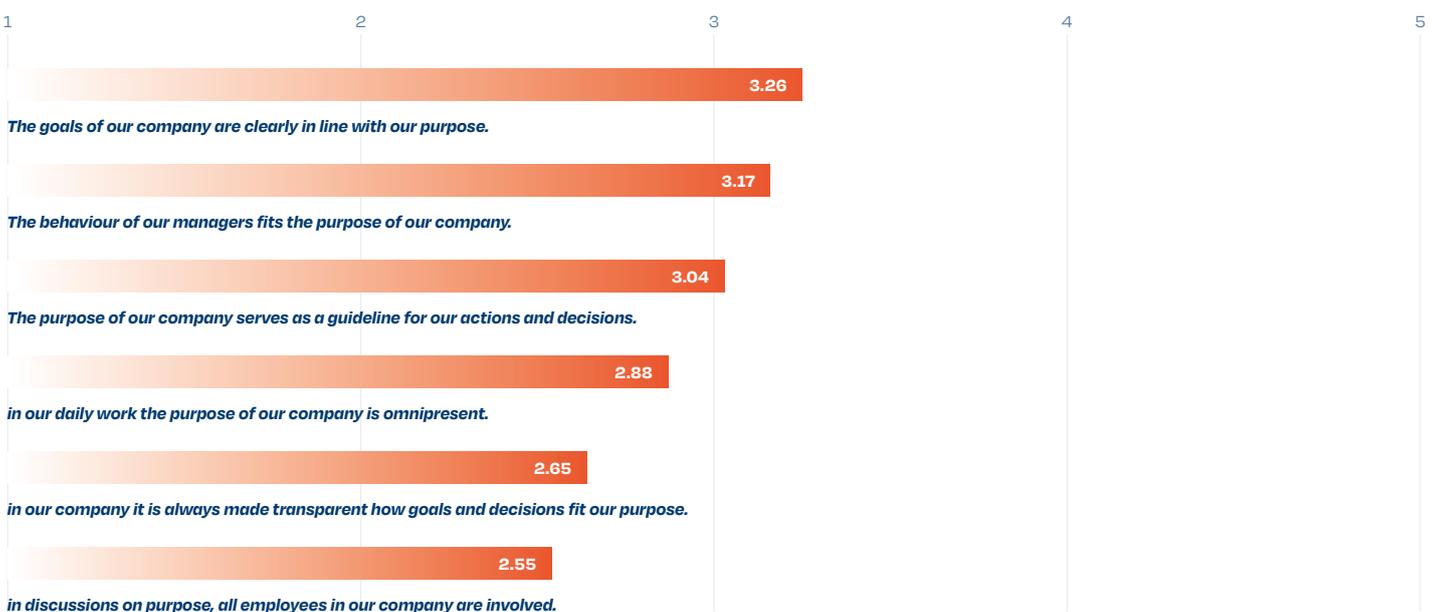
shared purpose. The results are consistent with the more complex statements of the “purpose strength” model (Leo, Rey & Chinchilla, 2019¹).

¹Source: Leo, A., Rey, C. & Chinchilla, N. (2019). Measuring the Purpose Strength. In C. Rey, M. Bastons & P. Sotok (eds.), Purpose-driven organizations. Management ideas for a better world (p. 119-130). Cham: Palgrave Macmillan.

Shared purpose drivers and effects

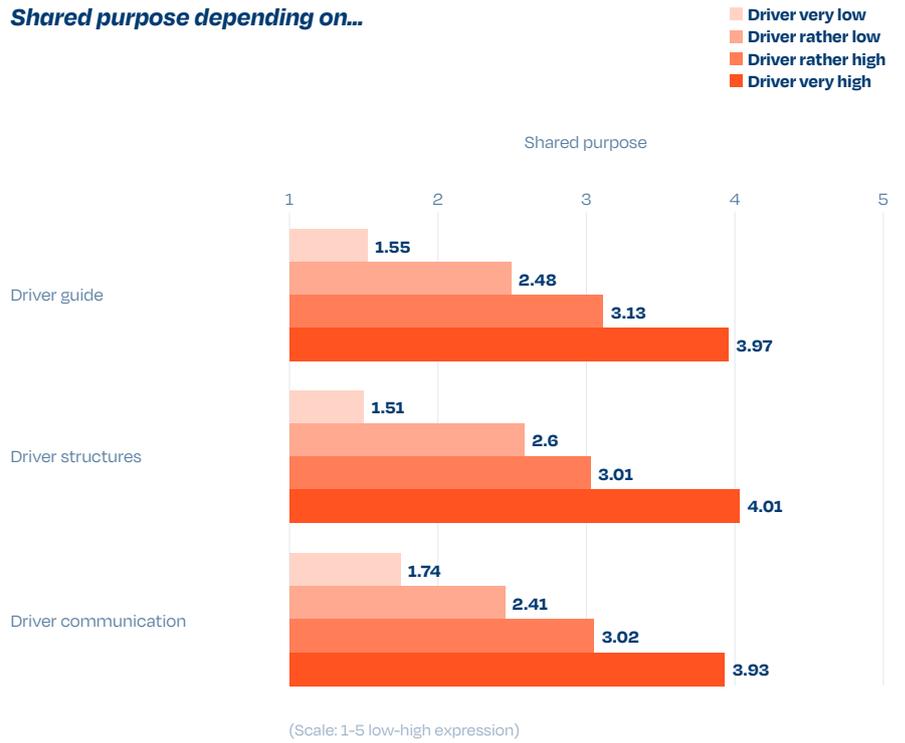


How purpose becomes visible in everyday corporate life



The expected strong correlations between the drivers and the extent of the shared purpose become apparent at the same time: the more pronounced the drivers are, the higher the shared purpose.

Shared purpose depending on...



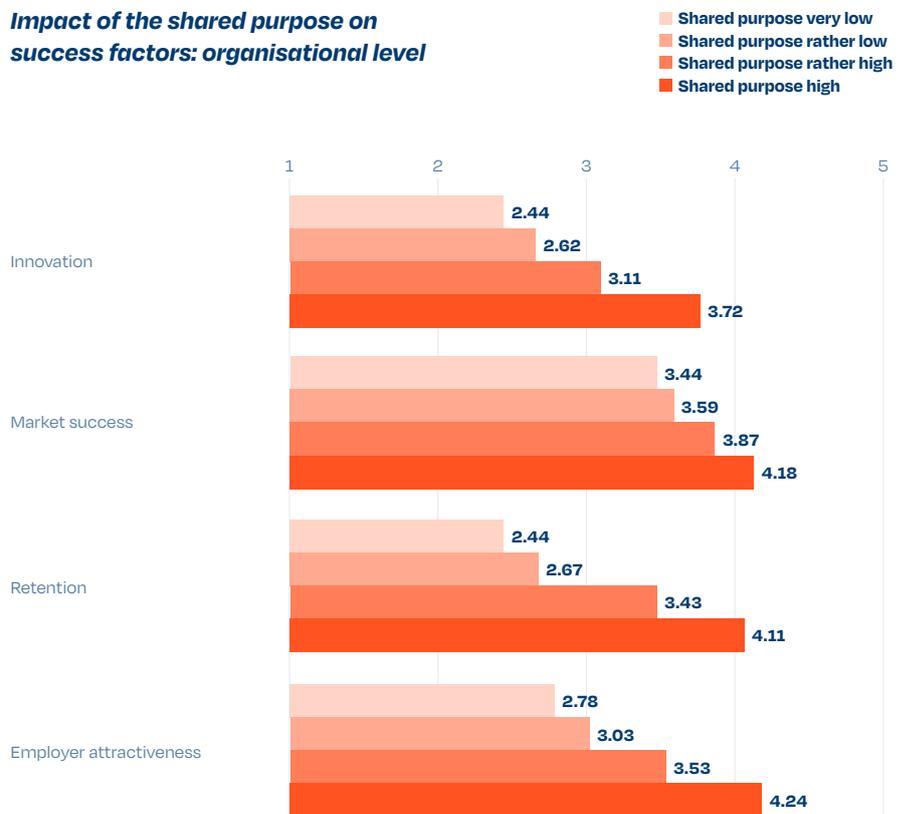
Effects of shared purpose: shared purpose leads to greater success.

A stronger shared purpose goes hand in hand with greater business success. This applies both at the individual employee level (employee satisfaction, commitment, dedication, cohesion) and at the company level (innovativeness, market success, retention, attractiveness as an employer).

Impact of the shared purpose on success factors: employee level



Impact of the shared purpose on success factors: organisational level



(Scale: 1-5 low-high expression)

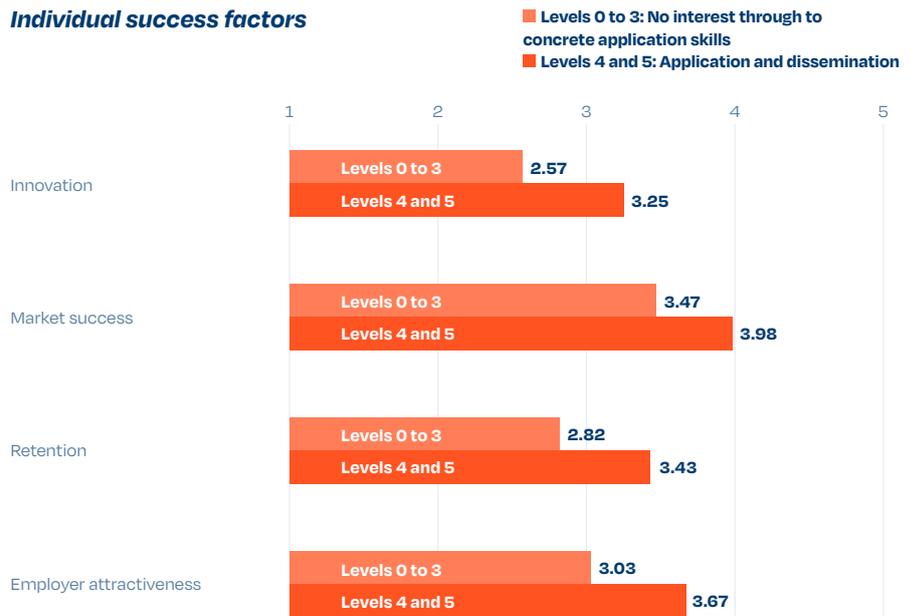
Talking about purpose is not enough: only targeted implementation brings success.

The attitudes of managers towards purpose and the targeted use of purpose in their work can be described by a psychological “purpose involvement model”. The levels of the model show how strongly a manager is involved in the topic of purpose: the starting point is the existence of a personal interest in the topic (level 1, respondents who are not interested in the topic are at level 0). Building on this interest, knowledge about purpose and concrete ideas about how it can be used can be provided (level 2). Concrete application skills for using the purpose in one’s own activities form the third level. The actual application (level 4) finally makes it possible for managers to convince others of the benefits of a lived purpose (dissemination, level 5). The present results show that measurable differences in success occur only from level 4 onwards: different levels of interest, knowledge and application skills have no effect on success. Only when purpose becomes visible in action does greater success result.

Individual success factors



Individual success factors



(Scale: 1-5 low-high expression)

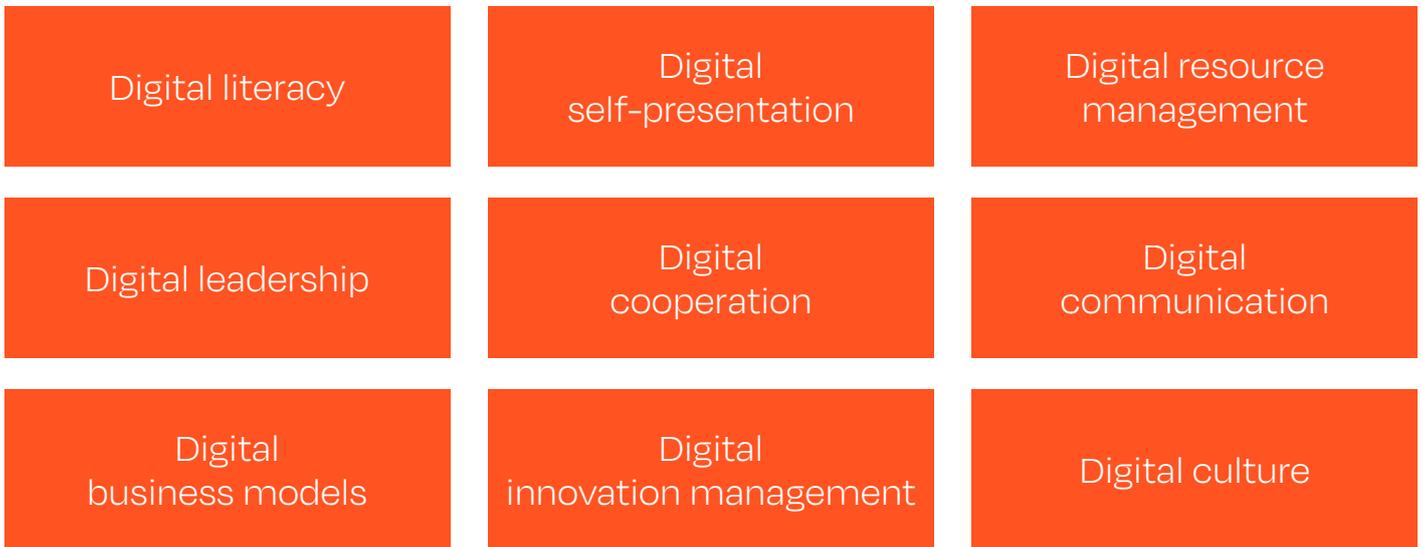


Shared purpose is related to digital performance: features of digital performance

Digital performance describes the ability to operate successfully in the digital business world. Overall, nine characteristics of digital performance can be distinguished on three levels (personal, interpersonal,

organisational). These characteristics are currently in the medium value range and still have potential for development. The value for digital communication stands out somewhat; this probably has to do with the current

pandemic-induced distance working situation, and can be explained by the exchange via digital media that is inevitably associated with it.



Personal performance:

- Digital literacy: knowledge, competence and openness to new technologies
- Digital self-presentation: using digital resources for presentation and networking
- Digital resource management: focus and time saving

Interpersonal performance:

- Digital leadership: using digital tools in leadership work
- Digital cooperation: facilitate collaboration through digital tools
- Digital communication: support of communication through digital tools

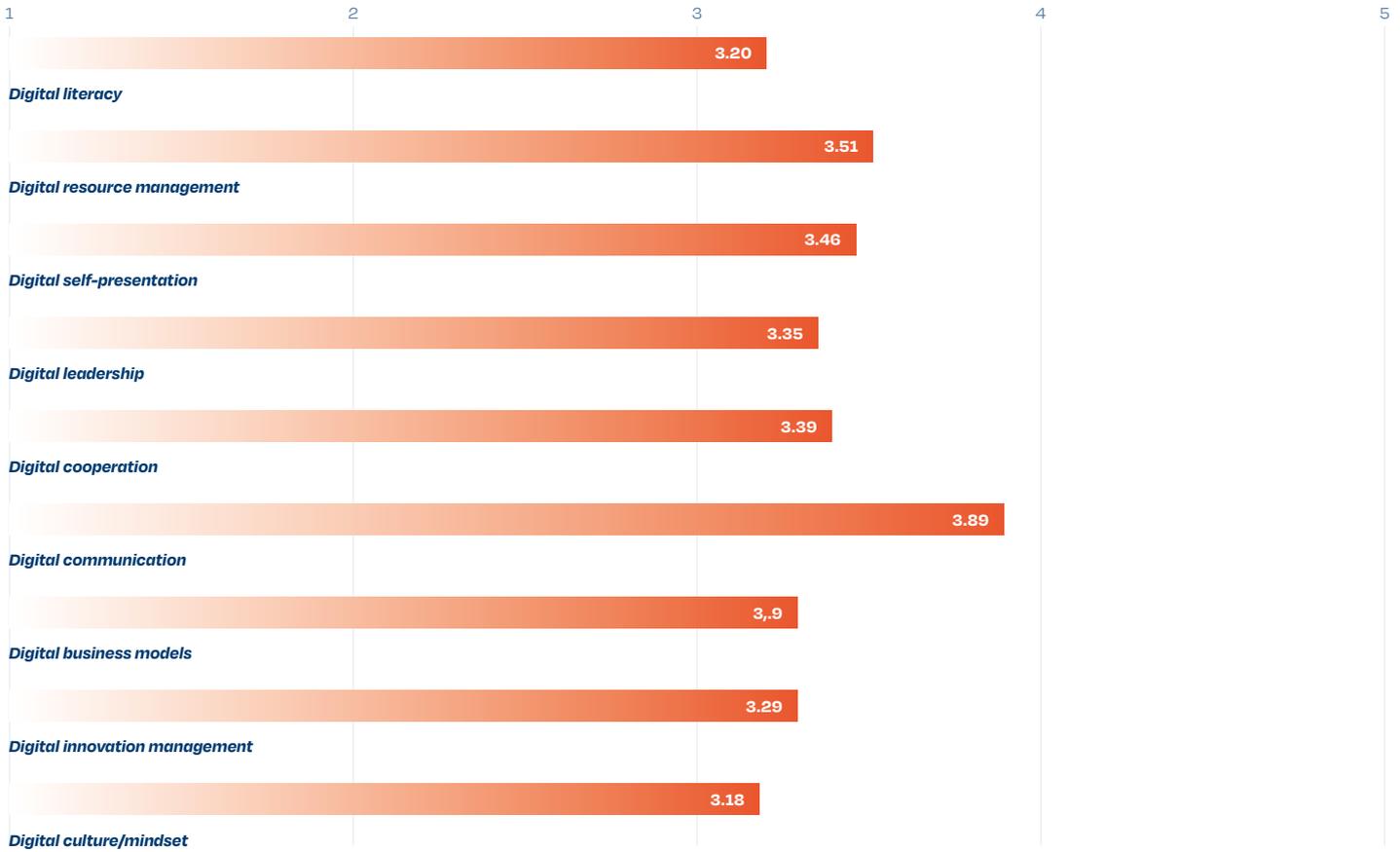
Organisational performance:

- Digital business models: using digital platforms for customer management
- Digital innovation management: using digital tools for idea generation and implementation
- Digital culture: taking digital options into account in all business processes

The relationship between the digital performance and the shared purpose of a company was examined and was shown to contribute to the

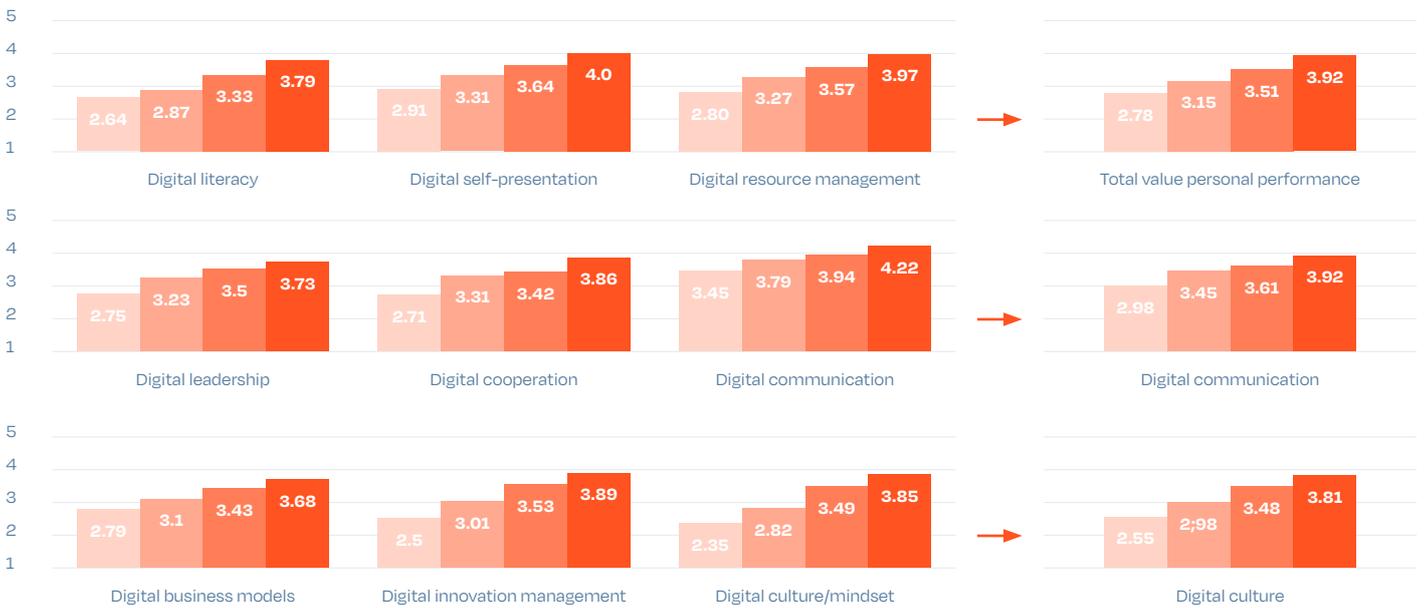
success of the company. High levels of digital performance characteristics are associated with a higher shared purpose.

Characteristics of the “Digital Performance” features



High digital performance goes hand in hand with stronger shared purpose

- Shared purpose very low
- Shared purpose rather low
- Shared purpose rather high
- Shared purpose high



(Scale: 1-5 low-high agreement)

A good digital performance leads to success on many levels

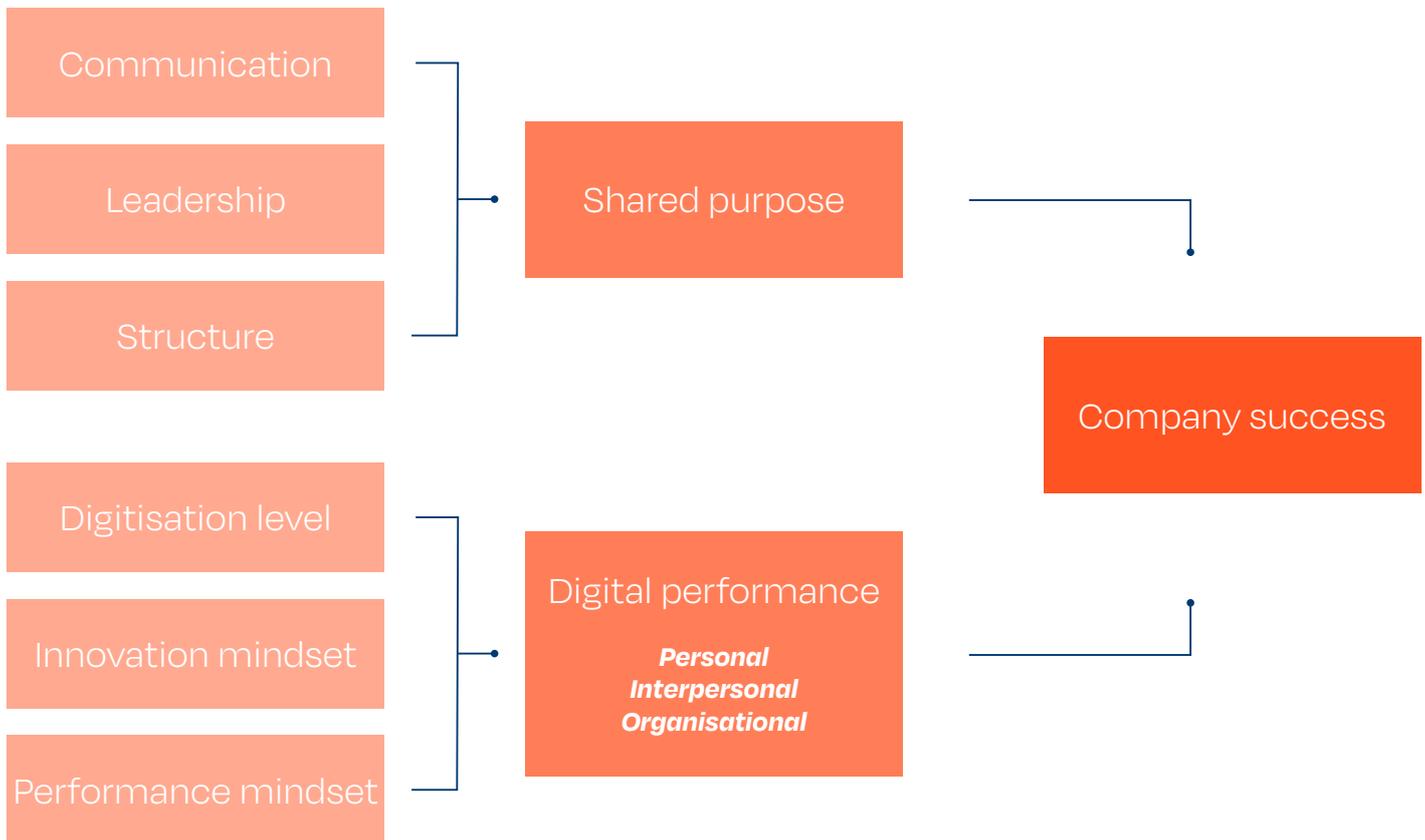
In addition to the degree of digitalisation, the innovation mindset (cultural characteristics measures that promote innovation) and the performance mindset (classic corporate values such as quality awareness, customer orientation, etc.) are proving to be drivers for digital performance.

The better the digital performance is assessed to be, the higher the success of the company.

Digital performance is most effective when the shared purpose is also well developed.

It is therefore worthwhile to strengthen the digital performance of the company and combine it with expanding the common purpose. These findings show executives which development potentials exist and will lead companies successfully into the digital future.

Shared purpose and digital performance together strengthen corporate success



Digital performance and shared purpose work together for the success of the company

Market success (personal)	Shared purpose low	Shared purpose high
	Digital performance low	3.33
Digital performance high	3.97	4.20

Market success (interpersonal)	Shared purpose low	Shared purpose high
	Digital performance low	3.34
Digital performance high	3.79	4.25

Market success (organisational)	Shared purpose low	Shared purpose high
	Digital performance low	3.37
Digital performance high	3.84	4.25

3



Commentary

Silvia Eggenweiler

Partner



The working world is becoming increasingly complex. The tenth edition of our Manager Barometer demonstrates this through the wide range of topics that managers have to cope with: from career planning and distance management to a topic that is becoming increasingly important – corporate purpose. This year, more than 2,000 managers from Germany, Austria and Switzerland once again provided their opinions.

Career goals remain ambitious.

What is striking in this year's study is that managers' career ambitions remain high despite the coronavirus crisis. Over 60% of the participants in our survey want to continue to achieve the maximum in their career. **However, the openness to deal with new, challenging content is declining.** While last year two thirds were still prepared to continuously take on new topics challenges for their career, this year fewer than half of them are. The results suggest that managers feel overwhelmed and "tired" of addressing other new issues due to the many changes and challenges caused by the coronavirus crisis.

High level of readiness to change in crisis sectors.

The managers' willingness to change jobs also remains high. The main reason for change is once again a lack of career perspective. It is therefore not surprising that managers in industries with high levels of structural change and an uncertain outlook due to the crisis – such as the automotive industry or the industrial sector – have a higher willingness to change jobs than managers in future-oriented industries, such as the medical/chemical/pharmaceutical sector, the financial services sector or the consulting industry.

In the pharmaceutical and life sciences industry, the willingness to change jobs is particularly low.

One reason for this may be that this industry is considered to be extremely safe even in times of crisis. On the other hand, closer examination reveals that the topic of "purpose" has a high level of significance, especially in pharmaceutical and life sciences companies. These managers find their work particularly meaningful and satisfying and see fewer reasons for change.

Meaningful factors are becoming increasingly important for career planning.

It is not only within the life sciences sector that supposedly “soft” factors play a greater role. Our study shows that purpose as a driver for employer selection has generally gained in importance. Other similarly meaningful factors, such as a corporate culture that suits the individual and the company’s ability to innovate, also have an increasingly strong influence on the choice of a new employer. “Hard” framework conditions, such as flexible work arrangements or location free jobs or a strong market position of the company, are clearly taking a back seat compared to the previous year.

Corporate purpose now also plays an important role in further career planning: **as in previous years, the use of personal strengths and talents in the workplace is the number one career motivator**, but the significance of one’s own role has caught up considerably this year and is now ranked second. In previous years, it was only ranked fourth or fifth. The coronavirus crisis has certainly reinforced this trend.

Participation in the company’s higher goals, the so-called “purpose” – a response option we offered for the first time this year – immediately received approval from over 40% of managers. Conditions such as

participation in sales and profits or individual career planning have taken a back seat. For managers of Generation Y, flexible working conditions remain the decisive criterion when choosing a job.

Leading successfully with purpose.

The changes in the attitudes of managers will make it essential for management to adapt their leadership behaviour. Successful management must have an even greater awareness of its role model function than before, and must also **demonstrate additional skills such as change management, resilience, transformation, empathy, heartiness, open communication and, of course, value- and purpose-based action**. So it is good news that the purpose debate has already arrived in most companies and is driving cultural change. After all, more than half of the managers state that their company has a clearly defined purpose, and more than 80% of these managers can also name the purpose.

There is also agreement among the participants in our survey regarding the positive influence that the company purpose has on the employer image, innovative ability and employee satisfaction. **However, there is still a need for action in most companies when it comes to implementation**. Awareness of purpose decreases in the lower hierarchical levels and also in parallel with the size of the company.

For executives in medium-sized companies and for employees without management responsibility, there is still a need for explanation. Potential in adapting the range of products and services or in integrating the purpose into everyday working life still exists.

Purpose holds great opportunities for companies.

So what does this mean in concrete terms for companies? Much more than in the past, they must emphasise their values and their corporate culture as well as the associated corporate goals, which – according to the understanding of purpose – also include sustainable behaviour, a meaningful combination of economy and ecology and the agility of the organisation. **Medium-sized companies in particular should take advantage of the opportunity to attract top talent by elaborating, implementing and communicating their corporate purpose**. If you want to retain the best heads in the future, you will have to set a cultural example from the top down, starting with the CEO, that makes the corporate purpose recognisable, understandable and ultimately tangible.

With kind regards,



Silvia Eggenweiler
Partner

4

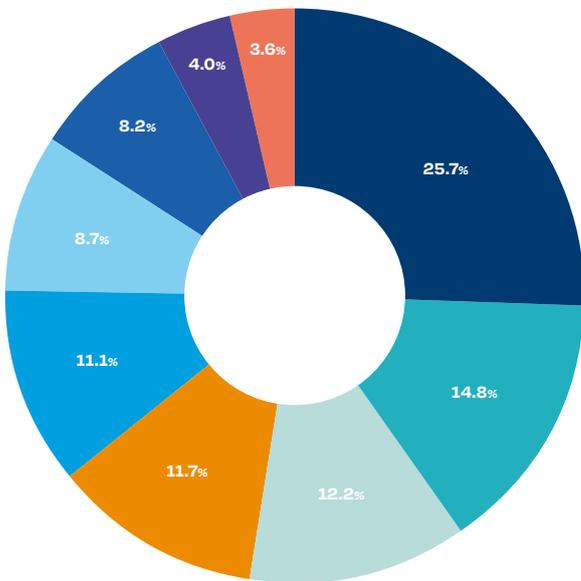


Participant Statistics

72%

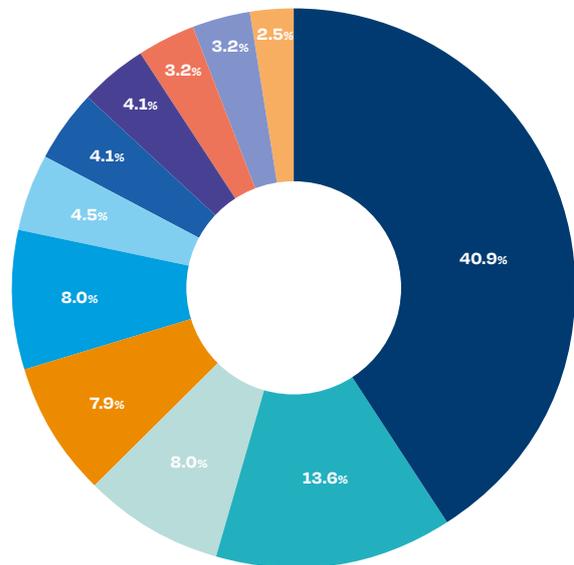
the managers in the management belong to Generation X.

Most managers come from industry and the financial services sector.



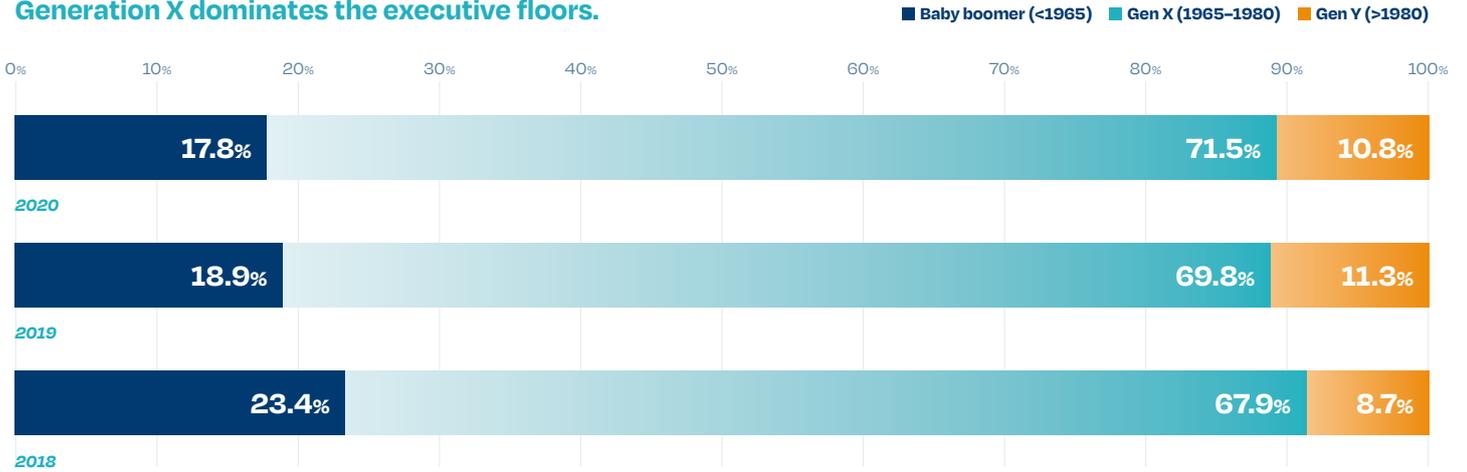
- Industry (manufacturing industry, transport, construction real estate industry, infrastructure etc.)
- Financial services
- Consumer goods/retail/media/entertainment/sport
- Medicine/pharmacy/chemistry
- Management consultancy/auditing
- Automotive
- Telecommunications/technology
- Energy utilities
- Public sector/not-for-profit/education/culture

More than a third of all managers are members of the board of directors.

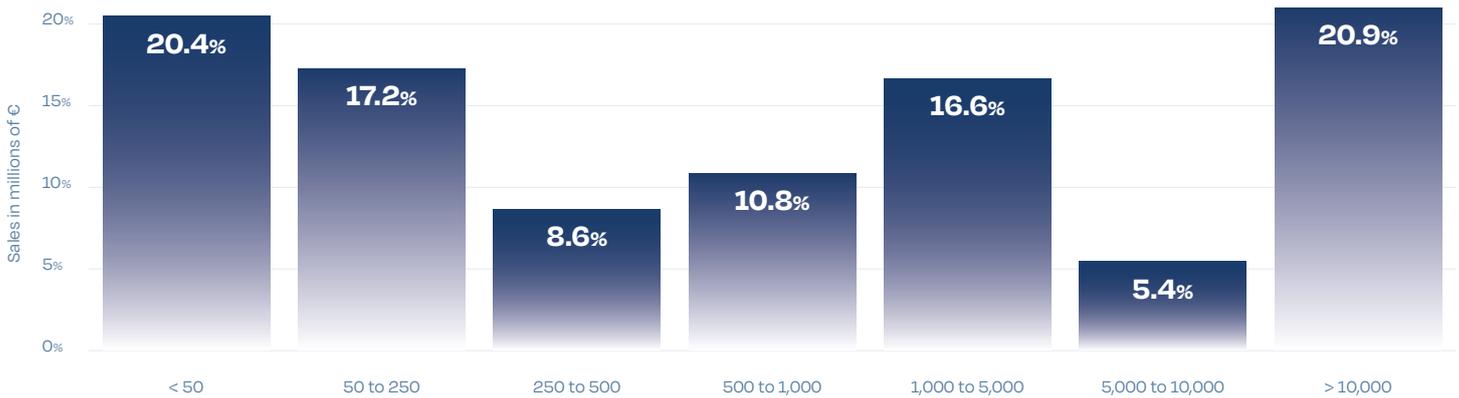


- Management
- Sales/customer service
- Finance/controlling/accounting
- IT/digital/technology
- Strategy/consulting
- Human resources management/human resources
- Product management/marketing/PR/corporate communications
- Purchasing/materials
- Management research & development
- Production
- Legal/taxes/compliance

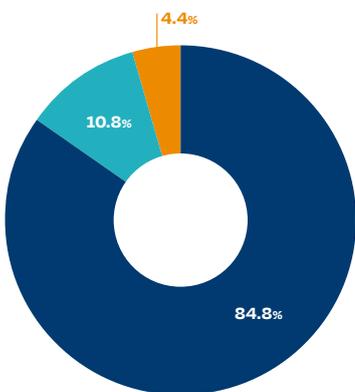
Generation X dominates the executive floors.



Managers are equally active in smaller and larger companies.



The vast majority of managers work in established companies.



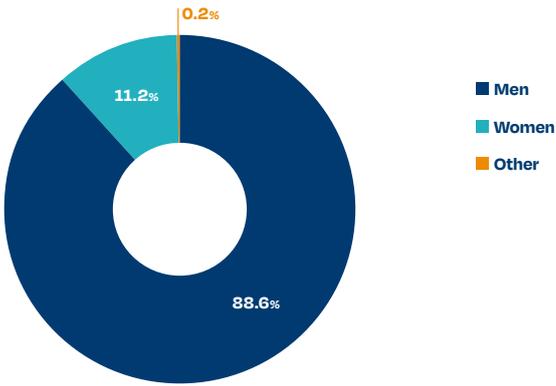
On average, the manager has been with the current company for **7** years

They have held their current position for **3** years

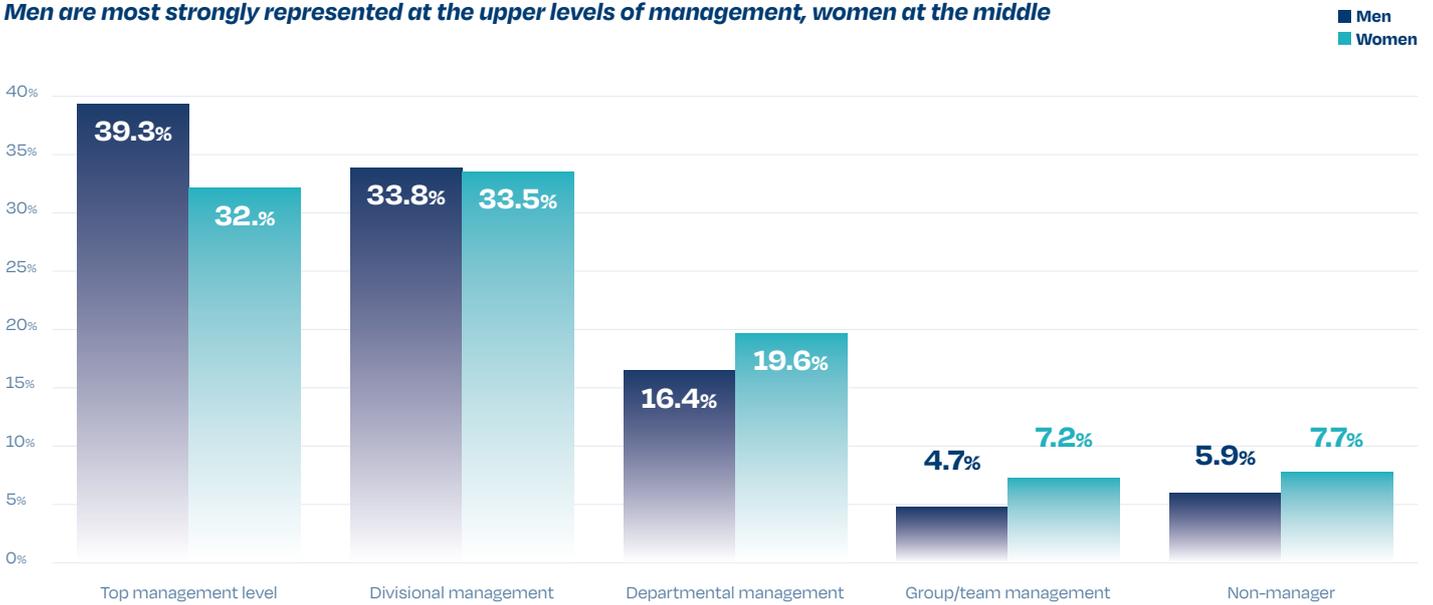
I work in a...

- ... long-established company (> 15 years)
- ... rather young company (< 15 years)
- ... start-up company (< 3 years)

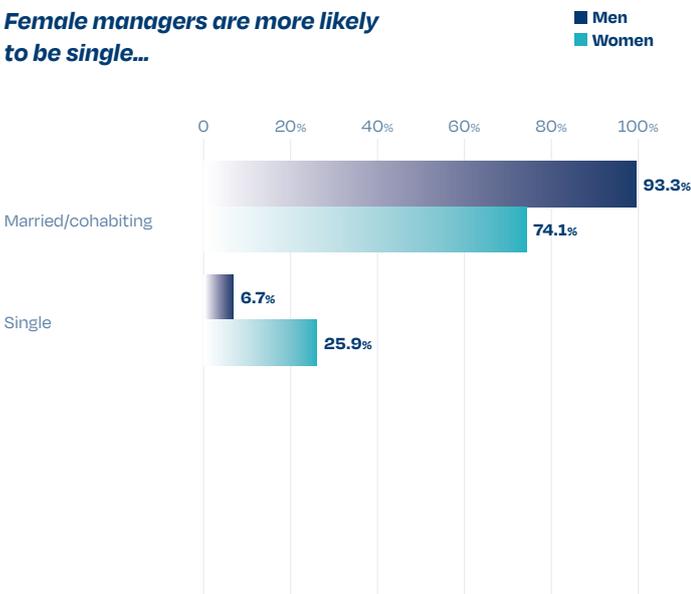
Only 11% of managers are female.



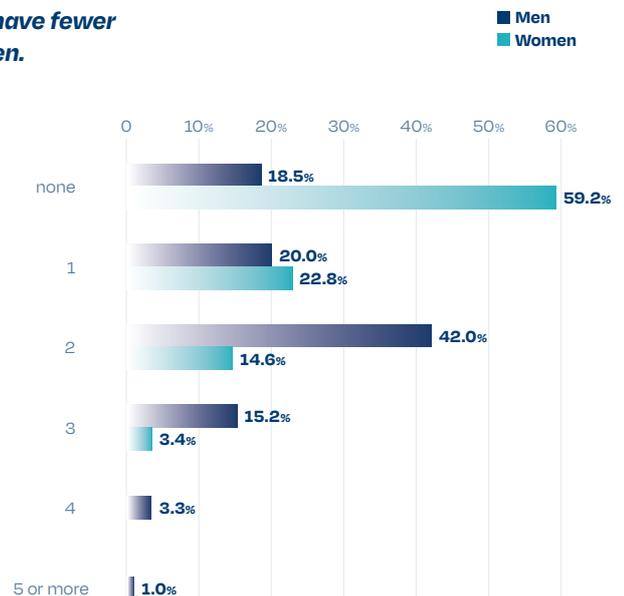
Men are most strongly represented at the upper levels of management, women at the middle



Female managers are more likely to be single...



...and have fewer children.



Methodology Notes

Survey of the Executive Panel by Odgers Berndtson

- The survey was conducted between the end of August and the end of September 2020. It was a written survey in the form of an electronic questionnaire.
- The questionnaire consisted of three sets of questions, most of which could be answered through multiple choice.
- In addition, respondents were asked to answer statistical questions about themselves, their position and the company where they are currently employed.
- The answers were given and evaluated anonymously.

Target Group

- The survey was conducted by the Executive Panel of Odgers Berndtson, which includes executives from companies of all industries and sizes from Germany, Austria and Switzerland (D-A-CH).

Participants

- 2,008 managers took part in the survey.



For over 50 years, Odgers Berndtson has been one of the world's leading companies for executive recruitment and assessment. With around 1,000 employees in 30 countries, we search for qualified executives and specialists for companies in all industries, public administrations and non-profit organisations. In order to respond to the sector-specific needs of our clients in the best possible way, our consultants use internationally networked industry practices.

Copyright © 2021 ODGERS BERNDTSON. All rights reserved.

www.odgersberndtson.com