



FOUR CURRENTS

Adrift or Aligned? The State of Business Transformation

Q1 2025 | Wave 2

► www.thetransformationguild.com



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From the Founder's Desk



Tom Daly

Founder, The Transformation Guild

The Forces That Shape Real Transformation

Wave 1 of The Four Currents research took place in Q4 2024 and was released for the first time just a few short weeks ago. We have received some gratifying feedback:

- *"It's a clear and much-needed tool for helping organizations navigate the reality of transformation versus just the theory."*
- *"Beautifully written and organized. Very compelling approach to the complex challenges of transformation."*
- *"This is excellent."*

With that foundation in place, I am excited to share the findings of our Wave 2 Four Currents Framework report, covering the first quarter of 2025.

The Four Currents helps executives identify gaps in confidence and alignment across teams, departments, or entire organizations. This approach is extremely efficient at providing a clear and unambiguous "current state" assessment of organizations about to start – or trying to salvage – a transformation initiative.

For that audience, there are two important highlights to share:

1. The data suggest higher evaluations of transformation "success" correlate with smaller gaps in confidence and alignment across each of the Four Currents. This may sound self-evident, but transformation success can hinge on identifying whether – and importantly, where – gaps exist prior to embarking on projects. The Four Currents provide an excellent forecast for the journey ahead. Small gaps = smooth sailing. Large gaps = rough seas ahead.
2. Between Wave 1 and Wave 2, we saw growing gaps in confidence and alignment—especially in organizations facing regulatory and policy shifts. External volatility is now influencing internal dynamics, increasing the risk of stalled or derailed transformation. Leaders who proactively surface and address these perception gaps can protect progress and maintain momentum.

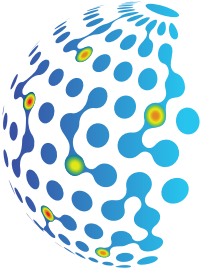
We hope the information in the following pages provokes some introspection. We offer both analysis and implications so you can take action. Beyond that, if you'd like help navigating, we'd love to take a more hands on approach and deploy the survey in your company.

Sincerely,

Tom

A handwritten signature in black ink, appearing to be 'Tom', with a stylized flourish at the end.

The Four Currents Framework



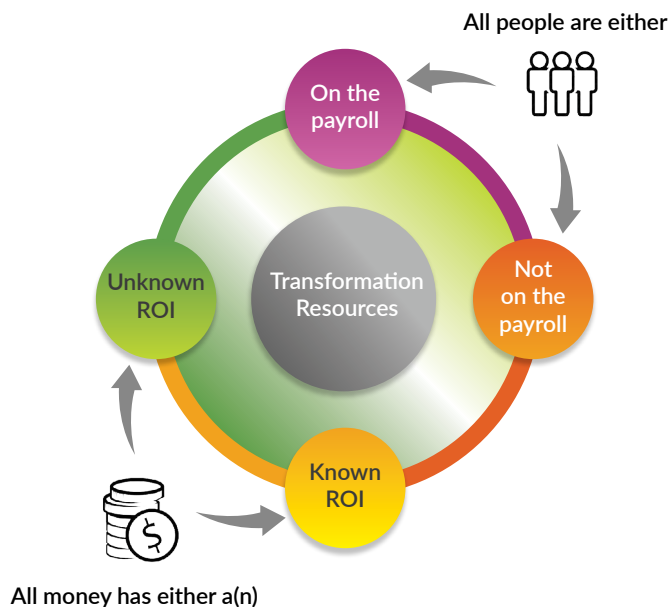
About the Transformation Guild

The Transformation Guild helps organizations navigate the most critical—and often most fragile—phases of transformation. Whether an initiative is just beginning or veering off course, our role is to help business leaders find clarity, regain momentum, and move forward with confidence.

The Transformation Guild Uncovers the Hidden Barriers & Opportunities

Insights stem from our novel **Four Currents™ Framework**, which examines people, money, and time at the most elemental levels. The foundational tenets of The Four Currents are:

- All people are either on your payroll or they are not.
- All money either has a knowable ROI or it does not.
- Transformation takes time (but people lose interest).



The Four Currents represent entry points for evaluating the holistic cycle of resource allocation. Each current flows into the others. Fundamentally, the Four Currents Framework assesses perceptions in confidence and alignment around priorities for how time and money are spent.

The Four Currents Framework

What is new in Wave 2

Each Wave of The Four Currents Framework examines four critical dimensions that can make or break a change initiative: People on Your Payroll, People Not on Your Payroll, Knowable ROI, and Unknowable ROI. That framework doesn't change, but employee sentiment might. This is critical information if you're navigating transformation because those changes could indicate the presence of otherwise invisible rocks that can sink your efforts.

Wave 2, drawing on input from 1,313 employees across industries and organizational levels shows that while companies excel at certain fundamentals, notable gaps persist in other areas. Key findings include:



People on Your Payroll (Internal Workforce Alignment)

Internal alignment is relatively strong overall, but senior leaders appear to overestimate employee buy-in. Executives rate internal engagement much higher than frontline staff do, indicating a significant perception gap that could undermine execution if unaddressed.



People Not on Your Payroll (External Stakeholder Engagement)

Engagement of those not on the payroll – such as customers, partners, and contractors – remains the weakest of the four currents. Most organizations admit to low alignment with external stakeholders in their transformation efforts. Notably, smaller firms report slightly better external engagement than large enterprises, but overall this area lags behind internal focus.



Knowable ROI (Measurable Outcomes)

Defining clear, measurable returns on investment is the strongest current for most organizations. Nearly all respondents report having defined metrics and targets for their transformation initiatives. Larger companies, in particular, excel at establishing tangible ROI measures. However, there is a communication gap – many mid-level employees are less aware of these ROI goals than executives, suggesting room to improve transparency around metrics.



Unknowable ROI (Intangible or Long-Term Outcomes; such as innovation)

Long-term or hard-to-measure benefits are under-emphasized relative to measurable wins. Organizations struggle to prioritize initiatives with uncertain ROI, although large firms show a slightly higher comfort level with pursuing long-term strategic bets than small firms do. This cautious stance on “unknowable ROI” could limit innovation and cultural change if organizations focus only on immediately quantifiable results.

In summary, Wave 2 confirms a dual imbalance: companies concentrate on internal teams and measurable results, while often neglecting external stakeholders and intangible benefits. Leadership tends to view all currents more optimistically than others do, highlighting potential blind spots. These findings point to specific areas where executives can adjust course to de-risk their transformations.

The following are the findings from Wave 2 of our research which takes place during Q1 2025. These results provide a sense of distribution of responses overall as well as how views vary across organizations of different sizes and roles within those organizations.

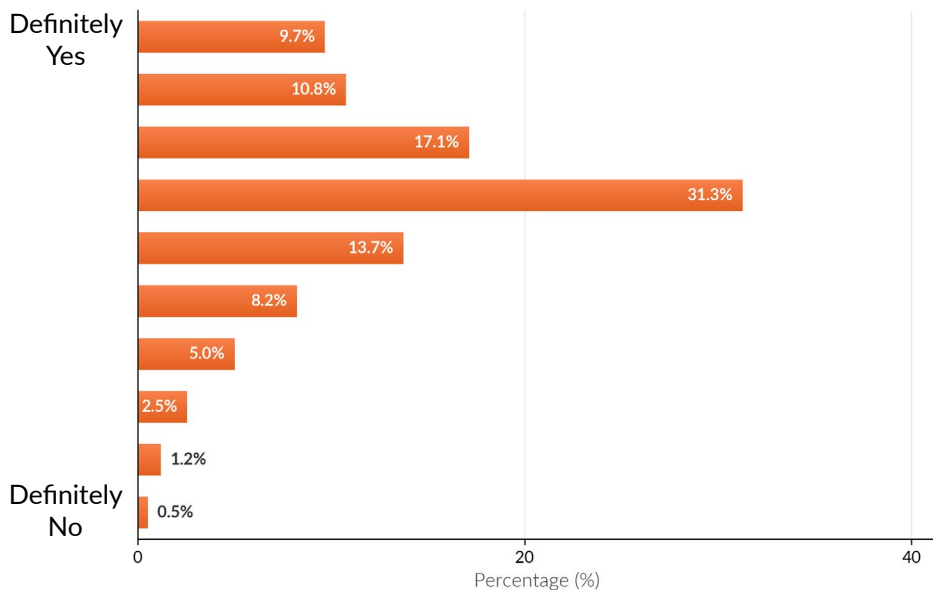


Current One

People on Your Payroll

Moderate Confidence, Missed Potential: Unlocking What's Already Inside

Do You Have the Focus, Alignment, and Resources to Win from Within?



Data from The Transformation Guild, Q1 2025

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Analysis

82% of employees report only moderate confidence in internal capabilities—signaling untapped potential and hidden drag on execution.

Few respondents hold strong beliefs around internal capabilities. Just 10% express complete confidence in their organization's internal capabilities. And only 8% of respondents lack confidence.

Implications

The data reveals a landscape of lukewarm sentiment regarding internal capabilities. This widespread moderate confidence, while not overtly negative, signifies untapped potential. Organizations are likely functioning, but not firing on all cylinders.

The Four Currents

Signals for Senior Teams

These findings serve as a call to action for leadership to assess and address the underlying factors contributing to the “moderate” confidence levels. This may involve enhancing training programs, clarifying roles and responsibilities, improving internal processes, or fostering a more supportive and empowering work environment.

In essence, the “moderate” confidence in “People on Your Payroll” is not a signal to maintain the status quo but rather an opportunity to ignite a stronger sense of belief and capability within the organization.

How would your organization’s results compare?

Data Notes

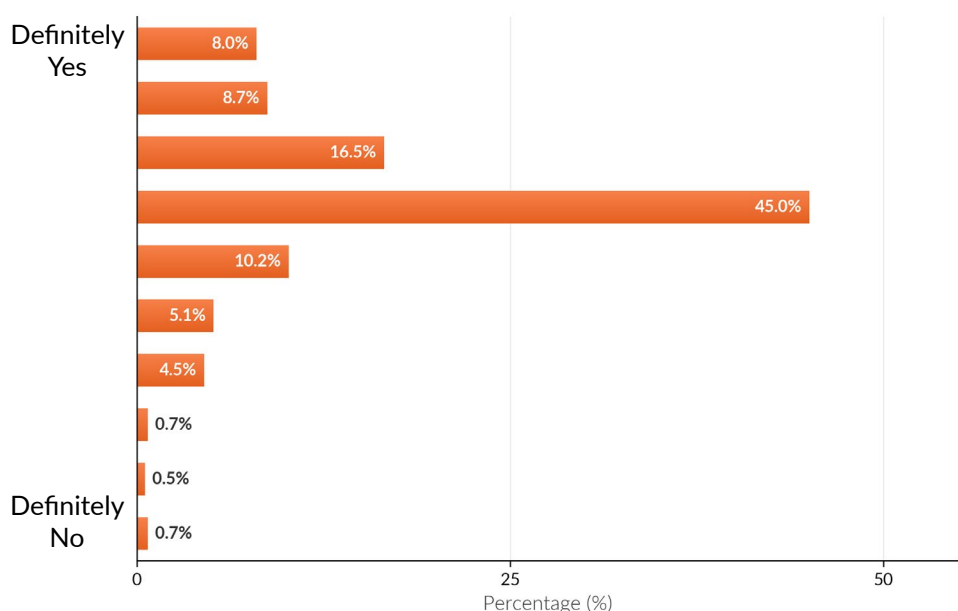
Current One data visualized above are a composite index of three questions related to internal capabilities. We ask respondents to consider (a) whether their organization’s people, processes, and technologies are among the industry’s best; (b) whether their organization has clear focus, in which people, processes, and technologies are aligned and coordinated; and (c) whether their organization has sufficient resources to achieve success. Each response indicates a degree of agreement ranging from “Definitely Yes” to “Definitely No.” Together these provide a contoured assessment of confidence and alignment around internal capabilities.



Current Two People Not on Your Payroll

Beyond Boundaries: Elevating External Partnerships for Strategic Advantage

A Contoured Look at Confidence in Partner Fit, Value Delivery, and External Support



Data from The Transformation Guild, Q1 2025

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Analysis

Fewer than 1 in 5 respondents express strong confidence in the value of external partnerships—revealing a fragile foundation for collaboration.

When we isolate the most definitive responses, confidence in external vendors and partners drops sharply. While relationships may appear stable on the surface, few organizations report truly high-impact, value-driven engagement.

Implications

The lack of strong confidence in external partnerships suggests many organizations are maintaining relationships that are serviceable but lack strategic depth. The absence of strong affirmation indicates partnerships are often transactional at best—functional, but not transformative.

The Four Currents

Signals for Senior Teams

These findings point to the need for a deliberate audit of partner relationships. Leaders should gather targeted feedback, clarify expectations and KPIs, and invest in relationship management—not just procurement. The goal isn't more vendors, but better-aligned ones. Strategic partnerships should extend your capabilities, not just fulfill contracts.

This data reflects a broad trend across organizations, not any one company. In your organization, would external partners be seen as true extensions of the team—or under-leveraged assets?

Data Notes

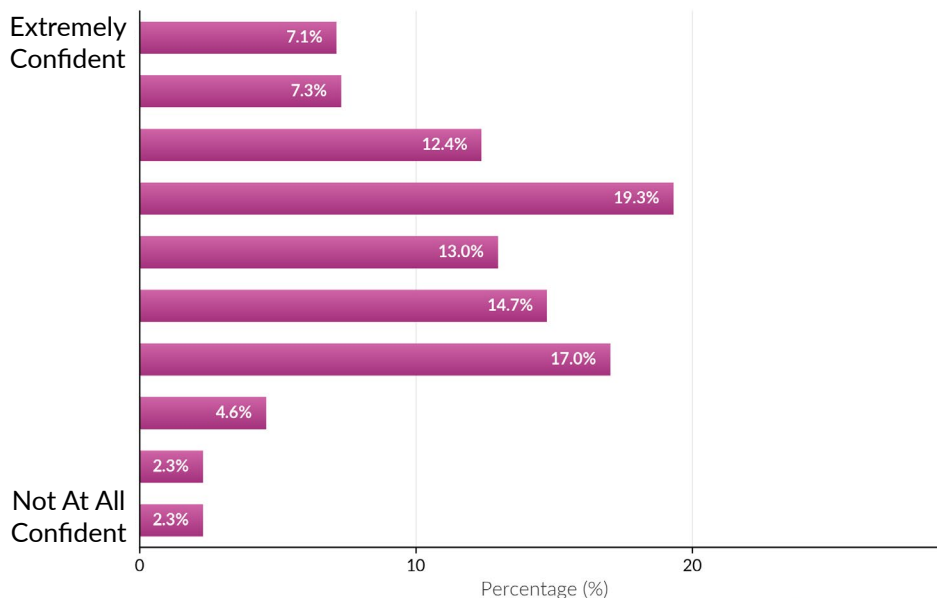
Current Two data visualized above are a composite index of three questions related to external capabilities. We ask respondents to consider (a) whether their organization receives clear and consistent value from vendors and partners; (b) whether the right vendors and partners are in place to achieve strategic goals; and (c) whether sufficient resources are available to support these external engagements. Each response indicates a degree of agreement ranging from "Definitely Yes" to "Definitely No." Together these provide a contoured assessment of confidence and alignment around external partnerships and their role in strategic execution.



Current Three Knowable ROI

Measuring Up: Turning ROI Metrics into Meaningful Transformation Drivers

A Contoured Look at Confidence in Strategic Priorities, Measurable Value, and Resource Sufficiency



Data from The Transformation Guild, Q1 2025

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Analysis

Only 7% of respondents express full confidence in measurable priorities—highlighting widespread uncertainty around ROI clarity.

In contrast, 64% fall into a middle range, indicating partial or inconsistent confidence. This distribution suggests that while most organizations are making efforts to track ROI, confidence in those efforts is neither strong nor uniform across roles and departments.

Implications

Employees hold considerable uncertainty and doubt about whether measured ROI tracks actual value. While organizations typically have clearly defined KPIs, there may not be confidence that these actions will drive true transformation.

The Four Currents

Signals for Senior Teams

These findings require leadership to refine ROI measurement practices and boost confidence. This may involve establishing clearer, more precise metrics; improving transparency around ROI data; and actively demonstrating how ROI is being used to inform decisions. Emphasizing success stories and providing training on effective ROI tracking can also increase confidence levels and drive alignment.

In essence, the moderate confidence in “Knowable ROI” indicates an opportunity to move beyond simply measuring returns to truly understanding and leveraging them to fuel and validate transformation efforts. In your organization, are ROI metrics trusted and actionable—or simply tracked without influence?

Data Notes

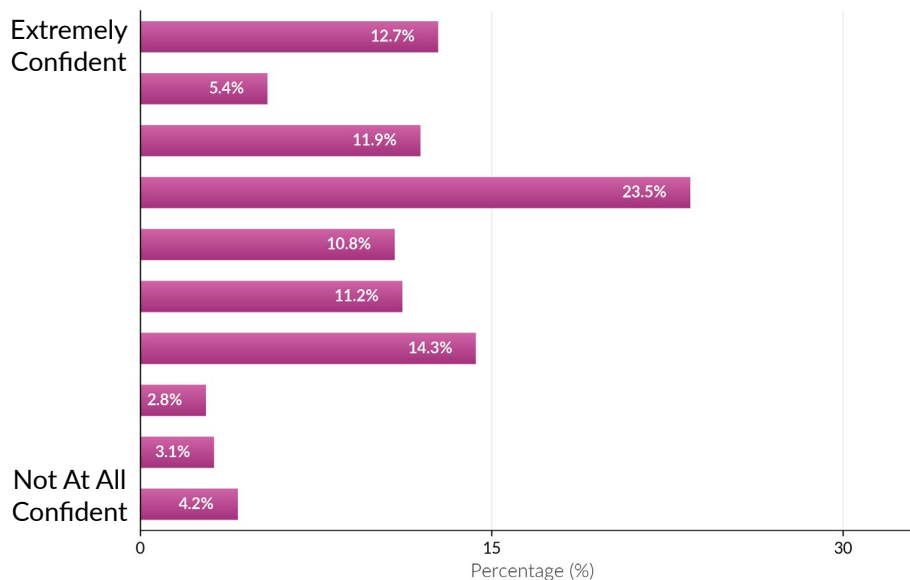
Current Three data visualized above are a composite index of three questions related to measurable ROI. We ask respondents to consider (a) confidence in the ROI received for current priorities; (b) whether their organization is focused on the right priorities; and (c) whether their organization has sufficient resources to achieve current priorities. Each response was rated on a four-point scale ranging from “Extremely Confident” to “Not at all Confident.” Together, these inputs provide a contoured assessment of confidence and alignment around initiatives with measurable outcomes.



Current Four Unknowable ROI

Future Forward: Investing in Vision, Building Trust, and Betting on Tomorrow

A Contoured Look at Confidence in Future Competitiveness, Strategic Investment, and Long-Term Resourcing



Data from The Transformation Guild, Q1 2025

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Analysis

Only 13% of employees express full confidence in future-focused investments (innovations) — highlighting limited conviction in long-term strategy. The majority of responses fall within the mid-range of the scale, indicating neither strong agreement nor complete skepticism.

Implications

While some optimism exists around future-focused initiatives, most organizations have yet to build strong, widespread confidence in their long-term investments. This signals a hesitation to fully commit to efforts where outcomes are harder to measure—such as innovation, cultural change, or strategic bets with delayed payoff.

This cautious stance can hinder an organization's ability to adapt, experiment, and grow ahead of disruption. Without a clear sense of shared belief in future investments, teams may deprioritize or resist initiatives that don't show immediate returns. Over time, this can lead to underinvestment in the very areas that determine long-term relevance and resilience.

The Four Currents

Signals for Senior Teams

To counter hesitancy around long-term investments, leaders must cultivate clarity around strategic rationale, build trust in the process, and foster a culture that embraces long-view thinking—even when the results aren't immediately quantifiable. This includes clearly articulating why future-focused initiatives matter, protecting resources allocated to these efforts, and signaling that calculated risk-taking is both expected and supported.

Transparency and consistency in messaging are critical. When employees understand the “why” behind future bets—and feel empowered to contribute—the organization is far more likely to stay the course.

In your organization, do future-focused initiatives inspire trust and commitment—or get sidelined in favor of short-term certainty?

Data Notes

Current Four data visualized above are a composite index of three questions related to unknowable ROI. We ask respondents to consider (a) confidence that their organization will be competitive going forward; (b) whether their organization is making the right investments for the future; and (c) whether their organization is investing enough resources for the future. Each response indicates a degree of agreement ranging from “Extremely Confident” to “Not at all Confident.” Together these provide a contoured assessment of confidence and alignment around initiatives where ROI is not measurable.



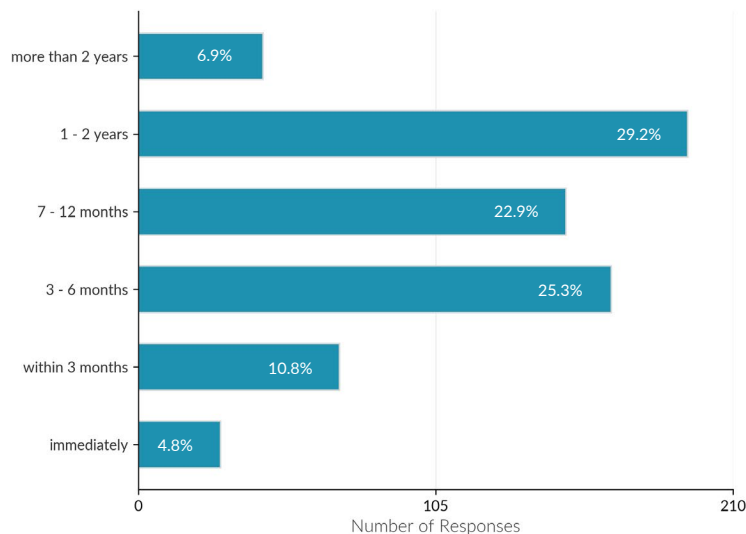
Tide Chart Confidence Time Horizon

Vision to Value: Navigating Time Horizons to Ensure Strategic Alignment.

The concept of Time Disillusionment introduces a temporal dimension—one that surfaces how perceptions of time, urgency, and momentum can quietly undermine or accelerate change. This is where leaders and their teams start to question, “How long do I have? 3-6 months, a year, 2 years?”

These tools help diagnose whether an organization is moving with the tide of transformation or fighting against it. Leaders may discover they are anchored in legacy thinking or outdated cycles, even when surface-level actions suggest progress. By mapping the currents against the organization’s perceived versus actual timing, the Tide Chart provides clarity on whether change efforts are timely, mistimed, or adrift. Together, these elements offer a more complete view—pairing structural insights with temporal awareness to guide organizations toward more aligned and enduring transformation.

How Soon Must Projects Deliver Value Before Confidence Begins to Erode?



Data from The Transformation Guild, Q1 2025

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Analysis

The survey reveals substantial differences in how quickly projects must demonstrate value. Roughly one quarter (26%) think the time horizon is 3-6 months, roughly one quarter (23%) think it is 7-12 months, and 30% think it is 1-2 years.

The Four Currents

Implications

The diverse perspectives on the time horizon for proving project value suggest potential misalignment and varied expectations within organizations. While a significant portion focuses on the mid-term (3-12 months), the substantial segment looking 1-2 years ahead indicates a recognition of longer-term strategic investments. However, the small percentage prioritizing immediate results suggests that organizations might struggle to prioritize long-term strategic projects or struggle with a balance between immediate and long-term ROI.

These differing views could lead to friction, conflicting priorities, and challenges in resource allocation if not properly addressed and aligned by leadership. Organizations may need to establish clearer expectations and guidelines for project time horizons based on strategic goals and project types to mitigate confusion and ensure cohesive action.

Signals for Senior Teams

Leaders should facilitate open discussions to align expectations on the time horizons for value realization. This may involve categorizing projects based on their expected return timeline, providing clearer guidance on prioritization, and ensuring that performance metrics and communication strategies reflect both short-term progress and long-term vision. Transparency and consistent communication about time horizons can build trust and align diverse perspectives, ultimately supporting more effective transformation efforts.

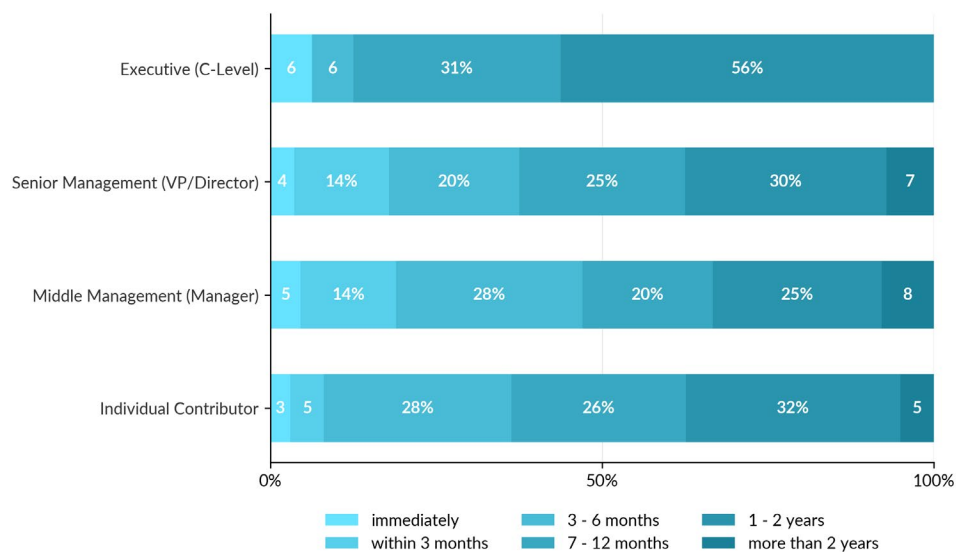
In essence, the variety of responses to “Confidence Time Horizon” highlights the need for leadership to actively manage and harmonize expectations to prevent internal conflicts and maintain a unified strategic direction.

Confidence by Role: Perception Gaps Within the Org Chart

Executives report higher confidence than the teams responsible for delivery—revealing a disconnect that could stall your efforts

The preceding sections outlined **what** is happening within organizations—the confidence levels and alignment patterns across the Four Currents. But to fully understand transformation readiness, we must also explore **who** holds these perceptions. In this deeper dive, we analyze how confidence varies based on role and company size—two powerful lenses that reveal where alignment thrives, where it fractures, and how transformation challenges are experienced differently depending on where you sit and how your organization is structured.

Are Leaders' Expectations Aligned with the Rest of the Organization When It Comes to Timing?



Data from The Transformation Guild, Q1 2025

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Analysis

When breaking out by role, over half of executives (56%) think the time horizon for a project to create value is 1-2 years.

For all other roles, the majority expect results within the first year.

A Deeper Dive

Implications

The strong alignment among executives around a 1-2 year time horizon for project value reveals a strategic perspective focused on mid-to-long-term results.

This suggests that leadership is prioritizing investments with sustained impact over immediate gains, potentially indicating a forward-thinking approach to transformation. However, this executive perspective significantly differs from the broader survey responses, where time horizons were more dispersed. This disparity may signal a disconnect between executive expectations and those of other levels within the organization. It's possible that executives are more attuned to strategic, long-term initiatives while other roles are focused on shorter-term deliverables and operational needs.

This misalignment could lead to challenges in project prioritization, communication, and overall organizational cohesion. If not addressed, it might create frustration among non-executive staff who feel pressure for quicker results, or a perception that leadership is out of touch with day-to-day realities. Therefore, while executive alignment on a longer time horizon is positive for strategic planning, it necessitates clear communication and alignment with the rest of the organization to avoid potential friction and ensure effective execution.

Signals for Senior Teams

Given the strong executive focus on a 1-2 year time horizon for project value, leaders must proactively bridge the gap between this perspective and the more varied expectations across the organization.

Conduct organization-wide forums or town halls to explicitly discuss time horizons for different types of projects, aligning expectations based on strategic goals and operational realities. Leaders should clearly articulate the rationale behind long-term investments, demonstrating how they ladder up to overall strategic objectives and long-term growth.

Provide regular updates on project progress and milestones, emphasizing both short-term wins and progress toward longer-term goals.

Encourage two-way communication, actively seeking feedback from employees at all levels to address concerns and ensure everyone understands the timeline and value proposition of ongoing initiatives. By prioritizing transparency and aligning expectations, leaders can effectively unify the organization behind their strategic vision and ensure smooth project execution.

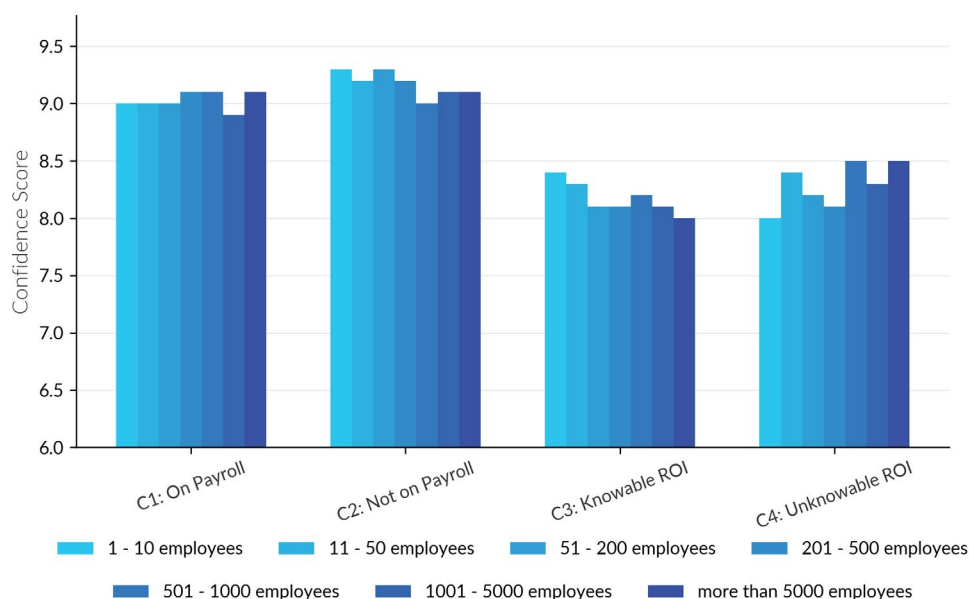
A Deeper Dive

Transformation doesn't happen in a vacuum. It's shaped by—and responds to—forces far beyond the boundaries of any single organization. The first quarter of 2025 ushered in a complex environment for business leaders: shifting regulatory priorities under a new U.S. administration, renewed global tensions affecting supply chains and cost structures, and internal pressures to deliver short-term wins while sustaining long-term vision. These macro forces ripple through companies unevenly, influencing how different teams perceive priorities, allocate resources, and place their trust in leadership. Mapping the Moment explores how these external and internal dynamics are reflected in organizational confidence—through the lens of role, company size, and alignment across the Four Currents.

Understanding how confidence in transformation varies across roles and organization sizes offers deeper insight into where alignment thrives—and where it fractures. The Four Currents don't move uniformly across an organization. Executives, managers, and individual contributors often experience transformation through very different lenses, influenced by their proximity to decision-making, execution, or impact. Likewise, the size and complexity of an organization shapes its transformation dynamics: smaller firms may act faster but with less structure, while larger enterprises may have more resources but face coordination hurdles. By analyzing the Four Currents through these two dimensions—role and company size—we gain a clearer view of how transformation readiness plays out across the internal landscape. These differences can reveal points of tension, momentum, or misalignment that leaders must navigate to ensure forward motion.

Four Currents x Company Size

Scale and Signal: How Company Size Influences Confidence in Transformation



Analysis

The data reveals a notable consistency in the average scores across all company size categories for each of the Four Currents. While minor fluctuations exist, the averages remain within a relatively narrow range.

Data from The Transformation Guild, Q1 2025

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A Deeper Dive

Implications

Company size shows minimal impact on perceptions of the Four Currents, indicating these challenges are universal across organizations.

This reinforces the relevance of the Four Currents Framework as addressing foundational aspects of organizational health irrespective of scale. However, subtle differences emerge: smaller companies show a slight advantage in external partner engagement, while larger companies demonstrate more comfort with investments in “Unknowable ROI.”

Conversely, the largest companies report slightly more challenges with “Knowable ROI” tracking, likely due to organizational complexity.

Signals for Senior Teams

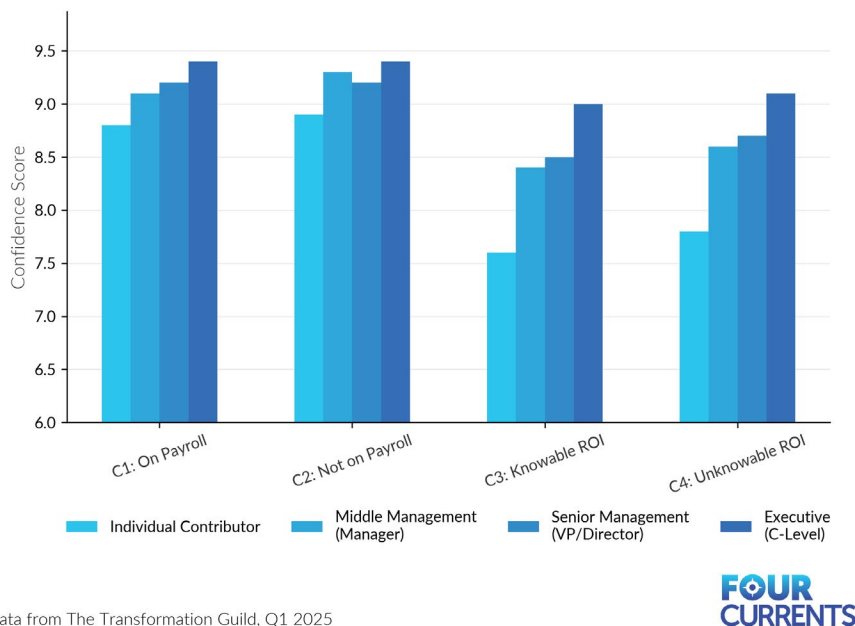
Focus on improving core practices related to each Current, rather than tailoring strategies solely based on company size.

Data Notes

The number of responses differ for each company size category, with 54 observations for companies with 1-10 employees and 342 observations for companies with more than 5000 employees.

Four Currents x Role

How "Role" Shapes Perception: Leadership vs. Individual Contributor



Analysis

A significant perception gap exists across the organization. As rank increases, so too does confidence in organizational alignment. This stands as a reminder to executives that there is tremendous value in "walking the factory floor."

Implications

A significant perception gap exists between executives and other roles, with executives consistently overestimating confidence and alignment across all Four Currents.

This creates substantial risk for transformation efforts as executives may be unaware of underlying concerns and implementation challenges. This disconnect can lead to flawed decision-making, decreased morale, and resistance to change.

Role-specific communication and engagement strategies are essential, as a one-size-fits-all approach will fail.

A Deeper Dive

Signals for Senior Teams

Executives need unfiltered feedback, while individual contributors and managers need to feel heard and empowered. This discrepancy highlights a high risk of execution gaps, as strategies developed at the executive level may not be effectively implemented without buy-in and understanding from those responsible for day-to-day operations. Leaders must ensure clear alignment between strategic decisions and on-the-ground realities.

Data Notes

The number of responses differ for each company size category, with 54 observations for companies with 1-10 employees and 342 observations for companies with more than 5000 employees.

Mapping the Moment

Shifting Tides: How Specific Forces Are Reshaping Confidence and Alignment

Transformation doesn't happen in isolation. It's shaped by—and responds to—forces far beyond the boundaries of any single organization. Each quarter, we surface internal misalignments in confidence and capability, but those signals must be read in context. The first quarter of 2025 brought a uniquely complex environment: shifting regulatory priorities under a new U.S. administration, renewed global tensions affecting supply chains and costs, and mounting internal pressure to deliver short-term wins while sustaining long-term vision. These macro forces ripple unevenly through companies, shaping how teams perceive priorities, allocate resources, and place their trust in leadership. This section examines the external and internal dynamics reshaping organizational confidence—through the lens of role, company size, and alignment across the Four Currents.

Digital Acceleration

The post-pandemic acceleration of digital transformation continues at full tilt, now supercharged by breakthroughs in AI and automation. This tech acceleration is a double-edged sword: it offers competitive advantage to those who embrace it, but the return on these new technologies can be hard to quantify upfront. Many survey respondents are living this reality – their companies know they must invest in things like AI-driven analytics, digital customer experiences, or upskilling their workforce for the digital age, yet measuring the ROI of these initiatives is challenging. Here we see all four currents intersect: internal people need new skills (Current 1), external partners might be needed for tech implementation (Current 2) yet trusted carefully, ROI may not be provable until after experimentation (Current 3 & 4), and the confidence time horizon can shrink if companies fear falling behind digitally. The macro trend of rapid technological change thus reinforces the report's call to build confidence through learning and adaptation – those who create a culture that can absorb new tech and iterate (despite uncertain ROI) will pull ahead.

Economic Crosswinds

The economy in 2025 presents a mixed picture. Inflationary pressures and interest rates remain higher than in years past, prompting firms to be prudent with investments. This economic caution aligns with the survey's emphasis on knowable ROI – when every dollar is scrutinized, projects with clear, tangible returns naturally move to the front of the line. At the same time, low unemployment and a competitive talent market put pressure on companies to fully utilize their existing talent (supporting Current 1's focus on internal capability) since hiring new skills is costly. In short, a fluid economy makes companies double-down on sure bets and internal efficiencies.

Political and Regulatory Transitions

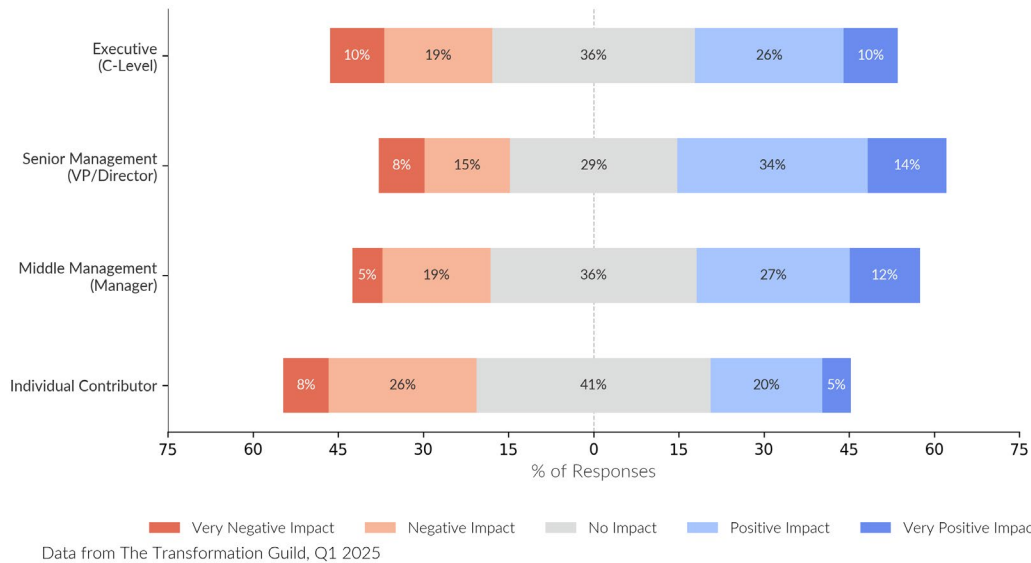
The period after the 2024 U.S. presidential election has ushered in new policy priorities and regulatory changes. Companies, especially in heavily regulated industries (finance, healthcare, energy), are wary of long-term bets that might be upended by shifting rules. This contributes to the long-term confidence dip seen in the Tide Chart – it's hard to be confident five years out when, for example, data privacy laws or environmental regulations could significantly change how you do business. On the flip side, clear policy direction (where it exists) can create knowable parameters for ROI. For instance, if new infrastructure spending is confirmed, ROI on related projects becomes more certain. The survey's finding that alignment and trust are needed for unknowable ROI projects rings true in this climate: leadership must convince their organizations to invest in the future despite political uncertainty, by aligning investments with a vision of staying ahead of or shaping regulatory trends.

In synthesis, the macro environment of early 2025 heightens the importance of the Four Currents insights. Economic and political uncertainties underscore why clear ROI and long-term trust are difficult but vital. Social and talent dynamics put a premium on leveraging internal people and maintaining strong partnerships. The way you do that is by being clear. Companies that understand these currents in context will be better equipped to navigate this moment, adjusting their course proactively rather than being swamped by the waves of external change.

Mapping the Moment

Evaluations Preceding Inauguration

What impact do you anticipate the current Trump administration will have on your organization? (December 2024)

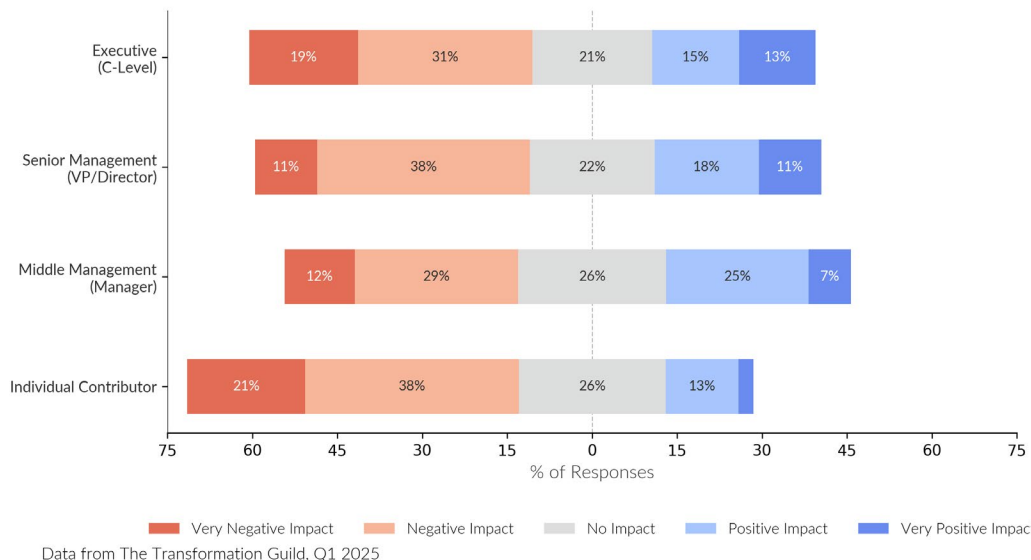


Analysis

In December 2024, (prior to the Presidential inauguration), views were neutral to positive. In the context of uncertain economic conditions related to tariffs, exchange rate fluctuations, and other policy updates, views in March 2025 shifted considerably, with nearly half of respondents (49%) indicating they expect a negative or very negative impact.

Evaluations Following Inauguration

What impact do you anticipate the current Trump administration will have on your organization? (March 2025)



Data Notes

The number of responses differ for each employee category, with 52 observations for those in Executive (C-Level) roles and 509 for Middle Management (Manager) roles.

Mapping the Moment

Implications

The shift in perception following the inauguration signals a significant rise in economic anxiety across roles and industries. While pre-inauguration responses leaned neutral to cautiously optimistic, the post-inauguration data reveals a marked increase in concern – especially among individual contributors and middle managers, who are often closest to operational execution. This is not simply political sentiment; rather, it reflects pragmatic uncertainty around how tariffs, regulatory shifts, and geopolitical friction may affect supply chains, costs, and hiring decisions.

Notably, executives and senior leaders also show growing apprehension – with 41% of C-level respondents reporting a negative or very negative outlook, up from 24% pre-inauguration. The data implies a downward shift in business confidence and signals that organizations may be entering a more cautious or defensive posture. The net effect of this sentiment shift could lead to delayed investments, increased contingency planning, or accelerated operational pivots – particularly for companies dependent on global supply chains, sensitive to tax and trade policies, or undergoing large-scale transformations.

Signals for Senior Teams

Communicate Early and Often About Policy Implications

In times of uncertainty, silence breeds speculation. Leaders should proactively brief teams on how evolving federal policy may impact the business – especially regarding tariffs, manufacturing shifts, and workforce decisions. Where possible, explain which risks are real, which are speculative, and what the company is doing to stay agile. This stabilizes morale and demonstrates strategic foresight.

Scenario-Plan Across Multiple Horizons

The data reflects a broad-based concern that transcends role or company size. Leadership teams should engage in structured scenario planning to explore the operational and financial impacts of changing policy directions. For example: “What if tariffs rise X%?” or “What if new labor rules impact contractor usage?” Codifying responses ahead of disruption ensures faster pivots and steadier confidence across the organization.

Reframe Uncertainty as a Driver for Innovation

While macro-level uncertainty can freeze organizations, it can also spur creativity. Leaders should empower teams to explore cost resilience, supplier diversification, and revenue stream expansion – turning volatility into opportunity. Reassure your organization that transformation will continue, even as the external landscape shifts.

Recheck Your External Partnerships and Contracts

If shifting regulatory or trade landscapes affect your supplier ecosystem, now is the time to evaluate vendor agreements, renegotiate terms, and stress-test continuity plans. Doing this before a disruption occurs will maintain momentum and prevent transformation derailment if external conditions worsen.

Gauge Internal Sentiment Regularly

Given the 49% of respondents expecting negative impact, leaders must stay close to how employees are feeling and interpreting national events. Pulse surveys, listening sessions, and open town halls can surface anxieties early and help leadership course-correct messaging and action plans.

From Insight to Action

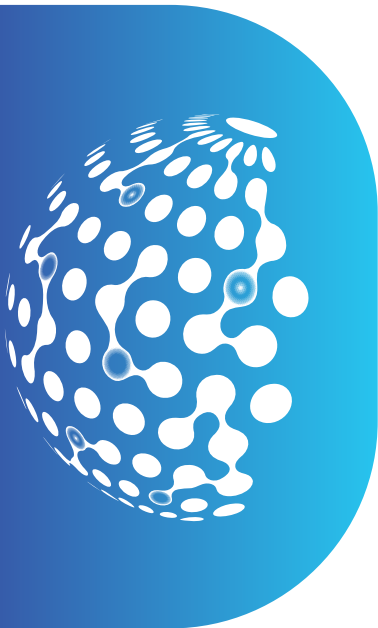
Charting the Course

Wave 2 of the Four Currents research provides an invaluable reality check for organizations in 2025:

Confidence and alignment are as crucial as strategy and execution in driving transformation success. The data-driven insights highlight where leadership attention is needed most – from unlocking the potential of your own people and solidifying trust in partners, to sharpening the understanding of ROI and doubling down on cultural unity around future bets. None of these areas can be ignored without consequence. An unevenly confident organization is like a ship with an unsteady crew; it may sail, but not at full speed nor with full certainty of its course.

Putting the Framework to Work

The good news is that confidence gaps are addressable. By acting early on the implications outlined – empowering talent, resetting partnerships, clarifying value, and inspiring trust – leaders can actively raise the tide of confidence in their organizations. This pays off in tangible ways: faster decision-making, greater innovation, and more resilience in the face of external volatility. In conclusion, the Four Currents Wave 2 report doesn't just diagnose problems; it charts a path forward. Senior executives who take these findings to heart can guide their enterprises to navigate uncertainty with purpose and poise, turning the currents of change into tailwinds for long-term success.



Putting the Framework to Work

It takes a brave executive to ask the right questions that would reveal where the airpockets reside. If this survey was delivered within your organization, and these were the same responses, the following would be the resulting recommendations for strengthening confidence and increasing alignment.

Empower and Leverage Internal Talent

Identify the under-leveraged talent within your ranks. Create cross-functional SWAT teams or innovation task forces that tap into employees who showed latent skills or initiative in the survey. By doing so, you not only boost confidence in internal capability across the board but also mitigate the need to always seek external help for new challenges. Invest in training and career development to turn uneven confidence into a uniformly high-confidence, high-skill internal engine.

Recalibrate Vendor and Partner Relationships

Don't accept vendor skepticism as a given – address it. Initiate frank discussions with key partners about performance gaps. Set up joint success metrics and quarterly business reviews to hold partners accountable and also give them insight into your strategic priorities. In some cases, diversify your vendor pool or bring critical projects in-house if external options aren't delivering. The goal is to transform external relationships into true extensions of your team, where trust is earned and verified continually.

Insist on ROI Clarity (Where Possible)

For any major initiative, ask the team to outline what success looks like in measurable terms. This doesn't mean every project needs a dollar ROI on day one, but it should have KPIs that indicate progress. Encourage pilot programs or phased rollouts that can demonstrate impact early, creating a clearer ROI picture that builds confidence to move to the next phase. By lighting the path with interim results, you prevent promising projects from stalling out due to uncertainty. Make ROI conversations a two-way street: invite teams to propose how they will measure success, which drives ownership and creative thinking about value.

Foster Trust and Alignment for Future Bets

Recognize that transformative, long-term investments hinge on cultural factors. Take deliberate steps to build trust: share more context behind big decisions, celebrate employees who take calculated risks, and acknowledge when things don't go as expected (to show that honesty is valued over blame). Ensure your leadership team presents a united, aligned front on strategic priorities – mixed messages from the top can quickly erode confidence down the ranks. Consider creating internal forums or councils where employees at all levels can discuss the company's future direction and provide input. When people feel heard and part of the journey, they are far more likely to buy into ambitious, not-immediately-ROI-driven projects.

Balance Short-Term Wins with Long-Term Vision

To prevent long-term uncertainty from stalling short-term action, leaders must communicate a compelling vision of the future while executing in the present. This means regularly linking today's projects to tomorrow's goals in company communications. Set short-term targets that ladder up to a longer-term aspiration, and track both. If confidence measures dip for the long term, address it head-on – talk about the contingency plans and how the organization will stay flexible and resilient come what may. By showing that you're steering with both the immediate and distant horizon in mind, you keep the team's confidence levels more consistent over time.

Take Action

Want the Complete Report? Or a previous Wave of the Four Currents Report?

We're happy to share the data - just ask.

Ready to Take the Next Step?

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Connect with an exclusive network of executives and certified consultants who are navigating transformation challenges together.

Schedule a Speaking Engagement

Invite Tom Daly to share expert insights on enterprise transformation, leadership alignment, and the Four Currents Framework at your next event.

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Have a triumphant story or lessons learned from your organization's transformation journey? We'd love to highlight your experience. Email us to share your story via an interview, video feature, or guest contribution.

No matter your next step—
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Research Methodology

Data for this report was collected in March 2025. The survey was fielded among full-time employees located in the United States earning \$70,000 or more per year. In total, 1,313 respondents completed the survey answering up to 56 questions. Analysis was based on responses meeting data quality checks.

The Four Currents are measured as twelve total questions. Each current is measured as three questions capturing evaluations of quality, focus, and resource availability, providing dimensionality to areas where there may be gaps in confidence and alignment. Results shared in the Four Currents Overview section focus solely on the quality dimension for clarity. Results shared in the Four Currents Diagnostics section incorporate the richer dimensionality.

About the Research Team

This report was developed by Tom Daly, Founder, The Transformation Guild, and led by Ethan Pew, PhD. Additional contributions were made by Lisa West, CMO, The Transformation Guild.



Tom Daly



Ethan Pew



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“The Four Currents survey approach was valuable to myself and my organization. We were able to confirm our understanding of digital transformation in our enterprise and come away with actionable direction to expedite growth in this key area of our business.”

Eli Wendkos, VP Digital Transformation, Thibaut Design, Inc

“The Four Currents survey provided me with critical insight into where gaps existed in our corporate alignment around sustainability. The analysis resulted in a course correction around our sustainability strategy, securing cross-departmental alignment, and capturing additional budget allocation for implementation.”

Andrew Harner, VP Sustainability, Blommer Chocolate

“Transformation is like turning a ship in a narrow channel—complex, but possible with the right guidance.”

Tom Daly

