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This document contains the Executive Summary of the Future Organization Report 2021. The full report can be downloaded at: <https://agile.iwi.unisg.ch/future-organization-report-2021/>

Future Organization Report 2021.

Executive Summary.



Excellent organizations are agile and have adopted a holistic mindset: Qualified and motivated employees, together with digital and efficient processes, are important factors for a company's success.

While 80.1 percent of surveyed employees and managers say that financial profitability should be taken into account for critical management decisions, a larger group, namely 89.7 percent, believes that it is also important to focus on customer satisfaction.

This is shown by the Future Organization Report 2021, which investigates the organizational excellence of companies in Germany, Austria and Switzerland. The surveys, which were conducted from the middle of February to the middle of June 2021, show that the ability of companies to adapt to changes in demand has increased by over 26 percent.

Universität St.Gallen and management consulting firm Campana & Schott have released the Future Organization Report every year since 2019. This year, data was collected from 522 managers and employees as part of a quantitative on-line survey.

In addition, 22 qualitative interviews were conducted with top decision-makers from ten industry sectors. The individuals who were interviewed play a decisive and active role in the design and implementation of business objectives. Because 12 interview partners already participated in 2019 and/or 2020, it is also possible to identify trends in this context.

The results at a glance

Organizational excellence is a holistic and continuous development process

Organizations think and act holistically in order to position themselves for optimum business success. Because - organizational excellence is not a fixed target status but rather describes a process of continuous development. Important parameters in this regard include financial success as well as the sustained creation of value for the customers. These objectives can only be reached with pro-active employees and efficient processes. A highly-effective workforce is characterized by cross-functional collaboration and an agile mindset. Process excellence benefits from qualified employees and is especially promoted by digitization.

Excellent organizations pursue holistic objectives – purpose, diversity and sustainability

The extended target area plays an increasingly important role. The key issues purpose – the purpose of the company –, sustainability and diversity are important dimensions for long-term success. When organizations use these three areas as starting points, they will increase the value creation of employees and processes in the long term.

- **Purpose as a common compass:** 63.9 percent of those surveyed believe that a higher-level purpose should be taken into account for critical management decisions. Moreover, employees show higher levels of intrinsic motivation when they believe that their work has purpose.

- **Diversity contributes to the company's success:** The role of diversity is also becoming more visible: Diverse teams are more productive, more efficient and more innovative. Top decision-makers have identified diversity as an important building block for organizational excellence. 87.2 percent of those surveyed say that they enjoy receiving feedback from people with different perspectives. This attitude is positively correlated with innovative work conduct.
- **Sustainability as a strategic objective:** 68 percent of employees and managers say that the impact on the environment should be considered in critical management decisions. In addition, sustainability is also required by more and more customers. Therefore it is becoming a strategic element.

Companies are becoming more agile

Rigid structures are replaced with adaptive ones: Compared to the previous year, company agility increased from 40.9 percent to 46.3 percent. Agility has become an integral part of the process organization and continues to be expanded and scaled in the companies. In this context, the agility of a company is highly correlated with its performance.

Customer satisfaction continues to be the top priority

As was shown in the previous year, customer focus continues to take center stage in terms of the business activities. Customer satisfaction is considered a key factor in important management decisions. With a value of 89.7 percent, customer satisfaction is actually given a higher priority than the company's profitability.

Strong IT performance as the most important lever for process excellence

Rigorous digitization and the automation of processes play an important role in being able to respond more quickly to changes

and reduce the stress on employees. 46.9 percent of managers and employees say that strong IT performance significantly increases productivity, the competitive position, sales revenues and profitability, which means that it is an important factor for the company's success.

Motivated and enabled employees are a key success factor. Employees are a key success factor for companies wishing to maintain their performance in today's quickly changing business world. When it comes to important management decisions, employee retention and career development are in third and fourth place after customer satisfaction and financial profitability. At the same time, 25 percent of employees do not have targets that are based on business objectives. This can have a negative impact.

Cross-functional and diverse teams prove themselves in a complex work environment

A highly-effective workforce is characterized by the following important attributes: collaboration across functions and teams, an agile mindset and continuous skill development. In addition, cross-functionality also serves as the basis for an excellent organization and is highly correlated with company performance.

Employees organize themselves in online labor markets

People and process excellence are linked: Efficient processes reduce the stress on employees. And employees use optimized processes to better organize themselves. In the context of self-organization, top decision-makers increasingly rely on online labor markets. They enable the AI-supported matching of employees (Teams) and projects (Tasks) in accordance with skills, interests and expertise. In this way, employees benefit from targeted career development, which increases motivation and employee retention.



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REPORT 2021

To the full study:
www.campana-schott.com/for2021

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Our customer base includes numerous companies as well as large mid-size sector companies. We can draw on more than 7,000 best practice projects at over 1,000 customers worldwide, and a follow-up contracting rate of over 90%.

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