

The Worldcom Confidence Index

An Annual Report On The Issues CEOs and CMOs Think Will Influence Business Success in 2018

The issues that will shape success in 2018 – and the confidence to address them



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Every day leaders of organizations of all sizes make decisions. They do that against the backdrop of small changes in their own business and seismic shifts on a global level. As communications experts, we advise clients about how to respond to these changes and meet the ever-changing expectations of their various audiences. We decided to uncover which issues and audiences will have the most influence over success in the year ahead. And, we wanted to see how confident leaders are in addressing those issues.

Because every business decision triggers a communications action and, because every communications action can trigger a business reaction, we decided to capture responses from both CEOs and CMOs – and see if there were any differences.

We've looked at the results from many perspectives. We wanted to identify if there were different views between leaders of a different role, age, gender, size of business, geographic presence and where the business is headquartered.

We believe we have uncovered interesting insights about the way people think and,

where leaders plan to focus their attention. These are summarized in the table opposite. They are also addressed in more detail in **Worldcom's Recommendations to Increase the Probability of Success** on page 48. The recommendations focus on people and threats as we believe these need the most attention.

The insights should prove to be very helpful for business and communications planning. We believe they will be useful for all types and sizes of organization. However, because of the global nature of our study, we think they will be particularly helpful for those with multinational or global operations.

Is confidence shaped by the business, or do confidence levels shape the business?

Some results confirm what you might expect. Others uncover interesting differences – particularly when it comes to levels of confidence - between leaders of a different role, age, gender, size of business, geographic presence and where the business is headquartered. As a result, in addition to highlighting key issues and trends, we have created the **Worldcom Confidence Index**.

This ranks the confidence level of respondents across 18 demographic categories. The

The issues that will influence success in 2018

- **2018 - The Year of the Employee** - Attracting, retaining and energizing employees will be the battleground for all organizations
- **Customer remains king**, especially for older leaders and 'local' companies. Creating a compelling Purpose that explains the value delivered to customers will be essential
- **Cyber crime seen as a major threat to plans.** Companies should reduce their risk exposure by 'nudging' employees to adopt safer behavior
- **Global instability, the threat of war**, energy costs and extreme weather are all firmly **on the leadership radar**
- **Influencers are in decline.** 'Fake news' may be hurting the media and the communication style of political leaders has a mixed impact
- **Changes in government and legislation are seen as the biggest threat to plans** BUT these audiences are not seen as a top priority. It may be time to reassess priorities
- **The 'mid-market squeeze' is alive and kicking.** Midsize and National organizations may need to focus on differentiation
- **Views on the drivers of growth may be too predictable** - and therefore a potential source of risk. It may be time to check what will influence your success
- **Size, age and HQ location all influence the confidence levels** of business leaders. Another potential source of risk

average confidence level across demographic categories is **25.3** out of a possible 100.

It seems that size and age have an impact on confidence levels. But where you're headquartered seems to matter most. The charts opposite highlight the top and bottom five in the confidence league. Organizations headquartered in America come top of the **Index** with a score of **34.9** – almost 10 points above the average.

Organizations headquartered in Asia rank bottom of the Index with a score of **19.1** – a delta of 15.8 points. The largest companies are second in the **Index** with a score of **30.7**. The smallest companies have the third lowest score at **20.2** – a delta of **10.5**. Leaders who are under 35 years old are fourth in the **Index** with a score of **29**. This is **8.9** points higher than leaders who are older than 45, who had the second lowest score in the Index at **20.1**.

The **Worldcom Confidence Index** also ranks confidence across 18 issues categories that address the ability to achieve important outcomes, confidence in key resources and, confidence in technological issues. The average confidence level across all issues categories is **25.3** out of a possible 100. Again, levels of confidence vary by demographics.

The report also uncovers some contradictions/ inconsistencies in leadership thinking. For example, while leaders see their ability to

satisfy customers as the #1 source of optimism, and are moderately confident about their ability to increase productivity by energizing and engaging employees (#6 on the Confidence Index but only **0.9** points above average), they have very low confidence in their ability to attract and retain the best talent. As engaged employees are fundamental to delivering a great customer experience, there has to be a question mark over whether their confidence in the ability to satisfy customers is not misplaced if they will struggle to retain their best talent.

In fact, the top three threats to achieving an organization's plans put employees and their behavior center stage.

This is the reason that we believe **2018 will be the Year of the Employee**. What organizations do to attract, retain and energize employees is likely to define their success.

We hope the insight this Report provides will help your decision-making and enable you to focus your communications effort where it will deliver the most value. To assist you and your team, we have developed **11 Recommendations to Increase the Probability of Success**. These are a direct consequence of what our Study uncovered, and we hope you find them valuable.



Confidence by demographics - Top 5

American HQ	34.9
Companies 1000+	30.7
Companies 500-1000	30.5
Under 35s	29.0
CEOs	28.3
Average	25.3

Confidence by Issue - Top 5

The ability to satisfy customers	31.3
The people and skills to achieve objectives	27.7
The ability to outperform competitors	27.4
Access to the latest technology	26.9
The ability to innovate with latest technology	26.4
The ability to improve productivity by energizing and engaging employees	26.4
Average	25.3

Confidence by demographics - Bottom 5

Asia Headquarters location	19.1
Over 45s	20.1
Companies 10-100	20.2
National (single county)	21.1
CMOs/CCOs	21.5
Average	25.3

Confidence by Issue - Bottom 5

The ability to be protected against cyber crime	22.2
The ability to attract the best talent	23.0
The technology resources to achieve objectives	23.3
The ability to keep the best talent	23.8
The financial resources to achieve objectives	23.9
Average	25.3

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PART 1 ISSUES THAT DEMAND ATTENTION IN 2018

43%

more leaders in 2018 will make employees #1 audience

34%

of leaders see lack of available talent as the biggest threat to plans

#1 threat

to achieving plans are government and legislative change



A BATTLE FOR TALENT, and CONCERNS OVER THREATS TO PLANS will make 2018 THE YEAR OF THE EMPLOYEE

Business leaders planning to increase focus on attracting, retaining and energizing employees in 2018

The responses from business leaders show that a battle for talent, and concerns over threats to plans, will make 2018 the ‘Year of the Employee.

Employees are the only audience that will receive more attention in 2018 than 2017. In 2017, 14% of leaders gave employees the most attention – one third the level of customers and only 1% above shareholders. In 2018, this will leap to 20%. This is now half the level of customers and almost double the level for shareholders.

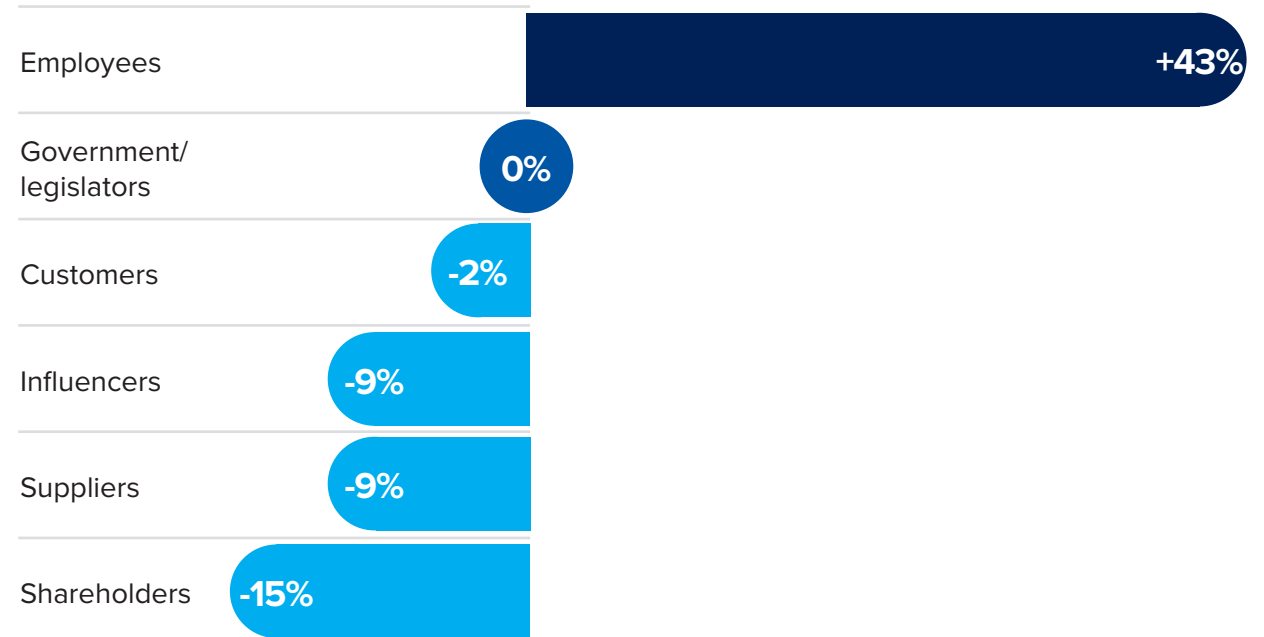
This heightened focus on employees seems to be driven by the leaders’ top three threats to achieving their organization’s plans. The first threat is government or legislative changes; the second is the lack of available talent and, the third is cyber crime. All three put employees and their behavior center stage because of the role of employees in ensuring compliance with regulations and with essential cyber protection practices. [The Facebook/Cambridge Analytica scandal](#) has created increased concern over data protection and data privacy. [GDPR](#) – which affects any company communicating with an EU citizen – is a good example of a legislative change that requires employees to change their behavior. The penalties for non-compliance are existence-threatening for businesses.

Organized cyber crime is also existence threatening. Employees are seen as the [weakest link](#) in cyber defenses – it takes just one employee clicking on a phishing link to open the door to cyber criminals.

CHART #1

Which audiences will receive the most attention? Percentage change since 2017

Priority Rank #1





Concerns about talent pool increases focus on attracting, retaining and energizing employees

When we reviewed the survey results, the reasons behind this increased focus on employees became clearer. The answers show that organizations expect a battle to attract and retain the best talent. In fact, when we asked about sources of optimism, the available talent pool received the second lowest score at just 6%.

And, when we looked at confidence levels for attracting talent, it produced the second lowest confidence score at **23*** (#17 on the Index) – just ahead of the ability to protect against cyber crime. The ability to keep the best talent produced a confidence score just 0.8 points and two places higher at **23.8** (#15 on the Index). In contrast, the ability to satisfy customers produced the highest confidence score at **31.3**.

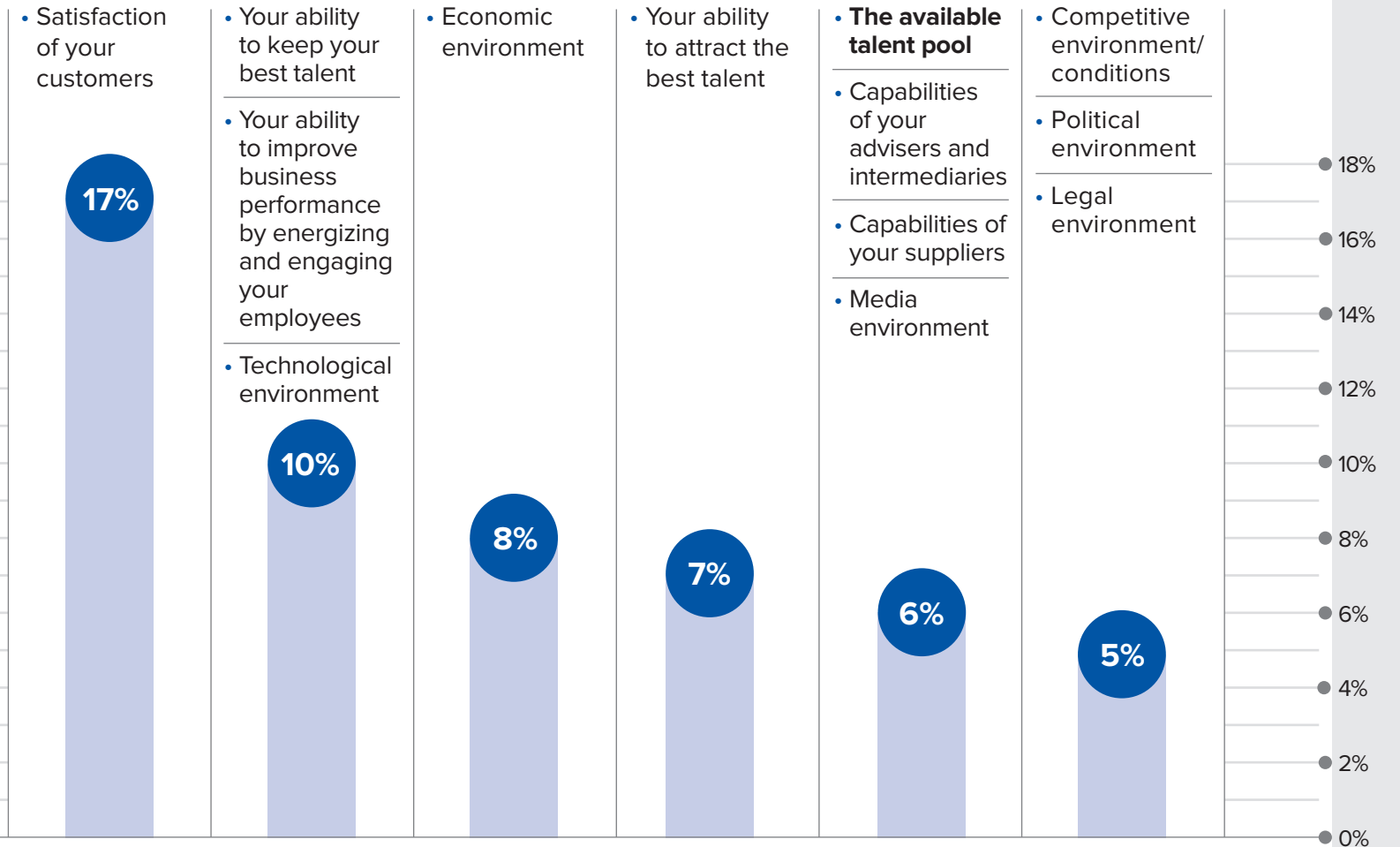
The difference in confidence between attracting and keeping the best people, and satisfying customers (the #1 source of optimism), may highlight a need for leaders to reassess the contribution by their employees to customer satisfaction. It also highlights the need for leaders to check the engagement levels of their employees so that they can be certain that customers will receive a good experience.

*Please see the chart on page 27 for Confidence Index scores

CHART #3

Which of the following is the biggest source of optimism for you today?

Ranking #1





#1 influence on success? The ability to attract the best talent

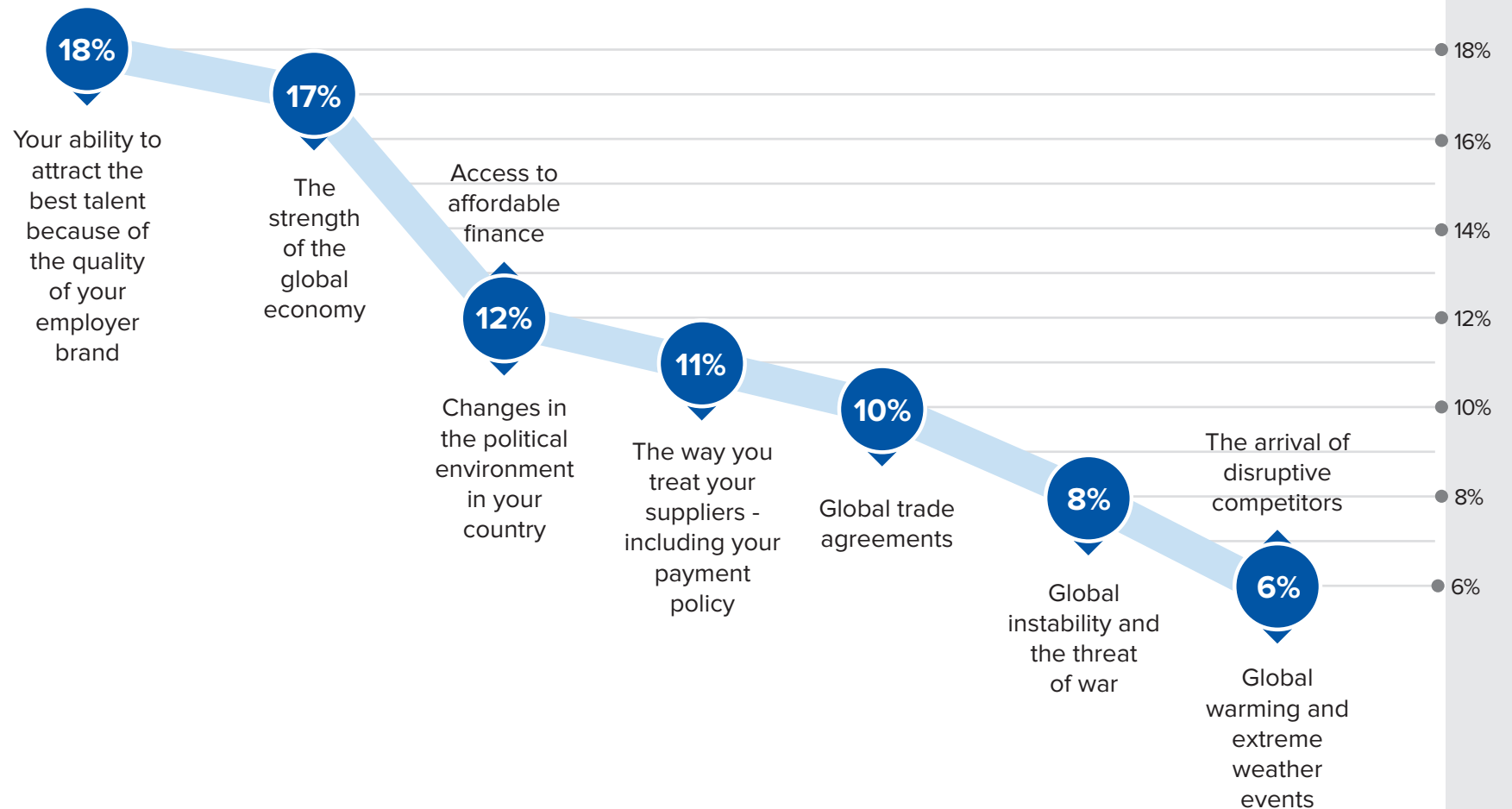
This is a huge shift and a clear signal that leaders see employees as being a vital ingredient for success. In fact, attracting good people ranked highest as the criteria that will have the most influence on success in 2018 – just ahead of the global economy.

It was three times higher than disruptive competition, which declined to almost half its 2017 score.

CHART #2

Which of the following topics do you think will have the most influence on your success in the next 12 months?

Highest Influence: – Rank #1



Making employee engagement a key part of business strategy

If it's hard to attract great people, it makes sense to focus more energy on making the ones you have more productive. It also makes sense to give people more reasons to stay loyal. The Employee Engagement Alliance – the global membership organization focused on the practice of employee engagement – has a wealth of proof about the organizational and business value of employee engagement.

The responses to our study show there will be an increasing focus by leaders on engaging and energizing employees to make them more productive, and to foster collaboration to unlock innovation.

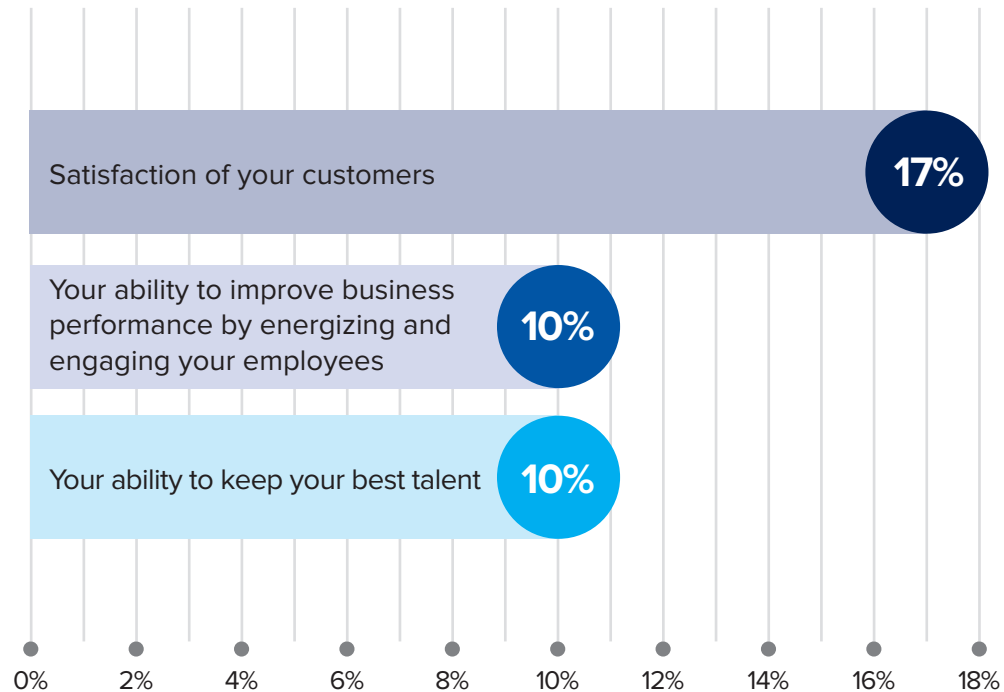
The ability to increase productivity by engaging employees produced the fifth highest confidence score at **26.4** (see *Confidence Index section*). It was also the second highest source of optimism.

It shows that the traditional roles of internal communication and HR will need to adapt to these new challenges to unlock the true potential of employees.

CHART #4

Top 3 sources of optimism today

Ranking #1



When asked about confidence in technology issues, the ability to innovate ranked highest for technology with a confidence score of 26.4 (and fifth overall). If organizations involve employees to unlock their innovation potential, there could be some impressive results. For example, Employee Engagement Awards Winner, Sanofi Pasteur, runs an employee engagement and innovation program that has delivered extraordinary results in their Vaccines division. **Celine Schillinger**, Head of Quality, Innovation and Engagement at Sanofi Pasteur, explains:

“Ideas and actions from our employees transformed the performance of our vaccines manufacturing division. For example, employees changed the way samples are labeled which saved over 1000 work hours a year at one site alone. Other employees have simplified documents or improved the use of raw materials, saving precious resources to help us better achieve our mission.”

Different approaches to the same talent challenge

The Worldcom study shows that employees are going to be a major focus of leadership attention. But will all types of organization and leader approach the challenge in the same way? We look at this in more detail in later sections. But, here are a few key statistics to show that it is well worth reviewing your approach to employees, and employee engagement so that you aren't at a competitive disadvantage.

For example, when it comes to giving most attention to employees in 2018:

- Midsize organizations (23%) top the organization size league table.
- 60% more leaders aged 35 to 44 (24%) than over 45s, will make employees their #1 focus.
- Global and Local organizations (24%) share the same desire to put employees first.

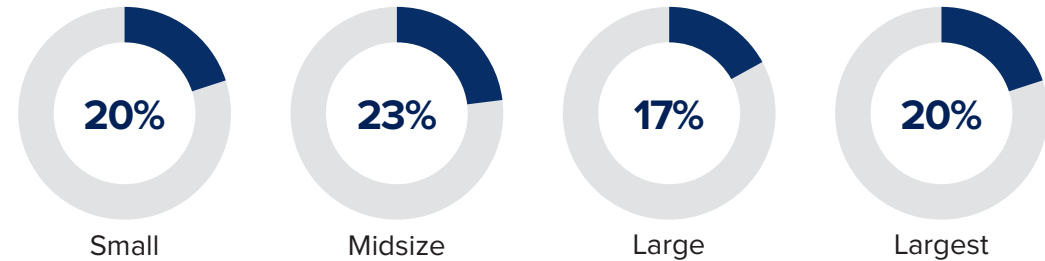
Confidence in the ability to both attract and keep the best talent declines as leaders get older. In fact, more than double the number of under 35s than over 45s are confident in their ability to attract the best talent. If age matters when attracting talent, then size does too. Double the number of Large companies than Small are confident in their ability to attract the best talent.

CHART #5

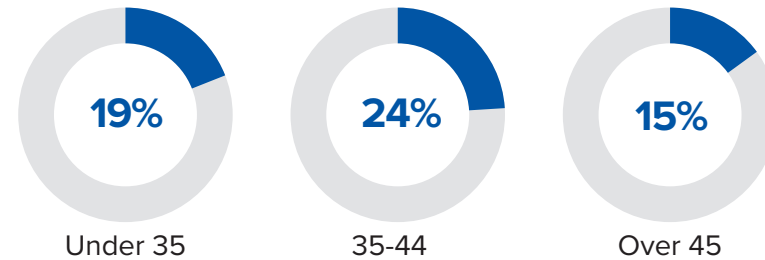
Planning to give employees the most attention in the next 12 months

Ranking #1

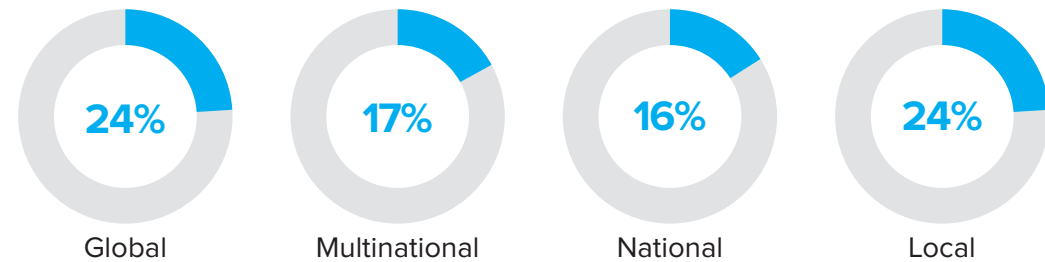
By Business Size



By Age



By Geographic Presence



The benefits of unlocking employee innovation

In the UK, Waitrose, one of the largest supermarket retailers, used ‘bottom-up’ ideas from employees to save £800,000 in the first year. This included one idea to change the layout of cash register receipts which saved £168,000! **Stuart Eames**, Operational Improvement Manager at Waitrose, explains the benefit of unlocking employee innovation:

“It’s people on the front-line who really understand customers and who can spot those little improvements that can make a big difference. If line managers are able to make the company ‘Purpose’ mean something to every employee, then you’ll unlock their innovation. The collective power of small improvements can really transform results.”



The quality of your employer brand could define your ability to attract talent

The ability to attract the best talent, because of the quality of an organization’s employer brand, ranks #1 for having the most influence on success in 2018.

Global brands like Google have made significant investments in building their employer brand. And it seems that Small companies may feel at a disadvantage as a result. In fact, 71% more Small organizations than Large think the ability to attract talent because of the quality of their employer brand will have the most influence on their success in 2018.

Ruth Dance, Managing Director of the Employee Engagement Alliance, thinks a focus on building an employer brand, underpinned by a clear Purpose and strong values, could pay dividends for small companies.

“It’s very easy for small companies to believe they can’t compete at an employer brand level because they can’t offer the same working environment or benefits as Google or Apple. However, our work with our members shows that, while these tangible factors matter, intangible factors, such as Purpose and Values, matter more.”

It’s often said that people don’t leave a company, they leave a manager. So, my advice is for smaller organizations to focus on developing a Purpose that inspires, and then ensuring that every manager brings this Purpose to life for each employee through the way they behave, and the coaching and care they give to their team.”

Customer remains king especially for older leaders and 'local' companies

As reported above, Customers will remain the number one audience in 2018, with 41% of organizations planning to give them the most attention. This represents a slight fall since 2017.

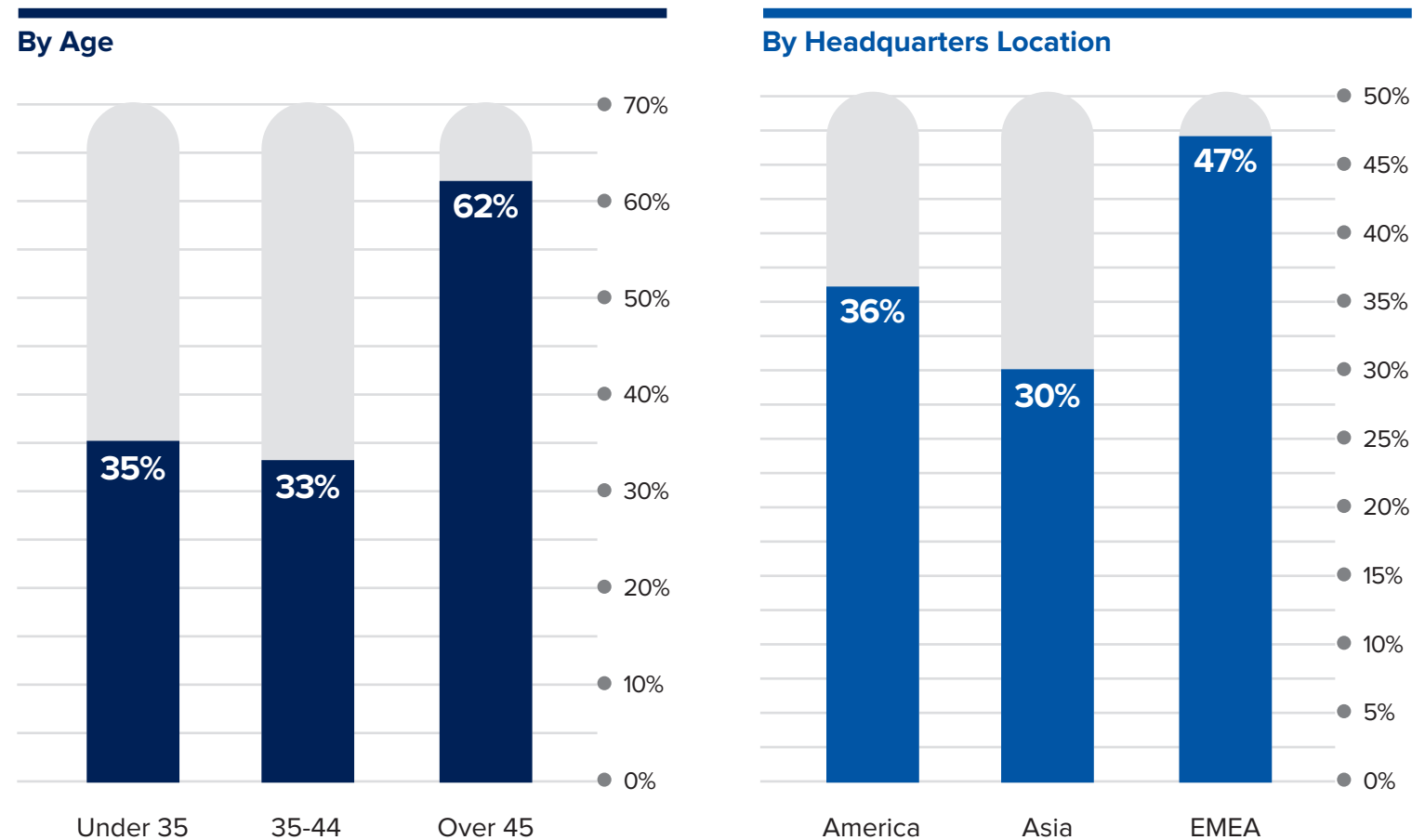
However, as with employees, there are significant differences between the demographic categories when it comes to customer focus. Older leaders are the most customer-centric, with 62% of over 45s planning to give customers the most attention. This is almost twice as many as younger leaders (33% 35-44 and 35% under 35).

Organizations with an HQ in EMEA top the customer focus chart. Almost half, (47%) will focus most on customers – about 60% more than Asia (30%) and 31% more than America (36%).

CHART #6

Planning to give customers the most attention in the next 12 months

Customers – Rank #1





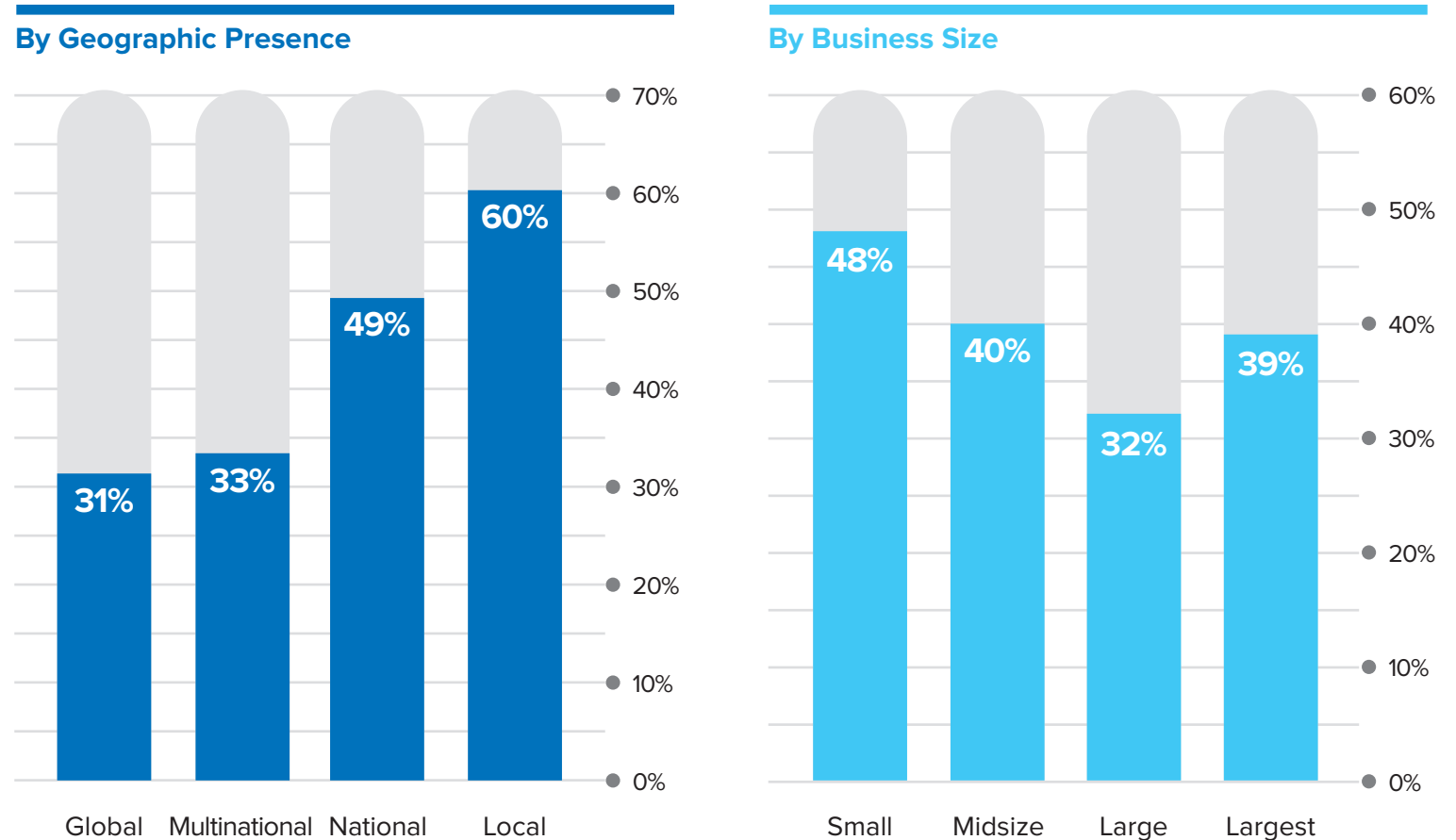
These differences in priority are even more marked between organizations with different geographic presence. Sixty percent of Local organizations will give customers the most attention, almost double the number of Global organizations. In fact, the number declines as the geographic presence increases.

Size matters too when it comes to customer attention. Almost half of Small organizations (48%) are planning to put customers first in 2018. This is 50% more than Large organizations.

CHART #7

Planning to give customers the most attention in the next 12 months

Customers – Rank #1



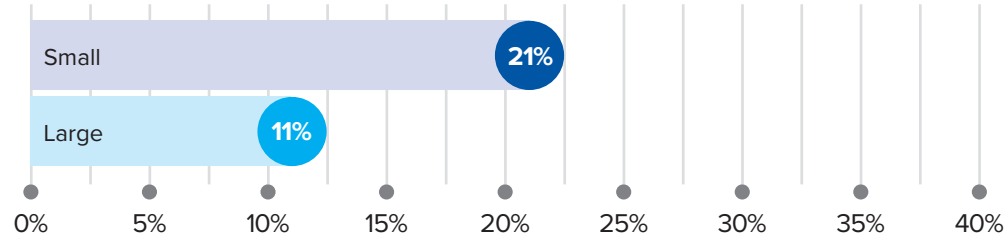
The ability to satisfy customers is the biggest source of optimism

Perhaps because of this higher customer focus, almost twice as many Small (21%) than Large organizations (11%) see customer satisfaction as their biggest source of optimism. However, this optimism is not matched by confidence in their ability to satisfy customers. 52% more Large than Small are confident they can keep customers satisfied.

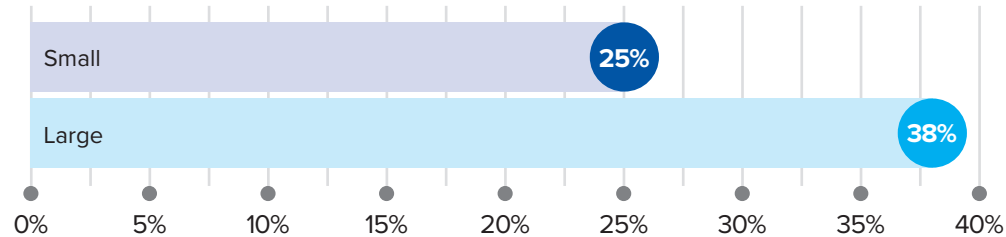
For all organizations, the ability to satisfy customers is the largest source of optimism. It produces almost three times the score for optimism in the available talent pool and two and a half times the score for optimism in the ability to attract the best talent.

CHART #8

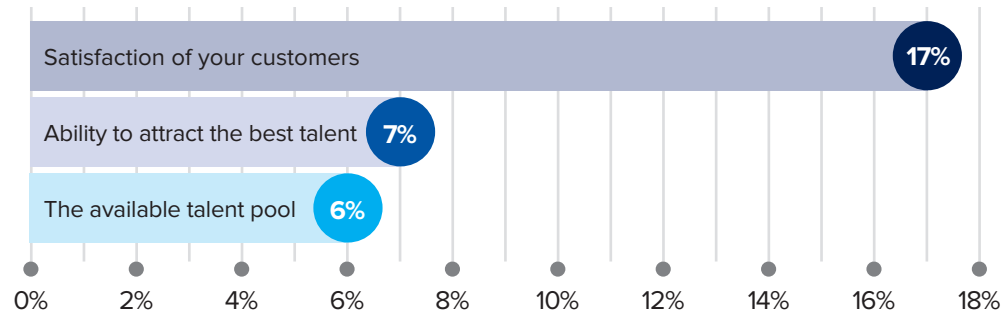
Small companies more optimistic about customer satisfaction than Large



Large companies more confident in ability to satisfy customers than Small



Optimism about employees much lower than customers



Delivering a great customer experience needs engaged employees

As this [article in Forbes](#) shows, to become a Customer Experience leader you need to focus first on employees. Our study shows this message seems to be getting across, as employees have become the clear second focus for organizations.

Aimee Lucas, Vice President and Customer Experience Transformist, at [Temkin Group](#), explains why organizations should focus on their employees if they want to deliver sustainable success:

“Our [annual Employee Engagement Benchmark Study](#) shows that, compared to disengaged employees, highly engaged employees deliver significant business value. They are almost five times more likely to recommend the company’s products and services, they are over four times more likely to do something that is good, yet unexpected, for the company, they are three times more likely to stay late at work if something needs to be done, and they are over five times more likely to recommend an improvement at the company.”



Cyber crime seen as a major threat to plans – particularly by large and global organizations



In 2017, there were massive hacks that have impacted organizations all over the world. So, perhaps it's no surprise that cyber crime ranked third, alongside the lack of available talent, as the biggest threat to achieving plans.

The Largest and Global organizations are most concerned about cyber crime. In fact, 70% more Largest and Large than Small companies, see this as the biggest threat to achieving their plans. And, 58% more Global than Local, see cyber crime as the biggest threat.

Younger managers seem more concerned than older leaders - with 17% more under 35s than over 45s seeing cyber crime as the biggest threat to achieving their goals. And, cyber crime seems to be on the radar of organizations headquartered in America. At least 50% more American companies than those in the other regions, see cyber crime as the biggest threat.

American leaders more confident they can be protected against cyber crime

This awareness of the threat seems to translate into confidence about protecting against it. Sixty percent more American companies than those in other regions are confident about their ability to be protected against cyber crime. Bearing in mind some of the more notable 'hacks' in America – such as Target – American organizations may want to check that this confidence is not misplaced.

Based on Cisco's research, we believe organizations of all sizes, may be under-estimating the risks to their future from organized and industrialized cyber crime. And, employees may be one of the main conduits used by cybercriminals. The FBI estimates business email breaches have cost companies US\$5.3B globally. As a result, one of our main recommendations is that all organizations invest in an internal communications program to encourage employees to adopt safer cybersecurity practices.

The Cisco 2017 Midyear Cybersecurity Report in July 2017 predicted new “Destruction of Service” attacks, and that the scale and impact of threats will continue to grow. **Steve Martino**, Vice President and Chief Information Security Officer, at Cisco, said:

“As recent incidents like WannaCry and Nyetya illustrate, our adversaries are becoming more and more creative in how they architect their attacks. While the majority of organizations took steps to improve security following a breach, businesses across industries are in a constant race against the attackers. Security effectiveness starts with closing the obvious gaps and making security a business priority.”



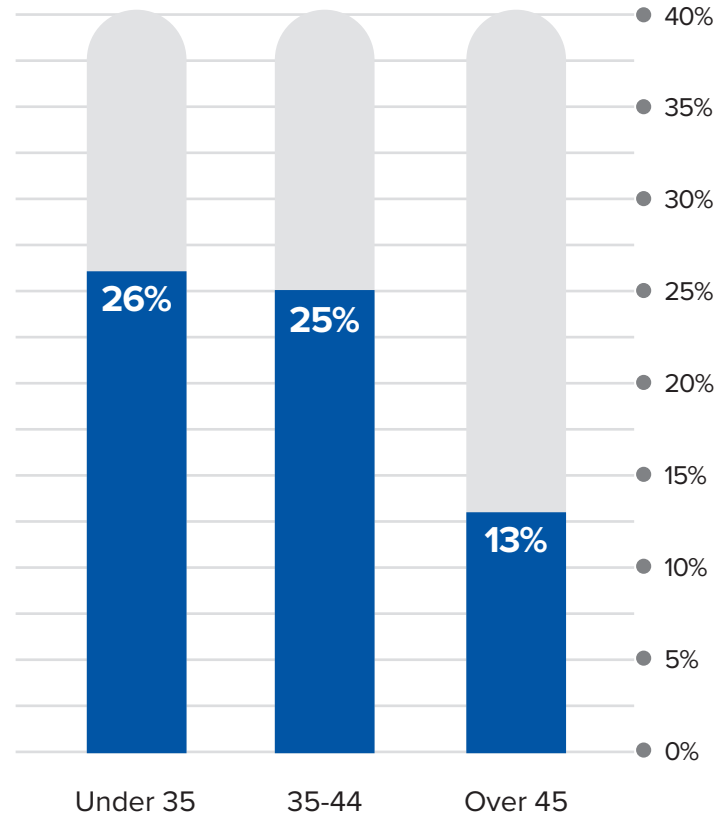
Is confidence in protecting against cyber crime misplaced?

Although fewer Small companies see cyber crime as the biggest threat, they are the least confident about their ability to be protected against cyber crime. In contrast, awareness about the threat translates into confidence in protecting against it for younger managers. Twice the number of leaders who are under 35 than those who are over 45 are confident about their ability to be protected against cyber crime.

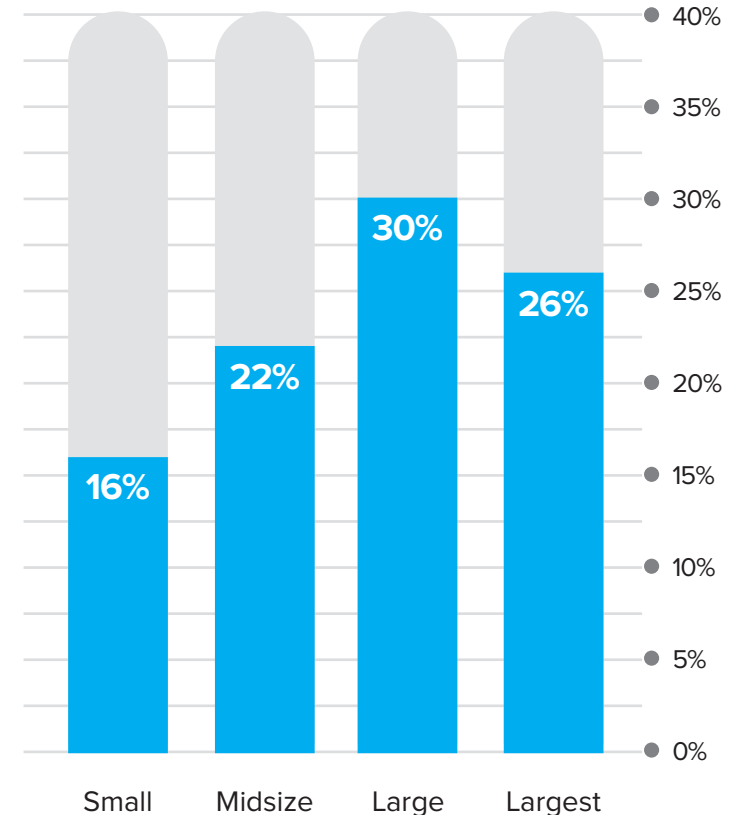
CHART #9

Extremely confident in ability to be protected against cyber crime

By Age



By Company Size

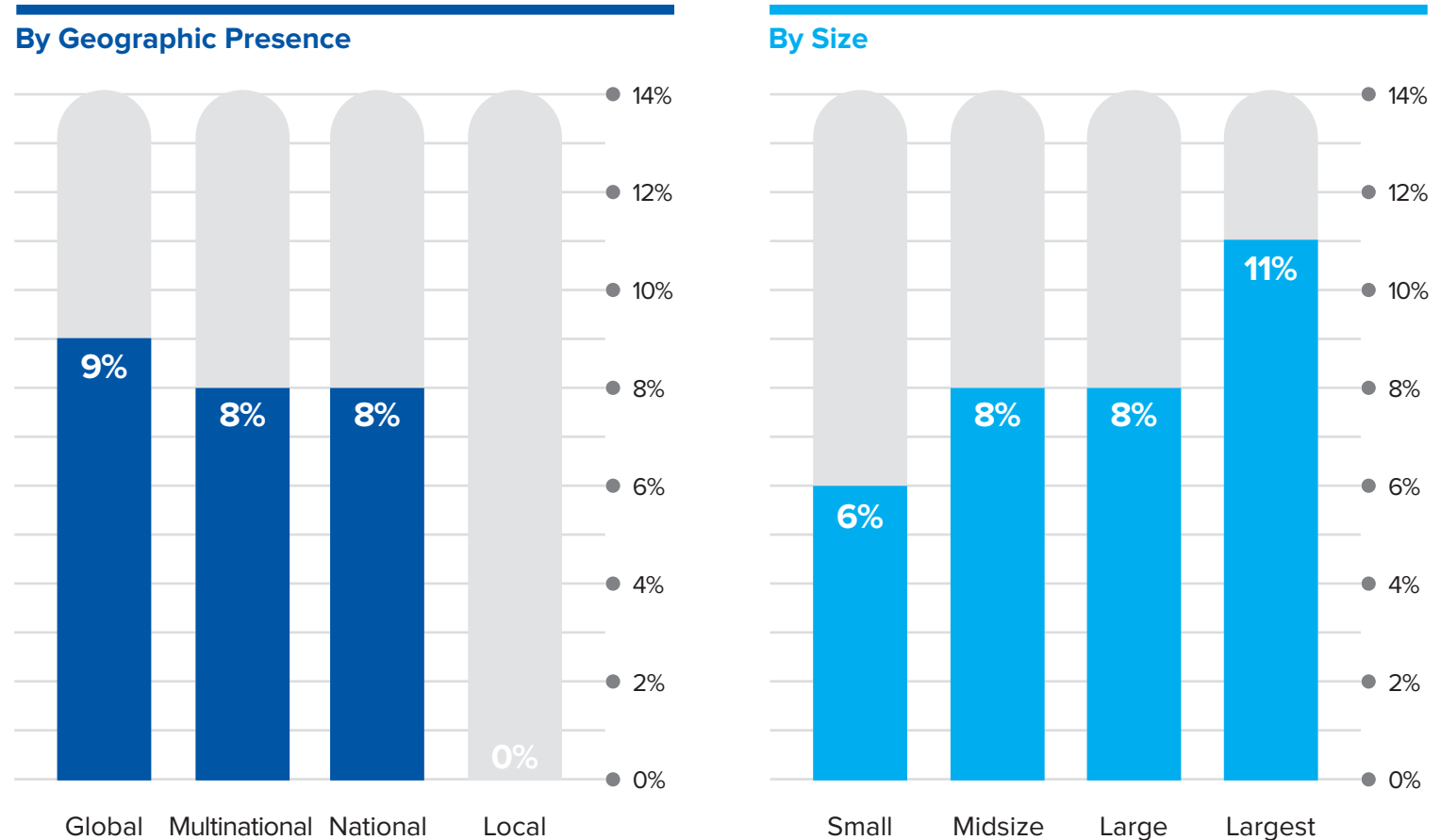


Global instability, the threat of war, energy costs and extreme weather firmly are on the leadership radar – particularly for large, global and American organizations

While macro issues such as the threat of war do not rank as highly, in terms of the influence on success as the ability to attract talent or the global economy, the scores are still significant. One in 12 respondents said global instability and the threat of war will have the most influence on their success in 2018.

Large global companies seem most concerned. Almost double the number of the Largest companies (11%) as Small (6%) ranked it as having the most influence on success. And the difference is even more marked between Global (9%) and Local (0%) of respondents who ranked this as #1 in terms of influence on success. About one in five of all age groups see global instability as the biggest threat to achieving their plans.

CHART #10 Global instability and the threat of war having the most influence on success





Energy costs create very different reactions

When asked what the biggest threat is to achieving plans, one leader in five (19%) said global instability. But 10% more (29%) said energy costs. The cost of energy is a factor that splits the categories. Large organizations, those headquartered in America, and those led by young leaders all see energy costs as a significant threat. Almost double the number (35%) of under 35s as over 45s (18%) see it as a threat to achieving their plans. Almost double the number (41%) of Large companies as Small (22%) see it as a threat to achieving their plans. And, at least double the number (44%) of American organizations as those headquartered in other regions (Asia 20% and EMEA 22%) see it as a threat to achieving their plans.



Extreme weather – an issue for global companies, young leaders and American organizations

One in 16 business leaders said extreme weather and global warming would have the most influence on their success.

Even though the USA has pulled out of the Paris Accord, the same number of American - as EMEA - headquartered organizations ranked extreme weather and global warming as having the most influence on their success. Over three times as many Global (10%) as Local (3%) companies ranked it #1 in terms of influence over success and, four times as many under 35s (8%) than over 45s (2%) did so.

The impact of extreme weather events such as the [California mudslides](#) and [Hurricane Harvey](#) are obviously devastating to those in their path. But as the cost of these events flow through the system, (Hurricane Harvey is estimated to have cost US\$125bn) it's clear that the implications for other organizations can be far-reaching. That's why we recommend that crisis and issues policies and procedures are regularly updated to take account of the impact of remote events too.

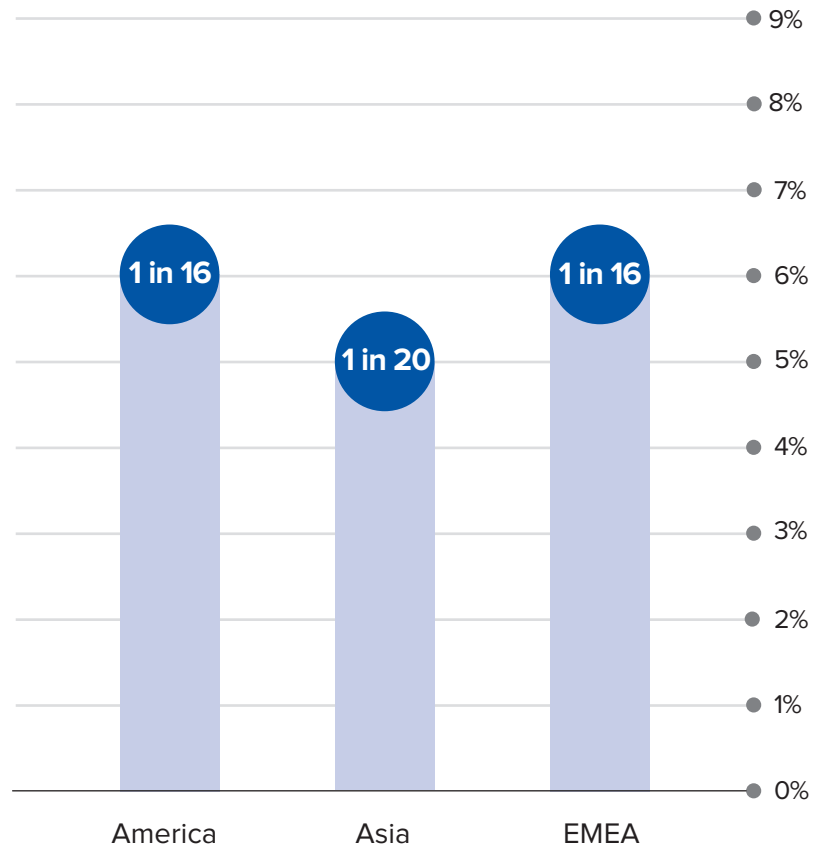


CHART #11

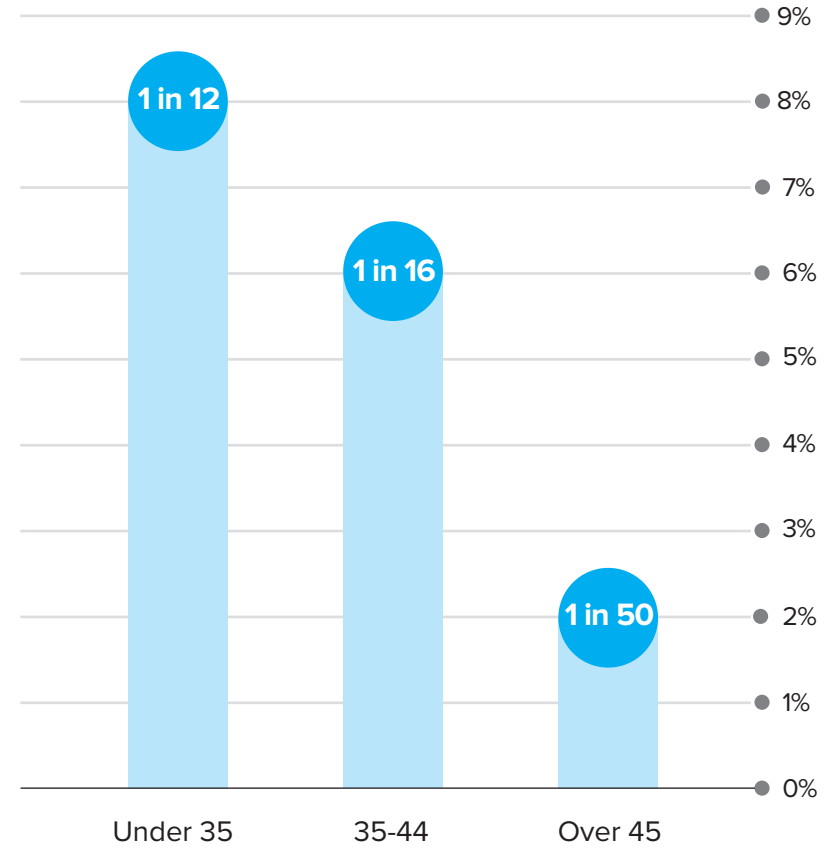
Thinking global warming and extreme weather will have the most influence on success in 2018

Global warming and extreme weather – Rank #1

By Headquarters location



By Age





Influencers in decline, ‘fake news’ may be hurting the media, and political leaders’ communication style gets a mixed reaction

Barack Obama may have brought social media into the political mainstream, but it was Donald Trump who kicked off a global trend for politicians to tweet their opinions on a daily, if not hourly, basis. The impact has been mixed in terms of the media, influencers and the reaction by business leaders to the communications approach of political leaders. Whether it’s a press announcement from Pyongyang, a late-night tweet from the White House or a Facebook post from Emmanuel Macron, organizations need to be ready for the reaction from all interested parties.



Large companies and those headquartered in America think the way political leaders communicate is positive, but older leaders, and those in small and local organizations are much less convinced

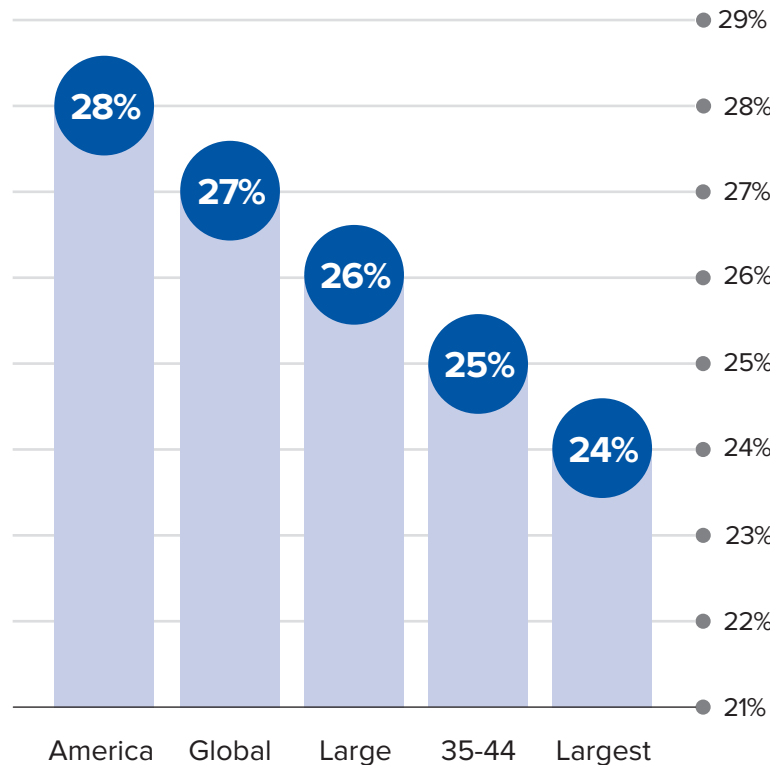
More than double the number of organizations from America (28%) than EMEA (13%) think the style of political leader communications has a positive impact. Older leaders are much less convinced about the positive impact. In fact, five times the number of 35 – 44s (25%) than over 45s (5%) think there is a positive impact. Larger companies seem to think they go down well – 2.4 times the number of Large (26%) than Small (11%) think they have a positive impact. There is a similar difference between Global and Local – with half the number of Local organizations (14%) believing the impact is positive.

The communications approach taken by political leaders has a positive impact on my optimism about my business and its growth potential in 2018

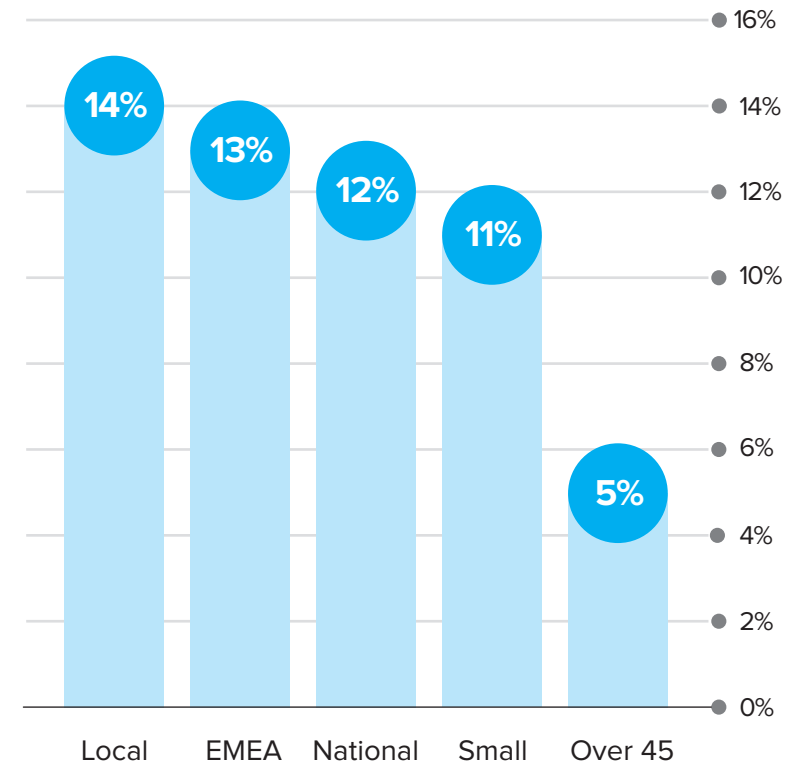
Rank #5 – Very positive impact

CHART #12

Top 5 Demographics



Lowest 5 Demographics





Has fake news undermined the media and influencers?

Although not a new term, fake news also became mainstream in the last 12 months. This [article from the UK's Guardian newspaper](#) shows how fake news can undermine trust and cause deeper rifts in society that can cause issues for any or every business. It seems that fake news may be having an impact on attitudes to the media and other influencers. In fact, Influencers was the audience two in five respondents (41%) are planning to give the least attention to in 2018.

Organizations headquartered in America seem to value influencers less than those in other regions. Almost twice as many organizations headquartered in Asia (13%) than America (7%) are planning to give most attention to influencers in 2018. Even fewer Local companies (3%) will give influencers most attention. In marked contrast, almost four times as many Global and Multinational organizations (11%) are planning to do so in 2018.

The Media environment is one of the lowest sources of optimism. In fact, one in eight respondents gave it the lowest ranking – surpassed only by the political environment. Leaders over the age of 45 seem much less positive about the media as a source of optimism than younger leaders. More than twice as many over 45s (18%) than 35-44s (8%) ranked it as the lowest source of optimism. EMEA is the least optimistic about the media with just 4% of respondents ranking it #1 as a source of optimism, compared to 10% for Asia.

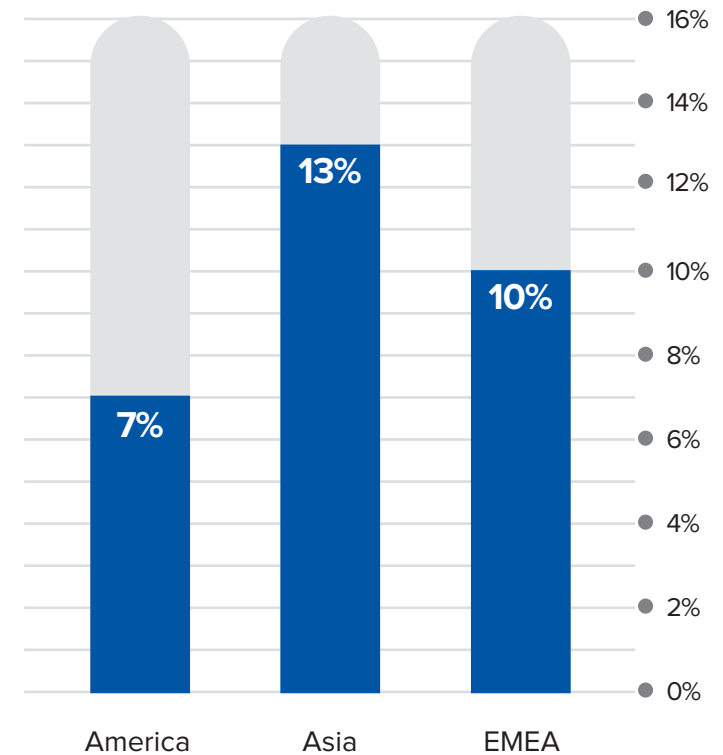
As trust in the media declines, and as audiences become more selective about where they source their information from, organizations will have to work harder to ensure that the truth about their organization, and the value it delivers, is communicated effectively.

Planning to give influencers the most attention in 2018

Influencers – Rank #1

CHART #13

By Headquarters location





Government and legislative changes seen as the biggest threat to plans, but these audiences not seen as a priority

With so many legislative changes on the horizon in 2018, such as Brexit, US travel bans and the [Global Data Protection Regulation \(GDPR\)](#), it's no surprise that Government/legislative changes were ranked as the biggest threat to plans.

However, in the light of this response, it is a little surprising that over a quarter of respondents (26%) gave government/legislators the lowest ranking when asked which audience they would give most

attention to in 2018. Older leaders seem most aware of these issues with 78% more over 45s (16%) than 35-45s (9%) thinking the political environment will have the most impact on success in 2018. Twice as many Local (17%) than Global (9%) organizations feel the same way. However, this awareness does not necessarily convert to action as 57% more under 35s than over 45s are planning to give most attention to government/legislators in 2018.

And, almost five times as many Multinationals as Local are planning to give most attention to government/legislators in 2018.

Whether you feel capable of influencing government policy or not, we recommend that organizations of all sizes carry out a risk assessment of the impact of legislative or political changes and, update their strategy accordingly.



The ‘mid-market squeeze’ is alive and kicking

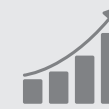
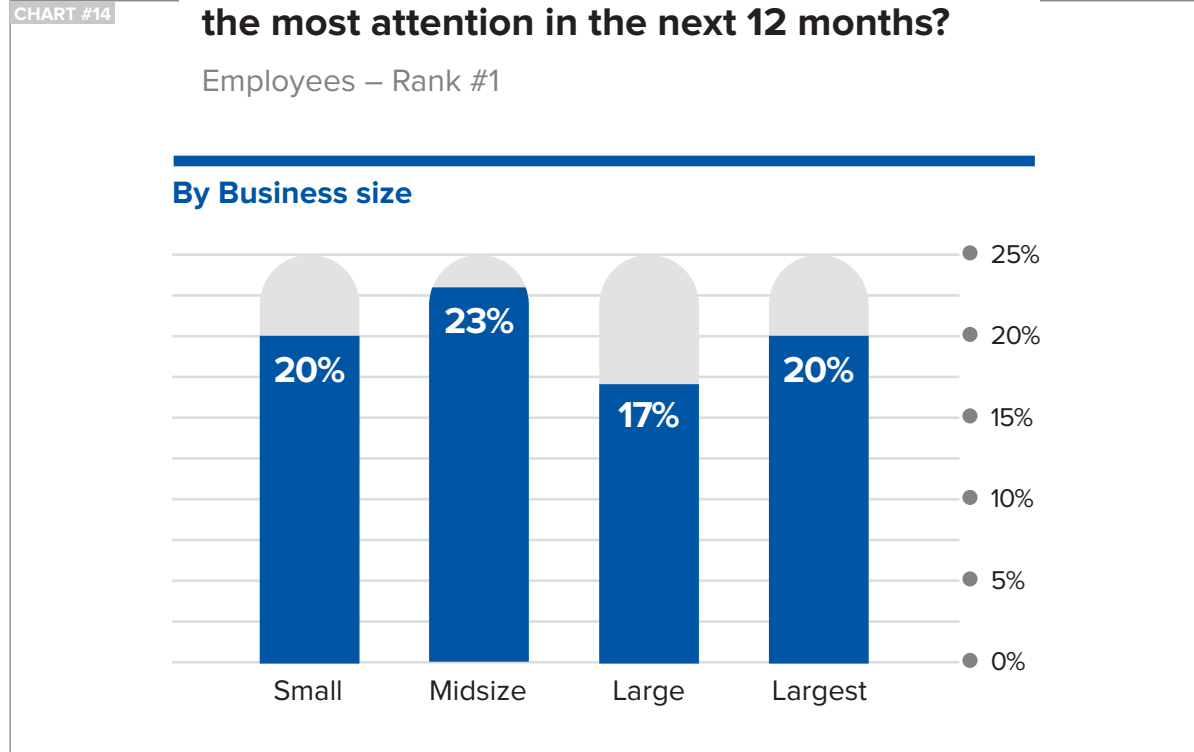
The results of this survey seem to lend support to the concept of the ‘mid-market squeeze’. The mid-size firms (101-250 employees) produce some interesting statistics which could indicate where they may need to concentrate effort, so they can compete effectively.

For example, Midsize are the least confident

about their ability to keep their best talent. Perhaps that’s why they are planning to give more attention to employees in 2018 than other organizations. As employees will be the main battleground in 2018, Midsize companies will need to work harder to establish a strong employer brand that demonstrates employees are fully involved in the business.

Half as many of Midsize (6%) than the Largest (12%) organizations are optimistic about the economic environment. They are also the least confident (along with Small) about their ability to protect the brand in the event of a crisis - with 40% more of the Largest (31%) organizations feeling confident they can do so. One of our key recommendations focuses on the need to ensure crisis policies and procedures can provide adequate protection.

Which of these audiences do you plan to give the most attention in the next 12 months?



Views on the drivers of growth may be too predictable

When asked which economy would have most impact on their business, organizations’ answers are predictable. The Largest think the global economy will have most impact on growth potential in 2018. Seventy-nine percent more of the Largest than Small organizations think so. Midsize think the economy of the Region will have most impact on growth potential in 2018. Almost half as many (44%) more Small than Midsize think the economy of the state/city will have most impact on growth potential in 2018.

Clearly all economic factors will be important, so organizations may want to take a broader global and local view in their planning – particularly in the light of likely changes to trade tariffs and the impact of Brexit on global trade.



PART 2

THE WORLDCOM CONFIDENCE INDEX

31.3

#1 issue on the Confidence Index
- The ability to satisfy customers

23 and 23.8

#17 and #15 On the Confidence Index
- The ability to attract the best talent and
keep the best talent

34.9

#1 demographic on the Confidence Index
- Organizations headquartered in America.
This is 15.8 points higher than last place
#18, organizations headquartered in Asia

How confidence changes by issue and by demographic

The results of our survey uncovered interesting differences in levels of confidence between leaders of a different role, age, gender, size of business, geographic presence and where the business is headquartered.

As a result, in addition to highlighting key issues and trends, we have created the **Worldcom Confidence Index**. The Index score is calculated by adding the percentages for the extremely confident ranking of each demographic and dividing by the number of demographic categories.

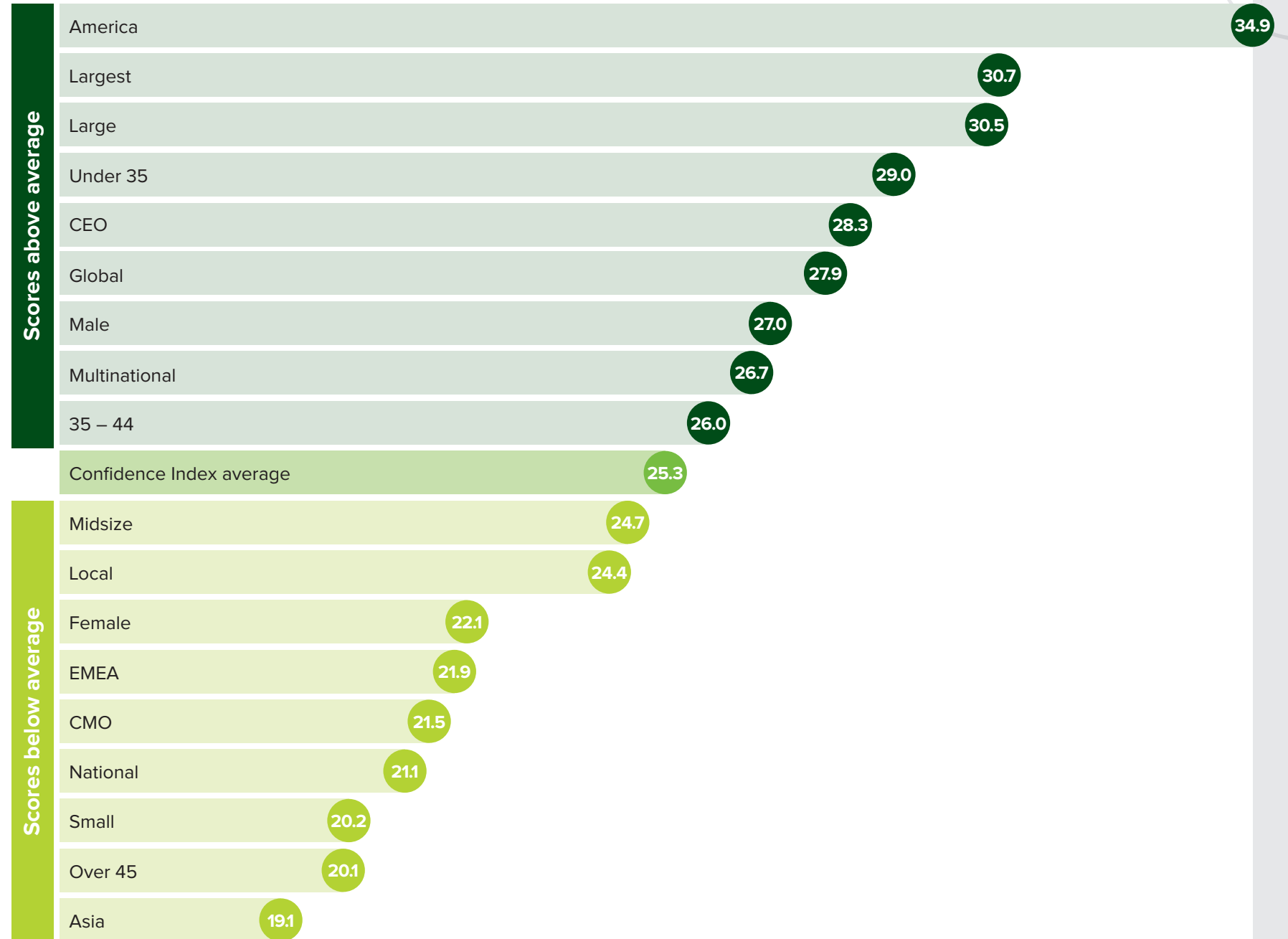
Worldcom Confidence Index by Issues

CHART #15



Worldcom Confidence Index by Demographics

CHART #16



The **Worldcom Confidence Index** rates the confidence level of respondents across 18 demographic categories. The average confidence level across demographic categories is **25.3** out of a possible 100.

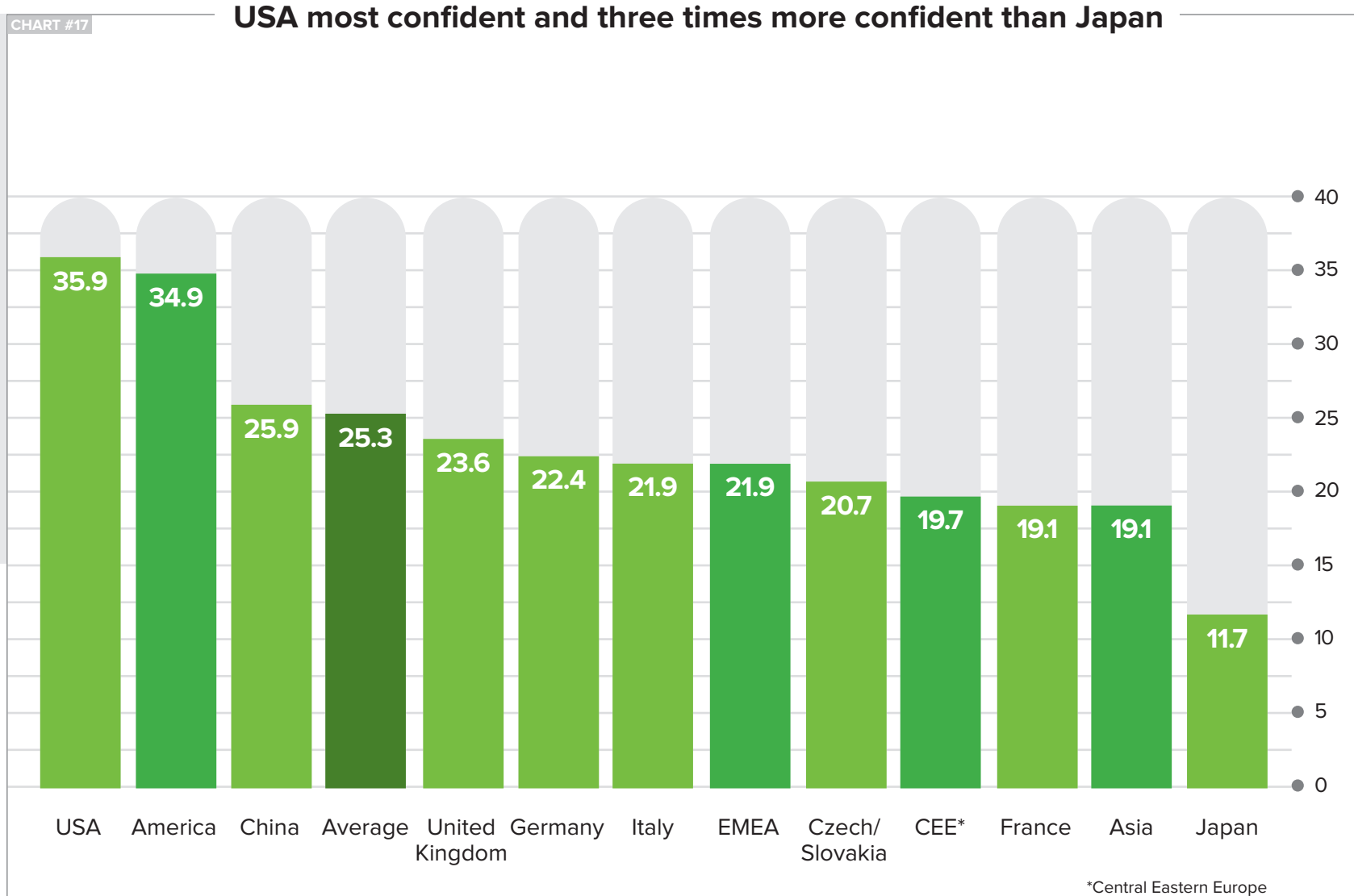
It also rates confidence across 18 issues categories. These address the ability to achieve important outcomes, confidence in key resources and, confidence in technological issues. The average confidence level across all issues categories is **25.3** out of a possible 100. Again, levels of confidence vary by demographics.



Worldcom Confidence Index by Country and Region

The **Worldcom Confidence Index** also ranks the confidence levels of leaders from each of the countries. This shows that leaders from the USA have much higher confidence levels than all the other countries and regions. Only China and USA have an above average Country Index score.

Japan has the lowest Index score. This is approximately one third the level of the American score and eight points below France, the next lowest country.



The changing face of business confidence



CEOs significantly more confident than CMOs/CCOs

CEOs are 5th in the **Confidence Index (28.3)** with CMOs nine places lower at **21.4** points.

Confidence by Role

CEO	28.3
Average	25.3
CMO/CCO	21.5

Male leaders more confident than female

The final confidence gap is one of gender. Male leaders are 7th in the Index, five places (and **4.9** points) higher than their female peers.

Confidence by Gender

Male	27.0
Average	25.3
Female	22.1

Confidence declines with size

Size of company seems to have an impact on the confidence of its leaders. The Largest (over 1000 employees) are second in the Index at **30.7**, closely followed by Large companies (501-1000) at **30.5**. There is then a big drop-off in confidence to Midsize (101-500) who are ranked 10th with a **Confidence Index** score of **24.7**. Small companies are six places and about five Index points lower at **20.2** points. The confidence gap of **10.5** points between the Largest and Small is manifested in confidence about daily challenges such as attracting and keeping the best talent and, satisfying customers.

Confidence by Business Size

Largest Companies 1000+	30.7
Large Companies 500-1000	30.5
Average	25.3
Midsize Companies 101-500	24.7
Small Companies 10-100	20.2



National organizations least confident

Again, size seems to matter in the sense that Global organizations are the most confident in this segment – featuring 6th in the Index (**27.9**). Multinationals are two places and **1.2** points lower. However, rather than National companies coming next, as might be expected, it is those who operate in a single city or state. These ‘Local’ businesses are four places and **3.3** points higher than National organizations that operate in a single country. The lower confidence of National companies may be because they feel they have competition from both Global and Local organizations.

Confidence by Geographic Presence

Global	27.9
Multinational	26.7
Average	25.3
Local	24.4
National	21.1

American organizations almost twice as confident as Asian

Organizations headquartered in America rank highest in the **Index** with a score of **34.9** – almost 10 points above the average. Organizations headquartered in Asia rank lowest in the Index with a score of **19.1** – a delta of 15.8 points. Organizations headquartered in EMEA have an Index score that is below the average and just 2.8 points higher than Asia.

Confidence by HQ Location

America	34.9
Average	25.3
EMEA	21.9
Asia	19.1

Confidence declines with age

Age is the next interesting confidence factor. Our study shows that confidence declines with age. In fact, leaders under 35 are ranked 4th in the Index with a score of **29.0** points. Leaders over 45 are 17th in the Index with a score **8.9** points lower at **20.1**.

Confidence by Age

Under 35	29.0
35-44	26.0
Average	25.3
Over 45	20.1

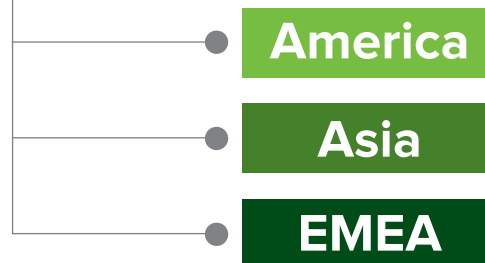


The implications of attitudes to confidence

When we compared the factors that leaders think will most influence their success, with levels of confidence, we uncovered some important trends. We explain these in more detail below. Some relate to recurring challenges around customers and employees. Others address macro issues such as global instability, extreme weather, cyber crime and data protection. While others touch on the importance of more intangible issues such as corporate image and the role of influencers.

There is a Confidence Gap between America and the other two regions

We separated the respondents into three regions, depending on where they are headquartered:



There is a clear confidence gap between America and the other two regions. Respondents with an HQ in America demonstrate the highest levels of confidence across most issues that we explored. America tops the **Confidence Index**. Both EMEA and Asia have below average confidence scores. EMEA is in 13th position and Asia is ranked 18th out of 18.

American organizations also demonstrate different attitudes to confidence in many other areas.

Business confidence

From a business perspective, organizations with an HQ in America are more than twice as confident as EMEA that they have the plans and policies to achieve their objectives and are almost twice as confident as Asia that they have the people and skills to achieve their objectives. Fifty percent more American organizations than the other regions are confident they have the financial and technological resources to achieve their objectives.

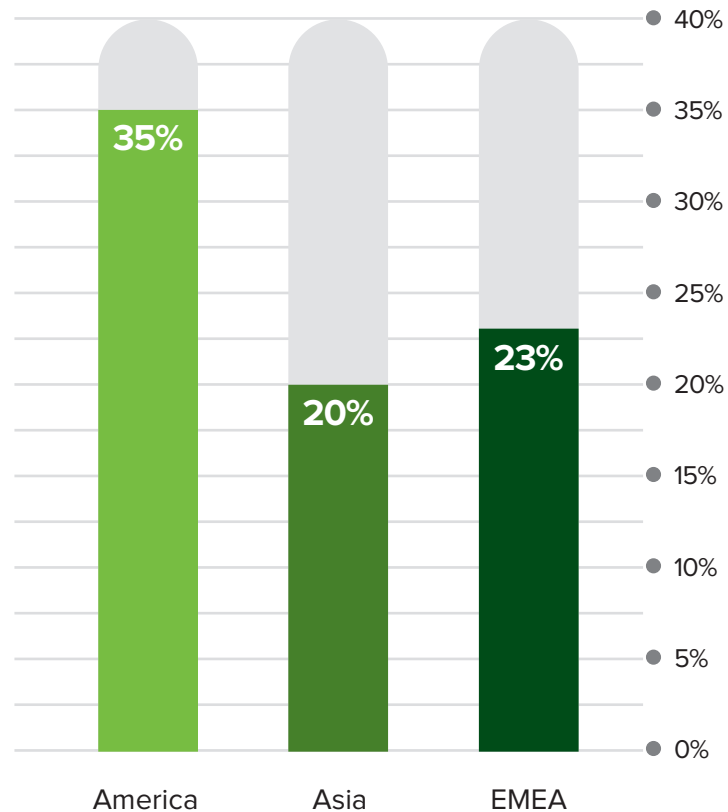
This confidence in core resources translates into confidence about customer satisfaction and competitive performance. Seventy-five percent more American organizations than those headquartered in Asia, and 52% more than those in EMEA, are confident about their ability to outperform competitors. A quarter more American than EMEA organizations are confident about their ability to satisfy customers.

CHART #18

How confident are you in your ability to outperform competitors?

Rank #5 – Extremely confident

By Headquarters location



Corporate image and brand reputation

American organizations are also more confident about their intangible assets. At least 85% more American companies than those in the other regions are confident they have the corporate image/brand reputation to achieve their goals. And, twice as many American organizations than the other regions are confident about their ability to protect the brand in the event of a crisis.

In the light of the new threats to reputation that surfaced in 2017 – such as the [Harvey Weinstein scandal](#) – and how this is extending into all sectors via the #MeToo campaign - it is vital that all organizations carry out a thorough risk assessment and a review of their culture, values and supporting policies and procedures.

The privacy scandal involving Cambridge Analytica and Facebook, as reported in the [Washington Post](#), shows how vulnerable even the strongest brands can be. In the first few days after the news became public, \$46 billion was wiped from Facebook's market value.

Attitudes to risk

From a risk perspective, talent, energy, cyber crime, trade barriers, the threat of war and data protection all feature as threats. Three times as many American as Asian organizations think global instability and the threat of war will have most impact on success in 2018.

At least twice as many American companies (44%) see energy costs as a threat than the other regions. Seventy-four percent more American companies see available talent as a threat than EMEA and, at least 50% more American companies see cyber crime as a threat than the other regions. However, about 60% more American companies than other regions are confident about their ability to be protected against cyber crime.

At least 38% more American companies see trade barriers as a threat than those in the other regions.

However, the other regions seem more concerned than America about disruptive competitors, global instability/the threat of war and extreme weather/global warming.

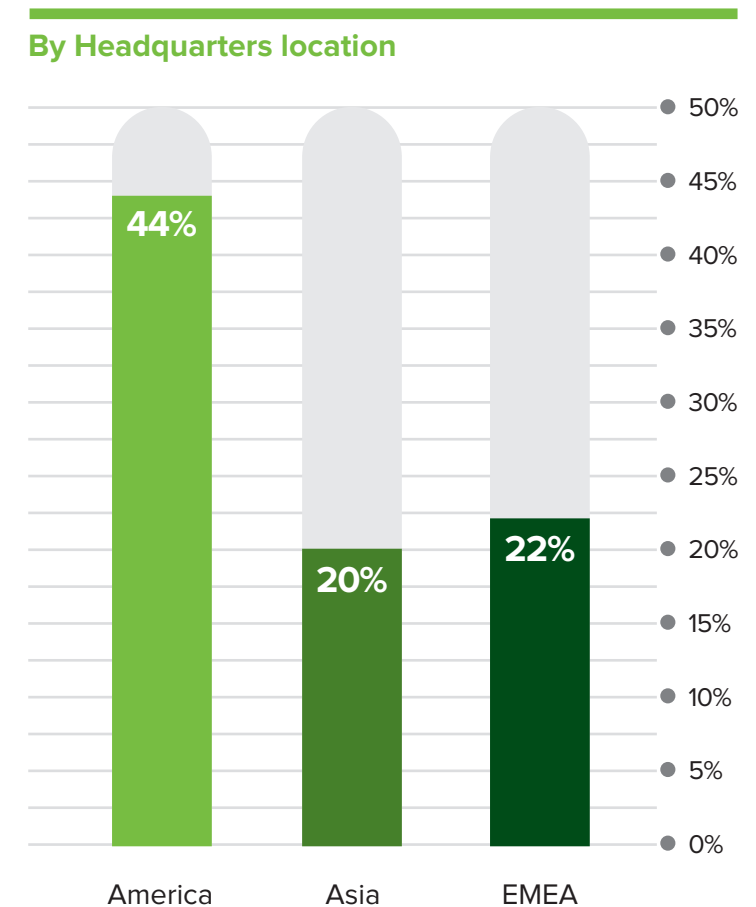
At least 67% more organizations from Asia and EMEA than America see disruptive competitors as a threat. At least 50% more organizations from the other regions than America see global instability/the threat of war as the biggest threat to achieving objectives. Seventy-five percent more EMEA organizations see extreme weather events as the biggest threat than America.

And about 40% more American (36%) and Asian (35%) organizations see consumer confidence as the biggest threat to achieving objectives than EMEA (25%). Despite this, 57% more EMEA organizations than Asian, and 30% more than American, are planning to give most attention to customers in 2018.

CHART #19

Which of the following are the biggest threats to achieving your plans?

Energy costs – by Headquarters location





People – attracting and retaining the best talent – and engaging employees to increase productivity

From a people perspective – the main battleground in 2018 – almost three times as many American companies as Asian (and 70% more than EMEA) are confident about their ability to attract the best talent. American organizations are also more than twice as confident about their ability to keep the best talent than Asian and 57% more so than their peers in EMEA. This confidence turns into a source of optimism. Fifty percent more American companies than EMEA see their ability to attract best talent as the biggest source of optimism. Thirty-eight percent more American than EMEA organizations see their ability to keep the best talent as the biggest source of optimism.

When it comes to increasing productivity through employee engagement, 76% more American than EMEA companies are confident about their ability to improve productivity by energizing and engaging employees. But, more than double the number of EMEA organizations than those in other regions see their ability to improve business performance by energizing and engaging employees as the biggest source of optimism.

CHART #20

Confidence in ability to attract the best talent

Rank #5 – Extremely confident

By Headquarters location

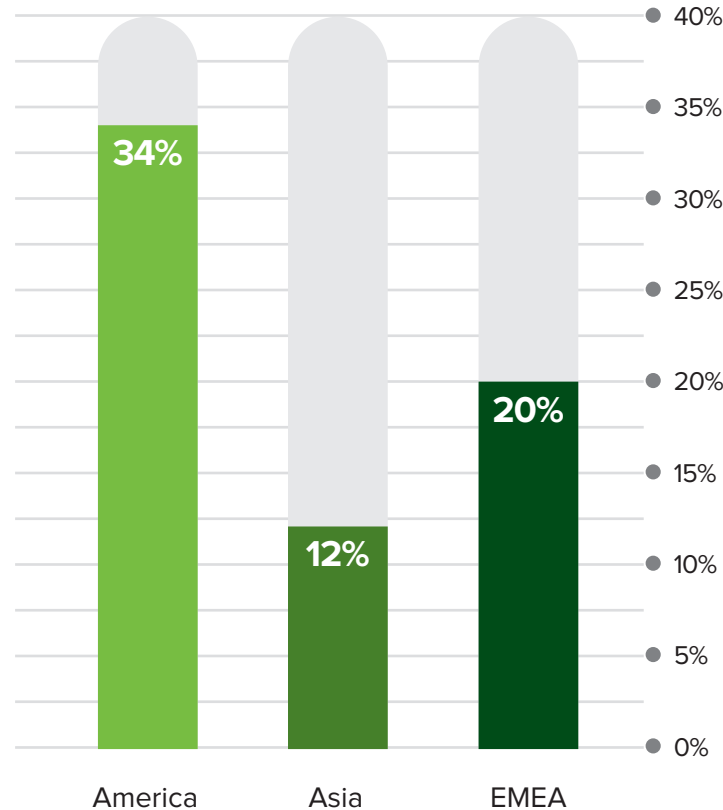
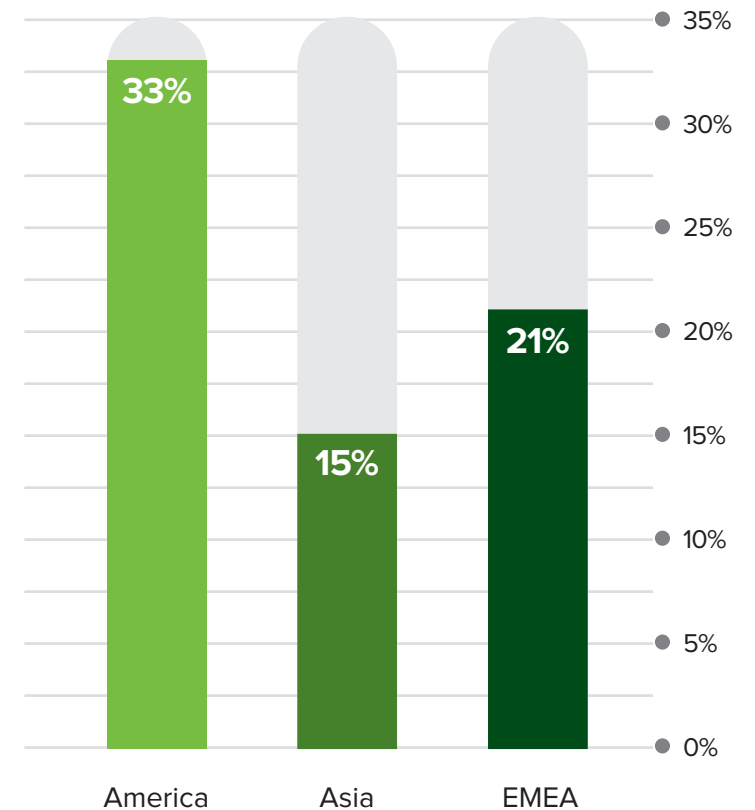


CHART #21

Confidence in ability to keep your best talent

Rank #5 – Extremely confident

By Headquarters location





Using technology to collaborate and innovate

American organizations are also more confident about technology and what they can do with it. American organizations believe they have the technical infrastructure they need. Twice as many American companies than Asian, and 71% more than those headquartered in EMEA, are confident about the country's underlying technological infrastructure. Sixty percent more American than Asian organizations are confident about having access to the latest technology, and 74% more American than Asian organizations

are confident about their employees' ability to use the latest technology.

Seventy-eight percent more American organizations than Asian, and 39% more than EMEA, are confident about the ability of the organization and its employees to collaborate with others around the globe. Almost three times as many American than Asian, and 33% more than EMEA, are confident of the organization's ability to innovate using the latest technology.



Customer satisfaction

At least 36% more EMEA organizations than those in other regions see customer satisfaction as the biggest source of optimism. The Temkin Group has proven a tight connection between customer satisfaction and employee engagement. Therefore, if EMEA organizations invest in employee engagement, their optimism should be well founded.

Confidence increases with the size of the organization

– particularly about achieving goals and attracting talent



We split organizations into four categories:

Small

Between 10
and 100
employees

Midsize

Between 101
and 500
employees

Large

Between 501
and 1,000
employees

Largest

Over 1,001
employees

While some responses are what you might expect from organizations of a certain size, others uncover some telling differences between the segments. These differences relate to the assessment of risk, to prioritization of effort and, to confidence.

Confidence increases with size. The Largest companies are second in the **Confidence Index**, while Small companies were third from bottom.

The Largest are more confident that they have the plans, policies, people and skills to achieve their objectives. As a result, 2.25 times more of the Largest (36%) than Small (16%) companies are extremely optimistic about their ability to achieve their goals. And, 50% more of Largest (30%) than Small (20%) are extremely confident about their ability to outperform competitors.



Risks and threats

However, the Largest are also more aware of threats and are more concerned than Small organizations about the availability of talent. They have concerns about cyber crime. Seventy percent more of the Largest than Small companies see this as the biggest threat to achieving their plans. Although fewer Small companies see cyber crime as the biggest threat, they are the least confident about their ability to be protected against cyber crime.

The scale of operations of the Largest seems to make them more sensitive to macro issues such as global warming and extreme weather events, where double the number (one in six) see that as a threat to their plans compared to Small companies.

Issues such as trade barriers, energy costs and tax barriers are seen as threats by more Large companies than Small. In fact, twice as many Large (37%) companies as Small (19%) see trade barriers as a threat to achieving their plans. Eighty-six percent more Large than Small see energy costs as a threat and, about 40% more Large companies than the other sizes, see tax barriers as a threat to achieving their plans. Small companies, however, see disruptive competitors as a threat – 41% more than Large organizations.

The Largest organizations seem most aware of macro scale threats. For example, about twice as many of the Largest than Small, see extreme weather as a threat and global instability and the threat of war as having the most impact on success in 2018.

1 Reputation

Reputation is another area where the Largest feel more confident. Seventy-four percent more of the Largest organizations than Small are confident that they have the right corporate image/brand reputation to achieve their objectives. And, they are more confident about their ability to protect it than smaller companies – 41% more than both Small and Midsize.

Business confidence

There are four key differences at a business confidence level between the Largest organizations and their Small peers. Around 50% more Largest than Small are confident they have the plans and policies and the people and skills to achieve their objectives. And, there is a similar gap in confidence when it comes to having the technology resources to achieve their objectives.

Perhaps most significantly, 50% more of the Largest and Large (30%) than Small (20%), are confident about their ability to outperform competitors. Interestingly, when it comes to competition, confidence declines with the size of the organization. Unsurprisingly, twice the number of Large than Small companies are confident that they have the financial resources to achieve the objectives.

People issues

There is a much wider range of results for people issues, as organizations of different sizes react to the challenges they face in different ways. If Midsize are caught in the ‘squeeze’ mentioned above, they clearly think their route to success depends on people. They are planning to give most attention to employees in 2018 - 35% more than Large organizations. Although 39% more of the Largest than Small see available talent as a threat to achieving their plans, more than twice the number of the Largest businesses (31%) than Small (15%) are confident about their ability to attract the best talent. Confidence in the ability to attract talent declines with size. Confidence in keeping the best talent is highest with Large and Midsize organizations at 27% - 35% more than Small companies.

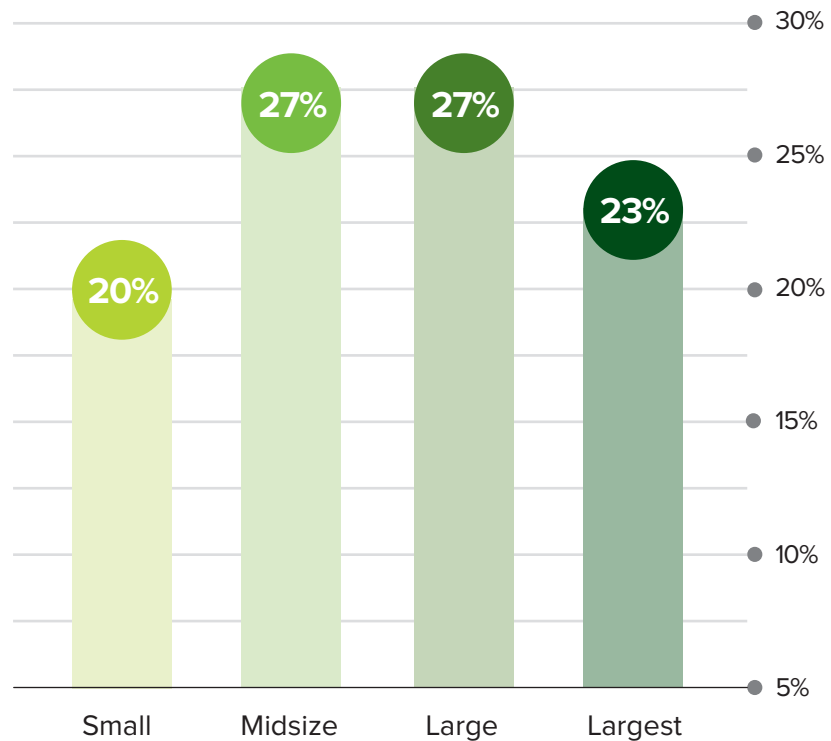
From an innovation and collaboration perspective, larger businesses again win in the confidence stakes compared to small companies. Half as many more of the Largest (30%) than Small (20%) are confident about the ability of the organization and its people to collaborate with others around the world. And, 71% more Large than Small are more confident of the organization’s ability to innovate using the latest technology. Smaller organizations may want to consider finding ways to collaborate with others to help them compete.

CHART #22

How confident are you in your ability to keep your best talent?

Rank #5 – Extremely confident

By Business size



The Largest seem most ready to engage employees. Twice as many of the Largest (38%) than Small (19%) are extremely confident about their ability to improve productivity by energizing and engaging employees. Confidence levels in increasing productivity through employee engagement decrease with size.

Ruth Dance at the Employee Engagement Alliance believes Small organization should be able to match larger organizations when it comes to energizing employees:

“I would encourage small organizations to take advantage of proven best practice to energize their employees. It should be easier to make a significant impact in a smaller business because lines of communication are shorter, and layers of communications are fewer.”

“Making an effort to involve and engage employees in developing a stronger Purpose and driving improvement will pay real dividends in business performance.”

Confidence decreases with age

– There is a clear attitude gap between the ages

We separated the respondents into three age groups:

Under
35

35
to
44

Over
45

There is a clear confidence gap between younger leaders and those over 45. Confidence decreases as leaders get older. Under 35s rank fourth in the **Confidence Index**. Those aged 35-44 rank 9th and over 45s rank 17th, one above the final ranking.

There is also a clear attitude gap between younger and older leaders when it comes to risks and sources of optimism. This is particularly marked when it comes to issues like energy, the threat of war, global warming and the communications behavior of global leaders. Because of these age-related differences, it may make sense for leaders of all ages to review their decisions to make sure they are not the result of unhelpful unconscious bias.



Younger leaders more concerned about people, data protection, cyber crime, extreme weather and global instability

There is a clear difference in attitudes between younger and older leaders. Perhaps, because they have one eye on a sustainable future, they are more concerned about macro issues such as extreme weather and global instability.

They are also more concerned about the threat of cyber crime and new data protection legislation. People feature more highly too. Sixty percent more 35 to 44s than over 45s are planning to give the most attention to employees in 2018.

Almost twice as many under 35s as over 45s see energy costs as the biggest threat to achieving their plans. Sixty-five percent more under 35s than over 45s see data protection as the biggest threat. This indicates that organizations run by over 45s may be under-estimating the impact of the GDPR, which takes effect in May 2018. [The UK's Information Commissioner, Elizabeth Denham](#), highlights the threats to businesses of not preparing for the biggest change to data protection law for a generation:

“If your organization can’t demonstrate that good data protection is a cornerstone of your business policy and practices, you’re leaving your organization open to enforcement action that can damage both public reputation and bank balance. Accepting broad accountability for data protection encourages an upfront investment in privacy fundamentals, but it offers a payoff down the line, not just

in better legal compliance, but a competitive edge. Whether that means attracting more customers or more efficiently meeting pressing public policy needs, I believe there is a real opportunity for organizations to present themselves on the basis of how they respect the privacy and dignity of individuals. Over time this can play a real role in consumer choice, and now is the time to act.”



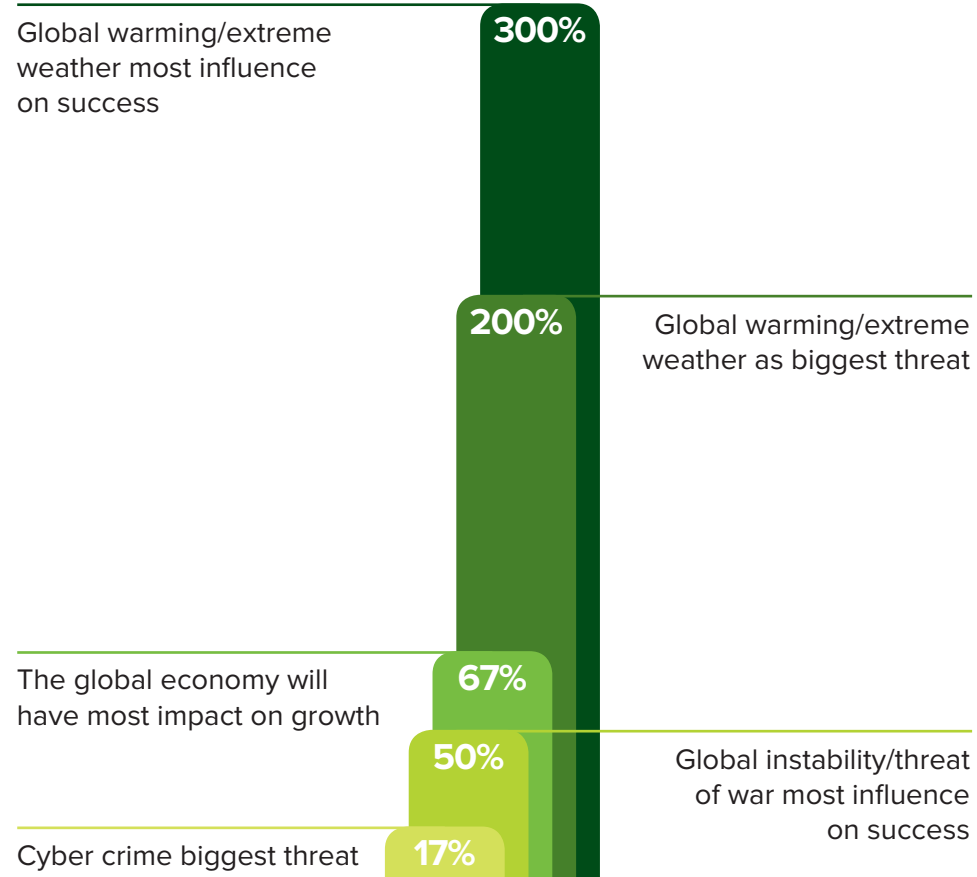
Linked to data protection is the issue of cyber crime. Here again, younger leaders seem more concerned. Seventeen percent more under 35s than over 45s see cyber crime as the biggest threat to their plans.

Younger leaders seem most attuned to macro threats and macro business implications. Three times as many under 35s than over 45s see global warming /extreme weather as a threat. And, four times as many under 35s than over 45s think global warming and extreme weather events will have the most impact on success in 2018. Fifty percent more under 35s than over 45s think global instability and the threat of war will have the most impact on success in 2018. When it comes to growth, 67% more under 35s than over 45s think the global economy will have the most impact on growth potential in 2018.

Differences between the attitudes of under 35s and over 45s

CHART #23

Under 35 difference from over 45 scores



Older leaders not impressed by the communications approach of political leaders but optimistic about the economy, competition and customer satisfaction

Over 45s are very negative about the communications approach of political leaders. Only 5% see this having a positive impact compared to 22% of under 35s and 25% of 35-44s.

Older leaders are generally more optimistic when it comes to the economy, competition and customer satisfaction. Twice as many over 45s as under 35s are extremely optimistic about the competitive environment. But 34% more over 45s than under 35s see disruptive competitors as a threat to achieving their plans. Twice as many over 45s as 35-44s are most optimistic about the economic environment. But tax barriers could be an issue, with 55% more over 45s than under 44s seeing them as a threat to achieving goals. Twice as many over 45s (27%) as under 35s (14%) see customer satisfaction as a source of optimism.

They also see the importance of being able to attract talent. Seventy-one percent more over 45s than under 35s think their employer brand will have the most influence on success in 2018. But, they will focus more on customers than employees. About three-quarters more over 45s (62%) than younger leaders (35%) are planning to give most attention to customers in 2018.



The Confidence Gap between the ages

From a business perspective, under 35s are very optimistic about their ability to achieve their goals. Twice as many (30%) feel this way than over 45s (16%). Under 35s are also more confident about their ability to outperform competitors than over 45s. In fact, this confidence declines with age. Twice as many under 35s as over 45s are confident they have the plans and policies to achieve their objectives. They are also more confident than the over 45s about having both the tangible and intangible resources to achieve their objectives. This includes the people, skills, technology and financial resources to achieve their objectives. And, 42% more under 44s (under 35s and 35-44s) than over 45s are confident they have the right brand reputation/corporate image to achieve objectives.

When it comes to people, and people-related topics, the confidence gap remains. Twice as many 35-44s are optimistic about their ability to improve business performance by energizing and engaging employees than their older peers. Twice as many under 35s as over 45s are confident about the ability of employees to use the latest technology. This also decreases with age. Twice as many of these younger leaders are confident about their organization's ability to innovate using the latest technology and to collaborate easily with others around the world.



Could the gap widen?

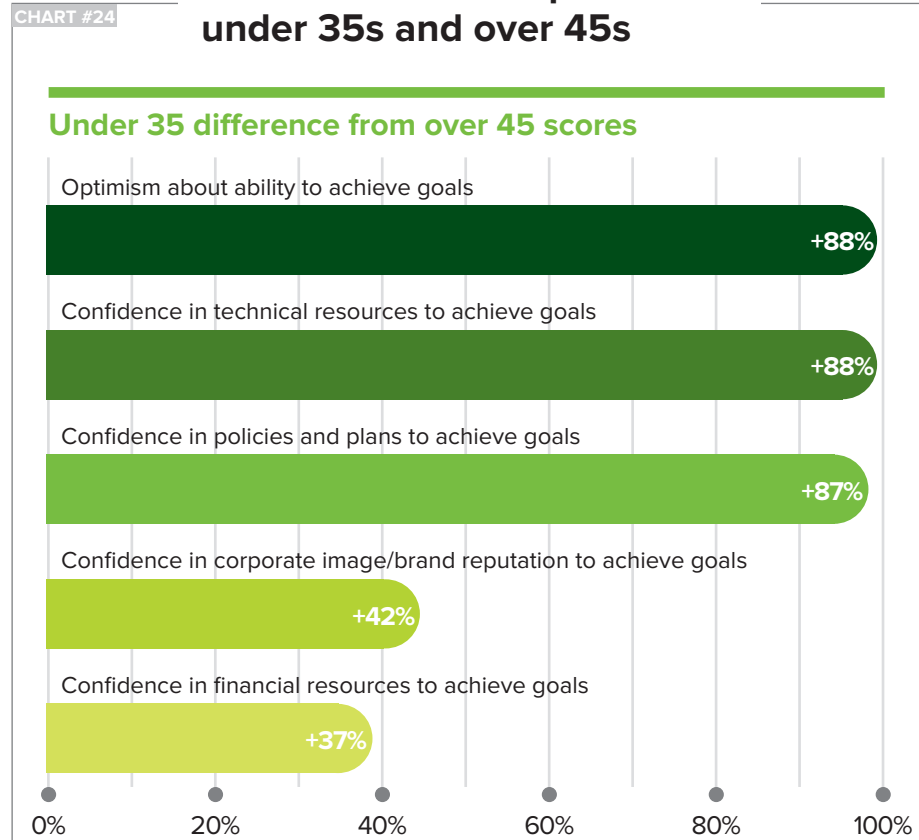
If this confidence turns into active collaboration and innovation, businesses run by younger leaders could outperform those run by their older peers. Technology skills will be vital to future success. [The Future of Jobs report](#) published by the [World Economic Forum](#) describes a changing skills landscape where more than a third of the core skills of most occupations will require skills that are not considered essential to the job today.

This means employees not only need be digitally skilled, but also reskilled as each new digital disruption arrives. The results of this survey show that younger leaders are more in tune with the need to be digitally savvy.

As the lead section of this Report indicates, employees will be the battleground in 2018 as organizations compete for talent. Again, younger leaders appear more confident about their readiness for this battle.

Twice as many under 35s than over 45s are confident about their ability to both attract and keep the best talent. This confidence also declines as leaders get older. These results further support our view that 2018 is the **Year of the Employee**. Developing a long-term strategy that not only build in loyalty through employee engagement but also plans for re-skilling will be essential to success.

The Confidence Gap between under 35s and over 45s



Global players more confident than other organizations

We separated the respondents into four categories according to their geographical presence:



There is a clear confidence gap between Global organizations and the other categories. Respondents who are Global demonstrate higher levels of confidence across most areas. Global ranks 6th in the **Confidence Index**. Multinationals are in 8th position. Local comes next in 11th and National is ranked 15th out of 18.

Global organizations also demonstrate different attitudes in many areas. However, there is also an interesting trend where Global and Local organizations sometimes have very similar levels of confidence. It seems from the results of this survey that organizations that operate at a single country level are the most challenged when it comes to confidence.



Business confidence

From a business perspective, 78% more Global organizations than National are confident that they have the plans and policies to achieve their objectives. Forty-eight percent more Global than Multinationals are confident they have the people and skills to achieve their objectives. Almost 2.5 times the number of Global organizations than Local are confident they have the financial resources to achieve their objectives.

This all translates into optimism about their ability to achieve their goals. Eighty-nine percent more Global than National organizations are optimistic they can do so.

When it comes to competition, about twice as many Global (33%) and Local (35%) than National (17%) organizations are confident about their ability to outperform competitors. Local organizations may feel this way because 60% are planning to give most attention to customers in 2018.

This is 50% higher than the average for putting customers first. This customer focus translates into confidence about the ability to satisfy customers. Local organizations are more confident than the others and 65% more so than National organizations.



Brand confidence

Global organizations are also more confident about intangible assets like reputation. Interestingly, 60% more Local than National organizations, are confident they have the corporate image and brand reputation to achieve their objectives.



Attitude to threats – and the need to keep pace with changing risks

Global organizations seem to be the most threat aware, which could indicate a more thorough approach to risk assessments.

Fifty-eight percent more Global than Local companies see cyber crime as the biggest threat to achieving their plans. And about half as many National than Global organizations are confident about their ability to be protected against cyber crime.

Seventy-nine percent more Global than Local companies see trade barriers as a threat than Local. This may seem obvious, but Local organizations that have evolved in a period of relatively free trade, may need to look more deeply at the implications, and likely impact, of increasing trade barriers.

Patrik Schober, Chairman of Worldcom, accentuates the importance of continuously assessing risk:

“I believe it is essential for organizations of all sizes to assess exposure to risk on a regular basis. New threats can materialize from the most unexpected directions.

After decades of stability and cooperation in Europe, the decision by one political leader has introduced a seismic change with Brexit. This is having far-reaching implications for every business in the EU and millions of organizations beyond its borders.

Keeping your finger on the Brexit pulse is now a significant risk management task.”



Like young leaders, global organizations more aware of macro issues

Global organizations seem to be more keenly aware of macro issues such as energy, data protection, extreme weather and the threat of war. In terms of threats to achieving plans, 62% more Global than Local see energy costs as the biggest threat and 42% more Global than Local see data protection as the biggest threat to their plans. More than twice as many Global than Local see global instability and extreme weather as the biggest threats.

In contrast, Local companies are more concerned by disruptive competitors. A third more than the other categories see this as the biggest threat to achieving their plans. But when it comes to customer intimacy, Local companies seem to hold sway. Three times as many Local (33%) than Global (11%), see customer satisfaction as a source of optimism.

Attitudes to employees

Views about employees also produce some interesting results. Local companies are least optimistic about their ability to attract best talent. Multinationals are least optimistic about their ability to keep talent. This may indicate that they are in an ‘employee squeeze’ between more Global and more local organizations. It may also suggest that Multinationals need to focus

on building loyalty by investing in employee engagement programs. When it comes to employees, Global and Local are planning to give most attention to employees in 2018 - 50% more are planning to do so than National companies. This may explain why 2.5 times more Global (35%) than National (14%) organizations are confident about

their ability to attract the best talent. Local organizations are more confident than Multinationals. Local organizations lead in confidence when it comes to keeping the best talent. Sixty-seven percent more Local than National organizations feel this way. And, Local organizations also believe employer brands matter. Almost twice as many

Local than Global companies think the employer brand will have the most influence on their success in 2018. But when it comes to getting the best from their people, Global organizations are the most confident. Fifty-two percent more Global than Local companies are confident about their ability to improve productivity by energizing and engaging employees.

Attitudes to technology and how to use it

Global organizations are the most confident when it comes to both access to technology and using it to advantage. Forty-five percent more Global than National organizations are confident in the underlying technology infrastructure. And, 52% more Global than Local companies are confident about having access to the latest technology. Furthermore, 81% more Global than Local are confident about their employees’ ability to use the latest technology.

The confidence gap between the Global

companies and other categories – particularly Local – widens when it comes to using technology. Two-and-a-half times as many Global as Local organizations are confident about the ability of their organization and employees to collaborate with others around the world. Twice as many Global as Local organizations are confident about the organization’s ability to innovate using the latest technology.

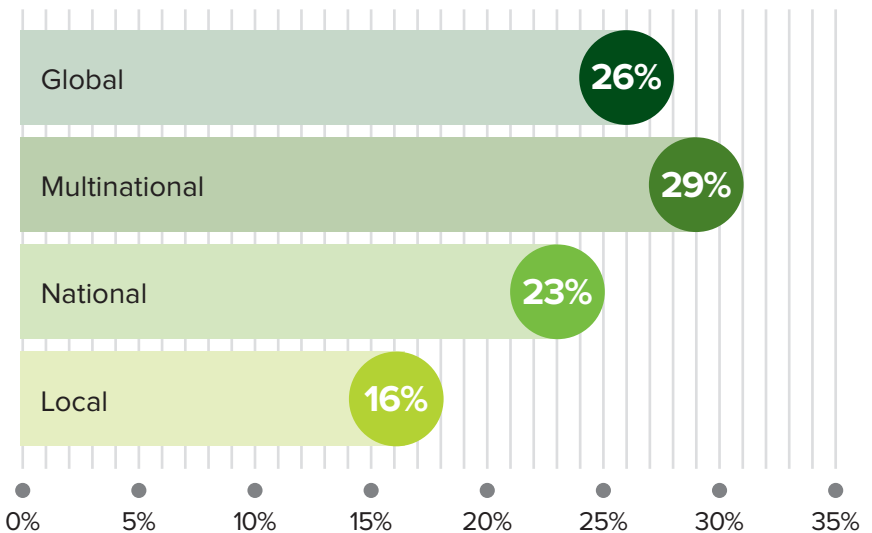
Confidence in the ability to collaborate and innovate decreases as geographic presence declines.

How confident are you about the ability of your employees to understand and use the latest technology?

Rank #5 – Extremely confident

CHART #25

by Age





Which economy matters most?

There are no surprises when it comes to the impact of different economies on growth. Three times more Global than Local think the global economy will have most impact on growth potential in 2018. The numbers decline with geographic presence. Sixty-four percent more Multinationals than Nationals think the economy of the Region will have most impact on growth potential in 2018. More than twice as many National than Global organizations think the economy of the country will have most impact on growth potential in 2018. And, unsurprisingly, 2.5 times more Local than the other categories think the economy of their state/city will have most impact on growth potential in the current year.



From a business performance perspective, CEOs are significantly more confident than CMOs. Fifty-eight percent more CEOs than CMOs are optimistic about the ability of their organization to achieve its goals. And at least 50% more CEOs (36%) than CMOs (23%) are extremely confident about their ability to satisfy customers and their ability to outperform competitors – (30% to 20%).

From an innovation and collaboration perspective, 40% more CEOs (28%) than CMOs (20%) are confident about the ability of the organization and its employees to collaborate easily with others around the globe. And, 35% more CEOs (31%) than CMOs (23%) are confident in the organization's ability to innovate using the latest technology.

CEOs more confident than CMOs – even for topics like brand reputation

Although CEOs and CMOs have similar views on many of the questions, it became clear very quickly that there is a big confidence gap between the two roles. In fact, CEOs rank 5th in the **Confidence Index** and CMOs are nine places lower at 14th. We've identified a number of key differences.

From a people perspective, there are three key differences. Thirty-five percent more CEOs than CMOs are confident that they have the people and skills to achieve objectives. Thirty-seven percent more CEOs (26%) than CMOs (19%) are confident about their ability to attract the best talent. And, a quarter more CEOs (26%) than CMOs (21%) are confident about their ability to keep the best talent.

From a reputation and risk perspective – which is at the heart of the CMOs role – CEOs are also more confident. In fact, CEOs are more confident that they have the right corporate image/brand reputation and that they can protect it.

Twenty-three percent more CEOs than CMOs are confident that they have the right corporate image/brand reputation to achieve their objectives. And, 40%

more CEOs (28%) than CMOs (20%) are confident about their ability to protect the brand in the event of a crisis. This may be because CMOs seem to have a heightened perception of threats. For example, 35% more CMOs see global instability and threat of war as a threat than CEOs and, 26% more CMOs see consumer confidence as a threat.

Because of these differences, it might be worth CEOs and CMOs cross-referencing their attitudes to risks and their preparation for responding to a crisis.

As one might expect, 38% more CMOs (11%) than CEOs (8%) are planning to give most attention to influencers in 2018.



Men more confident than women – particularly around the ability to satisfy customers and improve productivity by engaging employees

There are a few differences between the genders but some are significant. In general, men seem to feel more strongly about topics than women i.e. when given the opportunity to rate on a scale of 1 to 5 men chose rating 5 (extremely confident) more often than women. As a result, men rank 7th in the **Confidence Index** and women are five places lower at 12th.

Organizations may want to take account of this apparent 'confidence' bias when making plans and decision-making.

From a business performance perspective, there are two important differences relating to the two priority audiences. Fifty percent more men (30%) than women (20%) are confident about their ability to improve productivity by energizing and engaging employees. And, 27% more men (33%) than women (26%) are confident about the ability to satisfy customers.

From an innovation and collaboration perspective, 55% more men (31%) than women (20%) are confident of the organization's ability to innovate using the latest technology,

From a risk perspective, there are three main differences. Thirty-five percent more men than women see energy costs as a threat. 35% more men than women see tax barriers as a threat; and, 21% more men than women see cyber crime as a threat to achieving plans. Despite this attitude to threats, 35% more men (27%) than women (20%) are confident about their ability to protect the brand in the event of a crisis.



PART 3

11 RECOMMENDATIONS to increase the probability of success

Based on our findings, we offer the following recommendations to minimize risks and increase the certainty of success.

The study indicates that 2018 will be the Year of the Employee. Therefore, many of our recommendations focus on energizing and engaging employees. The study also highlights a range of issues and threats, so our recommendations look at how the impact of these risks can be minimized.



PEOPLE

If you aren't prioritizing people you may be at a disadvantage, as it is clear many organizations plan to increase their investment and activity to compete for the best talent

1



Enhance your employer brand by defining your Culture and Values in a more compelling way

We recommend all organization invest in creating more compelling reasons to encourage the best talent to join them and, then to stay. This starts from the inside with the Culture and Values of the organization. It also needs proof that employees believe in it and are energized by it.

We recommend that employees are involved in defining the Values of the organization and in creating ways to communicate them more effectively, both inside and outside the business.

2



Create a Purpose, and an Engagement Framework to support it, that both energizes employees and inspires customers by accentuating the value that you deliver

We recommend that organizations accentuate their strengths and differences by checking if they have a Purpose that explains the value they deliver to customers. This should be communicated in such a way that every employee understands how their daily actions contribute to achieving that Purpose.

We recommend that employees are provided with the certainty and autonomy they need to remain motivated, by supporting the Purpose with an Engagement Framework. This framework should explain the goals for the organization and how they will be achieved and measured.

3



Prove you care about employees by investing in an Employee Engagement program

Engagement and involvement should be part of the DNA of a business – not something that is just another management initiative. Convincing employees that they are central to success, will require a dedicated employee engagement program.

This will need to go beyond reward and recognition to truly involve employees in building a stronger more effective business. We recommend that Employee Engagement becomes one of the strategies to achieve the organization's Purpose and that clear metrics are assigned to demonstrate it is making a difference.

4



Close the Purpose Gap by training leaders and line managers to communicate the Purpose effectively and to drive productivity improvements by acting more as a coach

Our work shows that there is often a significant gap between an employee's understanding of the general direction of the business and understanding how their personal efforts can help achieve the Purpose for the organization. Therefore, we recommend that all leaders and managers are trained on how to adapt their communications style so that they can explain the Purpose in a way that is meaningful to each individual employee. This should include special 'listening' training as the foundation for increasing productivity. If line managers ensure that every brief is understood and that there is commitment to achieving it, significant productivity improvements will follow. Amy Brann, a neuroscience leader, believes that harnessing a brain friendly style of communication will be vital to success.

You can download a white paper that includes seven ways to ensure your communications are **brain friendly**.

5



Address the upskilling, reskilling challenge by giving managers the skills to coach

As the [World Economic Forum](#) indicated, continuously upskilling and reskilling employees needs to be on the management agenda. While this may mean linking with external skills organizations – such as [Cisco's NetAcademy](#) - or taking advantage of government reskilling initiatives, direct action can also be taken by each organization.

We recommend that all managers are given targeted effectiveness training to help them operate as a 'coach' for their team. The work of our experts shows that many managers – particularly first-time managers - find it hard to delegate because they lack confidence that people who report to them have the necessary skills to deliver the task. By training managers to be more effective, you will free their time to address this skills/delegation conundrum.

6



Invest in the neuroscience of effective communication to address the talent challenge

Great leaders are usually great communicators. Often their communications skills are seen as a natural talent that is given to the few. However, work by [neuroscientists](#) has uncovered the way the human brain works and what this means to effective communication.

If you want to get a competitive advantage, when it comes to attracting and retaining the best talent, it makes sense to use this neuroscience to your advantage. It will provide leaders and managers with a framework for triggering the right reaction in the brains of employees. In fact, getting this right will create a mind state in employees that makes them willing to do difficult things, to think deeply about issues and develop new solutions. If people think they will be joining others that behave like that, you will have created a powerful recruitment advantage.

Amy Brann at [Synaptic Potential](#) explains:

“Every week we learn more about how our incredible brains work - and the mysteries continue to be unveiled. From raising oxytocin levels to become better mind readers and more empathetic, to the effects of testosterone on negotiations - we know chemicals are hugely influential on results.”

Strengthening different networks in the brain helps people literally change previously considered ‘fixed’ personality traits.”

In a world rapidly welcoming machine learning, knowing what makes us human and how to strengthen our unique gifts is an urgent matter.”



THREATS

Don't underestimate the need to be proactive with your people if you want to minimize your exposure to risk.

7



Reduce your exposure to cyber crime by 'nudging' employees to adopt safer behavior

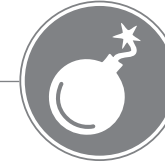
This article by [Forbes](#) highlights that employees are often the weakest link in cybersecurity measures. We're not cybersecurity experts, but we are expert in creating communications programs that trigger the right reaction in target audiences.

Therefore, we recommend you reduce your cyber risk by running an internal communications campaign that encourages employees to adopt safer behavior. To increase the certainty of success, we recommend you use '**nudge theory**' in your campaign. Nudges work because they neither command or forbid people to do things. By presenting cybersecurity choices in a certain way, people will make 'wiser' decisions, and adopt safer practices, without losing their freedom of choice. The decision is still theirs, but you will be nudging them in a safer direction. The effective use of nudges has been proven to deliver much more effective results than traditional instructional messaging.

Patrick Müller at [Sophos](#) agrees:

"Technology can only protect you so far, in the war against cyber crime. We believe it's essential that every organization is proactive in educating its employees about safer cyber practices. This needs to be a continuous activity as cybercriminals are constantly innovating to find new ways to breach our defenses."

8



Carry out regular risk/threat assessments and crisis response tests to protect your brand and reputation

The Report highlights a wide range of risks and threats facing businesses of all sizes. Inevitably, it shows that leaders in one demographic group view their risk or threat exposure differently to those in another demographic.

We recommend that risk assessments are carried out more frequently because the range of threat vectors seems to be increasing and because the impact on organizations caused by various threats – such as extreme weather events - seems to be extending. We also recommend that these take account of the impact of events which might once have been seen as more 'remote' or less likely to be a threat. We recommend there is a special focus on the risks of cyber crime and how the organization responds if it suffers an attack.

The conclusions of these risk assessments should lead to improvements to crisis and issues policies and procedures.



9

Take action to be GDPR compliant and then ‘nudge’ your employees to adopt compliant behavior

This report shows that some organizations may not see data protection as a serious threat. However, more robust legislation – such as GDPR – now carries with it fines that could threaten the very existence of a business.

Therefore, we recommend that every organization, even those outside the EU, carry out a data protection compliance audit if they have not already done so. However, just like cybersecurity, ensuring continuing compliance will require employees to behave in a compliant way. This will require an internal communications campaign that nudges employees to adopt compliant behavior.

The brand benefits of proving you care about your audiences’ data could give you a powerful organizational advantage.



10

Build on customer satisfaction by activating your Promoters

Our study shows that customers will continue to receive the most attention and that the ability to satisfy customers is the largest source of optimism. We recommend that organizations ‘listen’ to their customers on a regular basis to make sure that their optimism is not misplaced. This ‘listening’ should identify the sources of dissatisfaction so that they can be addressed. It should also ‘activate’ those customers whose expectations have been exceeded by providing them the opportunity to refer and recommend. This will help to build trust in the organization and underpin revenue and profit improvements.



11

Identify changing sources of influence

The issue of fake news and how people source information, means that sources of influence may be changing too. We recommend that a thorough assessment of ‘influence’ is carried out to minimize risk and to ensure that communications are targeted where they will deliver the greatest return.



Methodology

We wanted to capture feedback from business leaders in the world’s largest economies and across the three main regions – Asia, EMEA and America. Therefore, we commissioned two independent research companies – Research Now and 3Gem - to gather responses via an online survey in six of the G7 countries – France, Germany, Italy, Japan, UK, USA - plus China.

This produced responses from 540 CEOs and CMOs. We supplemented this by collecting 45 further responses to the same questionnaire from the leaders of Worldcom clients and contacts. This included a strong representation from the Czech Republic and Slovakia.

Demographic splits

The following demographic details were collected as part of the methodology

Where ranking or rating questions were asked, we have compared the results of the number one ranking or the most positive rating only.

Confidence Index scores were created by adding the percentage for the highest level of confidence for all the options and then dividing by the number of options.

<p>Role</p> <ul style="list-style-type: none"> ● Only CEOs or CMOs/CCOs participated. People with a more junior role were sifted out 	<p>Gender</p> <ul style="list-style-type: none"> ● Male ● Female 	<p>Age</p> <p>Were grouped in three age ranges:</p> <ul style="list-style-type: none"> ● Under 35 ● 35-44 ● Over 45
<p>Business size</p> <ul style="list-style-type: none"> ● Small 10 to 100 employees ● Midsize 101 to 500 employees ● Large 501 to 1000 employees ● Largest Over 1000 employees 	<p>Geographic presence</p> <ul style="list-style-type: none"> ● Global ● Multinational ● National i.e. single country ● Local i.e. single state or city 	<p>Headquarters location</p> <ul style="list-style-type: none"> ● America ● Asia ● EMEA



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Useful links

If you would like more information on the topics raised in this Report, you may find the links below helpful

- 1** <https://www.the-eea.com/about-us>
- 2** <http://www.ee-awards.com/>
- 3** <http://www.waitrose.com/>
- 4** <https://www.forbes.com/sites/christinecomaford/2017/07/08/the-surprising-link-between-customer-experience-and-employee-engagement/#af408fcb512a>
- 5** <https://temkingroup.com/>
- 6** <https://temkingroup.com/product/employee-engagement-benchmark-study-2017/>
- 7** <http://www.zdnet.com/pictures/biggest-hacks-leaks-and-data-breaches-2017/>
- 8** <https://www.bloomberg.com/news/articles/2014-03-13/target-missed-warnings-in-epic-hack-of-credit-card-data>
- 9** <https://newsroom.cisco.com/press-release-content?articleId=1868060>
- 10** <http://blog.talosintelligence.com/2017/05/wannacry.html>
- 11** <http://blog.talosintelligence.com/2017/06/worldwide-ransomware-variant.html>
- 12** <https://www.ic3.gov/media/2017/170504.aspx>
- 13** <https://www.reuters.com/article/us-california-mudslides/twenty-now-dead-in-california-mudslides-major-highway-closed-idUSKBN1F30DE>
- 14** https://en.wikipedia.org/wiki/Hurricane_Harvey
- 15** <https://twitter.com/barackobama>
- 16** <https://twitter.com/realDonaldTrump>
- 17** <https://www.facebook.com/EmmanuelMacron/>
- 18** <https://www.theguardian.com/media/2016/dec/02/fake-news-facebook-us-election-around-the-world>
- 19** <https://www.eugdpr.org/>
- 20** <http://www.bbc.co.uk/news/entertainment-arts-41594672>
- 21** <https://temkingroup.com/about-us/>
- 22** <https://www.the-eea.com/about-us>
- 23** <https://ico.org.uk/about-the-ico/news-and-events/news-and-blogs/2017/05/businesses-warned-to-prepare-with-one-year-until-data-protection-law-change/>
- 24** <https://www.weforum.org/agenda/2016/01/11-experts-at-davos-on-the-future-of-work>
- 25** <https://www.weforum.org/>
- 26** <https://www.weforum.org/agenda/2016/01/11-experts-at-davos-on-the-future-of-work>
- 27** <https://www.forbes.com/sites/steveculp/2016/05/10/cyber-risk-people-are-often-the-weakest-link-in-the-security-chain/#4d23e4942167>
- 26** <https://www.theguardian.com/politics/2013/may/02/nudge-unit-has-it-worked>

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If you would like to discuss the content of this document, or its recommendations, or to talk to one of our experts about your communications needs, please contact:

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