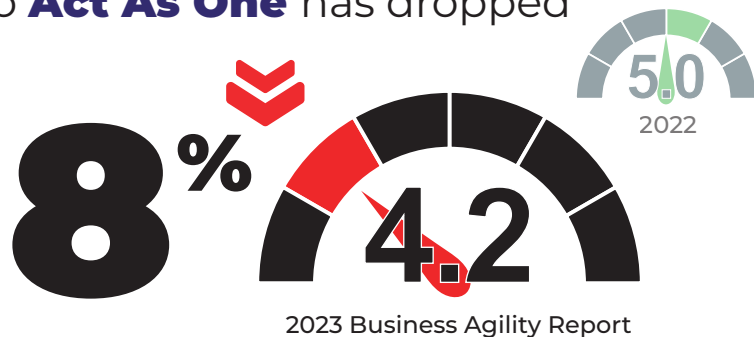# Research *Snapshot*

Bridging the Divide

Can organizations operate in alignment to achieve goals that span teams, functions, and divisions?

Since 2022, the ability for organizations to **Act As One** has dropped

8%

4.2

5.0
2022

2023 Business Agility Report

RESEARCH GOAL

This study seeks to understand the factors contributing to the sharp decline in the ability for organizations to Act as One. Our goal is to explore macro trends in work dynamics, global economic factors, and changes in organizational culture.

51% of organizations are **siloed** and **do not operate as "a single aligned team** focused on achieving shared goals that span teams, functions, and divisions."

Siloed	Neutral	Aligned
	23%	**26%**

Underlying Causes

Leadership Challenges
Frequent leadership changes, alongside inconsistent and ineffective leadership skills, create instability and undermines alignment.

Internal Politics and Trust Issues
Internal power struggles, self-serving behaviors, and lack of trust among leaders foster a toxic work environment.

Structural and Operational Issues
Understaffed teams, or frequent restructures, aggravated by misaligned priorities lead to confusion and inefficiencies across teams.

Economic and Financial Tensions
Financial difficulties, cost-cutting measures, and a "short-term focus" over "long-term goals" disrupt organizational stability.

Cultural and Commitment Challenges
Inadequate adaptation to new work methods and superficial commitment to change stifles progress and innovation.

Business Agility Capability
Act as One

Rather than locally optimizing a part of your organization, it's critical to encompass the whole system. Acting as a seamless, unified front ensures that the customer enjoys a consistant experience.

Learn more about the Domains and Capabilities of Business Agility:
https://ba.institute/domains

54%
of siloed companies have **gotten more siloed** in the last 18 months
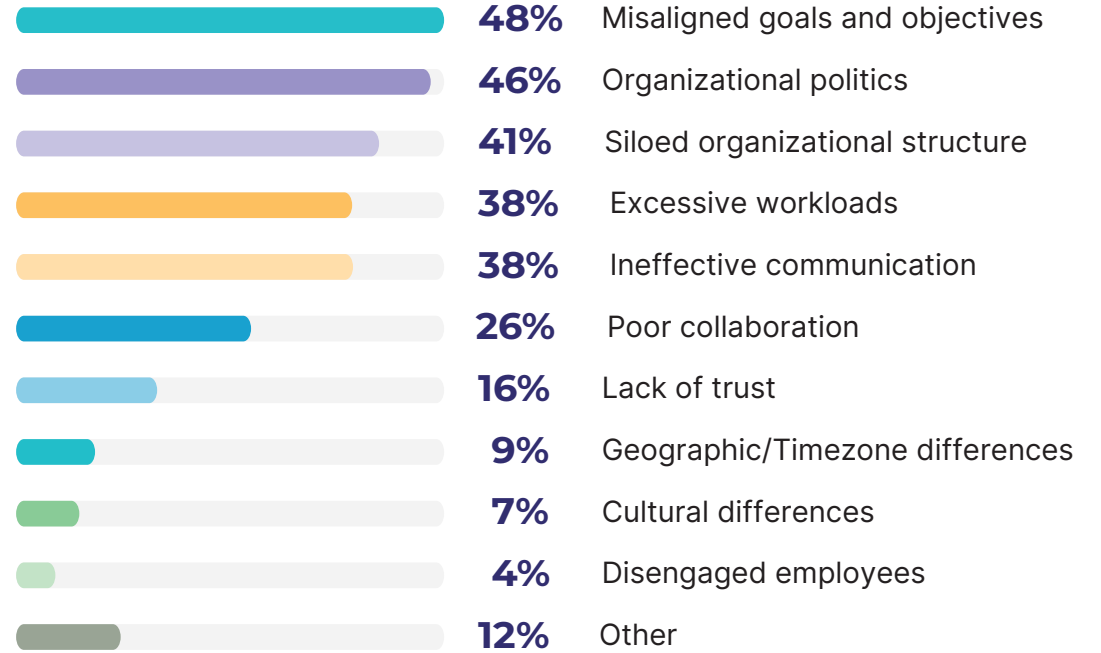*(only 14% have improved)*

"Due to the siloed nature of the company, each [senior executive] focused on building their own area, employing people well outside their budget [to meet their company objectives], assuming that other areas would make cuts.

When this rolled up to a company level, we were extremely over budget and have to now take drastic measures to cut costs (aka jobs) in the organisation, which is frustrating because the people [cut] are not the ones responsible for this original mess!"

~Survey Respondent

The Top Impediments to "Acting as One"

%	Impediment
48%	Misaligned goals and objectives
46%	Organizational politics
41%	Siloed organizational structure
38%	Excessive workloads
38%	Ineffective communication
26%	Poor collaboration
16%	Lack of trust
9%	Geographic/Timezone differences
7%	Cultural differences
4%	Disengaged employees
12%	Other

When comparing the differences between Siloed vs Aligned organizations, we found that **Organizational Politics was a greater impediment for Siloed organizations**. *Reported by 61% of siloed organization report vs only 30% of aligned organizations.*

On the other hand, **Excessive Workloads was the greatest impediment for Aligned organizations.** *This was reported by 17% of siloed organization compared to 44% of aligned organizations.*

Act as One

Organization Politics
Excessive Workloads

61% siloed vs 30% aligned

17% siloed vs 44% aligned
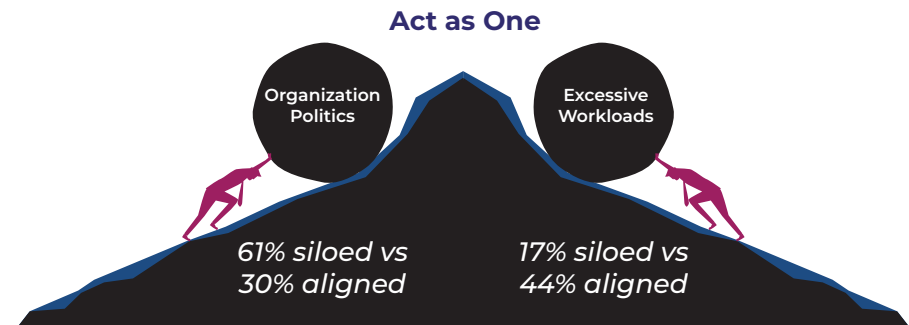
This Comes With A Cost...

We asked organizations to share the tangible and measurable costs & impacts caused by their proficiency, or lack thereof, in Acting as One. What emerged was a trend where Aligned companies generally saw positive results, while Siloed and Neutral companies reported decreases in key business areas.

Reduced Employee Morale & Retention

74% of Siloed companies report that employee morale and retention dropped (as high as 25% in some organizations).

50% of Aligned companies say morale and retention goes up.

Decreased Productivity

65% of Siloed companies report a significant drop in productivity leading to duplicated effort, project delays (100+ days), and budgetary issues. Many organizations shared that this led to job-cuts and cost-cutting measures.

59% of Aligned companies say productivity has increased.

Stifled Innovation

61% of Siloed companies state that innovation has been sifled. This is especialy true of companies that report that their ability to Act as One is getting worse.

32% of Aligned companies say innovation has improved.

Missed Opportunities

48% of Siloed orgs report a material impact on their financial performance and sales pipeline (as high as 20%).

36% of Aligned companies say they are better able to seize emergent opportunities.

Customer Satisfaction

22% report that customer satisfaction has measurably dropped. In several cases, leading to a loss of business (one organization even reported a material decrease in share price).

41% of Aligned companies show an increase in customer satisfaction.

Regulatory Compliance

17% report that the reduction in productivity has had a follow-on effect of impacting regulatory compliance and risking significant fines.

18% of Aligned companies say regulatory compliance has improved.

26% of organizations are **Aligned** and can operate as a single "team to focus on achieving shared goals that span functions and divisions."

The Good Get Better

61% of Aligned companies continue to improve

These organizations report that their ability to Act as One has led to **increased productivity** (59%), **increased employee morale & retention** (50%), and **increased customer satisfaction** (41%).

Recommendations & Things to Try

The good news is that there can be a virtuous cycle in play. Organizations who "Act as One" get better, faster. So, regardless of where your organization is, each step towards a unified "One Team" organization will amplify every step that follows.

The best time to start was yesterday, the second best time is today.

Align goals between leaders & business areas through shared metrics & KPIs and integrated planning activities. Connect these to recognition and incentive programs to reward executives, leaders, and teams who effectively collaborate.

Establish **transparent lines of communication** across all levels of the organization, including things like regular all-hands meetings, open-door policies, and transparent sharing of company goals and performance metrics.

Reduce handoffs by forming autonomous, stable, and cross-functional teams to work on strategic initiatives or customer experiences that require input from multiple departments. Ideally these should be permanent teams.

Create **stability** amongst teams. Allow new structures time to take root and give individuals space to take ownership and accountability of their work, while also forming productive relationships with upstream and downstream teams.

accelerate clarity.
know the score.

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Report Approach & Demographics

BAI Research Snapshots provide credible insights into timely and provocative topics for individuals and organizations working towards greater business agility.

Across two global surveys, **69** and **215** organizations provided insights for this report representing a wide range of industries and regions.

Join/Watch the Q/A roundtable on this topic:
https://ba.institute/snapshot-ActAsOne