

# Human Capital & Leadership Survey 2022

NBO Indonesia



# Introduction

At the start of 2020, no one expected the world to change as it did when it was announced that the Coronavirus had become a pandemic. Many countries went into lockdown, people were told to stay at home, and, as a result, businesses across the world were forced to change the way they do business. Now, in 2022, two years since the pandemic began, things are looking up. Many countries are starting to open their borders again, people are allowed to go out again (with health protocols in place), and businesses have adapted to the challenges brought about by the pandemic.

During the pandemic, not everything was completely stopped. Some businesses had to keep going, but they also needed to comply with health protocols set by the government. Because of this, they've had to

rely on something they had never fully relied on before—technology. Technology itself has been around for a while and many companies had started to see the appeal of implementing technology into their business, but the pandemic sped things up for these companies and they've had to adapt to technology whether they wanted to or not. After two years of adapting, we wanted to see what companies and organizations are now focusing on regarding human capital needs and what they are now looking for in leadership qualities in a survey. This survey was conducted in December of 2021, with respondents consisting of over 400 leaders from various high-profile companies in Indonesia. Due to the significant findings of the survey, we've divided the survey results into six distinct, but integrated, parts.

**First, we look at the challenges, concerns and outlook that leaders have for the year 2022. Then, we take a look at what and how companies are doing to develop themselves with strategic execution and decision making. Following this, we discuss what kinds of leadership capabilities companies are looking for now in this digital era. We also look at how companies are implementing their Learning and Development programs now, which is followed by a discussion on what kinds of skills are needed to achieve successful digital transformation. Finally, the survey ends with a short discussion on communication and the importance of leadership style communication.**

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# Challenges, Concerns and Outlook for 2022



# Outlook for 2022

## What is your organization's outlook for 2022 in the current economy?

Despite tremendous challenges we all faced as a result of the global coronavirus pandemic in the years 2020 and 2021, most of our survey respondents (76%) felt economically optimistic in welcoming the new year of 2022.

It would seem that after two years of struggles, organizations have become considerably optimistic. This could partly be due to the fact that organizations have had to adapt to new ways of doing business in an environment where people are asked to practice social distancing. As a result, organizations may have

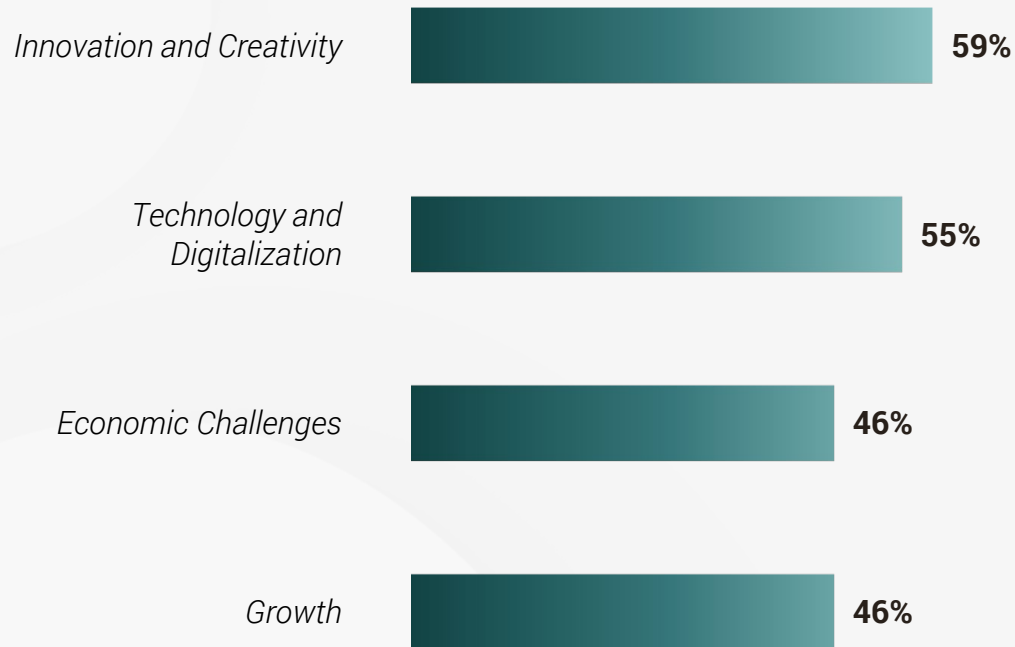
become more confident about what they can achieve for their organization in the future.

Especially with global vaccination programs rolling, the business world prepares to continue business at full speed once more. Organizations that managed to survive during the pandemic have pivoted the way they do their businesses and have shifted their business strategies in order to welcome and adapt to the currently ongoing business disruptions that the pandemic has brought about.



# Challenges for 2022

## What are your organization's challenges for 2022?



Although organizations are showing more optimism in the new year, there are still some challenges that respondents believe they still need to overcome. Results from our recent survey show that “Innovation and Creativity”, “Technology and Digitalization”, and “Growth” are the top three organizational challenges that survey respondents believe they will experience in 2022, with “Economic Challenges” tailing in the fourth place. Even though “Economic Challenges” is still considered an organizational challenge by 46% of the respondents, **the top three answers indicate that the challenges that pose a more pressing concern are challenges relating to organizational development.**

Similar results were found in a previous leadership survey from 2018. Respondents said that the top three organizational challenges were also Innovation and Creativity, Changing Technology, and Growth. A comparison of these two results show that organizations are still feeling challenged in terms of innovation, technology, and growth, before and during the pandemic. If this is the case, then it would be reasonable to speculate that organizations are experiencing difficulties on how to improve their organization within these three areas specifically. Maybe even more so now that they are experiencing them during the pandemic.

# Challenges for 2022

## What are your organization's challenges for 2022?

It's possible that the reason why innovation and creativity is considered the most challenging for organizations throughout the years, is because it is a continuous challenge. While creativity is the act of conceiving new and unique ideas, innovation is the process of turning that creativity into widespread use – that is, the introduction of a new idea, solution, process, service, or product to old and new customers. **With businesses struggling to stay afloat during 2020 and 2021, it is only natural for leaders to continuously seek ways to encourage employees to be more creative and produce interesting innovative ideas for their business.** One of the ways that organizations can innovate is the utilization of technology and digitalization, which also happens to be the second most challenging area for organizations.

The utilization of technology and digitalization has the advantage of helping a company bounce back, especially from heavy losses of previous years. **However, with technology becoming more advanced**

**as the years go on, organizations may have difficulty keeping up with new technology, especially when there is something new to learn every year.** The adaptation process from currently used technology to a new form of technology is not an easy process, nor is it a fast one. In order to change a whole organization's work system, a large amount of time is needed to fully evaluate the whole system, leading to a concept known as organizational restructuring.

This concept involves identifying areas of competence, improvement and potential risks within an organization. These areas require a form of assessment that involves an organization's people, process, structure, technology and culture to be completely evaluated for the purposes of improvement<sup>1</sup>. For a company to shift to a digital environment specifically, there would have to be changes implemented to organizational structures, systems and processes<sup>2</sup>. Organizations may try to implement this concept into their yearly development plan, but one should consider the amount of time it

takes to do so. A survey conducted by Harvard Business Review Analytic Services showed that business leaders are worried about their organization's inability to change quickly enough to "survive and thrive" in the digital era<sup>2</sup>. With such a large scope of areas to evaluate and improve on and a limited time to make those changes, it's no wonder that organizations are having a difficult time acclimating to new and relevant technology.

1. "Organizational Restructuring: Identifying Inefficiencies, Risks, and Opportunities". Retrieved from [fmpconsulting.com](#).

2. "Is Your Company Adapting Fast Enough to Thrive in an Increasingly Digital World?". Retrieved from [hbr.org](#).

# Concerns for 2022

## As your leaders and managers engage staff, what are the top 3 areas that concern you the most?

If innovation and technology are still a challenge for organizations, then this would explain some of the concerns that respondents were asked about. We asked some leaders – what are the top 3 areas concerned them the most – and interestingly, **half of our respondents agreed that the number one concern is the overall capabilities of leadership and management, followed by the quality of communication between leaders and staff and the capabilities of employees.** What is noteworthy about these results is that organization leaders are more concerned about the capabilities of their people as well as the quality of communication between their people. The results could be a reflection of how the COVID-19 pandemic in the past two years tested the resilience of the workforce, which depended heavily on their capabilities to collaborate and innovate as well as their ability to effectively communicate with the people within the organization.

As people adapted to the pandemic, they had to learn how to communicate in a completely different way than when they did pre-pandemic because social distancing protocols required employees to work from home and use technology to communicate. Not only that, but they also had to innovate in ways that required the use of

technology, something they had never done before because previous innovation probably didn't involve technology. Now, though, workers are forced to utilize technology in order to obey social distancing protocols and this is still causing concern in 2022 despite having experienced the pandemic for 2 years. A survey conducted by McKinsey may explain the reason for this.

Back in 2020, the survey showed that companies' commitment to innovation had decreased by 32% at the start of the pandemic because they had to work through the COVID-19 crisis and focus on short-term issues<sup>3</sup>. The survey further explained that companies are deprioritizing innovation because they're "playing it safe", meaning that their only focus is on pursuing known opportunities, conserving cash and minimizing risk. While playing it safe is not wrong, the survey argued that if companies invested more in innovation, they would outperform the market by 30%.

If this is the main reason for organizations' concerns, then they will need to evaluate the people in their organizations regarding their capabilities and communication skills and focus on their innovative pursuits throughout the pandemic.

3. "Innovation in a crisis: Why it is more critical than ever". Retrieved from [mckinsey.com](https://www.mckinsey.com).

51%

Overall capabilities of leadership management



49%

Quality communication between Leaders and Staff



45%

Capabilities of employees





# Strategic Execution and Decision Making



# Strategic Execution and Decision Making

## What would be the focus of your organization's strategy to move forward in the current economy?

As the business world continued on with its work, every year companies evaluate their activities from the past year and figure out which areas within their organization are in need of improvement. During the pandemic, the world experienced an economic collapse with some businesses having to shut down and some having to make sacrifices just to keep the company afloat. As a result, organizations had to figure out different strategies in order to move forward in this current economy.

When respondents were asked about the focus of their organization's strategy to move forward, a little over half of the respondents said they would focus on increasing the productivity of their company. This is unquestionably **the main priority for business leaders as they need to bring their organizations to a place where they can regain back their place in this volatile market.** Respondents also feel that in order to sustain an organization and make it prosper, **it is essential for organizations to focus on leadership development, as well as focus on strengthening the human resources management within their organizations.**

Based on these results, it would seem that **respondents feel that people's development should be prioritized in order for**

**an organization to move forward.** Because of this, it would be good for companies to see which areas within their organization require productivity increase, leadership development, and which areas within their human resources department require strengthening. Companies can do this through evaluation, as a survey analysis by McKinsey in 2021 found that organizations who were able to stay resilient and adaptive towards the pandemic noticed weaknesses in their strategic resilience<sup>4</sup>. By recognizing those weaknesses, they were able to improve and change their way of doing business to adapt to the demands of the pandemic, resulting in a company that continues to thrive despite the struggles caused by the pandemic.

With this in mind, organizations should begin strategizing by first examining where within their organization do weaknesses arise—how did productivity decrease during the pandemic? What do leaders lack when it comes to facing the pandemic? What do human resources lack when facing the struggles caused by the pandemic? By recognizing the company's weaknesses, strategies should focus on eradicating those weaknesses to improve the company's resilience.

**55%**  
*Increasing productivity*



**50%**  
*Leadership development*



**44%**  
*Strengthening human resources management*



4. "Strategic resilience during the COVID-19 crisis". Retrieved from [mckinsey.com](https://www.mckinsey.com).

# Strategic Execution and Decision Making

## What would be substantial to your organization implementing the strategy for 2022?

But how does an organization go about implementing its strategy? We asked our respondents, and a majority of them said that technology platforms and learning and people development are what is most substantial in implementing their organizations' strategy. Having agile teams and having the right and capable talents are also considered important for organizations to implement their strategy.

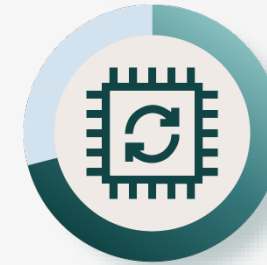
According to these responses, it would appear that **organizations are leaning towards technology more than any other way in order to implement their strategy**. Despite that being the case, **the use of people and focusing on their development are still at the top of the list, suggesting that people and technology are two of an organization's most important factors in strategic execution**.

For an organization to be sustainable and thriving, the results seem to suggest that an organization must be able to integrate the use of people and technology in order to implement their strategies and advance their organization. What does integration of people and technology look like, though?

In 2016, a study conducted in Bahrain found a positive and significant relationship between electronic learning (E-learning) and job performance. This means that e-learning had a positive influence on job performance<sup>5</sup>. Human resource departments in many companies are starting to use technology-based systems that simplifies their work, such as software vendors like Oracle and SAP, and vendors like Glints and Qualtrics that focus on digital employee feedback systems<sup>6</sup>. These are just a few ideas on how organizations can start implementing technology into their work. By putting this in mind when constructing strategies, it's important to note that the technology itself needs to be relevant to each employees' job. If an organization wanted to increase productivity, then the technology required should result in employees' doing more work instead of less. And if an organization wanted to develop their leaders, the technology should cover what kinds of skills organizations would like their leaders to learn.

5. "E-Training & Employees' Performance a Practical Study on the Ministry of Education in the Kingdom of Bahrain". 2016. *Journal of Resources Development and Management*. Khloud B. Kamal, Mohamed Al Aghbari, and Mohamed Atteia.

6. "Emphasis on Employee Experience Revolutionizes HR Technology". Retrieved from SHRM.org.



71%

Technology platforms



65%

Learning and people development



43%

Agile team



41%

Talent

# Leadership Capabilites



# Leadership Capabilities

## What are the most significant reasons why leaders fail in your organization?

2022



Agile team

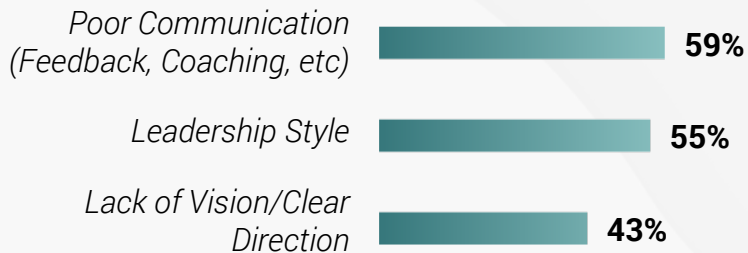


Poor Communication  
(Feedback, Coaching, etc)

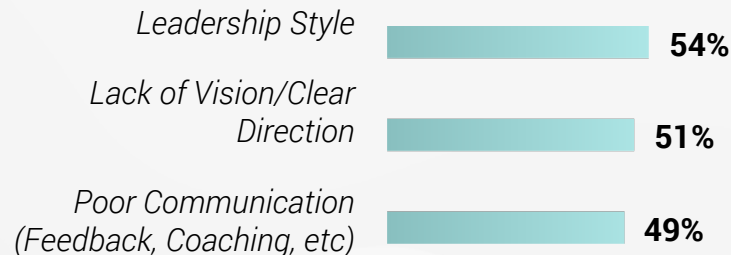


Cannot Build Team

2018



2015



One specific question remains in our survey for years: "Why do leaders fail?". So far, the results are consistently very similar. 54% of our survey respondents feel that leadership style plays a significant role in why leaders fail in their organization. Besides that, respondents feel that poor communication (in the form of feedback, coaching, etc.) and the inability to build teams also play a factor in why leaders fail. The findings are similar to our last survey results, which mentioned Leadership Style, Lack of Vision and Direction, and Poor Feedback - Coaching as their top three answers to the question.

As one's leadership style influences an employee's ability to understand the organization's strategic direction and propel them to act, leaders must be aware that poor leadership can certainly cause more long-term damage to their employees and organizations than the pandemic. Leaders need to recognize their leadership style and know when to effectively modify their styles to achieve success.

One way organizations can resolve this issue is by recognizing the Leadership Gap within the organization. Luckily, we asked our respondents what Leadership Gaps they had within their organization.

# Leadership Capabilities

## What are the Leadership Gaps in your organization?

According to respondents, the most significant Leadership Gap within their organization is the impression of having clear, motivational missions and values, followed by the ability to communicate effectively and the skill to inspire trust in other people. This is significant for organizations during the pandemic because leaders are constantly faced with unprecedented challenges and frequent disruptions. This brought forward the imperative need for organization leaders to constantly improve their communication with their teams in a consistent, clear and comprehensive manner.

When leaders are faced with constraints and fail in managing and motivating their subordinates through communication, this will cause the team to become unable to consistently perform and achieve their organization's goals.

Michael Zammuto, CEO of Completed.com, once stated that when leaders fail to communicate, it can harm the business, the workplace dynamic, and the employees of the business. He argued that, as leaders, one should be able to communicate in various methods or styles instead of just one type. This is because certain communication styles are only effective in certain situations. For example, when employees need motivation, leaders should be able to motivate them in a way that will most certainly increase their motivation, something that is specific to that one employee or group of employees<sup>7</sup>. In relation to our survey results, respondents feel that their leaders are lacking in the communication of organizational values and trust. This is likely because the unsteady nature of the pandemic has put leaders in an unknown situation that they are unprepared for. The organization should, then, examine how their leaders have adapted to the pandemic and what strategies have they prepared in order to be more capable of handling uncertain situations.

7. "The Dangers of Lacking Leadership Communication". Retrieved from [financialexecutives.org](http://financialexecutives.org).





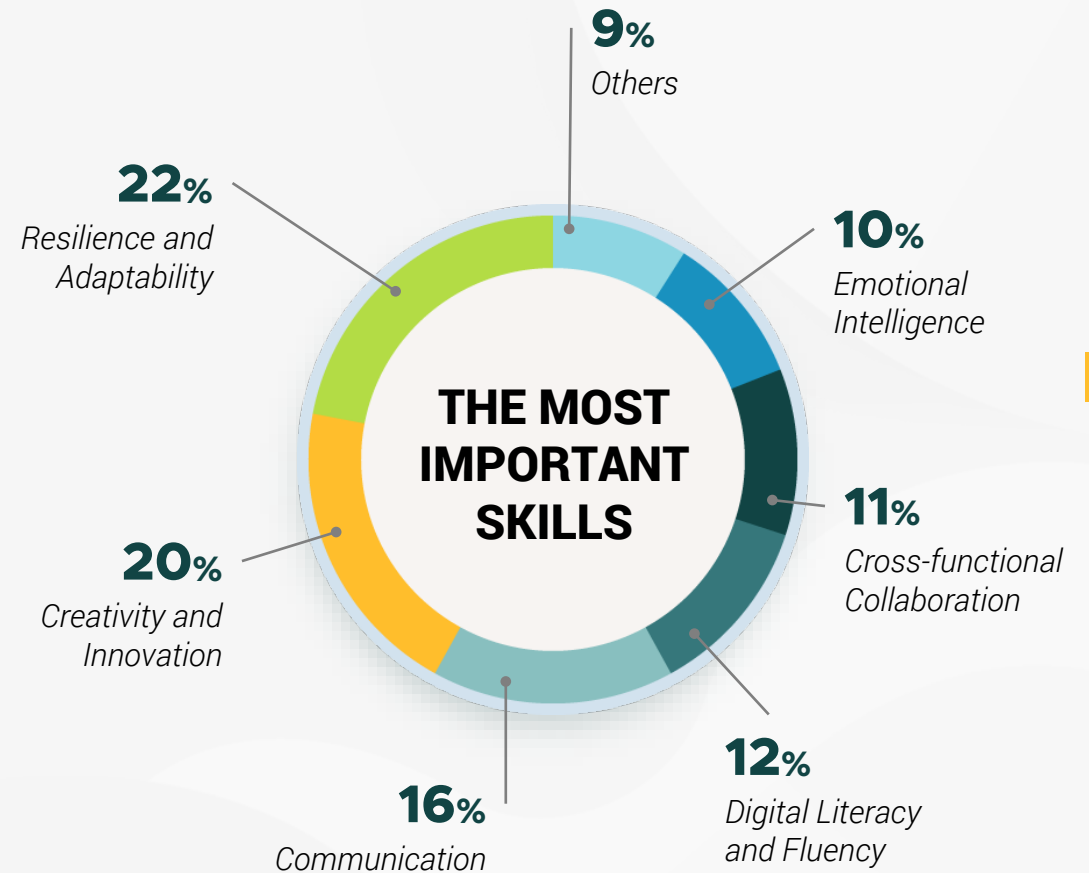
# Leadership Capabilities

## Which skills are the most important for your leaders to be successful in the world of work?

Besides identifying the Leadership Gap within organizations, there are skills that organization leaders can develop in order to become an effective leader. In order to do this, organizations must look at skills that are relevant to the current situation so that leaders can become successful in navigating the world of work. With that being the case, we asked our respondents which skills are the most important for leaders to be successful from options we've provided.

According to the results, 22% of respondents feel that being resilient and adaptable is the most important skill for leaders to be successful, followed by the ability to be creative and innovative and the ability to communicate. These are the top three skills that our respondents view to be the most essential in order to be successful in the ever-challenging business world, especially now during the pandemic.

These results are of no surprise as this may partly be related to the pandemic situation that all organizations experienced. When the pandemic began, organizations had to deal with many changes in the way they work and communicate. People had to look up to their leaders for guidance. After two years of working during the pandemic, it would seem that people have come to the agreement that **leaders must have resilience, creativity and effective communication skills in order for their organization to survive**. This would mean that **leaders must prepare for the unexpected and become a staple of hope for the people of their organization**.



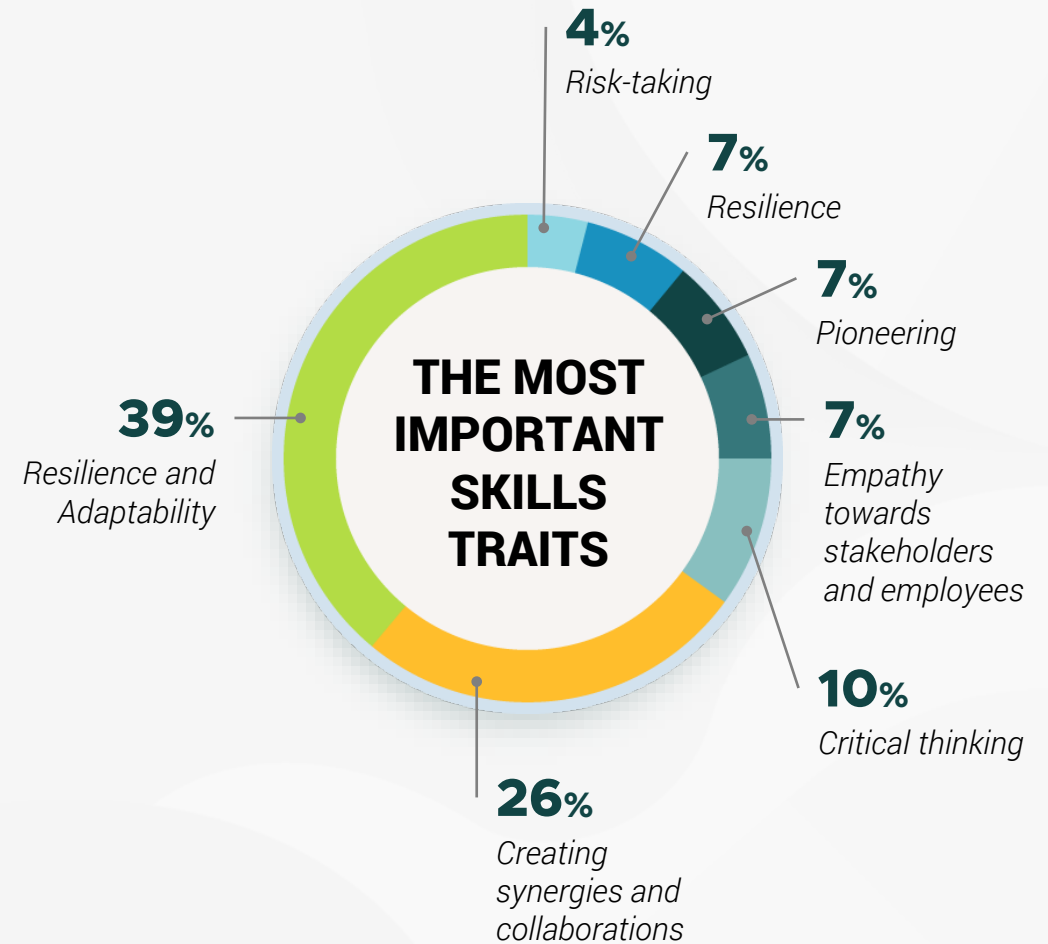
# Leadership Capabilities

## What do you consider to be the most important leadership traits required for future leaders in this digital age?

As leadership itself evolves through the rising challenges, so do the traits required for future leaders in the digital age. As technology becomes more commonly used by organizations across the world, it is important that future leaders become familiar with utilizing technology when conducting business. Therefore, we asked respondents what they considered to be the most important leadership trait for future leaders to have in the digital age. According to respondents, **the top three traits that future leaders must possess are open-mindedness and forward-thinking, being able to create synergies and collaborate with people, and the ability to critically think.**

Leaders with a combination of these important skills and traits may have a better chance of successfully navigating their teams towards achieving the organization's goals, especially in the digital age. As organizations manage the transition of in-person employees to fully-remote work, or to a remote/on-site hybrid model, they will need the presence of **skilled, capable, and accountable leaders to lead the teams with an open mind for technology and a passion to work with people.**

The Leadership Gaps, skills and traits we've shown are only a few of many other leadership qualities. Each organization will have their own specific qualities that apply to them, but by focusing on these qualities specifically, organizations should approach leadership development slightly easier than if they had to evaluate their leaders from the beginning. But what is the best approach for such a development? The next chapter will discuss this.





# Talent Solutions



# Talent Solutions

## What should be the focus of HR's Learning and Development programs to equip future leaders and drive growth in your organization?

As we've come to understand by this point, the pandemic has changed the way companies and leaders do business. They are now considering in what ways can they keep up with the growing changes in business manoeuvring. **In order to keep up, organizations and leaders must be able to develop the skills that they have currently into something relevant, as well as gain new skills that will help them navigate the post-pandemic business environment.** To do this, companies will have to rely on learning and development programs to prepare their people for these growing changes. Because of this, we asked our respondents what human resources should focus on in terms of Learning and Development (L&D) programs that will equip future leaders and drive growth within the organization.

In line with the previous findings on required skills and traits for leaders, 60% of respondents viewed that **leadership development should be the main focus of L&D programs, followed by upskilling and reskilling, internal talent mobility, creativity and innovation, and digital literacy and fluency.** These results indicate that there should be a **focus on developing existing**

**employees as opposed to finding new hires from outside of the organization.** Results are also in line with how organizations responded to changes brought upon by the pandemic, such as when airlines had to stop their flights due to lockdowns implemented by many countries.

When air travel was suspended due to the pandemic, Delta Air Lines had to figure out ways in order to avoid mass layoffs. Because many flights were grounded, the company decided to provide training and development for their flight attendants. This decision was successful because the company could avoid layoffs and flight attendants who were essentially jobless at that point were given new skills so that they can still work<sup>8</sup>. This is a great example of how **upskilling, reskilling, and internal talent mobility can inspire growth within an organization.** L&D programs can take this as an example of how to prepare their current and future leaders for unexpected and uncertain situations. Instead of going to the obvious way to save the company, **leaders could instead be trained to make use of the resources that they already have within the organization and utilize them.**

Leadership Development

60%

Upskilling and Reskilling

44%

Internal Talent Mobility

31%

Creativity and Innovation

28%

Digital Literacy and Fluency

24%

8. "The New World of Talent Mobility: Flexibility Rules" by Josh Bersin. Retrieved from [avature.net](#).

# Talent Solutions

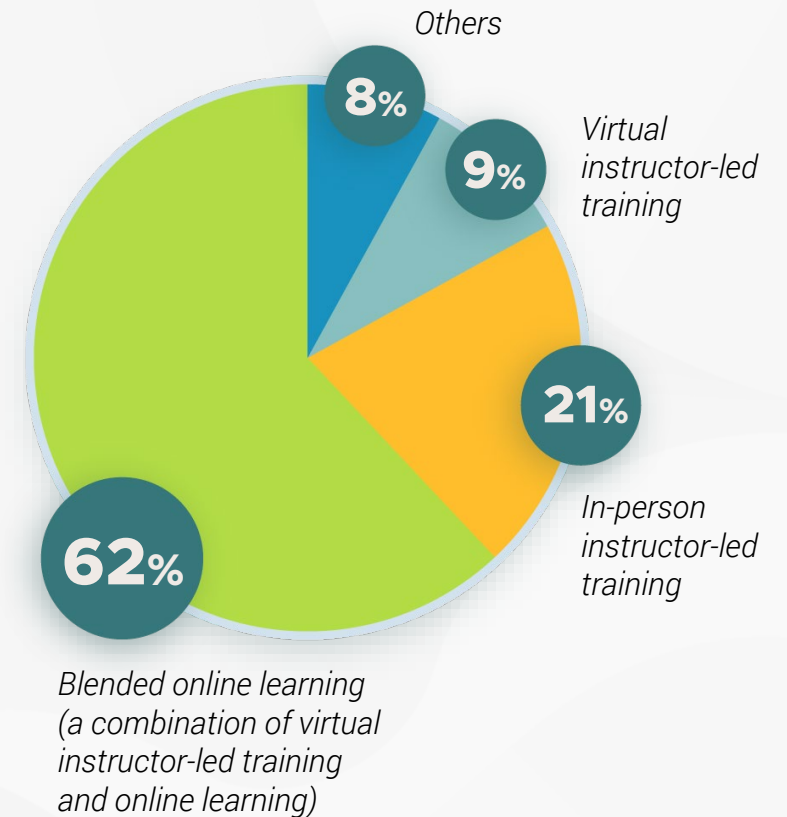
## What do you think would be the most effective learning method for employees in your organization for the next 3 years?

The ongoing coronavirus pandemic has changed the way we do business, including how organizations keep their workforce updated through learning. After two years of working from home and having to adapt to new ways of communicating with each other and functioning as an organization, corporate employees in Indonesia are starting to see the benefits of using technology to conduct business<sup>9</sup>. It would be no surprise then if employees also preferred to learn something new virtually, instead of learning in an in-person environment.

Results from our survey show that most respondents consider a form of blended online learning to be the most effective learning method for employees (62%), as opposed to in-person instructor-led training, with only 21% of respondents considering this to be effective. Blended Online Learning is a type of online learning that combines virtual instructor-led training with online learning. These results seem to indicate that respondents would much prefer their learning be set in a virtual environment, but also have it led by an instructor to direct their learning. Before the

pandemic, training of employees required them to physically show up at a certain time and place. Now, though, as people are forced to use technology for various activities, virtual learning has become a cornerstone for organizations to implement their training<sup>10 11</sup>.

HR departments in organizations should consider these online training activities for further use especially for the next three years. As people are starting to adapt to the pandemic and cases starting to decline, there is a growing consideration from organizations to go back to in-person trainings. As such, the use of online learning is starting to decline as well. But seeing as how blended online learning has its benefits, HR departments should still consider using online learning for certain activities that don't necessitate physical attendance and consider how online learning can instead act as a way for employees to maintain the knowledge that they've learned. By doing this, organizations are ensured that employees understand and can implement these new skills into their everyday working activities.



9. "Pandemi Covid-19 Pacu Adaptasi Gunakan Teknologi Digital". Retrived from kominfo.go.id.

10. "Changes in the approach to employee development in organisations as a result of the COVID-19 pandemic". 2021. European Journal of Training and Development. Katarzyna Mikolajczyk.

11. "Employees' Work-Related Well-Being during COVID-19 Pandemic: An Integrated Perspective of Technology Acceptance Model and JD-R Theory". 2021. International Journal of Environmental Research and Public Health

# Digital Transformation

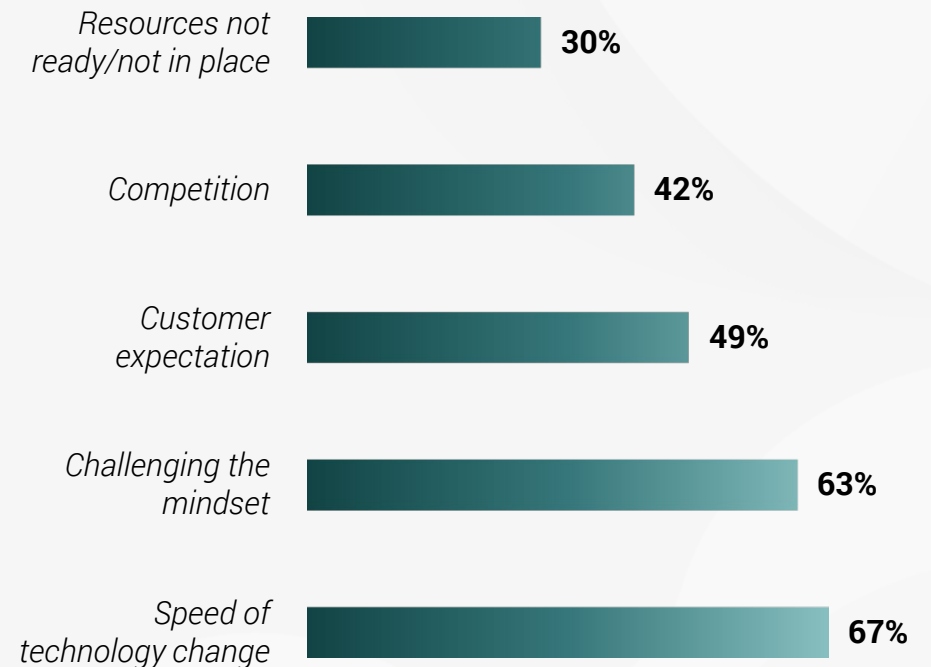


# Digital Transformation

## What are the top challenges faced by your organization in digital transformation?

All of us are aware that digital transformation is inevitable, and that the coronavirus pandemic has accelerated its pace and degree by several years. Because of this, people have become more reliant towards digital skills more than ever. However, digital transformation understandably brings its own set of new challenges for organizations and their leaders, which is why we asked our respondents what they considered to be a challenge in digital transformation.

Unsurprisingly, over half of our respondents said that **the speed with which technology changes overtime is considered the most challenging**. Other significant challenges include challenging the mindset, customer expectations, competition, and the fact that some organizations don't even have the resources or aren't ready to implement it within their organization. All these challenges relate to the fact that **technology is still a relatively new concept for people to grasp**, and the fact that **technology changes at a relatively fast speed causing some organizations to fail in keeping up with new technology**. This results in the **inability to incorporate technology into an organization's work environment**, thereby **resulting in people being left behind and unable to keep up with current, relevant technology**.



# Digital Transformation

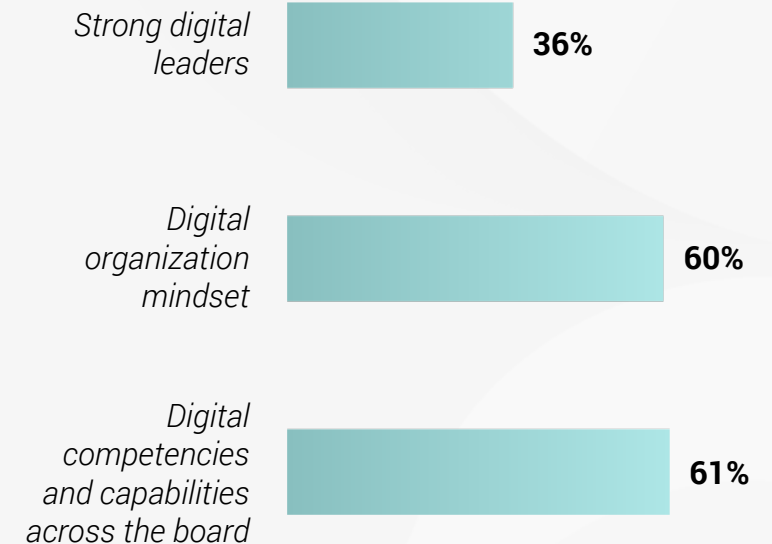
## What do you consider to be essential in ensuring a successful digital transformation in your organization?

So how can organizations adapt to the ever-developing concept that is technology? Technology advancement significantly impacted businesses around the globe, as there is an even greater pressure to meet customer expectations wherever they are. That is why we asked our respondents what they considered to be essential in ensuring a successful digital transformation within their organization, so that organizations all over may be able to fully develop their people to be ready in facing digital obstacles and eventually adapt to the digital era.

Unsurprisingly, our survey shows that 61% of respondents viewed digital competencies and capabilities within individuals as a must-have trait to ensure a successful digital transformation within their organization, followed by having a digital organization mindset (60%) and having strong digital leaders (36%) in place. This is no surprise because having an understanding and knowledge of digital tools is a basic “component” to being ready for the digital era, as well as having a digital-oriented mindset when conducting business within an organization. But because technology changes so quickly, and also because it is a relatively new concept, organizations

are finding it difficult to implement technology into their work system. As a result, they have difficulty adapting to the digital era and leaders are unequipped for a future where the business will most likely be more tech-based than ever.

Despite that being the case, it would still be wise for organizations to still consider applying technology to their work system and processes, and develop their leaders and workers with relevant technology as there are many benefits to using it. According to McKinsey, companies that implement technology into their work operate faster, decision-making is bolder, and these data-driven decisions are resulting in better and faster decisions<sup>12</sup>. So even though there are still quite a lot of challenges to overcome, organizations should start to consider how to digitally transform their company that works best specifically for them. Not only does this benefit the company, but it also benefits the people within the company to be better prepared for the digital era as the success of companies and businesses rely heavily on the people who work within. Therefore, it would be best for organizations to overcome their digital challenges and start having an open and digital mindset.



12. “How six companies are using technology and data to transform themselves”. Retrieved from mckinsey.com



# Digital Transformation

## What do you consider to be the most important digital skills for leaders in your company?

While organizations with a digital mindset will be able to utilize the shifts in digital technology advancement and push forward with various digital projects to streamline and enhance their business processes, it will be almost impossible to do it in a way that engages employees without strong and skilled digital leaders. That is why we asked our respondents what digital skills they consider to be most important for leaders to have.

Among the set of required skills for leaders that we had provided for them, our respondents listed down these digital skills in the following rank of importance:

1. Communication and collaboration
2. Information and information literacy
3. Creation of digital content
4. Security
5. Problem resolution

This list indicates that **respondents consider digital communication skills and digital information skills as two of the most important digital skills that leaders must-have**. As previously discussed, there is a need for a basic understanding of technology and a need for leaders to have the ability to utilize such technology for communication and collaboration.

These two skills are of the utmost importance because without a basic understanding of technology, organizations and their people would be unable to create digital content nor can they resolve digital problems and digital security issues. With information now mostly shared through the internet and/or social media, **organizations must be willing to learn these digital skills for the improvement and advancement of their company in the digital era**. There is also the issue of digital security, as our reliance on technology could pose a danger in the form of a leak of classified information and data to unrelated parties. Issues like this require the skill to resolve digital problems, which is why **digital transformation requires a digital organization mindset instilled in organizational leaders**.

A 2022 Global Digital Skills Index by Salesforce showed that across 19 countries surveyed, workers only scored 33 out of 100 points on the Digital Skills Readiness Index<sup>13</sup>. This indicates that most respondents felt unequipped and unprepared for the digital skills that they must learn for the digital era. Even though 65% of their respondents say that workplace digital skills are important for work success, the global readiness index shows that **there is still more development and training to be done for workers to be fully prepared for the digital era**. With these results in mind, current and future leaders must be aware of all areas of work relating to digital tools as these skills will become of much import in future business.

13. "Salesforce Launches Global Digital Skills Index: In-Depth Insights from 23,000 Workers". Retrieved from [salesforce.com](https://www.salesforce.com/resources/research-reports/global-digital-skills-index/).

# Communication





# Communication

## Where does communication from top to bottom of an organization breakdown?

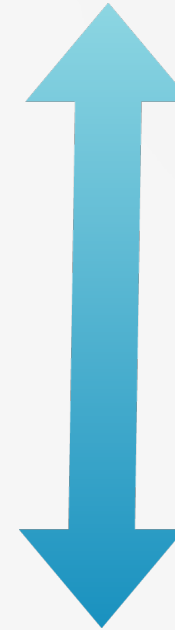
Previously, we mentioned that one of the things that leaders need to develop is their way of communicating. Besides leadership style, respondents believe that leaders fail due to poor communication. This is cause for concern because respondents also believe that effective communication is an important factor in achieving success. Because of this, we asked respondents where specifically communication breaks down in an organization in order to get to the core of the problem.

According to respondents, communication breakdown in their organization most often happens when C-suite leaders communicate with senior management. It also happens when senior management communicates with middle management and middle management to frontliners. Communication from front liners to customers and function-to-function were considered to have no significant problems with back-and-forth communication. Based on these results, **respondents**

seem to believe that communication breakdown often occurs between higher-level leaders.

This begs the question: what is a communication breakdown and why does it seem to happen between higher-level leaders? **Communication breakdown happens when there is a miscommunication, and/or a misunderstanding of what has been communicated.** When a communication breakdown happens, it means that the two concerned parties have failed in exchanging their messages to each other clearly. If this is the case, this means that **higher-level leaders are ineffectively exchanging information with each other, resulting in an unpredictable work environment, less effective collaboration, workplace conflict and low morale<sup>14</sup>.** If organization leaders are truly using ineffective communication styles, then it should be a priority for the human resource department to find out in what area specifically do leaders lack in communication skills. Fortunately, we also asked our respondents a very similar question.

Most Often



Least Often

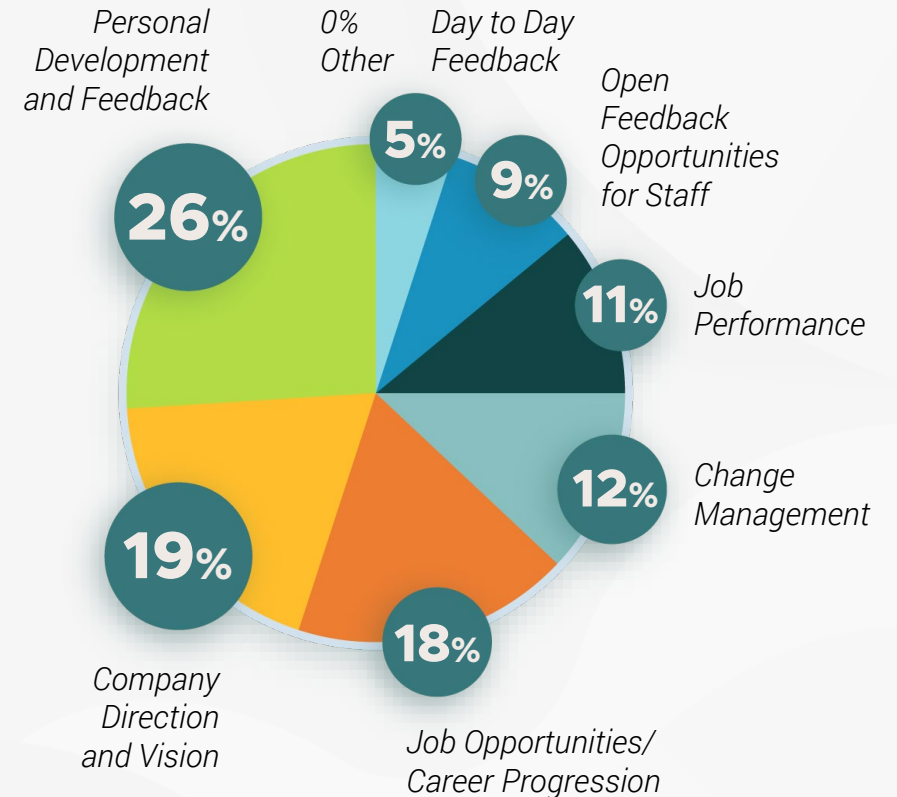
1. C-suite to senior management
2. Senior management to middle management
3. Middle management to frontline
4. Frontline to customer
5. Function to function

# Communication

## In what area does your organization need to communicate more effectively?

According to survey results, respondents felt that the organization needs to communicate more effectively when giving personal development and feedback, when giving company direction and vision, and when providing job opportunities and/or career progressions for employees. Apparently, these are not surprising results as Simplr.com stated that poor communication can be caused by poor leadership, unclear objectives, limited feedback, and demoralized employees<sup>14</sup>.

If these results apply to the current situation in organizations, then **companies need to take note of these results for the development of their people**. Poor communication may seem like a small problem that can easily be fixed, but a report shows that it can lead to great financial loss for companies if it is not remedied<sup>15</sup>.



14. "The Causes & Effects of Poor Communication in the Workplace". Retrieved from [simplr.com](https://www.simplr.com).

15. "The Cost of Poor Communications". Retrieved from [shrm.org](https://www.shrm.org).

# Communication

## How much does poor communication reduce productivity?

Besides financial loss, poor communication can significantly reduce the productivity of workers in organizations. Survey results show that nearly half of respondents (43%) believe that **poor communication reduces productivity in their organization by more than 40%**. This means that **workers tend to become less productive with their work when poor communication occurs**.

The link between communication and productivity level is that **poor communication may cause confusion among the workforce, which may later result in a decrease in productivity**. When workers understand the objective of their work, they become more active in working because they know where their efforts will lead to. But if work objectives are unclear—that is, working for work's sake—then workers become less motivated to do their work. **Not only does effective communication increase productivity, but it also usually has a positive impact**

**on employee performance** through increased morale among the workforce<sup>16</sup> and higher retention rates<sup>17</sup>.

Based on the results, **organizations should focus on developing leaders with lack of communication skills, specifically higher-level leaders starting from the C-suite level to the middle management level**. Firstly, organizations should examine whether their leaders have difficulty giving personal development and feedback. Secondly, organizations should examine whether their leaders are providing the workforce with adequate information regarding the company's direction and vision to the workforce. Finally, examine whether leaders within your certain organization are required to speak about job opportunities and/or career progression to their subordinates. By examining each and one of these areas, **organizations should provide them with communication training that will help the leaders communicate more effectively**.



## 6 in 10 respondents

said that poor communication reduces productivity in their organization by **more than 30%**.

With **4 out of 10 respondents**, they said that poor communication reduced productivity in their organization by **40% and more**.

16. "Good Communication Improves Employee Morale". Retrieved from [liveseysolar.com](https://liveseysolar.com).

17. "Workplace communication statistics (2021)". Retrieved from [pumble.com](https://pumble.com).

# Conclusion: Moving Forward

To conclude, here are the main findings from this year's survey results and what to do with them:



## Challenges, Concerns, and Outlook for 2022

Innovation and technology have been a constant challenge for companies, even more so during the pandemic.

Even though the organizational outlook is reaching towards optimism, companies still have concerns regarding their people's capabilities with their work.



## Strategic Execution and Decision Making

Organizations are looking to strategize by developing their people through productivity increase, leadership development and strengthening human resources management.

Technology is a huge factor in implementing these strategies.



## Leadership Capabilities

According to the results, many respondents feel that leaders fail because of their leadership style and poor communication skills, which the latter is evident when leaders fail to communicate the company's vision.

Respondents also said that for leaders to be successful in the digital era, they must develop skills and traits that allow them to easily adapt to changes, such as resilience and open-mindedness.



# Conclusion: Moving Forward



## Talent Solutions

Respondents feel that human resources should focus on leadership development the most to drive growth for the organization.

Respondents also feel that human resources should implement blended online learning for Learning and Development programs as they believe this is the most effective form of learning.



## Digital Transformation

Digital transformation is most challenging when technology changes too quickly for companies to keep up.

However, successful digital transformation can be achieved if leaders are equipped with digital skills that prepare them for whatever digital change comes their way.



## Communication

Communication breakdown most often happens between higher-level leaders. This can lead to a productivity decrease of more than 40%.

Organizations should focus on developing leaders' communication skills, especially in relation to personal feedback, company vision and job opportunities.

By publishing these results, we hope that companies across Indonesia can see what is expected of them for the rest of the year, and maybe even beyond this year. By taking these results to note, organizations should be able to become the best version of themselves and be ready to continuously adapt to uncertain futures.