

Culture, Leadership and Purpose in Telcos

Preliminary findings of STL Partners' research

5th November 2019

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This research was conducted by...



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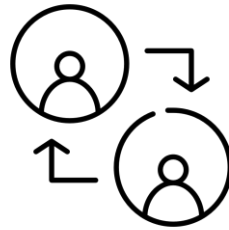
Why I'm sending you this...

- Thank you for completing STL Partners' survey on culture, purpose and leadership among telcos
- I'm sending you this summary of the preliminary results as you requested
- The results will be analysed in greater depth in forthcoming STL Partners research reports
- If you'd like more information or to get a larger sample of respondents in your organisation, please contact me at andrew.collinson@stlpartners.com

Background to the research

- This research is part of our overall programme to help understand and develop how telcos can optimise their performance and reinvigorate growth and innovation
- This deck includes preliminary findings from an online survey of 168 telecoms industry executives in September – October 2019
- Respondents were asked to think about the telco they knew best, and could either name that telco or just reply ‘a telco’
- Survey: <https://www.surveymoz.com/s3/5153301/Purpose-Culture-and-Leadership>
- All individual inputs are treated in strict confidence

STL Partners' research helps telcos to...



Make new thinking and business models work

Drive real change in practice

Grow through purposeful innovation



Re-orient with a new purpose: succeed in the Coordination Age



Solve real customer problems with 5G, Edge, NFV, IoT, AI, etc..



Implement new ways of doing and managing business



Design and operate B2B2X and ecosystem business models



Address issues beyond technology: leadership, partnerships, regulation...



Evaluate new opportunities and plan/direct strategies



Engage internal and external stakeholders



Learn from pragmatic and insightful case studies



Leverage our unique perspective: we're catalysts, not just analysts

High level findings – Telcos overall

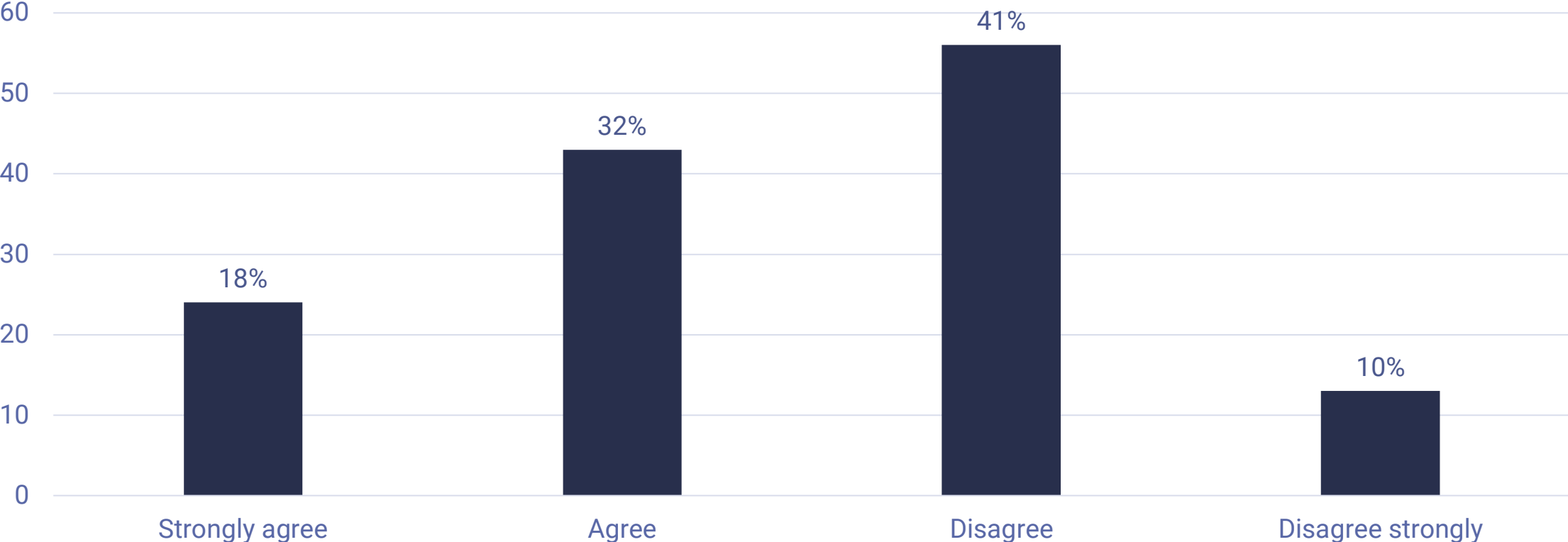
High level findings

- Telco culture is diverse
- Factors perceived to lead to greater success:
 - Learning from mistakes
 - Collaborative leadership
 - Openness / psychological safety
 - A motivating purpose
- ‘Digital’ attributes showed little or no relation to perceptions of cultural or leadership success



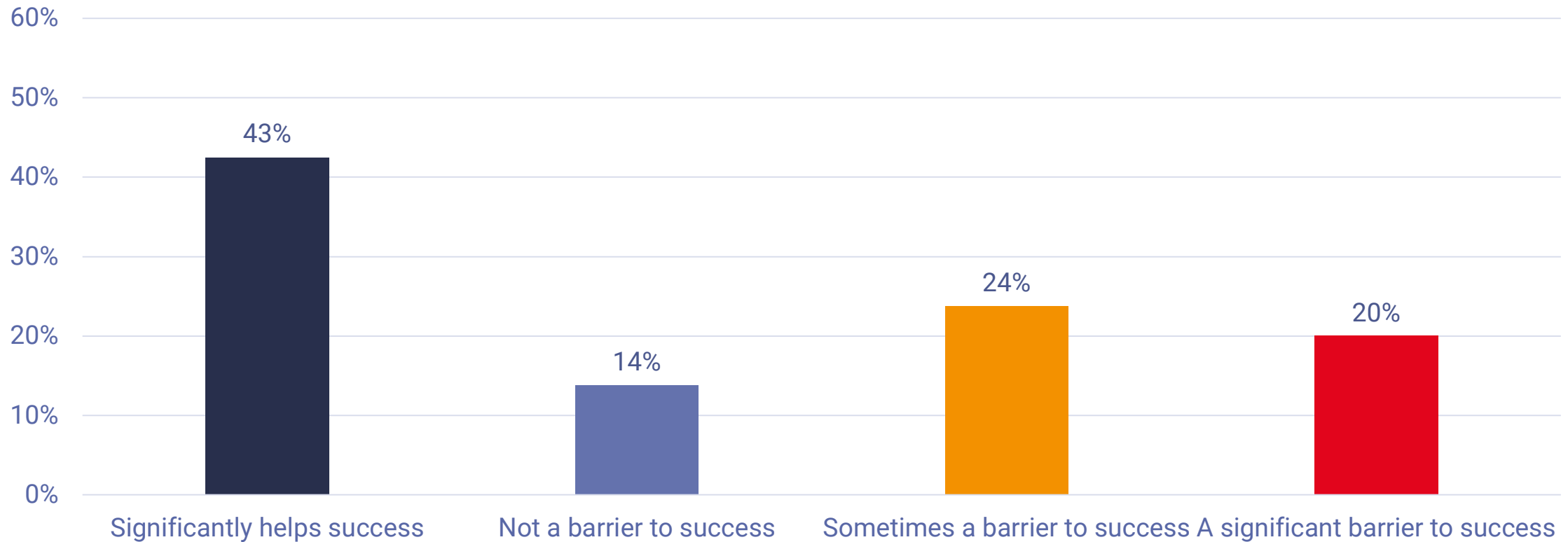
Half of the respondents thought it harder to get things done in telcos than elsewhere

Compared to other organisations I know, it always seems more difficult than it should be to get things done



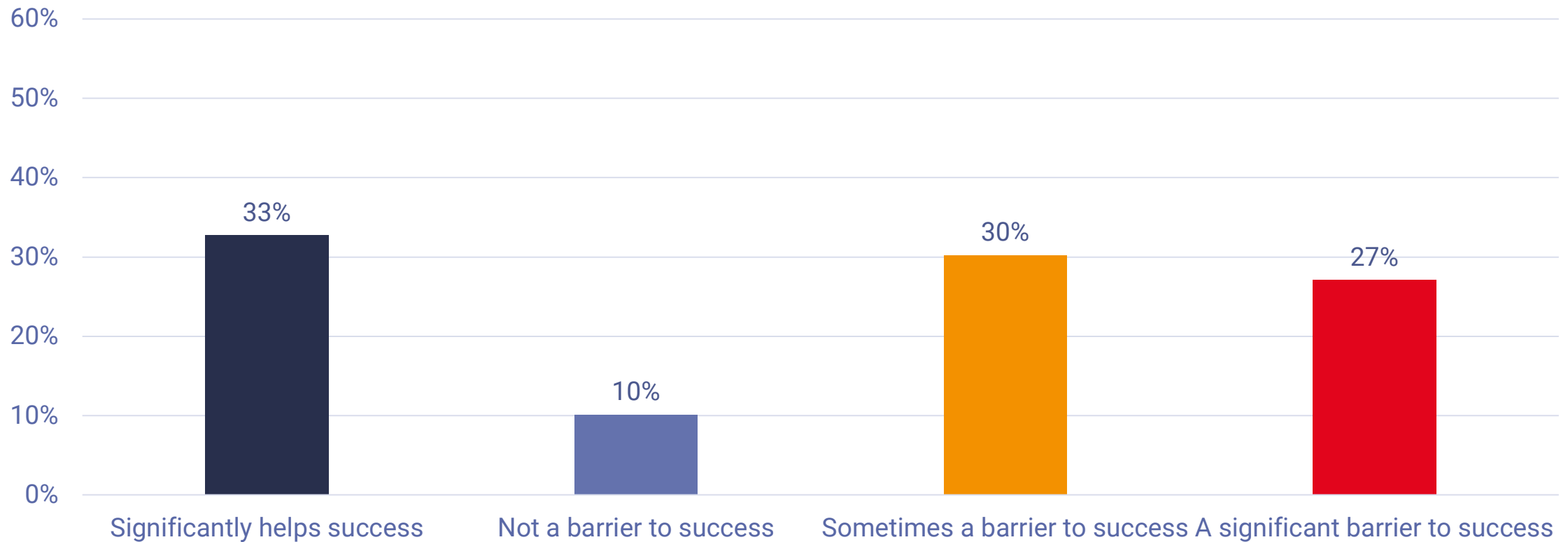
Leadership was seen to be a significant enabler to success by 43% (albeit of a relatively senior sample to date)

Overall, to what extent are leadership vision, alignment and delivery a barrier or enabler of success in the telco you are thinking of?

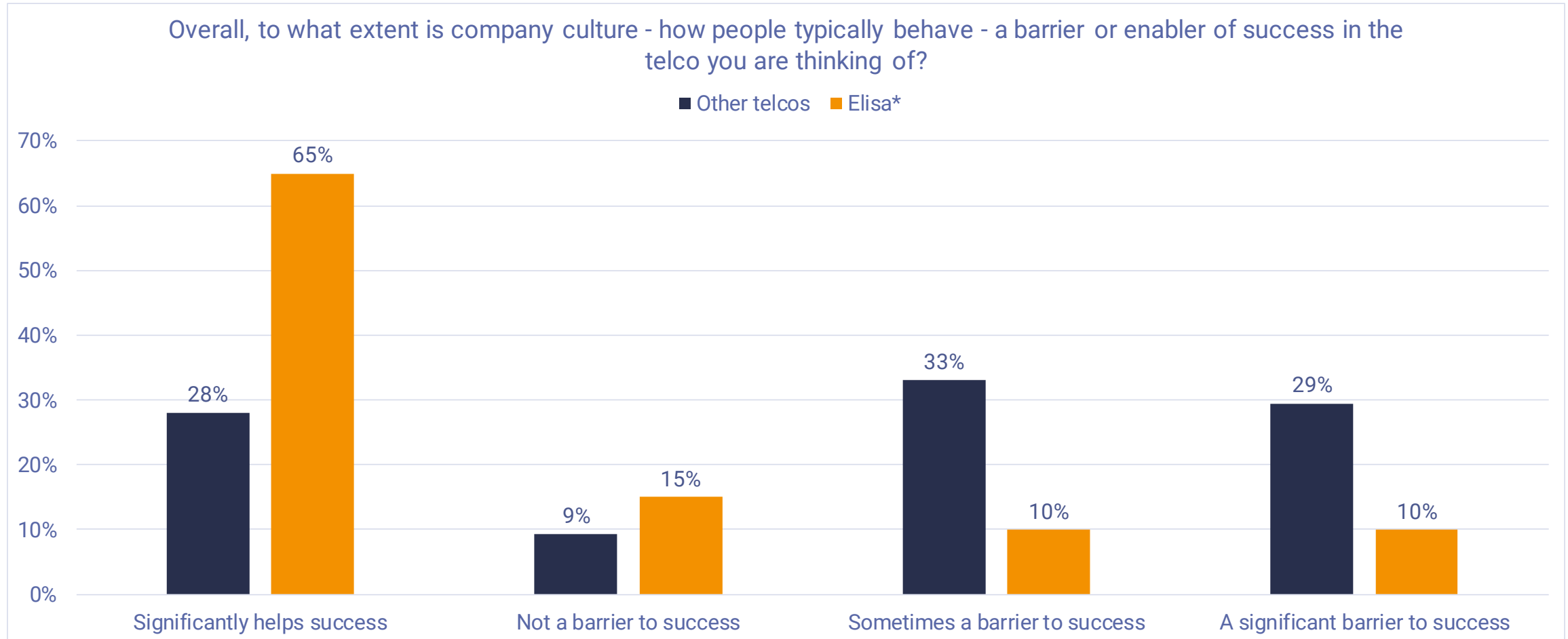


Culture was also a barrier in 57% - but also a significant enabler in 33%

Overall, to what extent is company culture - how people typically behave - a barrier or enabler of success in the telco you are thinking of?



There are examples that show some telcos are doing better than others. For example, Elisa's culture is perceived as significantly more effective than most other telcos'

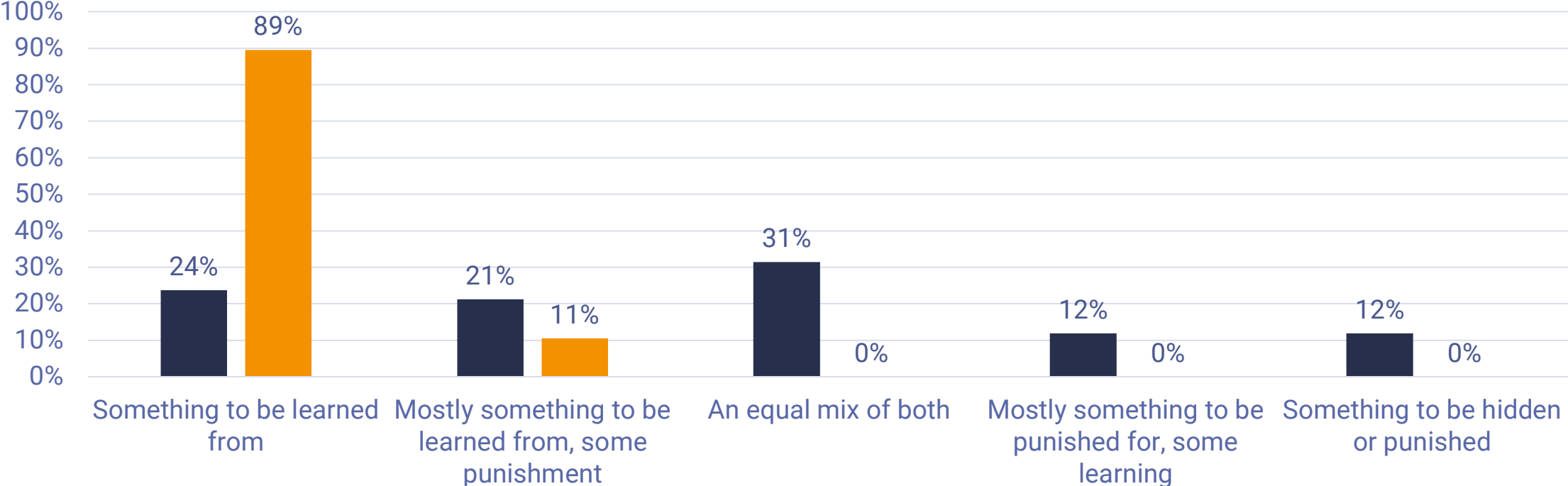


NB We've had 19 responses from Elisa so far, so it's possible to start to see some major differences

Elisa's culture is hugely different from most telcos in how it deals with mistakes - 100% say they learn from them

Does this organisation tend to treat mistakes as something to be hidden/punished, or something to be learned from?

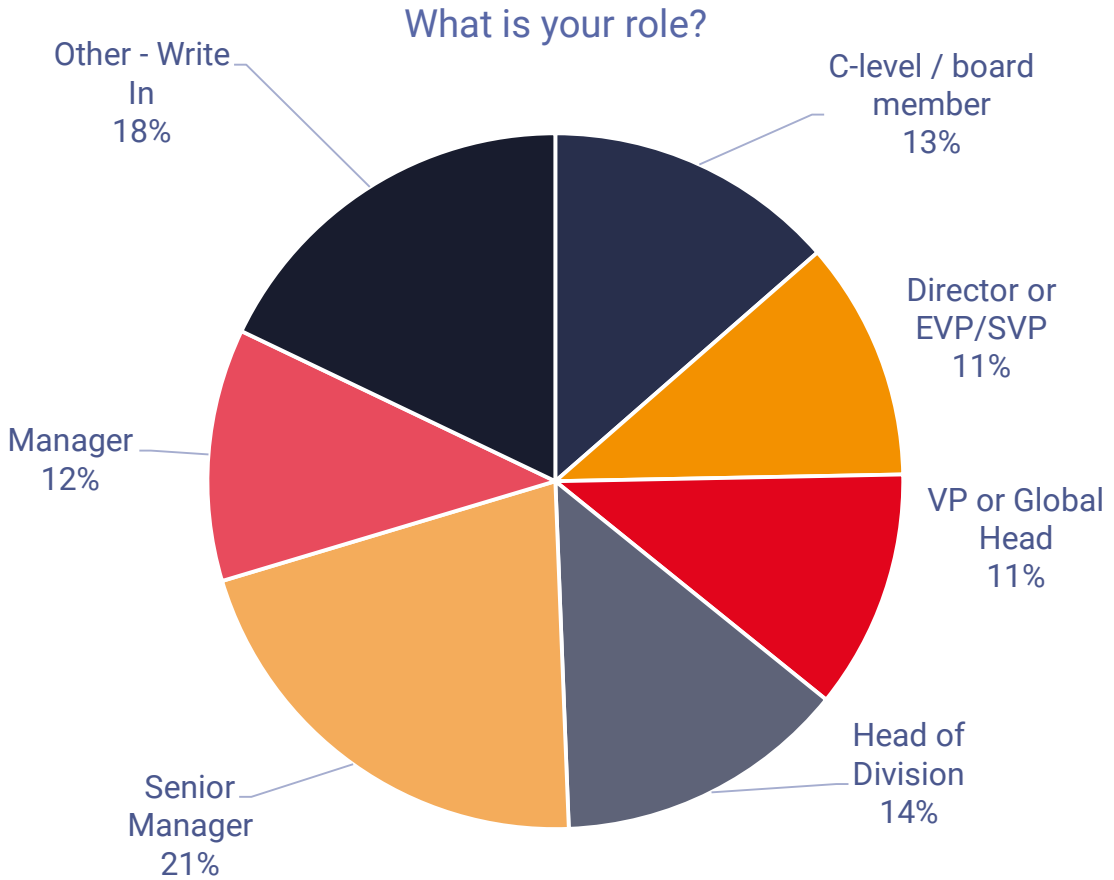
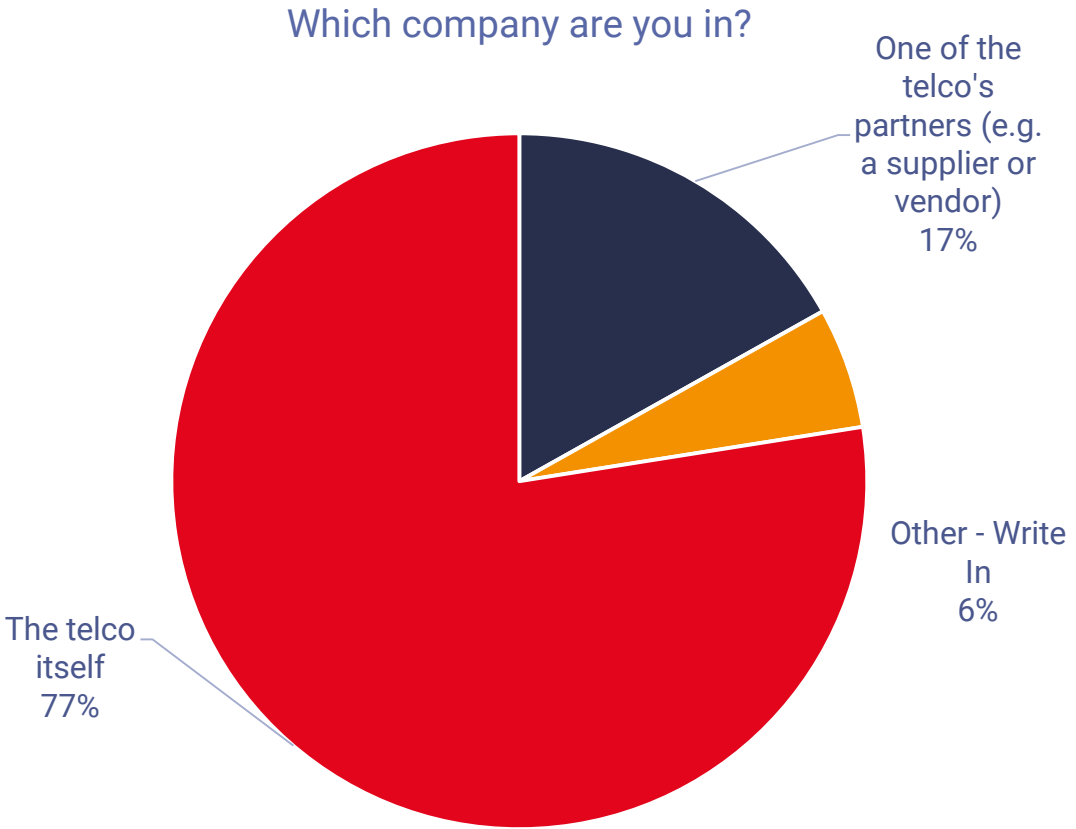
■ Other telcos ■ Elisa*



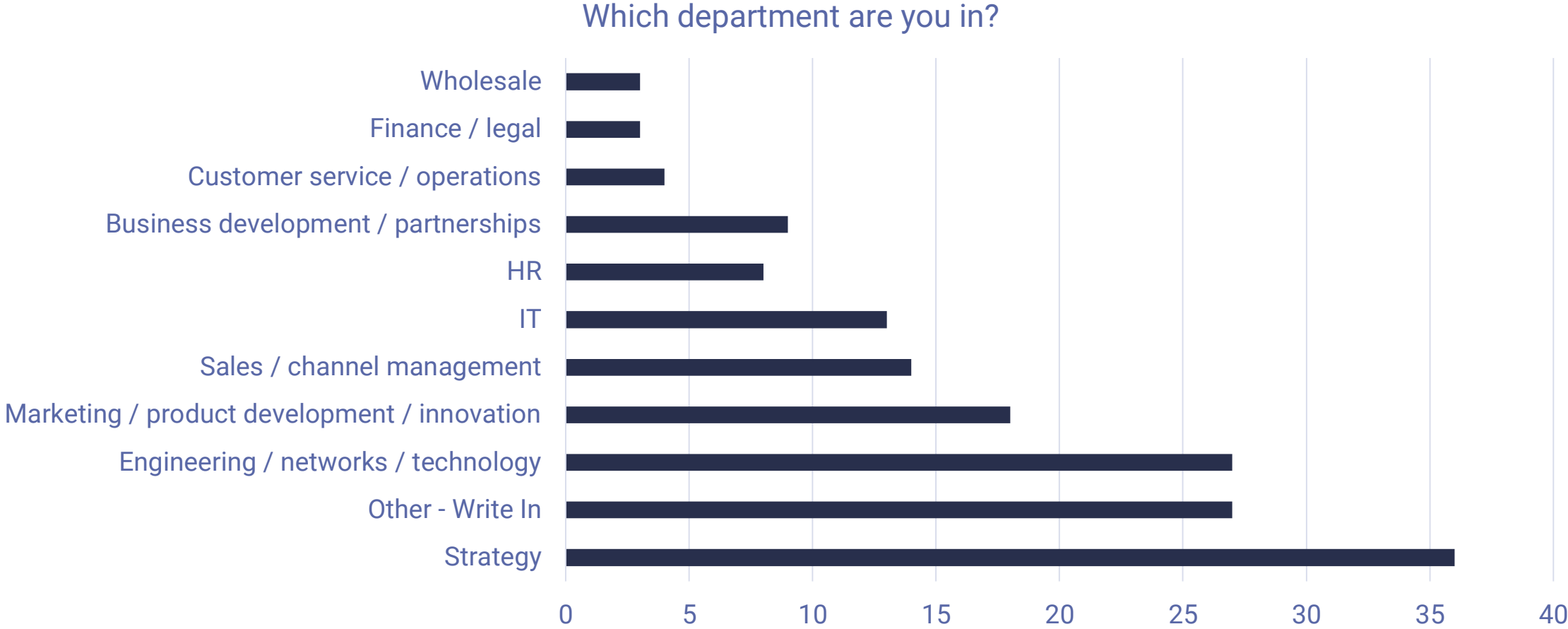
STL Partners will be publishing an in-depth analysis of how Elisa has developed its culture and leadership style

About the respondents

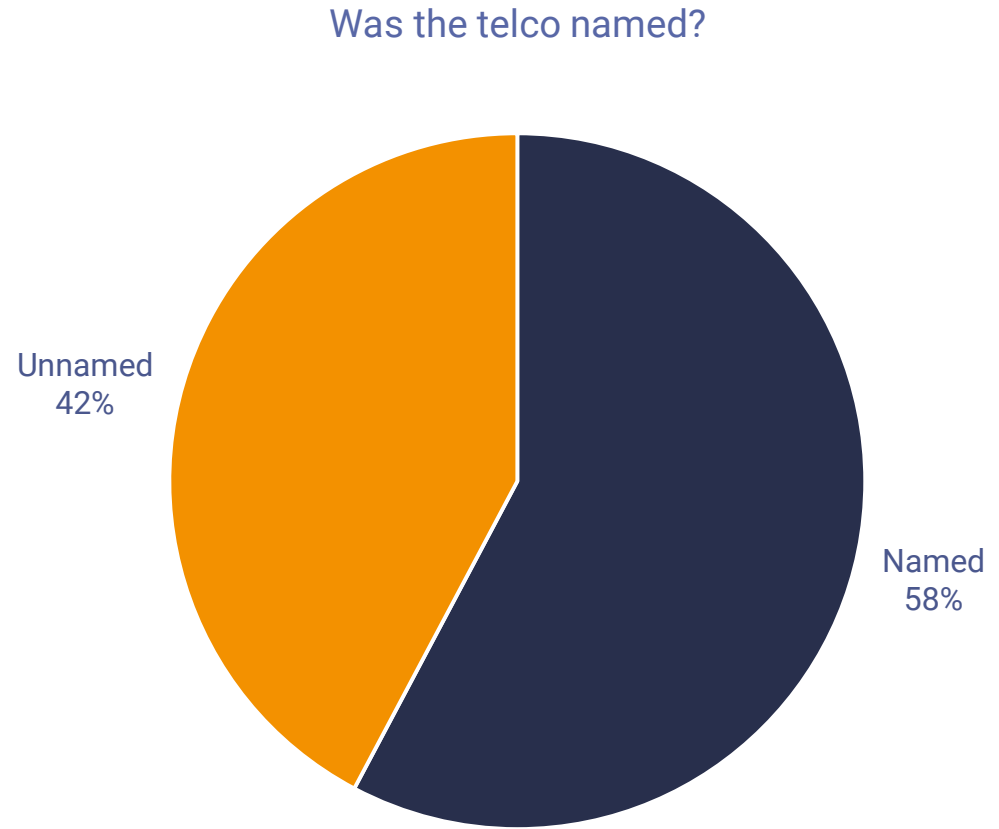
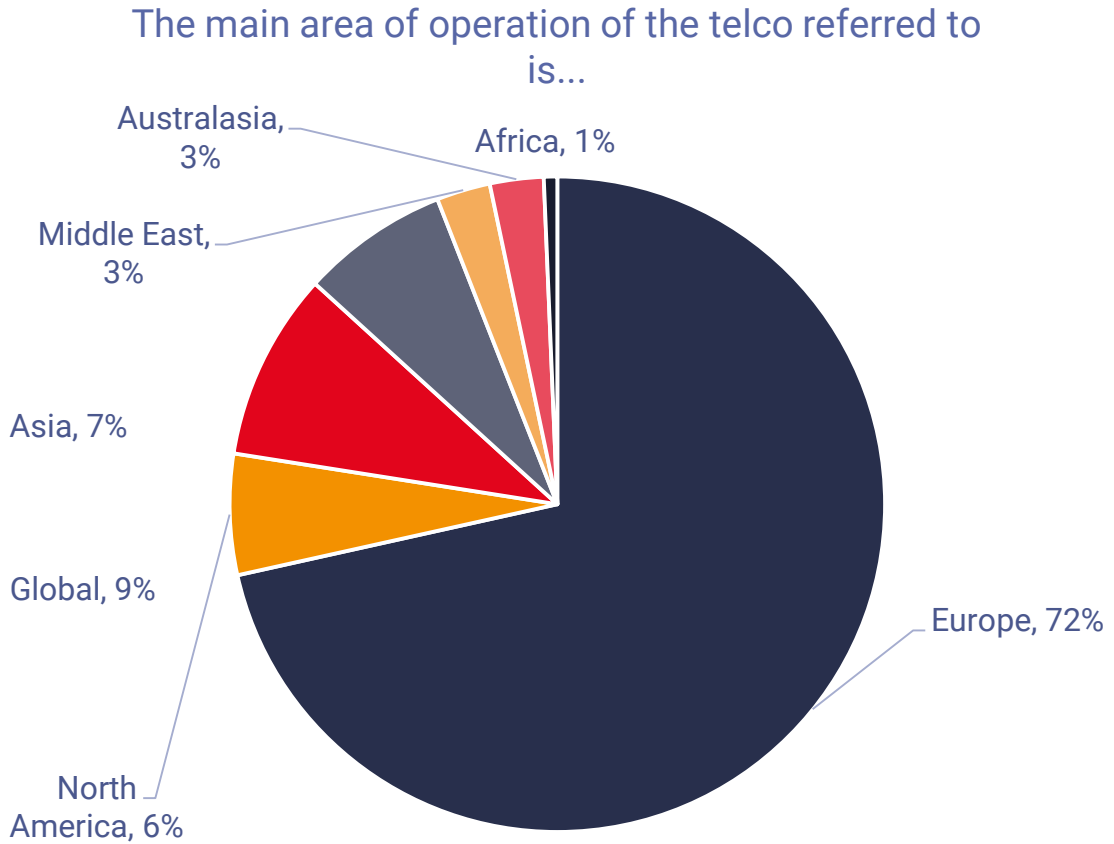
Respondents so far are primarily senior telco execs



Strategy and engineering were the main business areas represented



Over two thirds responded about European telcos



What's behind the numbers?

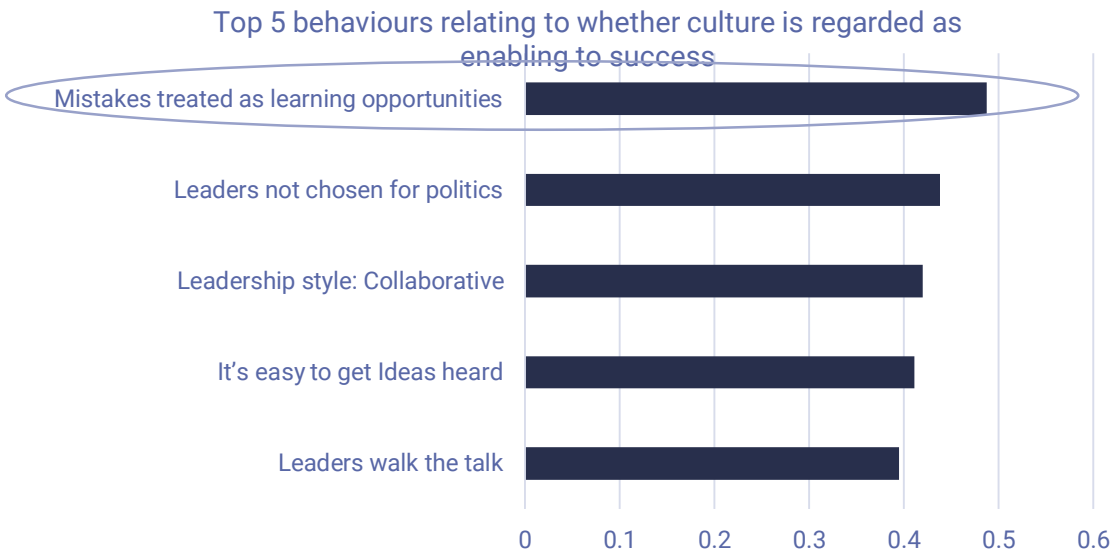
Methodology

We looked at correlations between people's perceptions of a company's culture, leadership and purpose and other answers

E.g. What appears related to culture?



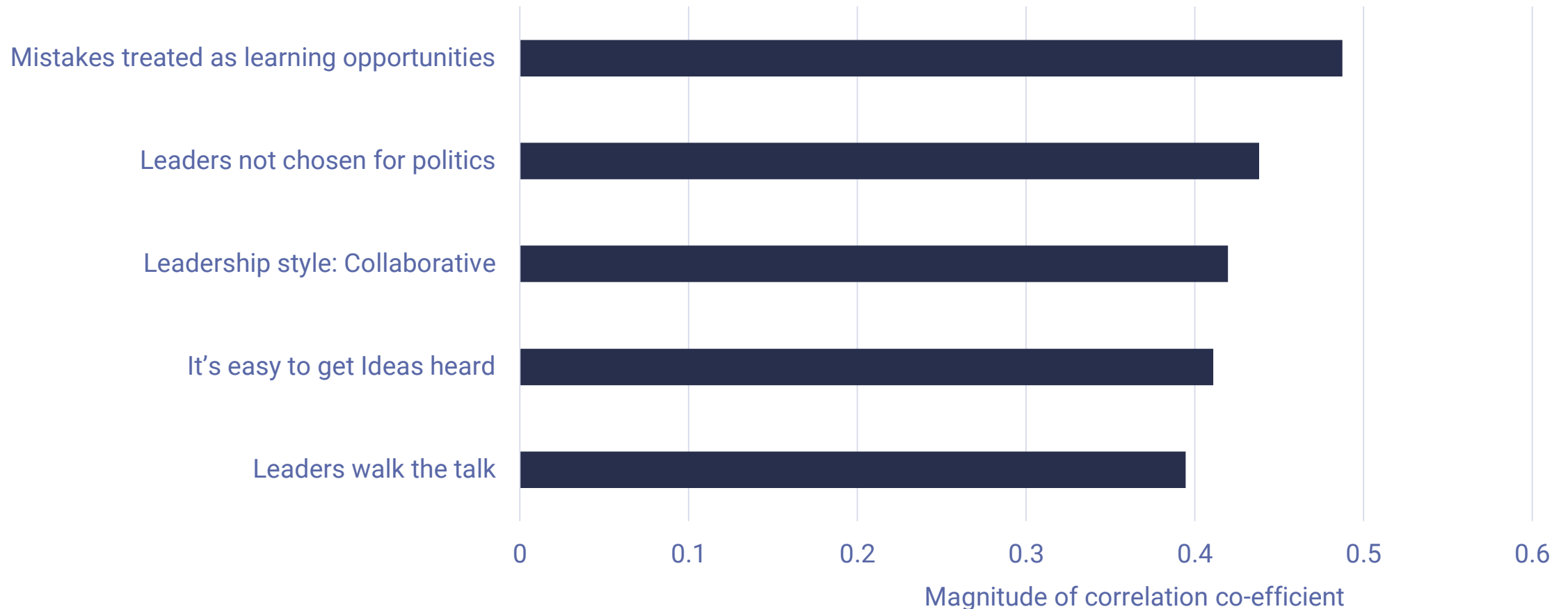
Distribution of answers on top drivers



Correlations help avoid respondents' conscious prejudices. But correlation is not equal to causation, so it's important to apply discretion and clarity to analytical assumptions.

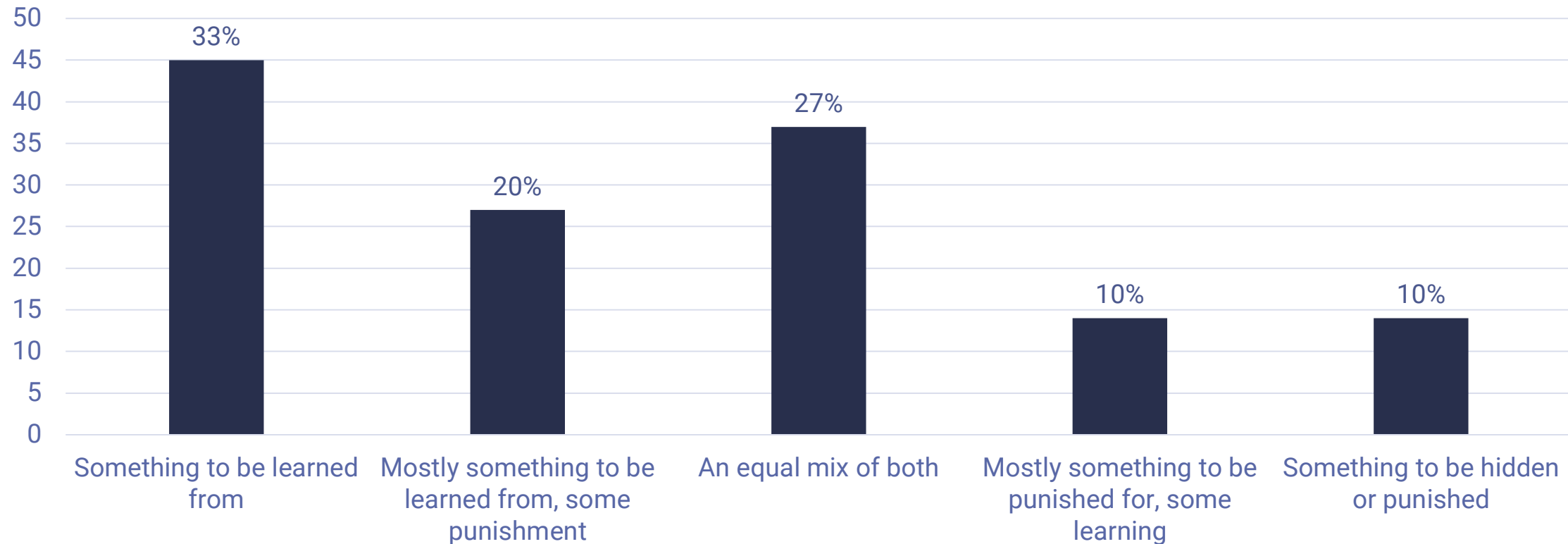
Culture: open and collaborative leadership behaviours were associated with a success

Top 5 behaviours relating to whether culture is regarded as enabling to success



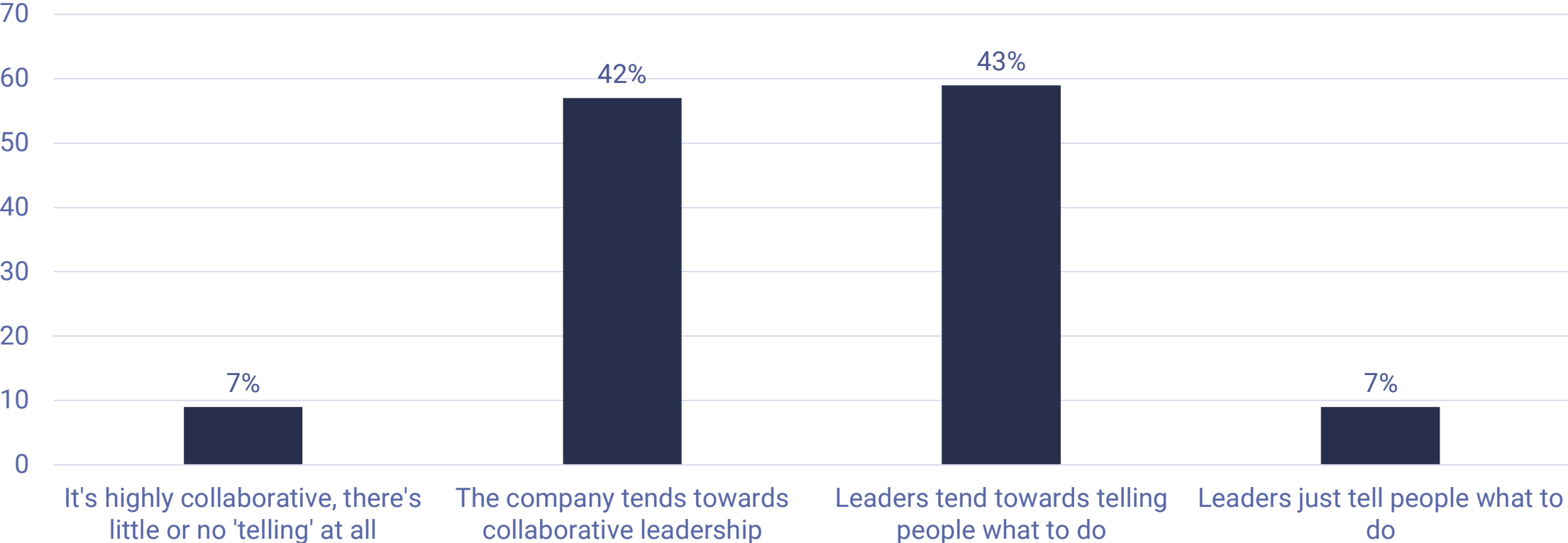
The good news: over half the respondents thought mistakes were more likely to be treated as a learning opportunity

Does this organisation tend to treat mistakes as something to be hidden/punished, or something to be learned from?



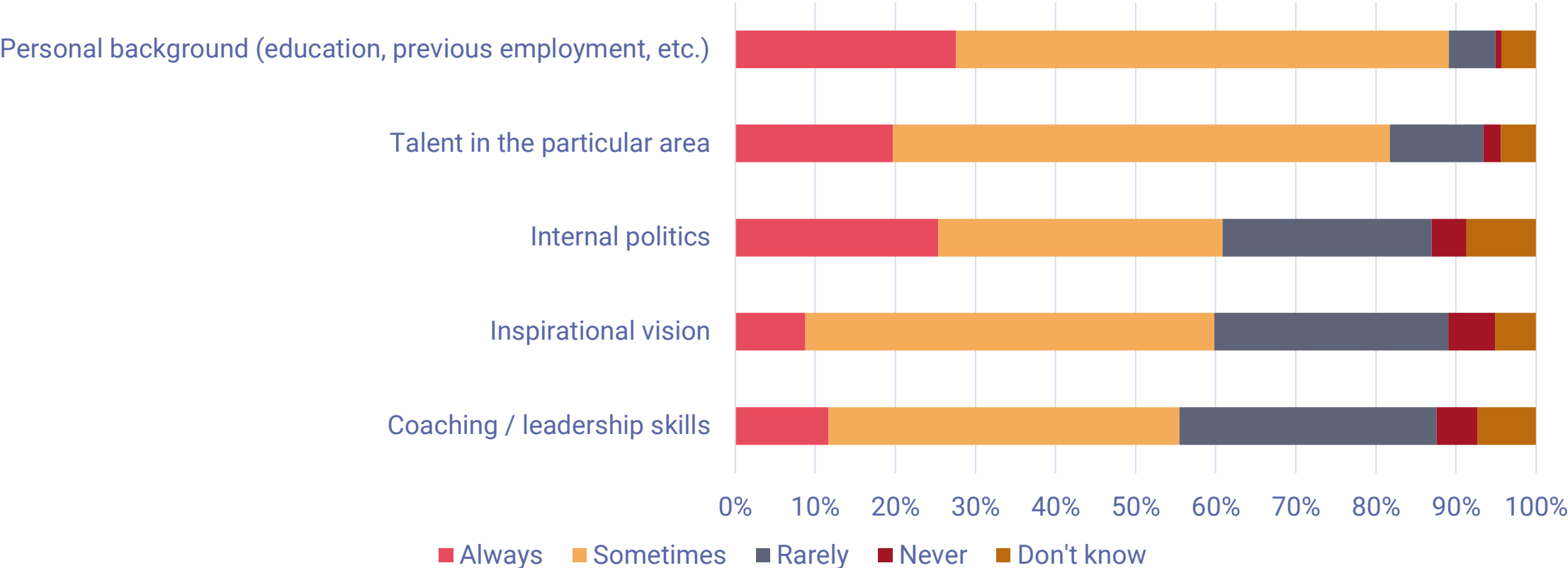
But there was a slight bias towards a commanding style of leadership

Do leaders in this organisation tend towards telling people what to do (command and control) or working with teams to agree the best way forward (collaborative)?



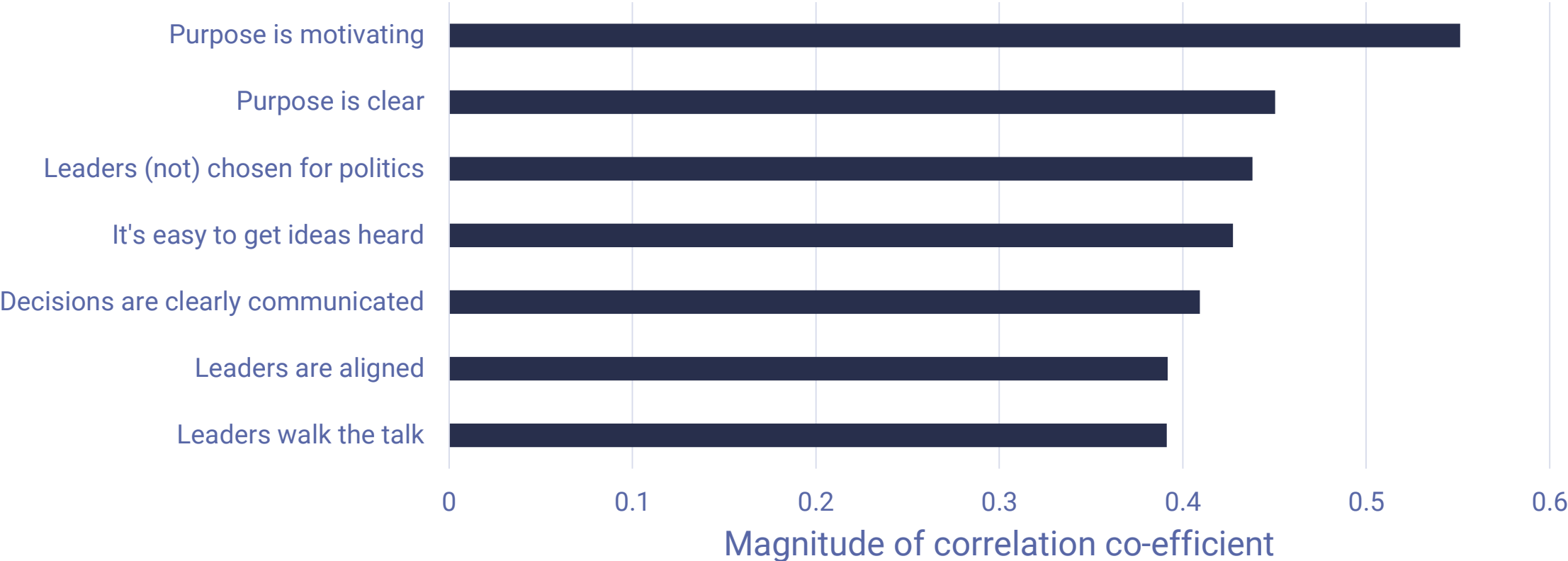
And while background and talent were the leading driver of leader selection, politics often plays a part

In this organisation, leaders are chosen because of their...

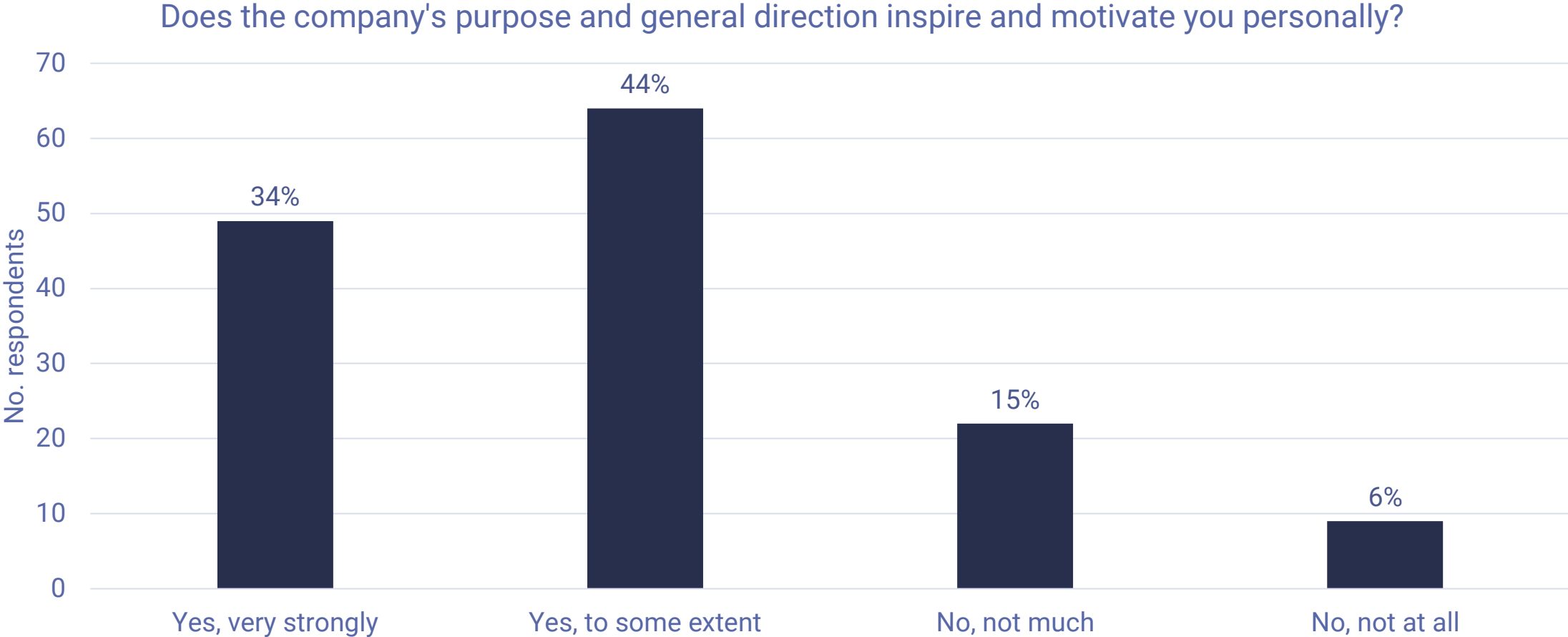


Leadership: success is associated with a motivating purpose, non-political leaders, and an open culture

Top 7 behaviours/inputs to 'Leadership is an enabler to success'

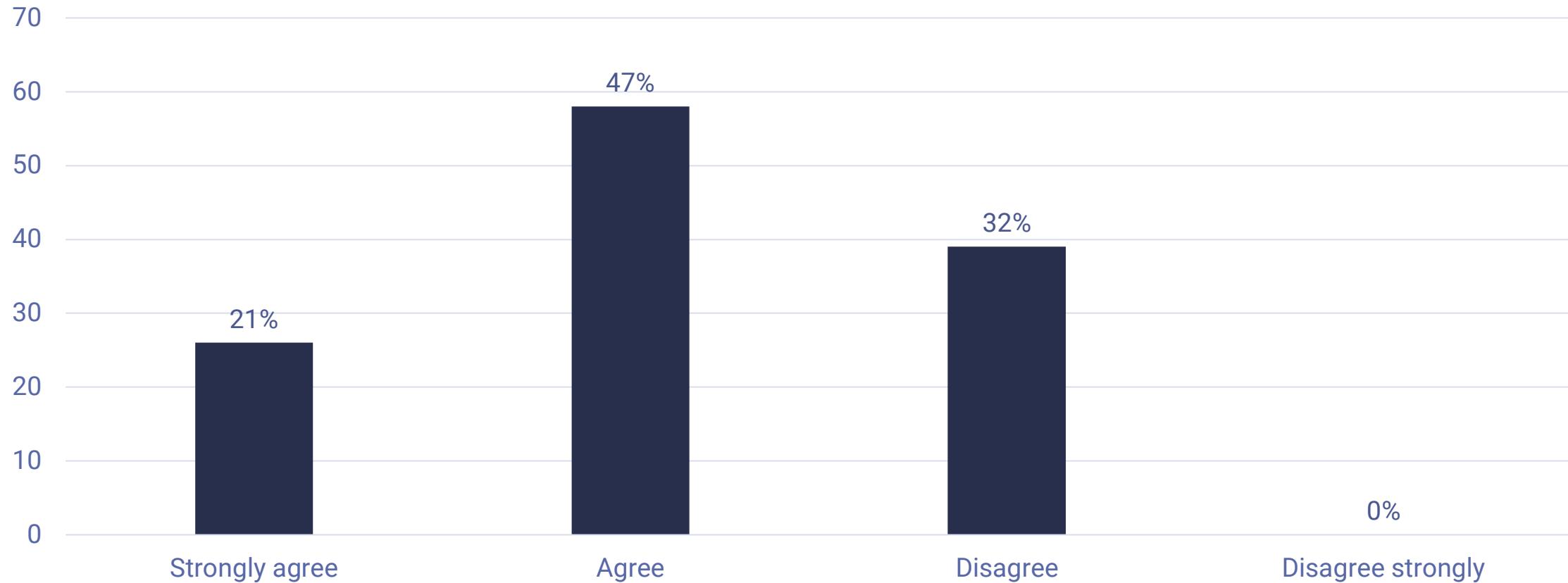


Most found the telcos' purpose motivating, at least to some extent – but there's room for improvement in conviction



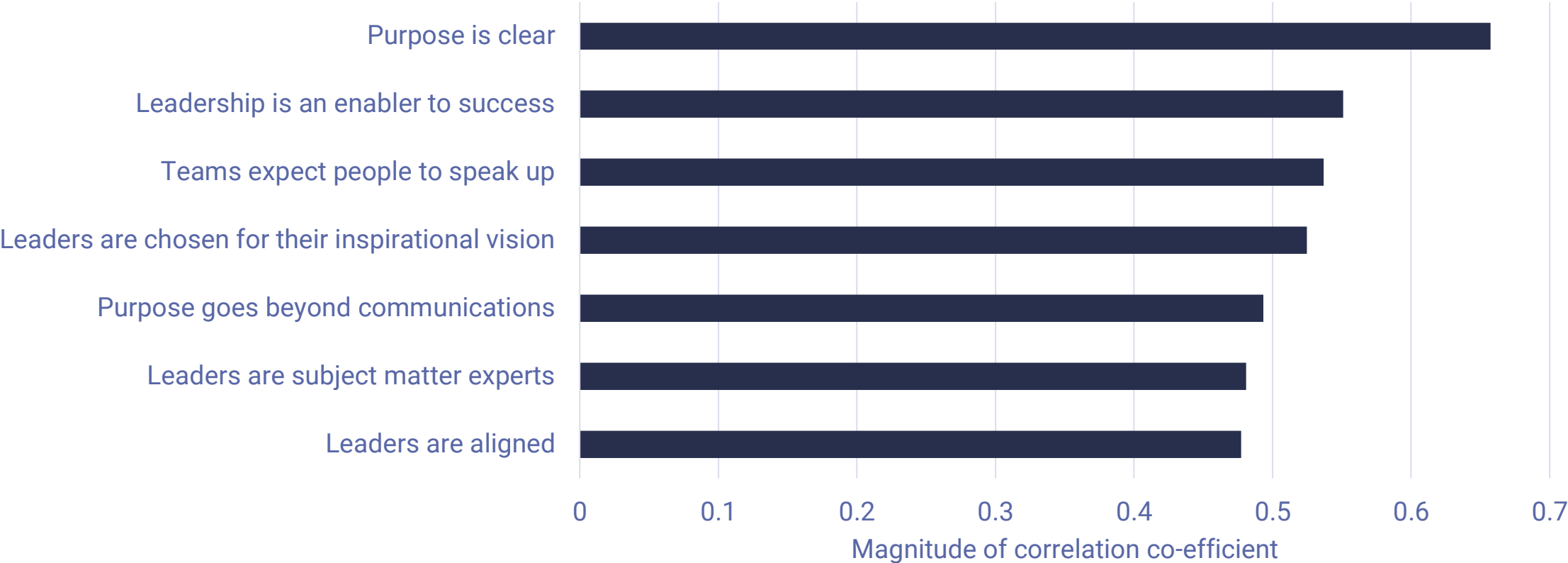
And a third didn't think good ideas get heard

A good idea will get serious consideration wherever it comes from



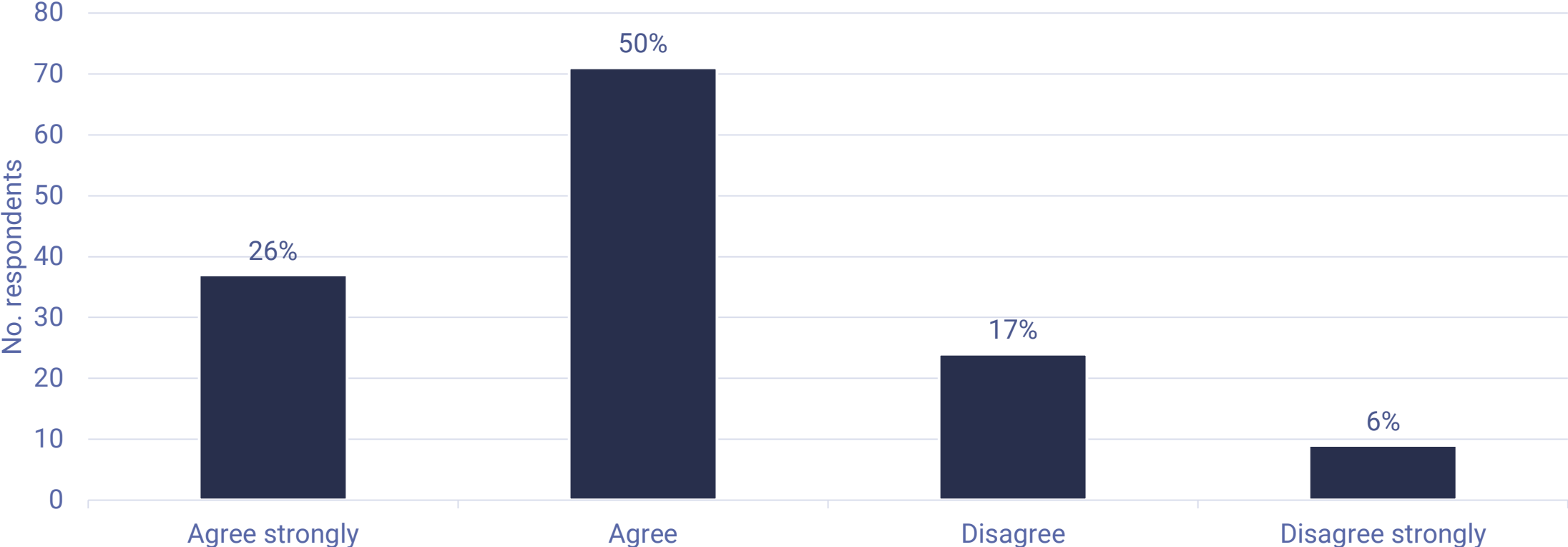
Purpose: clarity, inspiring leaders, and a purpose that goes beyond communications are associated with motivation

Top 7 correlations with 'Purpose is motivating'

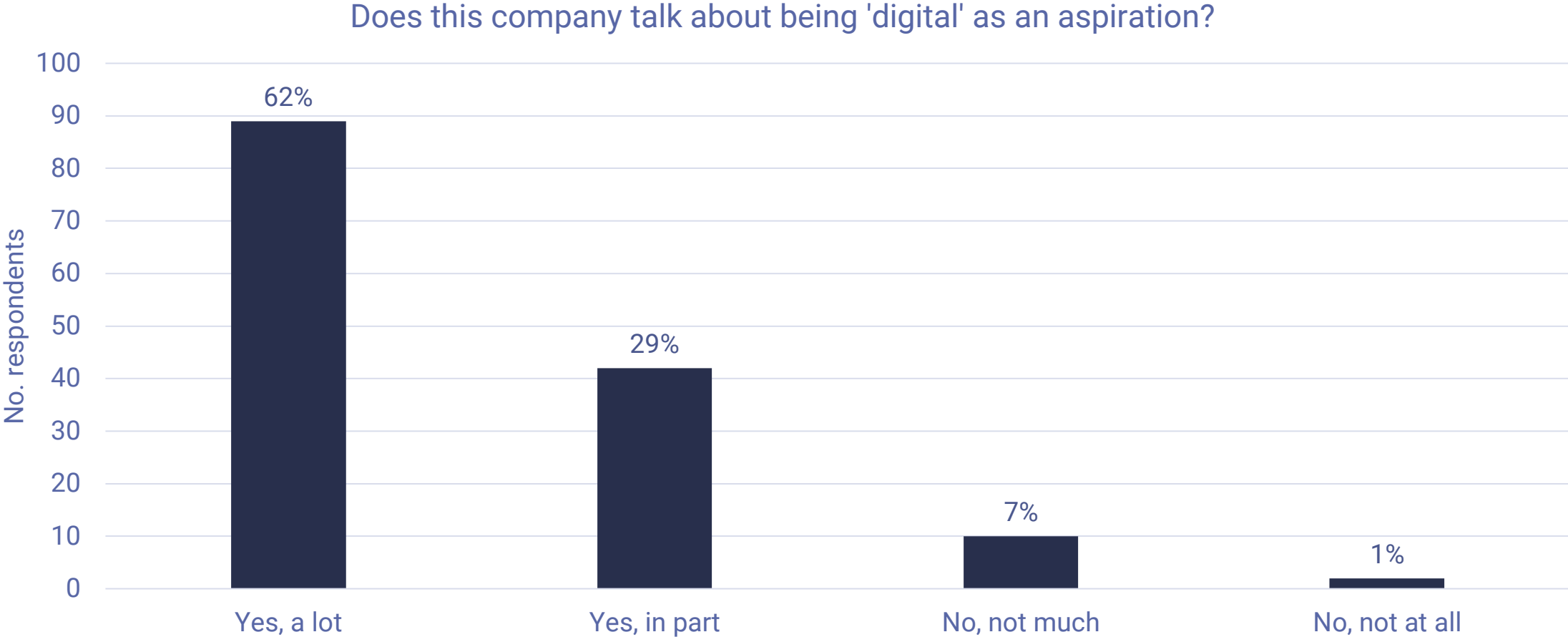


Most said telcos' purpose went beyond communications to some degree

Does this company have a single, clear overall purpose? (I.e. What this company exists to achieve is clear and well communicated)

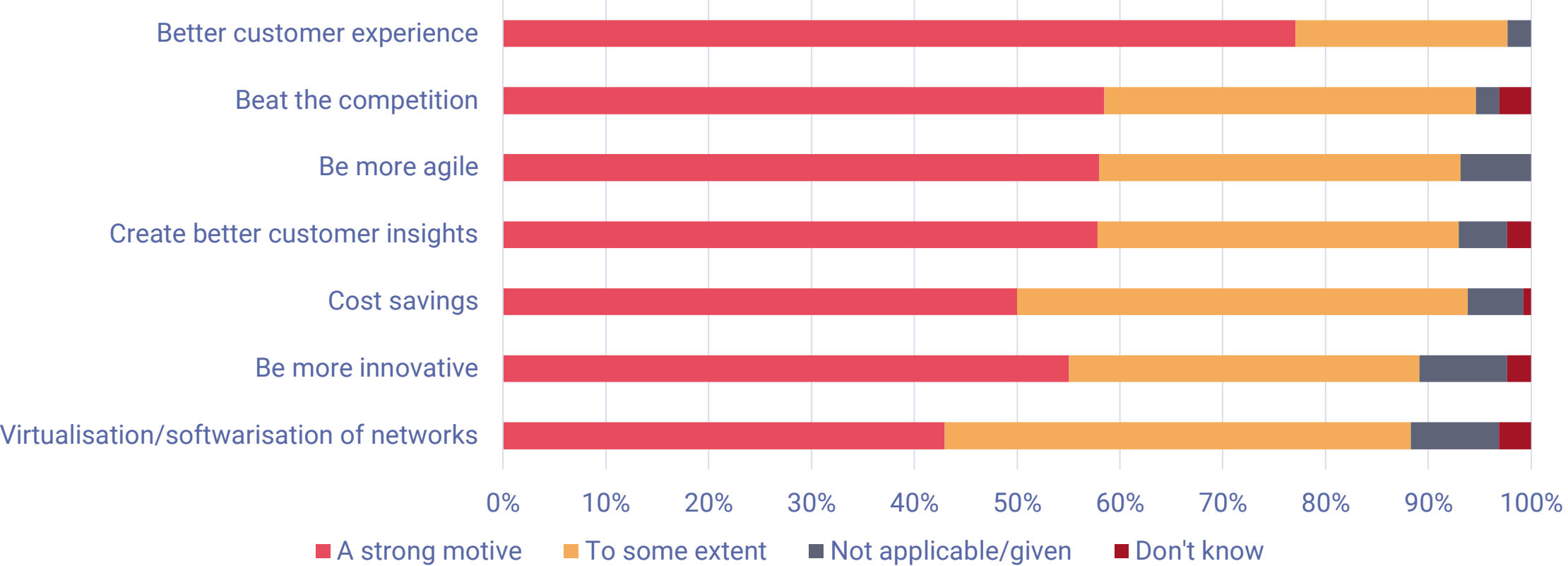


91% said telcos talk about being digital as an aspiration



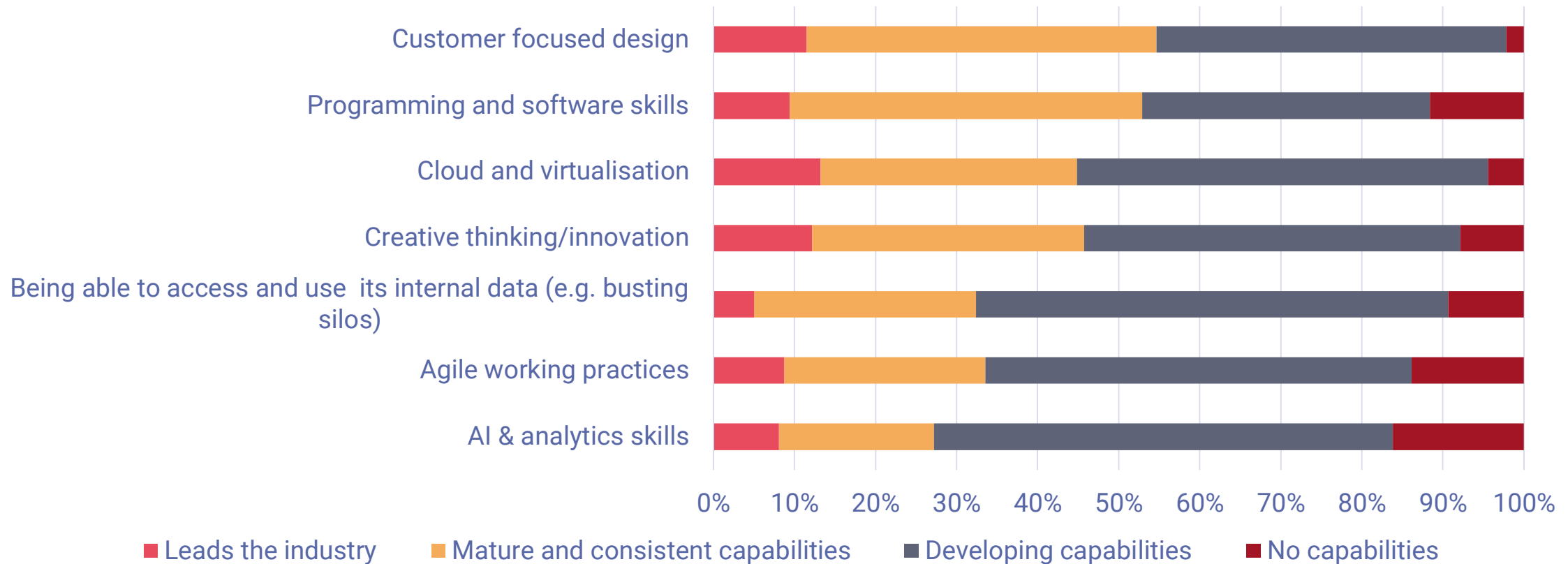
Customer experience is the top driver for digital

What does the company want to achieve by being 'digital'?



Agile, AI and analytics were the telcos' lowest developed 'digital' capabilities

How do you rate this company's skills and abilities in...



Surprisingly conspicuous by their absence...

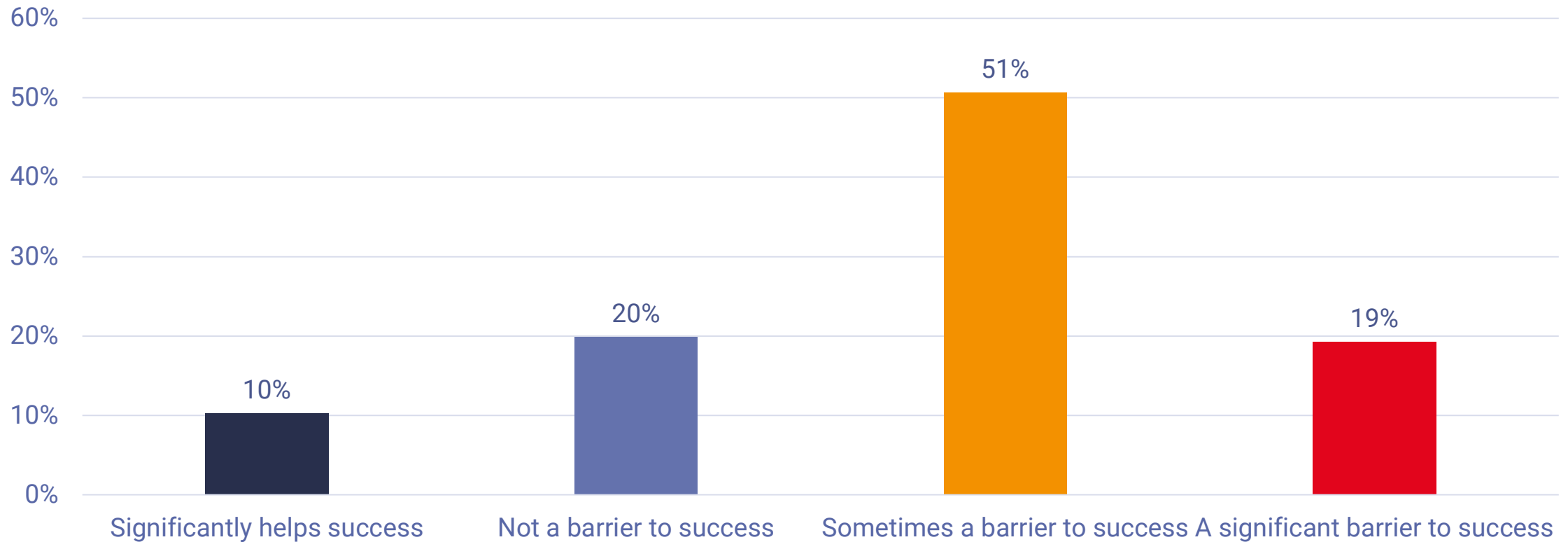
- There was little correlation between any of the 'digital' ratings and perceptions and any of the answers on leadership, culture and purpose

Full results: perceived overall drivers of success in telcos

Summary of overall findings for all respondents

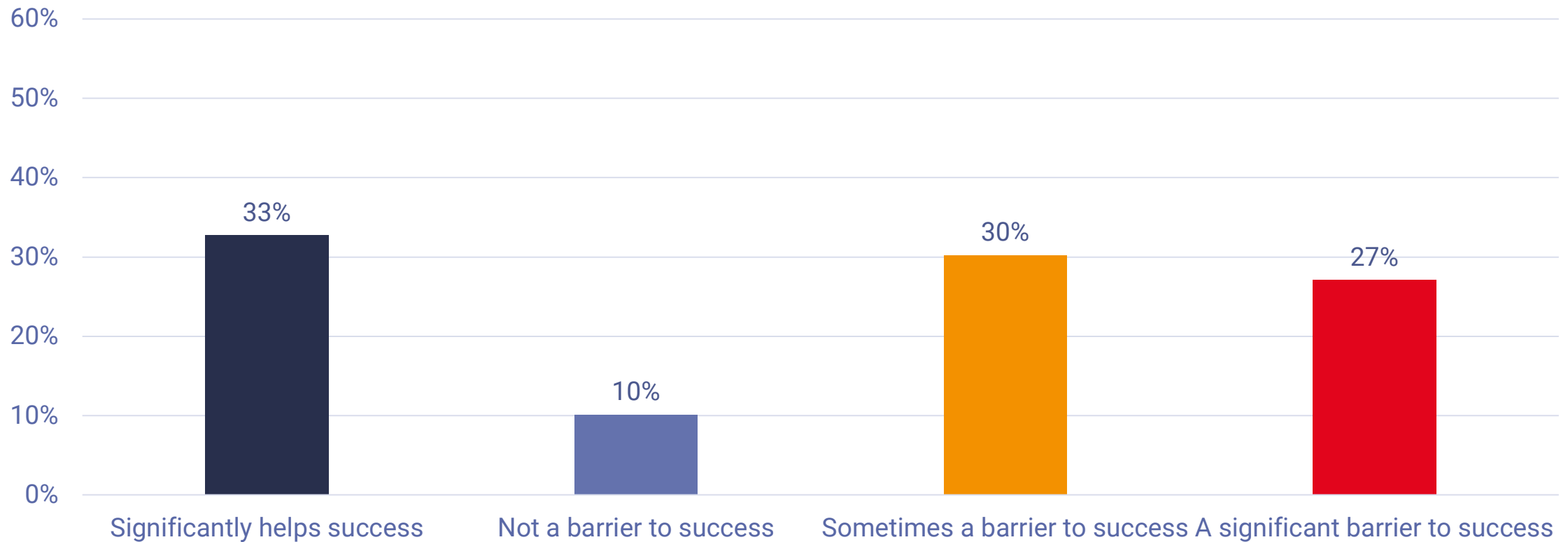
Systems are at least sometimes a barrier to success for 70%

Overall, to what extent are formal internal systems and processes a barrier or enabler of success in the telco you are thinking of?



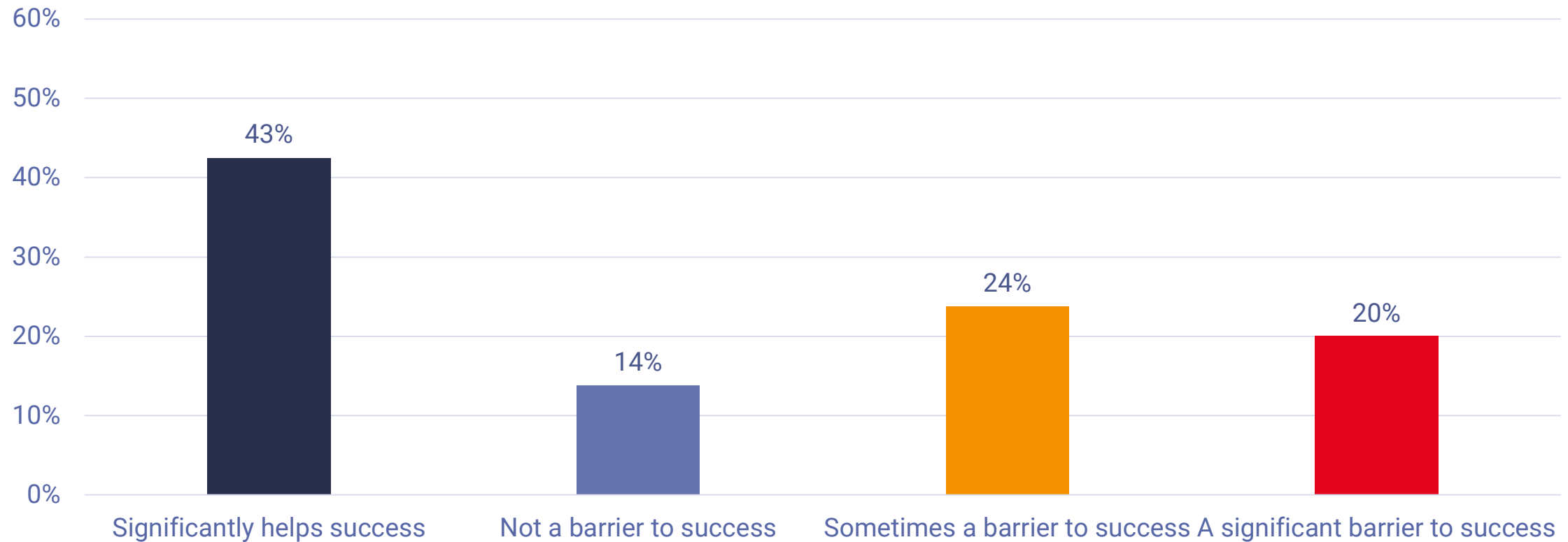
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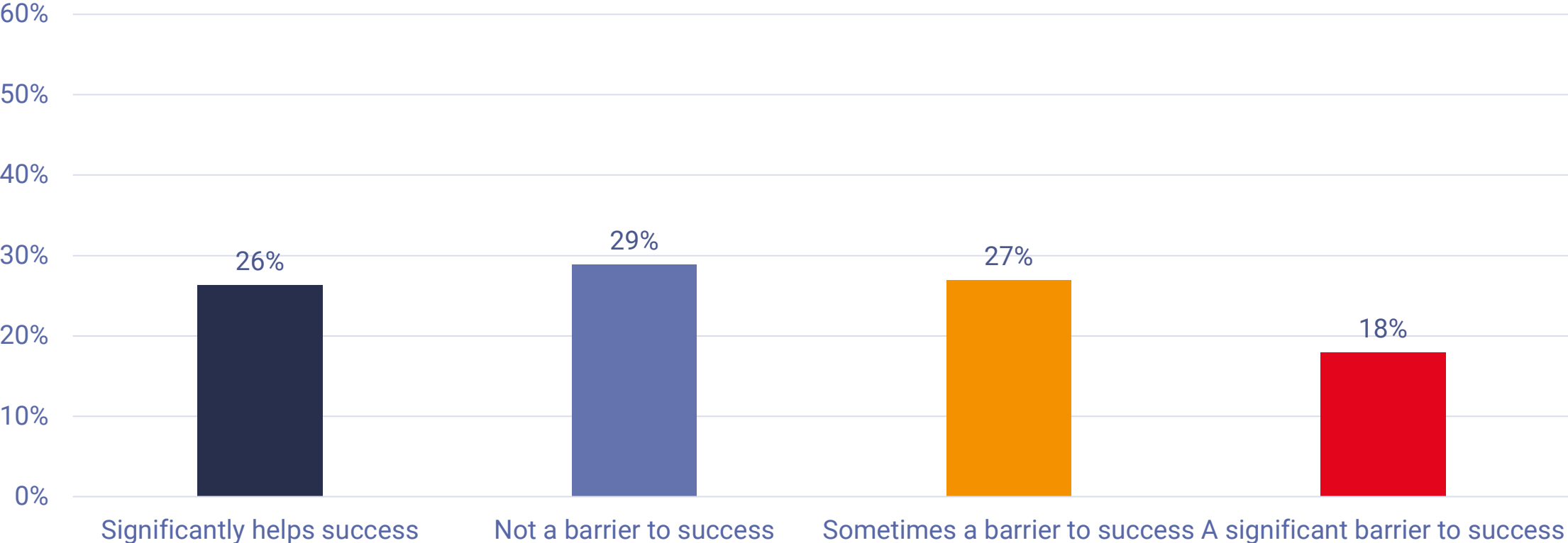
Leadership was seen to be a significant enabler to success by 43% (albeit of a relatively senior sample)

Overall, to what extent are leadership vision, alignment and delivery a barrier or enabler of success in the telco you are thinking of?



Recruitment and training was relatively evenly distributed as an enabler or barrier

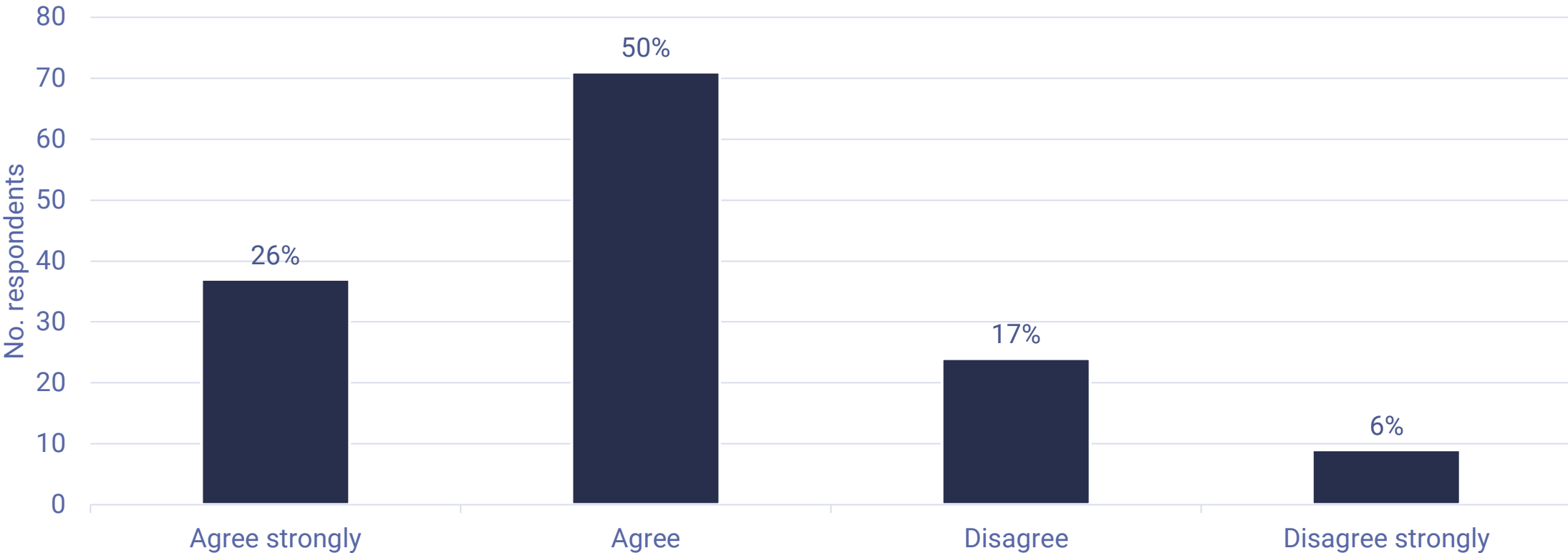
Overall, to what extent are recruitment and training - getting the skills it needs - a barrier or enabler of success in the telco you are thinking of?



Telcos' purpose

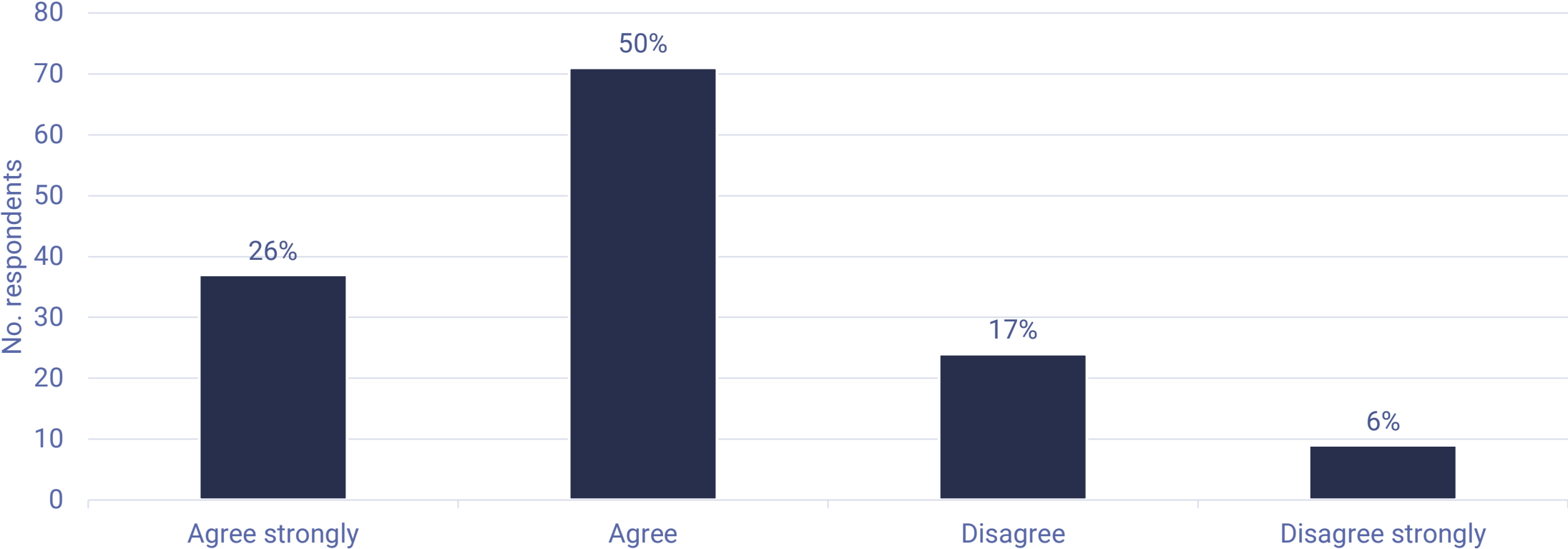
76% said telcos had a clear purpose

Does this company have a single, clear overall purpose? (I.e. What this company exists to achieve is clear and well communicated)

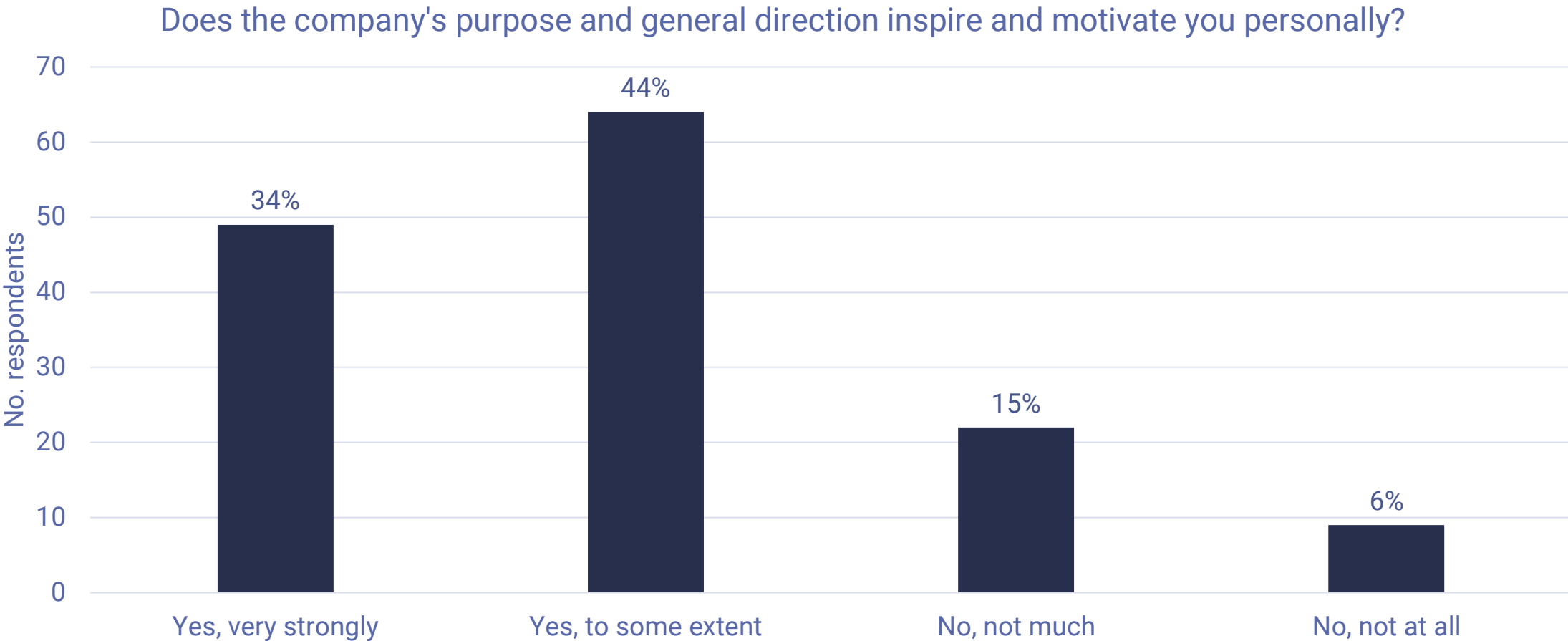


86% said telcos' purpose went beyond communications to some degree

Does this company have a single, clear overall purpose? (I.e. What this company exists to achieve is clear and well communicated)



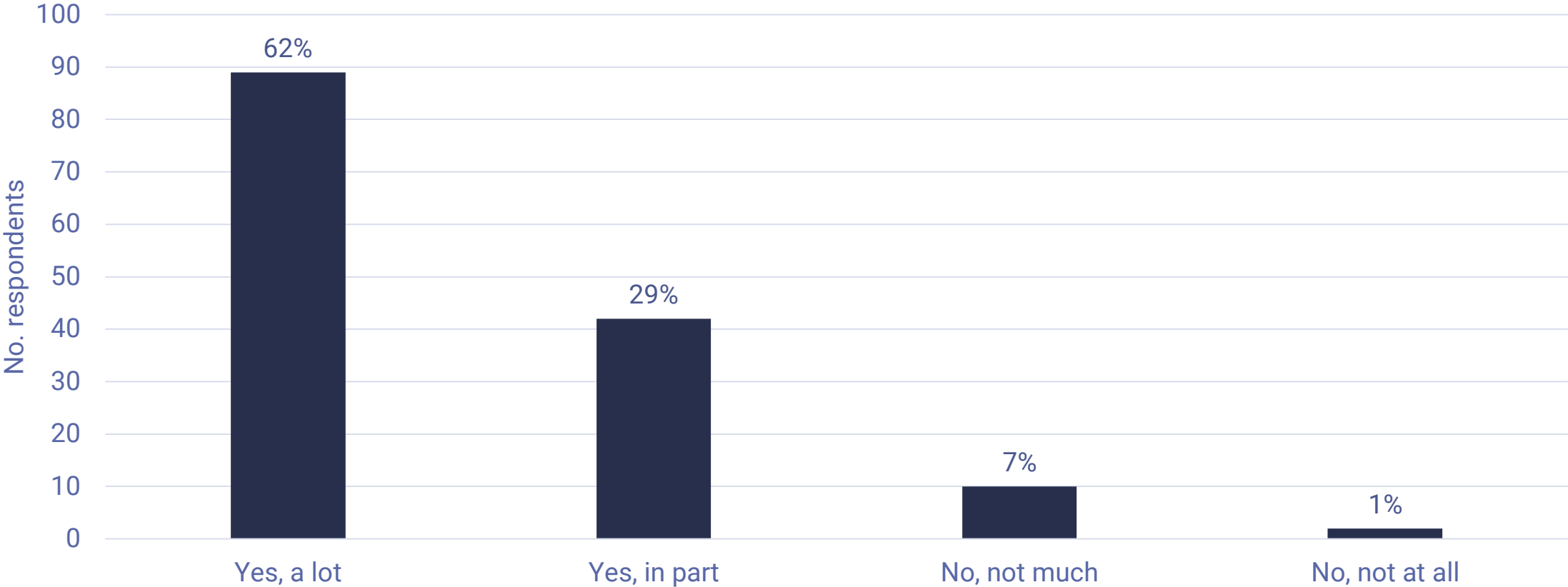
77% found the telcos' purpose motivating, at least to some extent



Digital goals, skills and capabilities

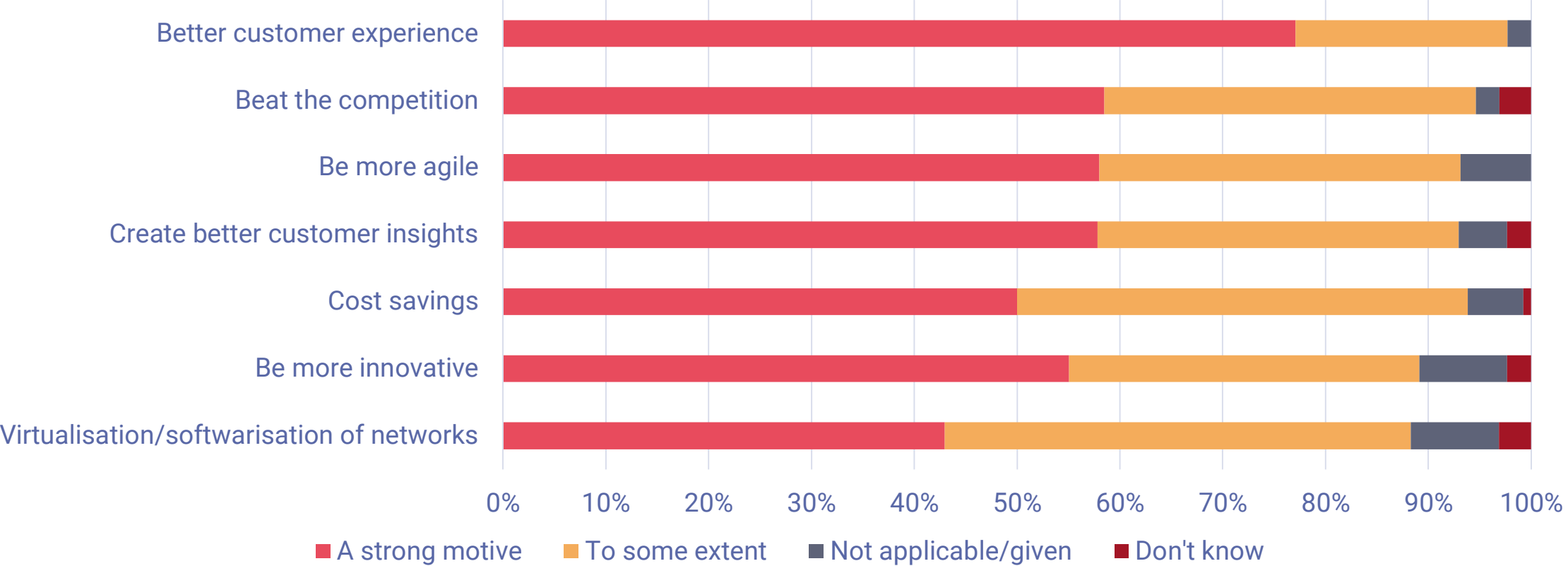
91% said telcos talk about being digital as an aspiration

Does this company talk about being 'digital' as an aspiration?



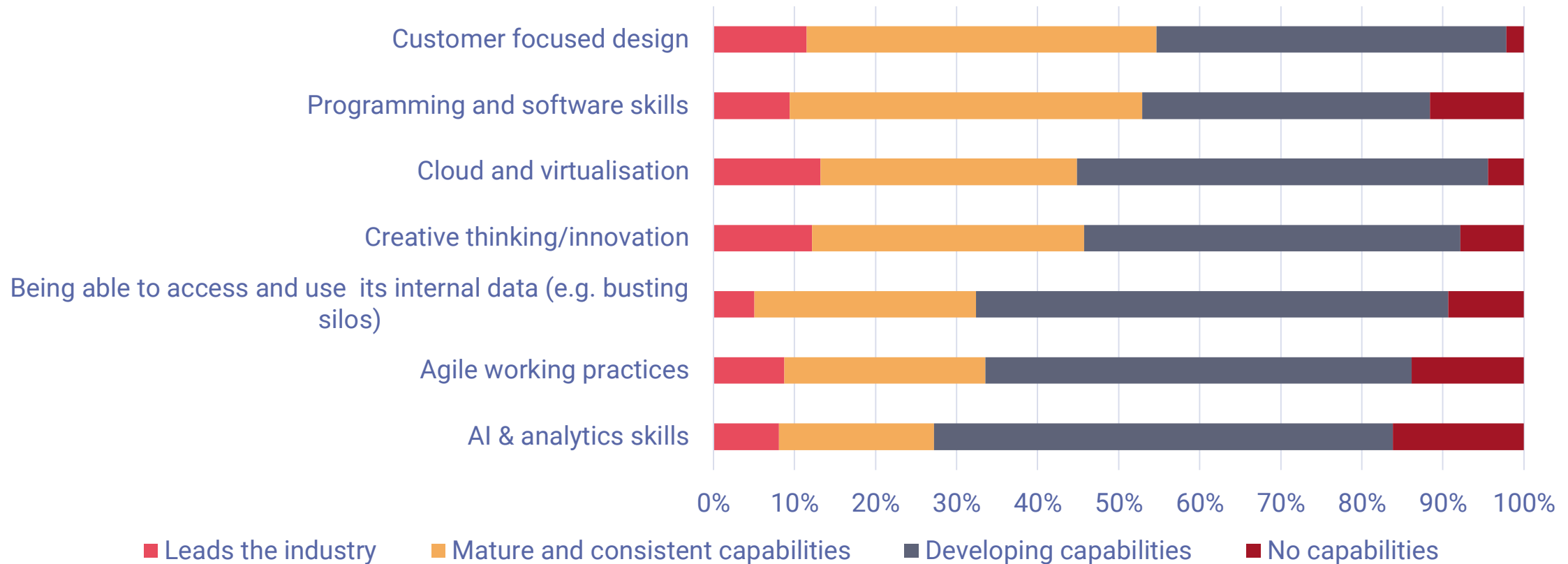
Customer experience is the top driver for digital

What does the company want to achieve by being 'digital'?



Agile, AI and analytics were the telcos' lowest developed 'digital' capabilities

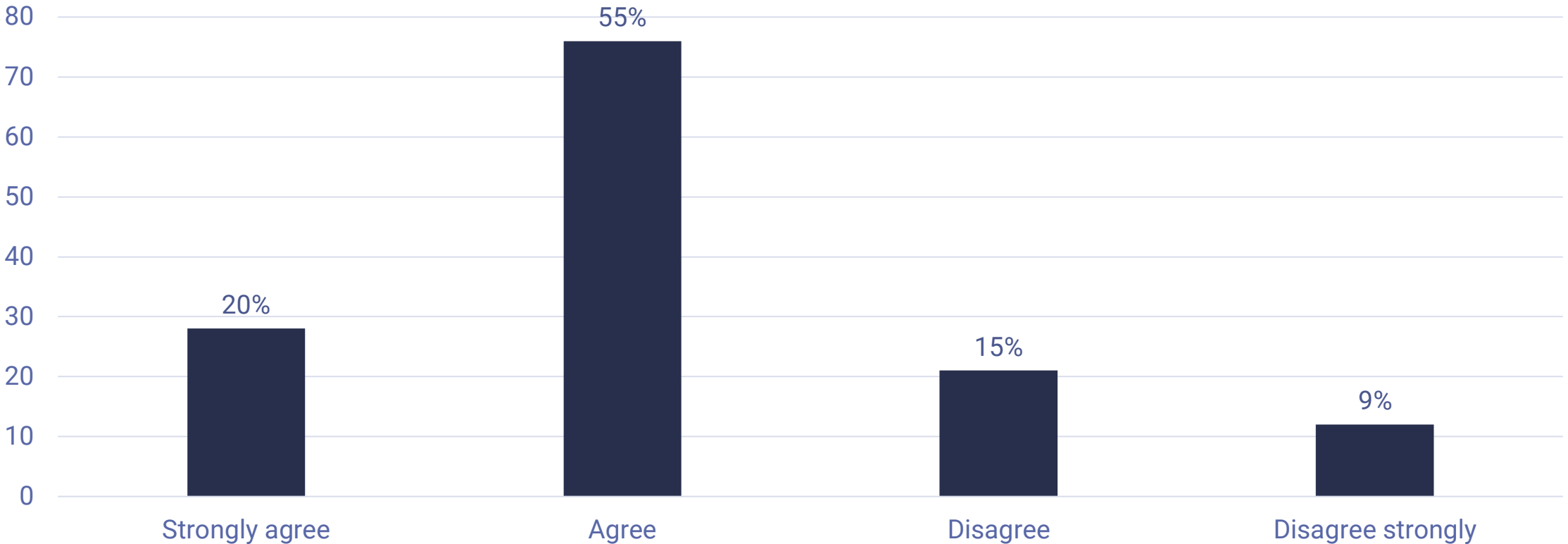
How do you rate this company's skills and abilities in...



Telco culture

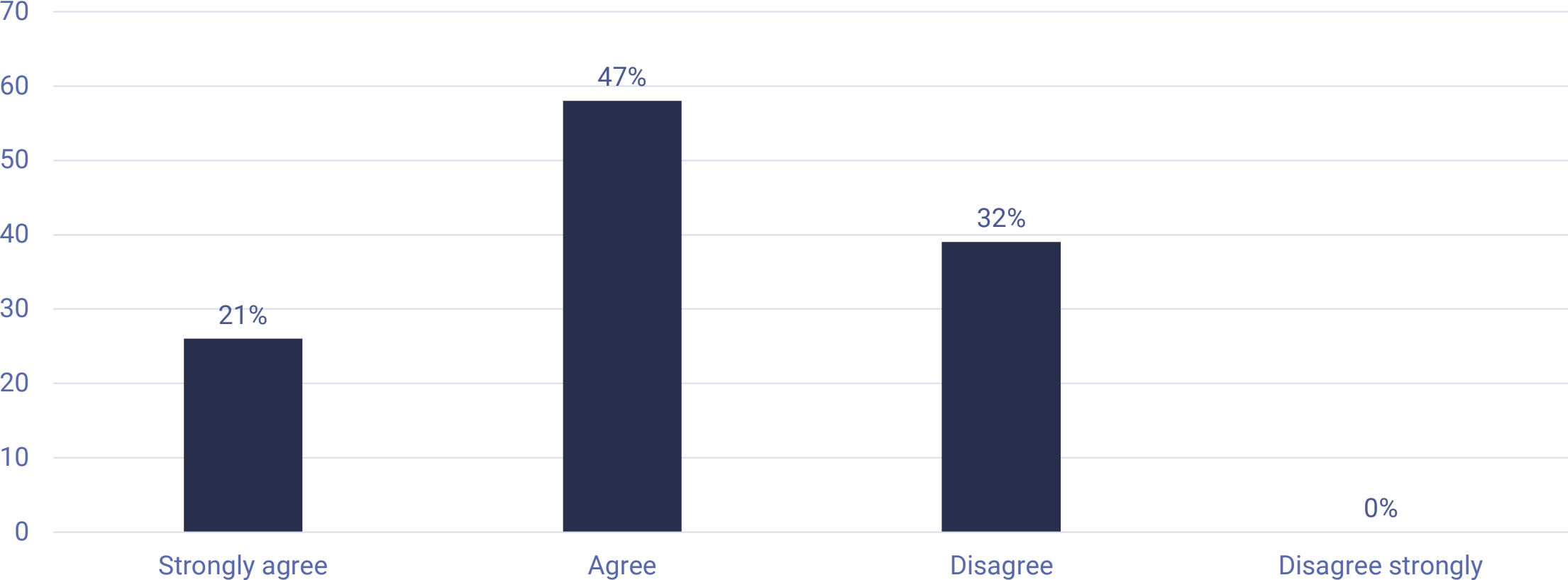
75% believe that people 'speak up' in telecoms

If there's an issue, teams expect people to speak up in this company - it's how things are done



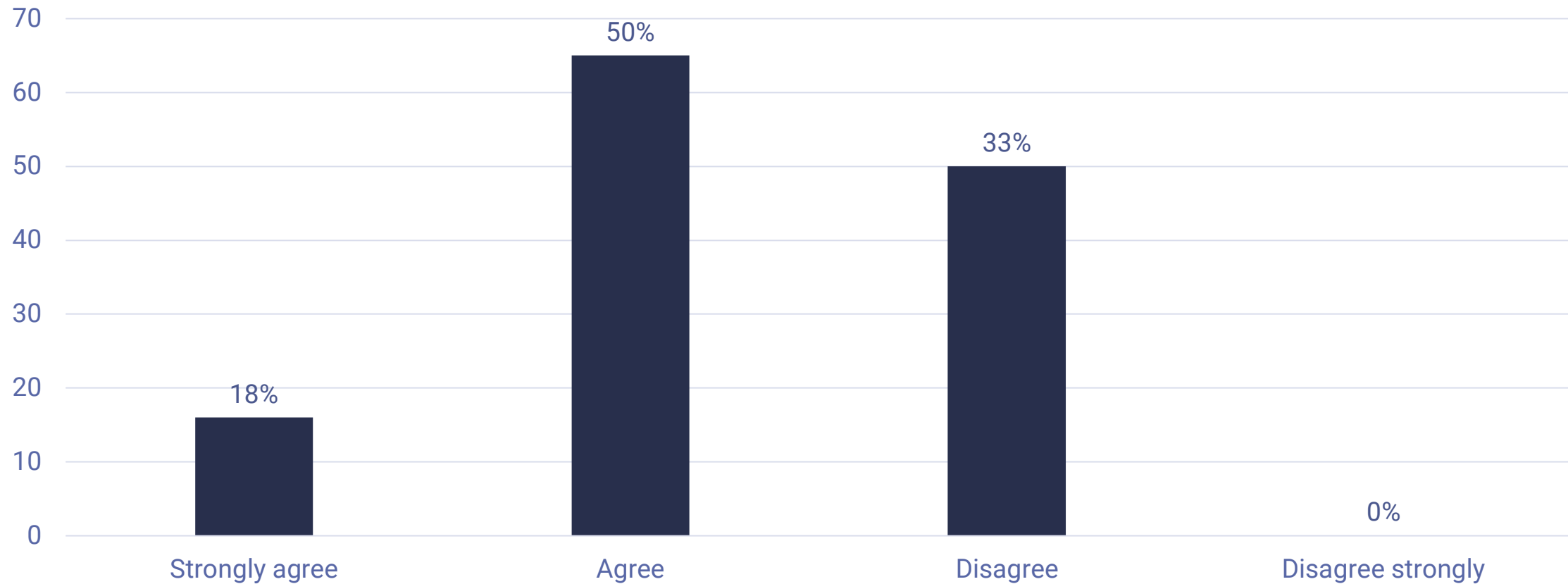
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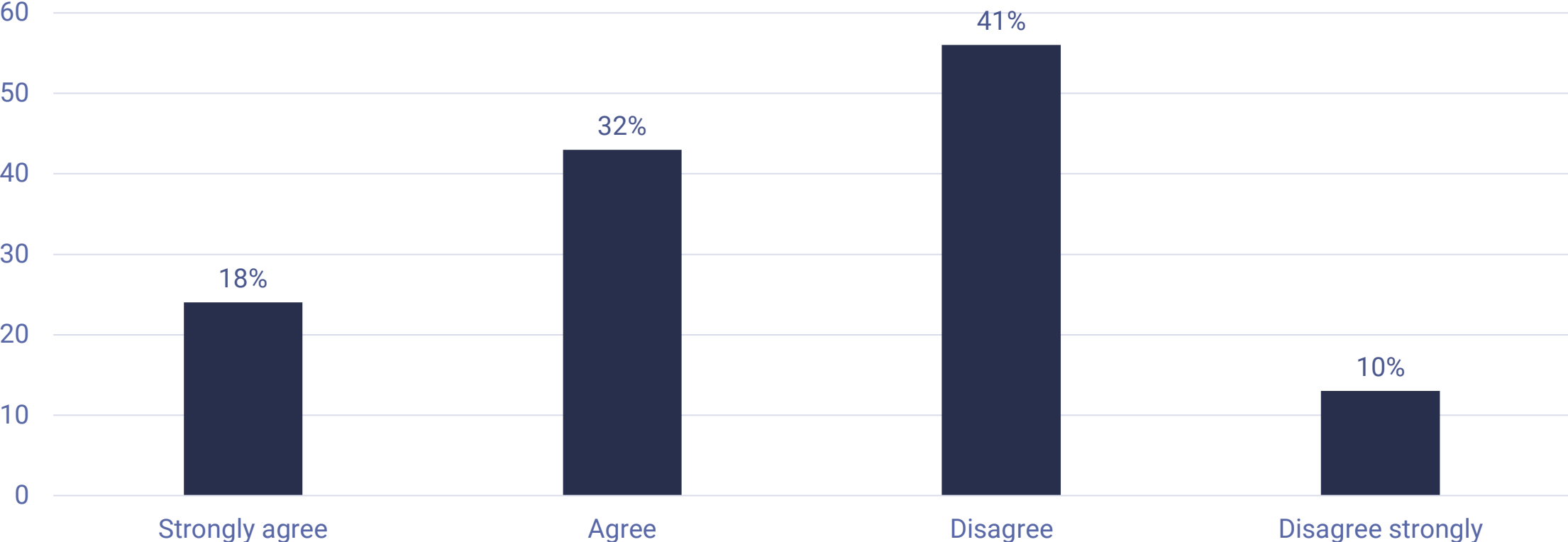
And a third also thought decisions weren't explained clearly

When decisions are made they are usually explained clearly



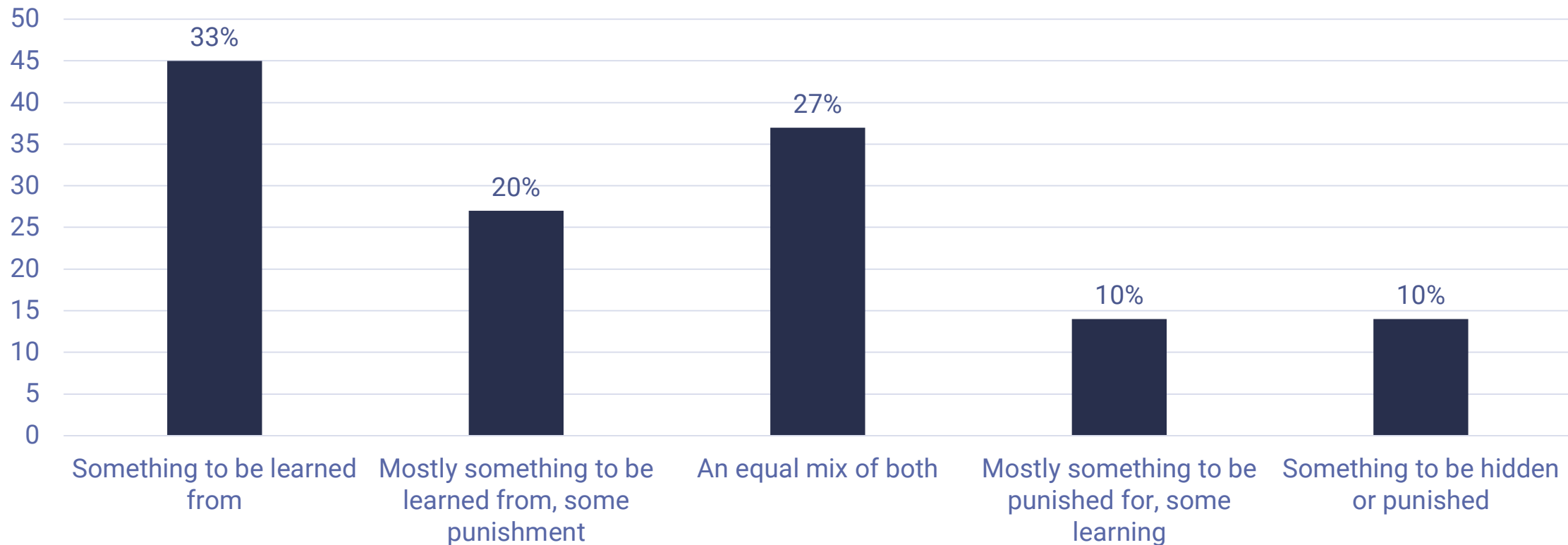
Half thought it harder to get things done in telcos than elsewhere

Compared to other organisations I know, it always seems more difficult than it should be to get things done



Over half thought mistakes were more likely to be treated as a learning opportunity

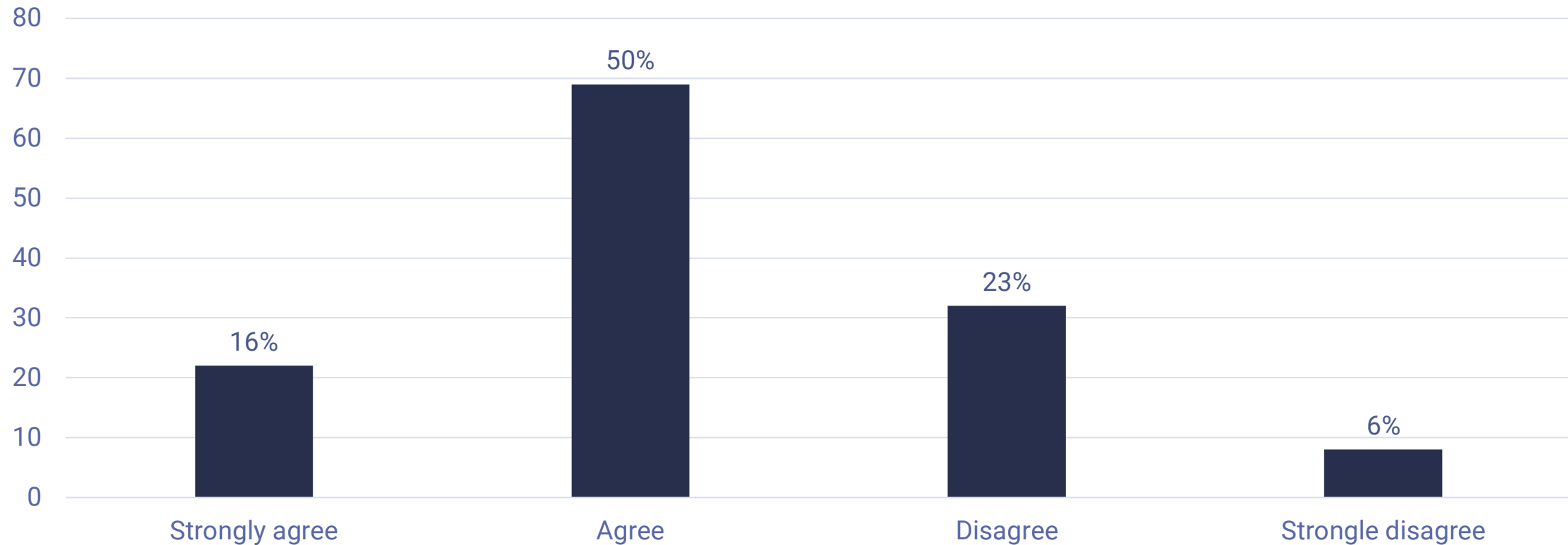
Does this organisation tend to treat mistakes as something to be hidden/punished, or something to be learned from?



Leadership in telcos

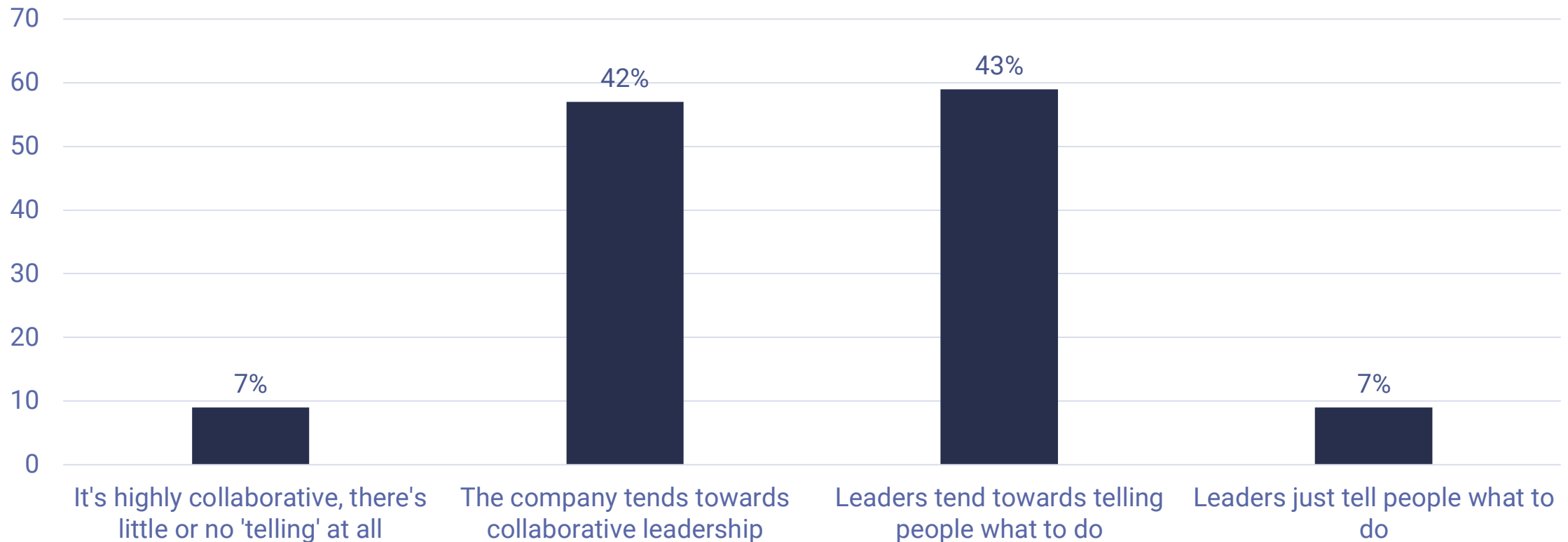
Two thirds believed that telco leadership teams are aligned

The leadership team are aligned - they are working towards the same overall goals rather than pursuing departmental agendas



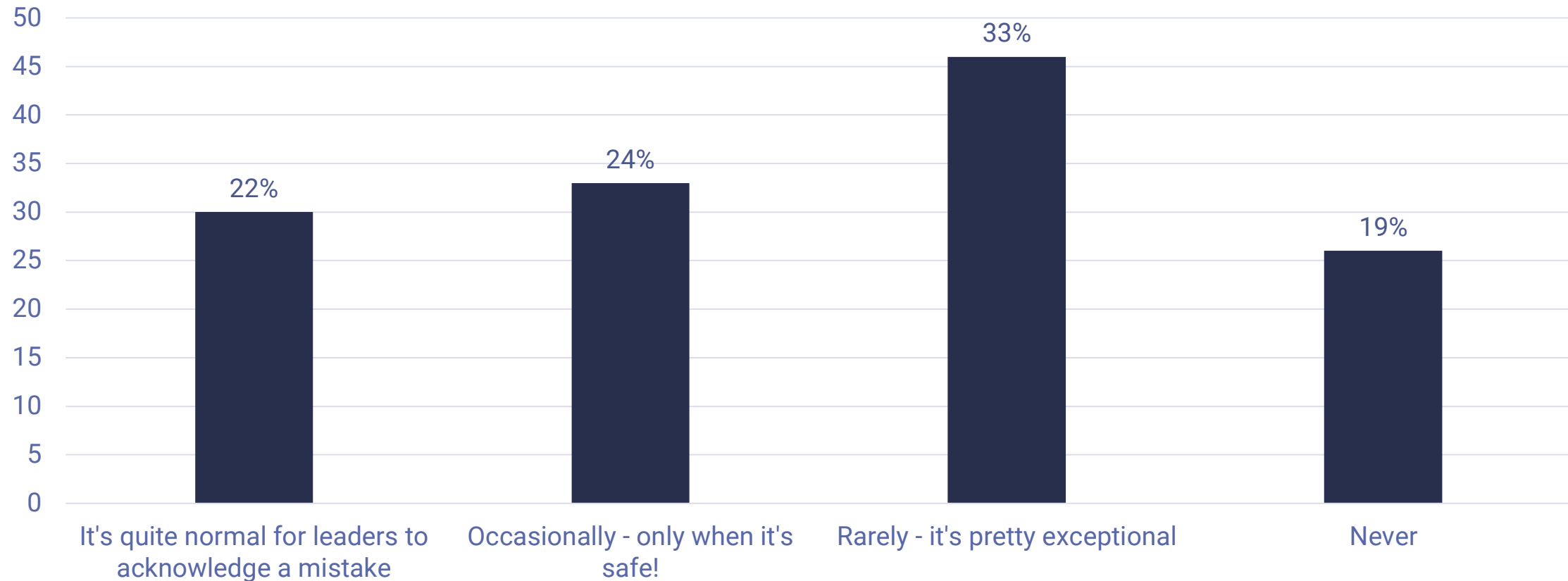
There was a slight bias towards a commanding style of leadership

Do leaders in this organisation tend towards telling people what to do (command and control) or working with teams to agree the best way forward (collaborative)?



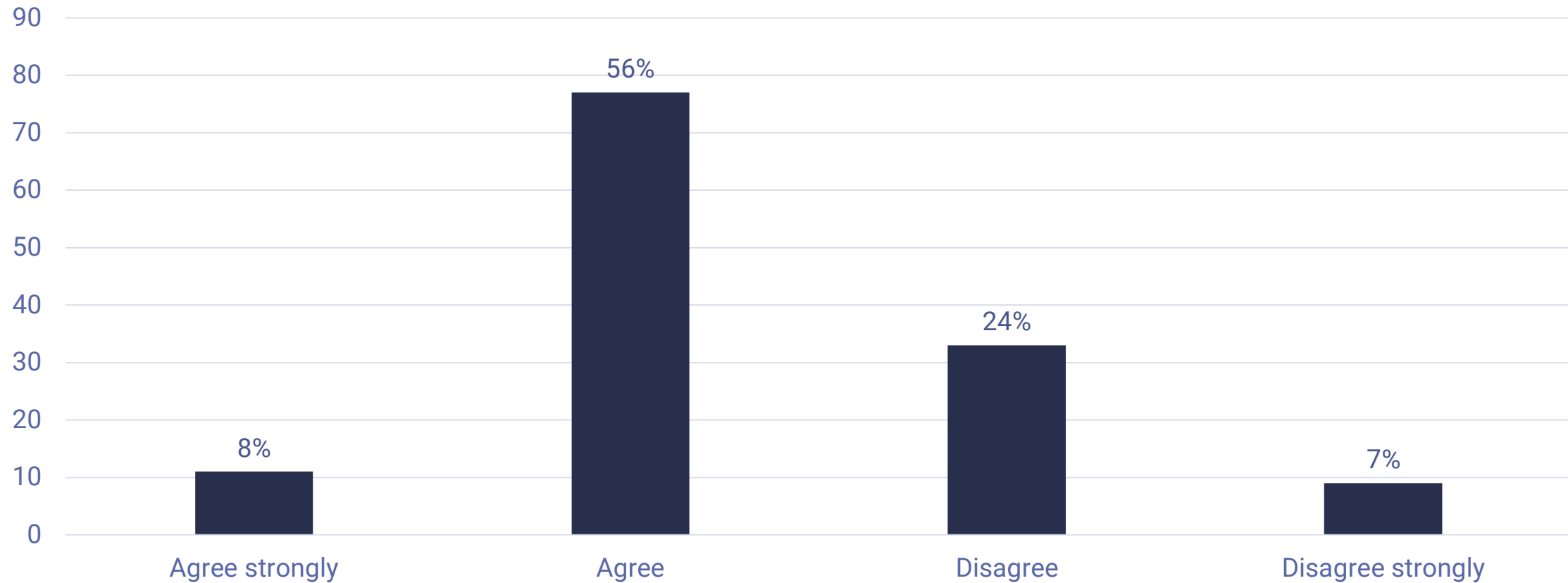
There was a relatively broad spread on leaders admitting their mistakes

How often have you heard leaders in this organisation say "I got that wrong"?



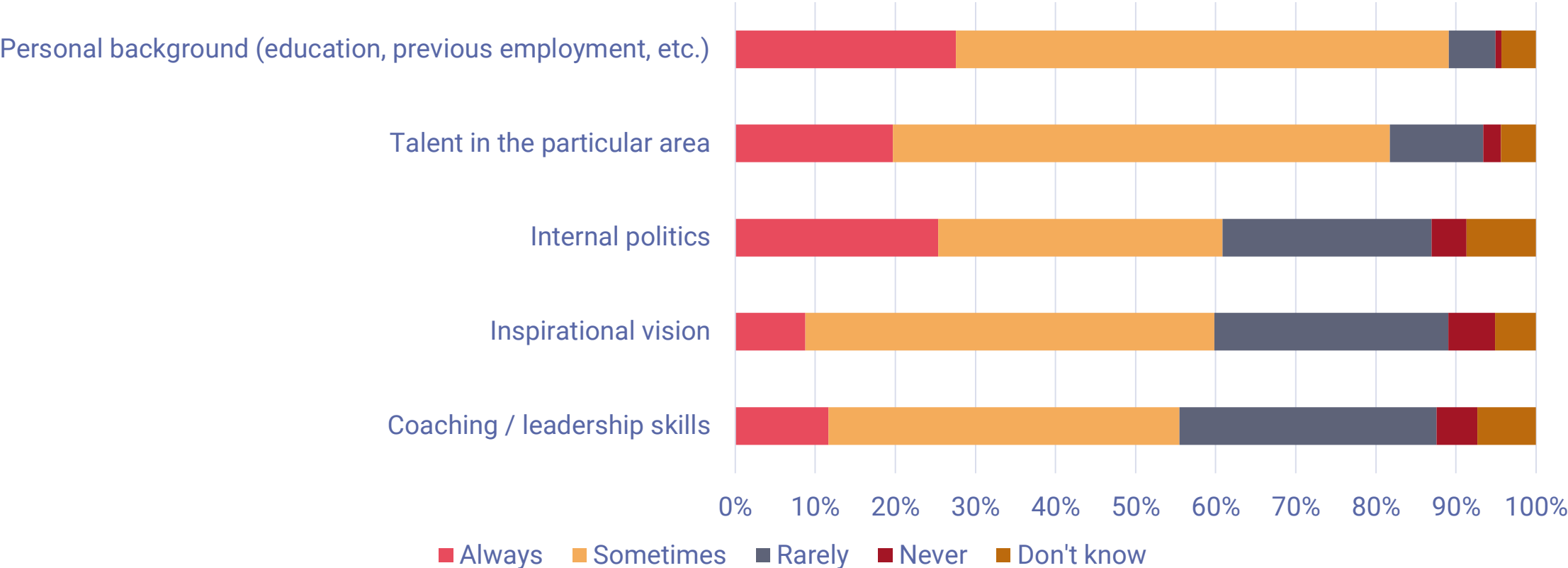
About two thirds said telco leaders 'walk the talk'

Leaders in this organisation 'walk the talk' - they do what they ask others to do



Background was the leading driver of leader selection

In this organisation, leaders are chosen because of their...



Correlation analysis

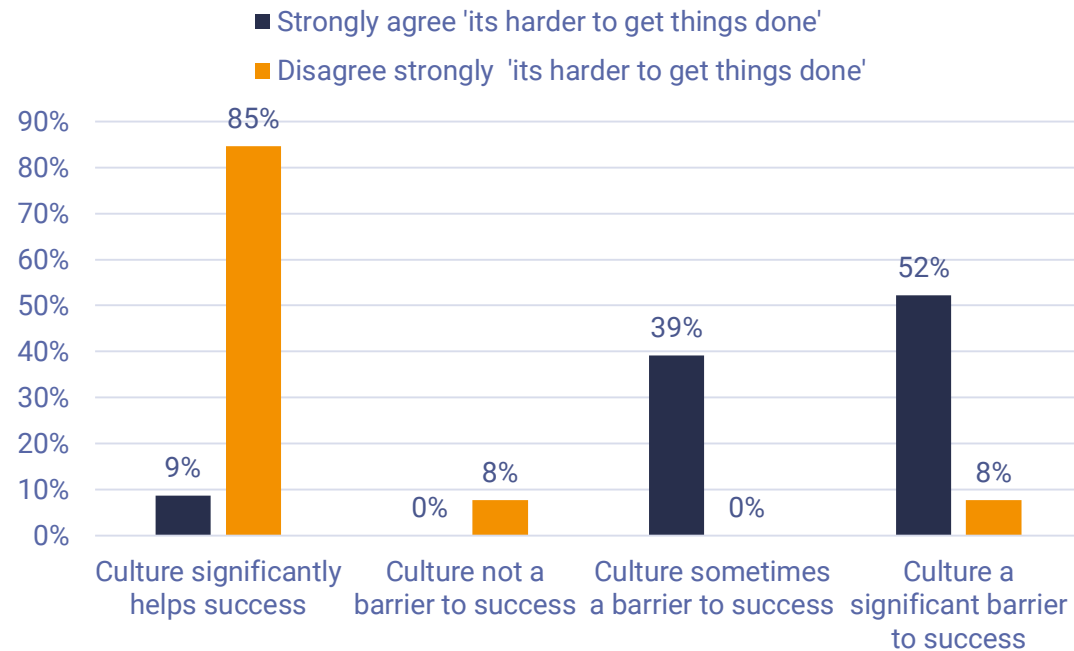
What?

- To try to identify possible relationships between answers, we used correlation analysis
- To do this we associated each answer with a positive, neutral, or negative weighting (e.g. +2, +1, 0, -1, -2)
- Then cross-correlated the responses to all the questions
- This revealed patterns of correlation (though not *necessarily* causation) between answers
- The following charts show the top correlations in our sample to date for selected questions

A higher magnitude of correlation co-efficient indicates that the answer to one question is more likely to relate to the answers to another

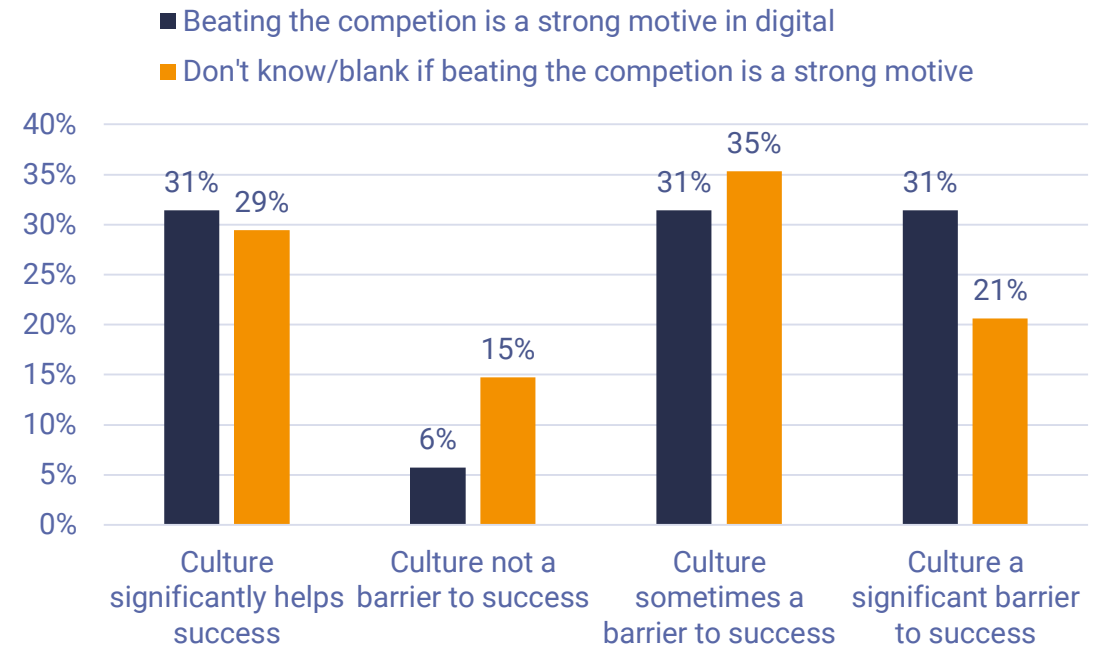
A higher correlation looks like this...

Distribution of answers on 'culture' and 'it's harder to get things done' - Correlation Co-efficient = -0.51



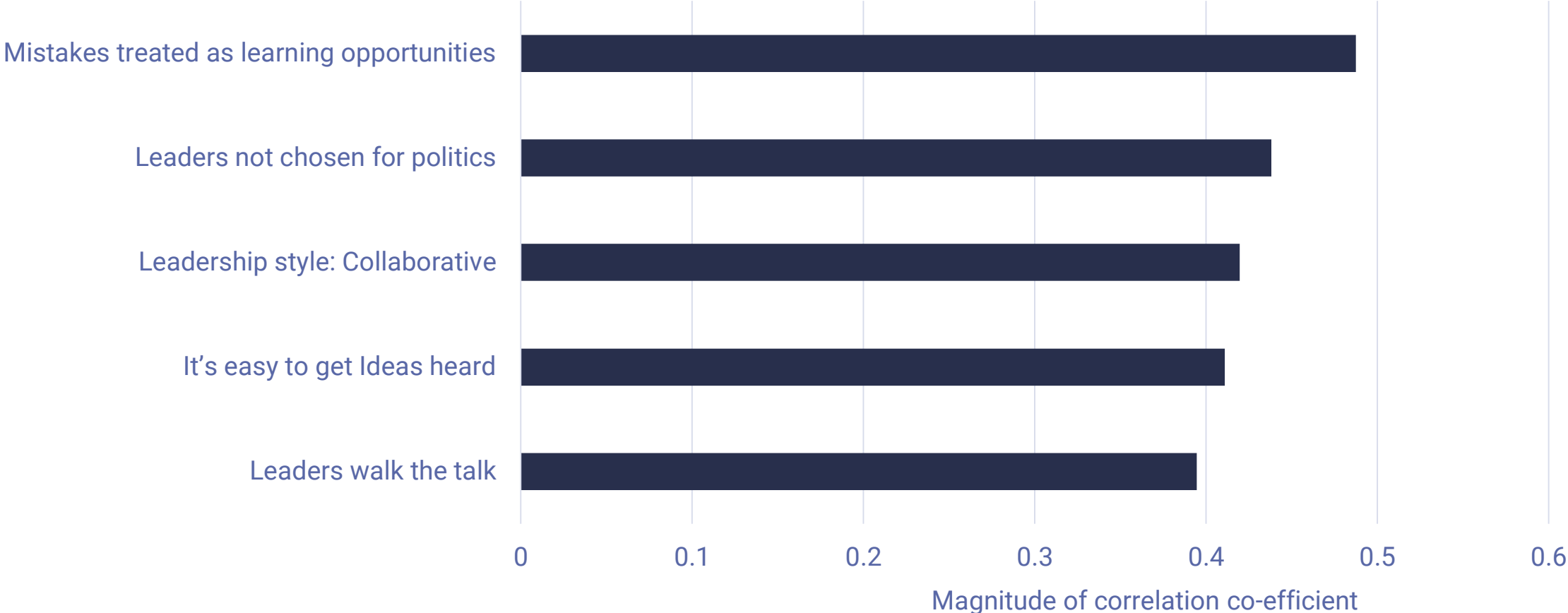
Vs. a lower correlation

Distribution of answers on 'culture' and 'it's harder to get things done' - Correlation Co-efficient = -0.02



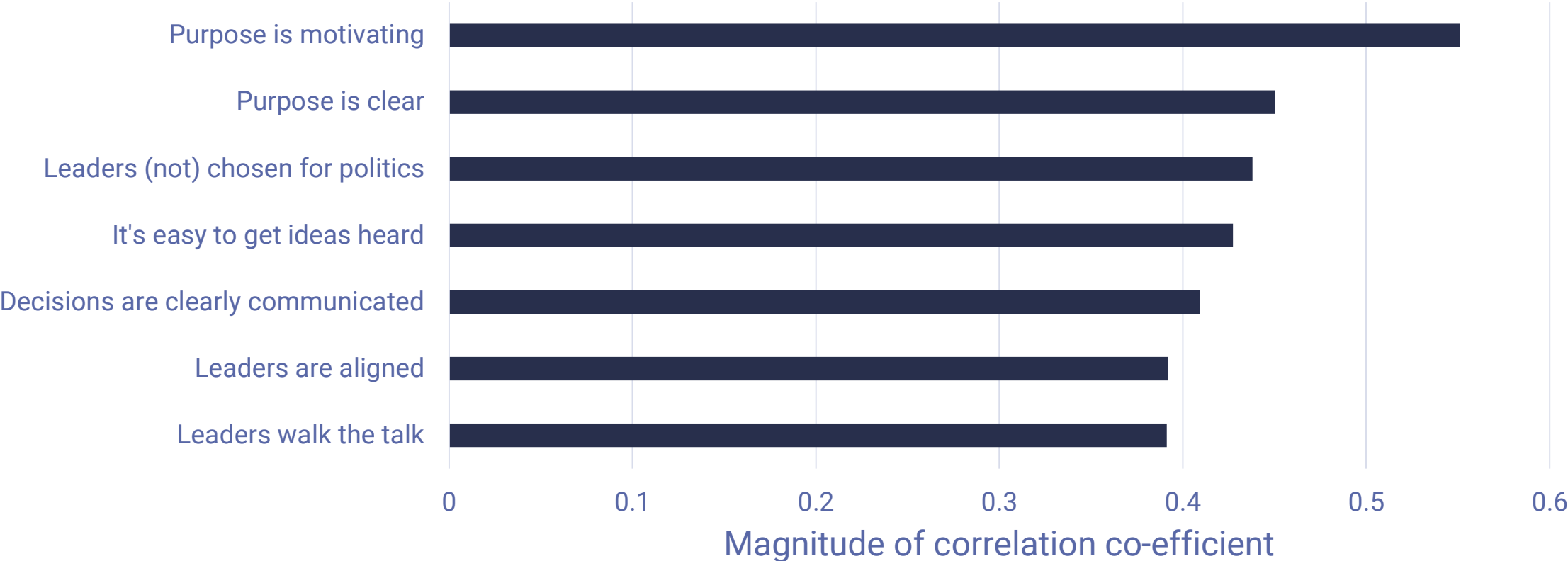
Open and collaborative leadership behaviours were associated with a successful culture

Top 5 behaviours relating to whether culture is regarded as enabling to success



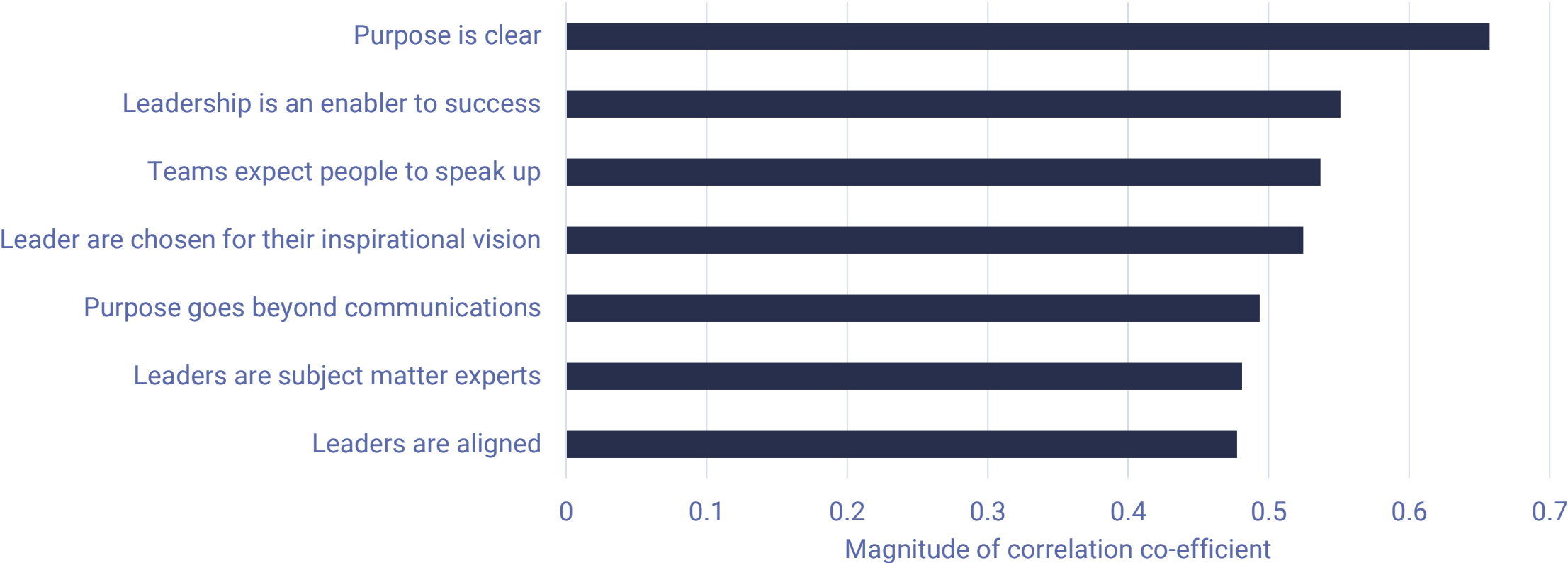
Successful leadership is associated with a motivating purpose, non-political leaders, and an open culture

Top 7 behaviours/inputs to 'Leadership is an enabler to success'



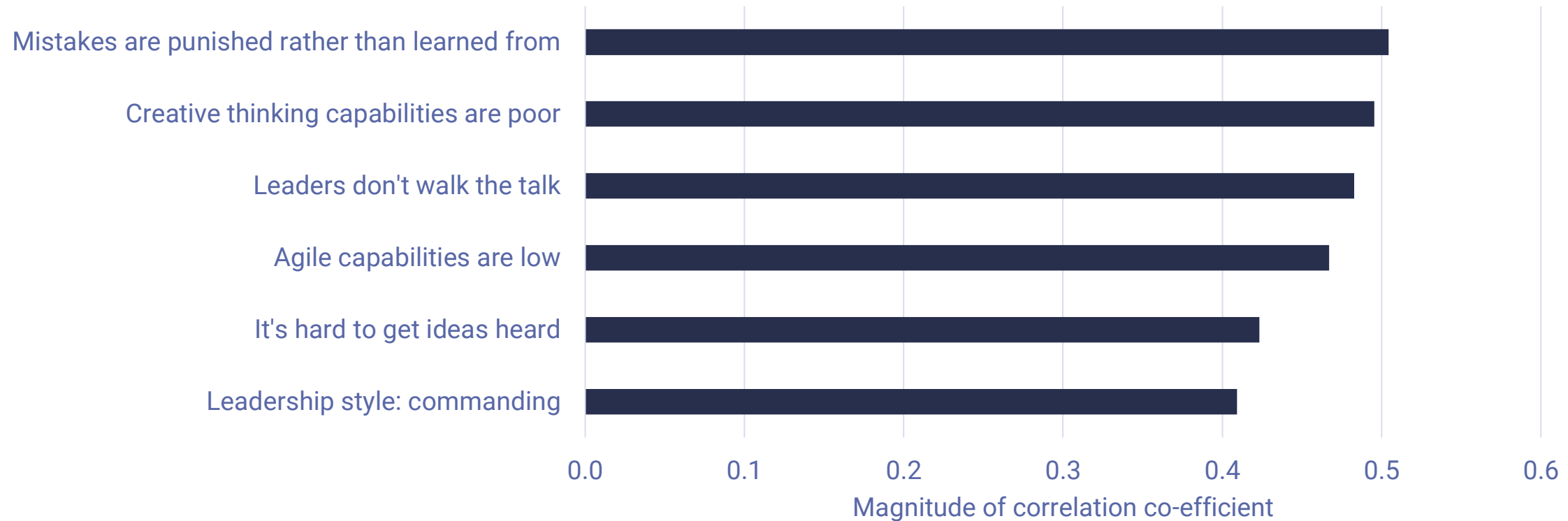
Clarity, inspiring leaders, and a purpose that goes beyond communications are associated with a motivating purpose

Top 7 correlations with 'Purpose is motivating'



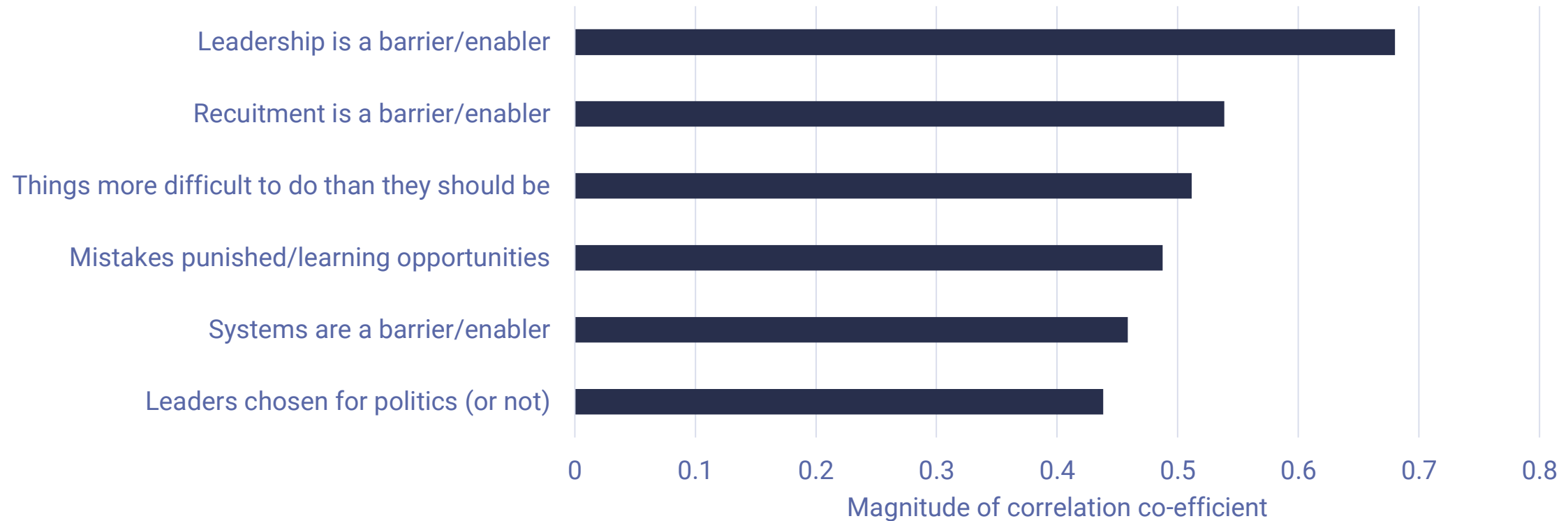
A lack of cultural openness, creativity and agility were associated with it being 'hard to get things done'

Top six behaviours relating to "Compared to other organisations I know, it always seems more difficult than it should be to get things done"



Leadership and recruitment success were strongly associated with culture

Top 6 Correlations with "Overall, to what extent is company culture - how people typically behave - a barrier or enabler of success in the telco you are thinking of?"



STL Partners: innovate, grow, and stay ahead of existing and new competition in a digital world



Research



Consulting



Events

Thank you!