

perple

- people performance pty ltd

perple statistics:

strategic inclusion statistics - why strategies (don't have to) fail.



strategic inclusion

open strategy and risk
(inclusion, transparency, and diversity)

strategic alignment
(people, purpose, and performance)

collated by john myers - founding director

perple - people performance pty ltd (perple)

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introduction:

At **perple**, our vision is to *openly enable a new inclusive global strategic paradigm*, where organisations and individuals embrace the optimal convergence of traditional, current, and future strategic thinking for sustainable success. The following *statistics* (strategic statistics) are a support resource for growth mindset leaders towards more inclusive, transparent, and diverse strategies that align people, purpose, and performance. It is designed to be a dynamic and collaborative resource that evolves over time.

The research demonstrates that:

1. Many organisations are failing to achieve all their strategic objectives.
2. The strategic risk of failure often stems from a lack of transparency, diversity, inclusion, and alignment.
3. Stakeholders are exerting growing pressure on organisations to realise both the proven economic and social benefits of inclusion and diversity.

The evidence demonstrates that incorporating inclusion through an open strategy, risk, and alignment approach, within both the strategy objectives and the strategic journey framework, increases the dual likelihood of sustainable success and shareholder satisfaction for organisations.

“The discipline of organisational strategy needs to keep pace with the changes in society and stakeholder expectations - and it all starts with inclusion.” John Myers, Founding Director of Perple.

Unfortunately, many organisations fail to recognise the foremost strategic risks within their own strategic journey framework - the very process they employ to analyse, plan, execute, and navigate strategy. By persisting with closed-door, top-down, exclusive planning, they risk falling into a relentless cycle. In such cases, individual leaders may experience the disorientating effects of *strategic vertigo* within the organisation, which, in extreme situations, may be veering towards strategic insanity. This entails expecting different outcomes from the same flawed processes, thereby perpetuating a futile and detrimental pattern.

At **perple**, we aim to actively address these strategic weaknesses, risks, and roadblocks, both within the strategic framework and across functional teams, to help guide the heroes of the organisational odysseys back on the path towards sustainable strategic success.

Absorb, discuss, share, engage and contribute

We have structured this support resource in alignment with our own values, to include people, align purpose, and collective performance. Please feel free to bookmark, download, save, absorb, share, and use the information to engage with the vision to *openly enable a new inclusive global strategic paradigm*.

To contribute: Send statistics/quotes including source links to statistics@perple.com.au for consideration.

To comment: See [LinkedIn Post - Perple Statistics Discussion](#).

outline:

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i. people

1. 5% of employees are aware of and/or understand their company's strategy. (Kaplan and Norton, 2005).
2. 27% of employees have access to their strategic plan. (Axton, 1999, as cited in DeLisi, 2003, p3).
3. 13% of employees strongly agree their leadership communicate effectively with the rest of the organisation. (Ratanjee, 2021).
4. 42% of managers have access to the strategic plan. (Axton, 1999, as cited in DeLisi, 2003, p3).
5. 61% of executives feel they are not prepared for the strategic challenges they face upon being appointed to senior leadership roles. (Carucci, 2017).
6. 60% of leaders think less than 20% of the workforce has at least a basic understanding of company strategy and can explain it. (Axton, 1999, as cited in DeLisi, 2003, p3).
7. 50-60% of executives fail within the first eighteen months of their promotion. (Carucci, 2017).
8. Only 9% of managers say they can rely on cross-functional colleagues all the time, and only 50% most of the time". (Sull, Homkes and Sull, 2015).
9. 20% of managers say their organizations do a good job of shifting people across units to support strategic priorities. (Sull, Homkes and Sull, 2015).
10. 39% of employees strongly believe that their managers understand their roles at the company. (Root Inc., 2013).
11. Both a systematic, business led approach and bold actions are needed to strengthen inclusion and diversity. (Dixon-Fyle, Hunt, Dolan, and Prince, 2020)
12. Companies with more diverse management teams have 19% higher revenues due to innovation. (Lorenzo, Voigt, Tsusaka, Krentz and Abouzahr, 2018)
13. Millennial and Gen Z, opinions on what diversity itself is, are quite diverse. (Deloitte, 2018).
14. Less than half of millennials and Gen Z, believe their leadership teams are diverse. (Deloitte 2018).
15. 69% percent of senior executives stated that strategic openness increased both the number and diversity of ideas. (Stadler, Hautz, Matzler and von Den Eichen, 2023)
16. 73% of senior executives state that opening up their strategy substantially facilitated strategic implementation. (Stadler, Hautz, Matzler and von Den Eichen, 2023)
17. The value of diverse thinking can increase innovation by 20% and reduce risks by 30%. (Bourke, 2021)
18. Nearly 40 percent of respondents have turned down or chosen not to pursue a job because of a perceived lack of inclusion at the organisation. (McKinsey, 2022)



ii. purpose

1. 22% of employees feel that leaders have a clear organisational direction (Ratanjee, 2021).
2. 40% of employees strongly feel their manager really understands their organization's strategy or goals. (Root Inc., 2013)
3. 43% of employees believe that they (not leaders) have the biggest impact on a company's culture. (Root Inc., 2013)
4. Less than one third of senior executives' direct reports clearly understand the connections between corporate priorities (Sull, Homkes and Sull, 2015).
5. Less than half of employees (41%) strongly agree they know what their organisation stands for. (Ratanjee, 2021)
6. 29% of employees could correctly choose their employer's strategy from among six choices. (Devinney, 2013)
7. Only 55% of middle managers can name even one of their company's top five priorities. (Sull, Homkes and Sull, 2015)
8. 61% of senior executives believe their organisations often struggle to align strategy with day-to-day implementation. (Economist, 2013)
9. 29% strongly agree their managers have the ability to make the company's mission relevant to their own roles and responsibilities. (Root Inc., 2013)
10. 48% of employees think their executives are committed to the company's vision. (Root Inc., 2013).
11. 40% of executives believe enterprise accountability and leadership are not aligned to strategy execution. (Gartner, 2021)
12. 67% of key functions are not aligned with business unit and corporate strategies. (Gartner, 2021).
13. 11% of managers believe that all their company's strategic priorities have the financial and human resources needed for success (Sull, Homkes and Sull, 2015)
14. Only 41% of senior executives believe their company provide the skilled personnel to implement high priority strategic initiatives. (Economist. 2013)
15. Only 18% of these senior executives believe the hiring of such people is a high priority. (Economist. 2013)
16. Only 11% of these senior executives believe developing skills amongst senior executive is a high priority. (Economist. 2013)
17. 48% of leaders spend less than one day a month on their organisation strategy. (Speculand, 2020).
18. 50% of executives believe that strategy implementation receives appropriate senior executive attention. (Economist, 2013)
19. 85% of leadership teams spend less than one hour per month on strategy, and 50% spend no time at all on strategy. (Kaplan and Norton, 2005)
20. 60% of organizations do not link their financial budgets to strategic priorities. (Kaplan and Norton, 2005)
21. In a recent study by Harvard Business Review, almost two-thirds of organisational leaders (65%) say diversity, equity, and inclusion (DEI) is a high strategic priority for their organisation. (HBRAS, 2021)
22. Of the estimated (86-87%) of organisations that utilise DE&I metrics at all, just over half of these organisations (52%) share DE&I metrics to the board / executive team. (HBRAS, 2021)



iii. performance

1. Only 2% of leaders are confident that they will achieve 80-100% of their strategic objectives. (Bridges, 2012)
2. 5% of organisations are achieving at least 90% of their strategic objectives. (Speculand, 2020).
3. 58% of organisations believe their performance management systems do not sufficiently monitor strategic performance. (Gartner 2021)
4. Organisations that successfully unlock strategic capacity to execute growth strategies increase profitability by 77%. (Gartner, 2021)
5. Closing the strategy-to-performance gap is an increase of performance from between 60% to 100% for most companies (Mankins and Steel, 2005)
6. Potential for value loss in a transformation occurs across the entire process from day one - Target setting – 22%, Planning 23%, Implementation 35% and post-implementation 20%. (Bucy, Schaninger, VanAkin and Weddle, 2021)
7. 7% of respondents believe their organisation are excellent at implementing strategy. (Speculand, 2020)
8. 50% of strategic implementations are failing. (Speculand, 2020)
9. 65% of companies are 'somewhat ineffective' or worse at introducing change caused by strategic initiatives. (Economist, 2013)
10. Almost 24% of leaders review the strategy implementation annually and 9% never. (Speculand, 2020)
11. 25% say measuring implementation is the toughest challenge. (Bridges Business Consulting, 2012)
12. 28% of organisations have an effective measurement system for tracking strategy implementation. (Speculand, 2020)
13. 33% of companies have no method at feeding back lessons from successful implementation to strategic planning. (Economist, 2013)
14. Less than 60% of companies tie incentive compensation to strategic plans. (Axton, 1999, as cited in DeLisi, 2003, p.3)
15. 70% of middle managers have compensation that is not linked to the corporate strategy. (Sull, Homkes and Sull, 2015)
16. More than 90% of front-line employees have compensation that is not linked to the corporate strategy. (Sull, Homkes and Sull, 2015)
17. Gender diverse companies are 25% more likely to outperform (1st vs 4th quartile) their non-diverse peers. (Dixon-Fyle, Hunt, Dolan, and Prince, 2020)
18. Executive teams with more than 30% women are more likely to outperform those with fewer or no women. (Dixon-Fyle, Hunt, Dolan, and Prince, 2020)
19. Strategic consulting in Australia, is part of the greater management consulting industry, which is characterised by market revenue of \$43.4 billion, profit of \$5.1 billion, and is a growing industry with 89,668 businesses, employing 158,000 people with \$11.5 billion in wages. (IBISWorld, 2022)
20. 71% of *DEI-leader* companies have accountability for DE&I at the CEO level. (HBRAS, 2021)
21. 67% of respondents say their organisation is, at best, *only somewhat successful* at creating a workplace that is diverse, equitable, and inclusive. (HBRAS, 2021)



iv. quotes

1. According to the Australia Institute of Company Directors (AICD) “Boards function best when they have a broad mix of skills, knowledge, experience and diversity.” (AICD, 2022, p.4)
2. The Chair of the Australian Securities, and Investment Corporation (ASIC) stated in a Governance Institute of Australia (GIA) paper, “that now is a watershed moment for companies to significantly improve their focus on non-financial risks.” (Shipton, 2019)
3. The Australian Prudential Regulatory Authority (APRA) recently stated it “will consider how it might strengthen consideration of inclusion and diversity across its regulated industries.” (APRA 2023)
4. John Davidson of the Financial Conduct Authority (FCA) stated an inclusive culture is “necessary to enable the benefits of diversity to flourish in thought and practice.” (Davidson, J. as cited in HBRAS, 2021)
5. “The truth is, significant change will not happen until organizations go beyond tick-the-box programs and invest the appropriate level of effort and resourcing in creating diverse and inclusive cultures.” (Bourke and Dillon, 2018)
6. Mary Wooldridge, CEO of the Workplace Gender Equality Agency (WGEA), stated “Ultimately, change requires a shift in mindset that puts gender equality as a core part of a business’s strategy and a top priority for CEOs and Boards.” (WGEA, 2022, p. 2)
7. “Leaders must drive DEI as a strategic priority, build real accountability into their programs, and communicate goals with frequency and transparency,” (HBRAS, 2021)
8. “Strategizing is not a rote procedure—it is a quest.” (Hamel, 1996)
9. “Companies must benefit all of their stakeholders, including shareholders, employees, customers and the communities in which they operate.” Larry Fink, CEO, BlackRock (as cited in Deloitte, 2018)
10. “Strategy is about making choices; it’s about deliberately choosing to be different.” (Porter, 1985)



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Perple Vision:

to openly enable a new inclusive global strategic paradigm.