A photograph of four business professionals in a meeting. A man in a suit and glasses is on the left, a woman with curly hair is in the center, and a man in a light shirt and tie is on the right. They are seated around a table with coffee cups, papers, and a smartphone. The background is a modern office interior with large windows and green exit signs.

Talent-led transformation in a post-pandemic world

How can global business leaders deliver on ambitions of growth and reinvention?

A blue speech bubble icon with a white circle inside, pointing towards the text.

regional analysis: **LATIN AMERICA**

boyden

EXECUTIVE SUMMARY

In this regional analysis of Boyden's global report, *Talent-led transformation in a post-pandemic world*, we highlight findings and trends in Latin America with sector insight from Boyden partners.

In early 2022, the IMF lowered its economic growth forecasts for the year for Latin America to 2.4%, citing inflation, tighter monetary policy and a lower growth estimate for the United States.¹

Despite this backdrop, our study data indicates that respondents in Latin America are the most confident worldwide in their organisation's growth potential, with 88% very *confident/confident*; in terms of business approach, 80% are engaging in growth, expansion, learning or transformation. Business leaders are focusing on new markets and the development of new products.

However, confidence in having the right talent to align with organisational strategy is lower, with 67% very *confident/confident*. Leaders are having to reinvent talent which means revising talent strategies, investment and performance measurement.

Lack of alignment goes up to board level, where scrutiny on the ability to drive strategic gains in a low-growth environment is intense. As the region most concerned in the world about board composition, 61% say a different matrix of skills is needed, and 42% expect to invest in board assessment.

There is an ongoing need for new talent: 42% of respondents expect an increase in hiring and marketing, & sales, operations and digital roles are the top priority .

EXECUTIVE SUMMARY

How can organisations attract the best talent? Respondents point to a strong company reputation, a sense of purpose and planned expansion into new markets.

SECTOR INSIGHTS:

Consumer & retail participants are the most likely to hire interim executives and score most highly in considering new approaches to measuring executive performance.

Healthcare & life sciences participants are the most confident in their organisation's growth potential, with 98% *very confident/confident*. A high percentage think a different matrix of skills is needed on the board, and they are the most likely to conduct board assessments.

Industrial participants are particularly confident in their organisation's growth potential, with 92% *very confident/confident*. However, a high percentage think a different matrix of skills is needed on the board. They score highly in expecting to recruit new leadership talent.

Professional services participants are less confident than the average, with 64% *very confident/confident* in their organisation's growth potential. A high percentage think a different matrix of skills is needed on the board.

Technology, media and telecoms participants are very confident in their organisation's growth potential, with 93% *very confident/confident*. Their attention is on more globally-focused and diverse executives, attracted by planned expansion into new markets, although recruitment will be challenging.



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+ A closer look: talent look ahead



Throughout this report, under the segment 'A closer look', we highlight key sector and leadership insights from Boyden experts across Latin America.

01.

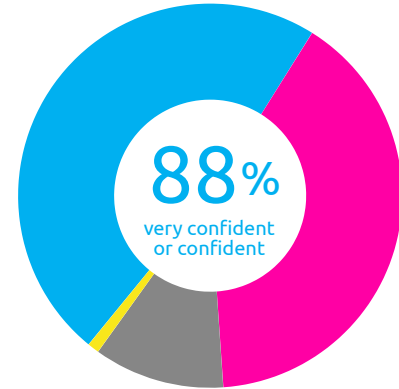


A barometer on confidence



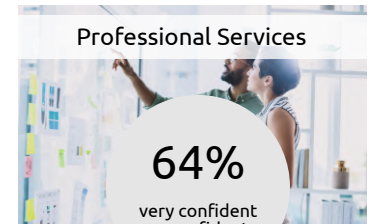
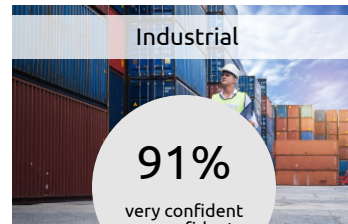
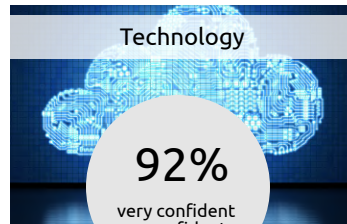
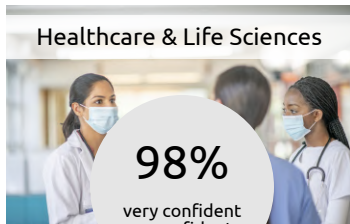
Respondents in Latin America are the most confident in our global study, with 88% *very confident/confident* in their organisation's growth potential, compared with 77% of global respondents who feel *very confident/confident*.

Respondents in healthcare & life sciences are the most bullish, followed by tech, media & telecoms, and industrial. Professional services respondents are less confident than the average in their organisation's growth potential.



Very confident (48%) Confident (40%)
Somewhat confident (11%) Unconfident (1%)

SECTOR OUTLIERS:



Business approach



We asked respondents how they would describe their business approach. With confidence so high, 56% describe it as *growth or expansion mode* and 24% as a *learning or transformation opportunity*, 11% have *already adapted to the new environment*, 5% are *waiting to get back to normal* and 4% are in *survival mode*. From a sector perspective, this is the only region where healthcare & life sciences lead *growth or expansion*, unlike Europe and Asia-Pacific where technology is in the lead. Industrial is faring much better in Latin America than in other regions, with a majority in *growth or expansion mode*, a significant proportion in *learning or transformation*, and a higher than average percentage already having *adapted to the new environment*.

56%

growth or expansion mode

Healthcare & Life Sciences 73%
Industrial 57%
Consumer & Retail 50%
Technology 50%
Professional services 36%

24%

learning or transformation opportunity

Technology 33%
Professional Services 29%
Consumer & Retail 25%
Industrial 23%
Healthcare & Life Sciences 20%

11%

already adapted to the new environment

Consumer & Retail 17%
Industrial 14%
Professional Services 14%
Healthcare & Life Sciences 7%

5%

waiting to get back to normal

Technology 17%
Professional Services 7%
Industrial 3%

4%

survival mode

Professional Services 14%
Consumer & Retail 8%
Industrial 3%



A closer look: business approach

Boyden experts comment on sector-specific outlooks:



INDUSTRIAL



After a challenging year dominated by supply chain disruption and huge increases in logistics costs, most industrial segments are recovering as consumption returns. The majority of companies managed to retain their executives during the pandemic, so they are well placed to capitalize on the recovery in consumer appetite.

- Luiz Alencar, Boyden Brazil

CONSUMER & RETAIL

Consumer & retail leaders in Latin America have faced continuous crises in the last decade. Their crisis management skills and results-driven pragmatism have enabled them to better deal with the pandemic. Successful executives have mastered topics such as digital transformation, new distribution schemes and customer experience, meeting expectations in a market with volatile demand.

- Alexandre Sabbag, Boyden Brazil

TECHNOLOGY

The hybrid working model requires a very clear strategy set by the company with direction, discipline and commitment. Some people are resistant, resulting in changes in senior management and candidate profiles. Previously a relatively small sector, tech is booming, driving companies to invest in people and greater specialization to achieve executive and organisational potential.

- Marytere Arias, Boyden Mexico



BOYDEN QUOTE



Economic, monetary and social volatility is not new to business leaders in Latin America. Today, despite the region's enormous potential, the effects of the pandemic and current-state political situation constrain the resolve of structural economic and social deficiencies. Business leaders have a significant role to play in pursuing public-private collaboration to achieve economic recovery.

*- Carla Woolcott
Boyden Perú*



02.

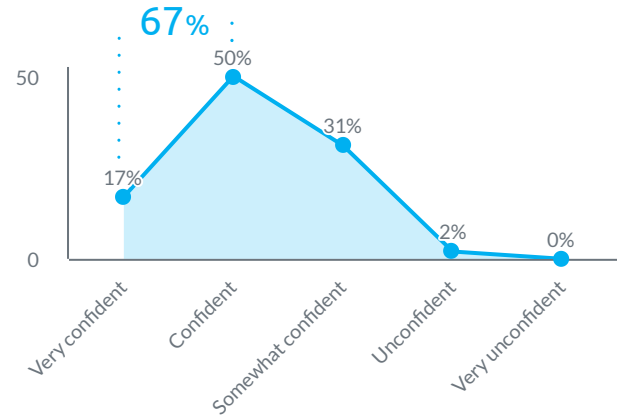


The *right* talent



Do organisations have the right talent in place?

While 88% of respondents are *very confident/confident* in their organisation's growth potential, **67%** are *very confident/confident* that they have the right talent to align with organisational strategy: this breaks down to just 17% who are *very confident* and 50% who are *confident*.



+ Sector analysis reveals concerning gaps:

Healthcare & Life Sciences

98%> 60%

are very confident/confident in growth potential
are very confident/confident in having the right talent

Industrial

91%> 69%

are very confident/confident in growth potential
are very confident/confident in having the right talent

Consumer & Retail

83%> 58%

are very confident/confident in growth potential
are very confident/confident in having the right talent




A closer look: business approach

Boyden experts comment on sector-specific outlooks:



CONSUMER & RETAIL



In Perú, COVID altered internal working practices and external consumer markets, redefining most managerial roles. In addition, almost one third of consumer & retail companies reduced the number of employees, reorganising teams and in some cases retraining them. Given this scenario, new hires are made only when there is a clearly defined need.

- *Gustavo Caillaux, Boyden Perú*

HEALTHCARE & LIFE SCIENCES



Healthcare & Life Sciences leaders are optimistic about their organizations' growth potential. The rapidly changing health environment, especially during the pandemic, accelerated numerous existing and emerging health trends, most notably: evolving client preferences and behavior, convergence of care delivery models, rapidly evolving digital healthcare technologies, integration of life sciences and healthcare, and clinical innovation.

- *Verena Lorenz, Boyden Brazil*



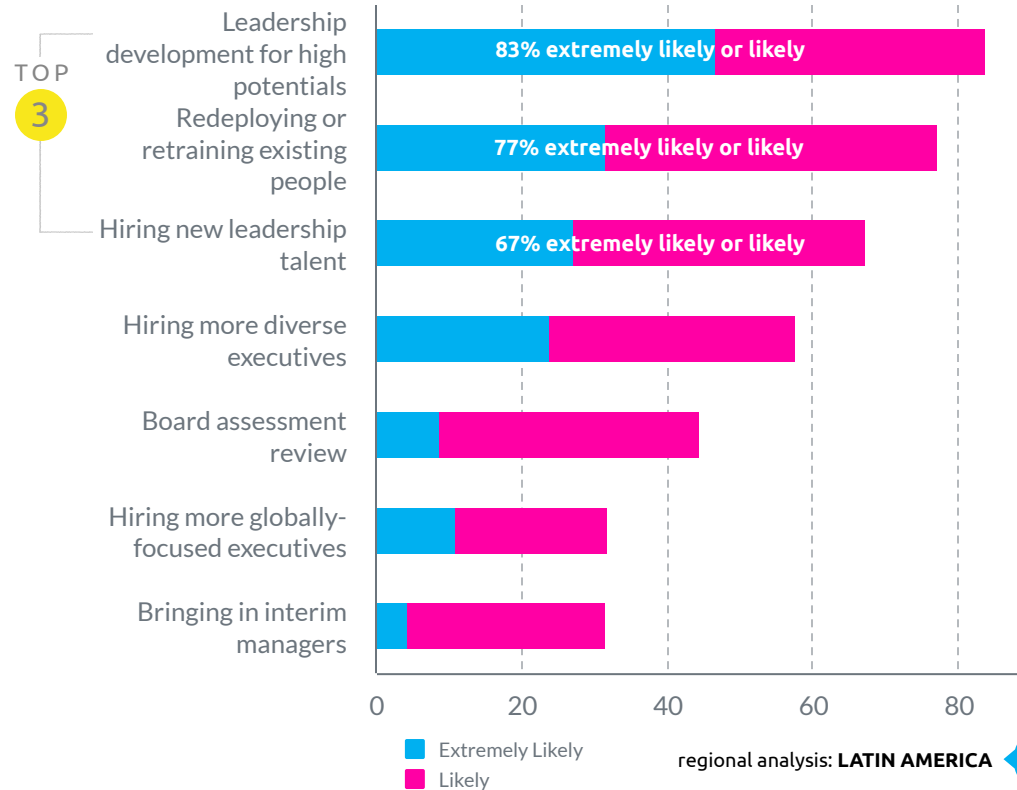
Reinventing talent



We asked respondents how likely they are to make talent-related investments through 2022. Results indicate investment is directed towards this lack of alignment:

While the results overall are in line with global responses, there are interesting sector differences:

- **Healthcare & Life Sciences** respondents are *more likely* to conduct a board assessment: 60% vs 33% Latin America average.
- **Technology** respondents are *more likely* to hire more globally-focused executives: 50% vs 32% Latin America average. They are also *more likely* to hire more diverse executives: 71% vs 58% Latin America average.
- **Consumer & Retail** respondents are *more likely* to hire interim execs: 46% vs 31% Latin America average.



Performance measurement redefined



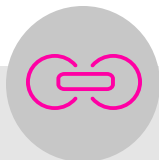
Lack of alignment is also being addressed through different approaches to measuring performance. We asked, "**In this disrupted environment, is your organisation considering new approaches to measuring executive performance?**" In Latin America, 62% answered *yes*, compared with 51% globally and 41% in North America.



Consumer & retail tops all sector averages, with 77% considering new approaches, followed by healthcare & life sciences and technology, both 71%.

The pandemic has created a new paradigm in understanding the relationship between performance measurement, organisational culture and business results. This is revealed in the motivations for redefining performance measurement, with a strong focus on behaviour.

The **top five drivers** for redefining executive performance in Latin America are:



Aligning culture and behaviours with business objectives

62%



Incentive targets and other KPIs for remuneration and promotion

60%



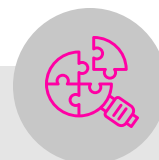
Enhanced communications

53%



Fostering an innovative environment

48%



Increased use of flexible, competency-based teams

45%



In a dynamic trend, global companies are expanding or acquiring local companies in Latin America, revealing a gap between corporate mandates and local strategies as the retail world moves faster than expected. Next generation managers are equipped with better training, wider business perspectives, a fluency in globalization, multicultural approach, language skills and international exposure.

*- Antonio Sanchez
Boyden Colombia*



03.



Hiring priorities

TOP
3

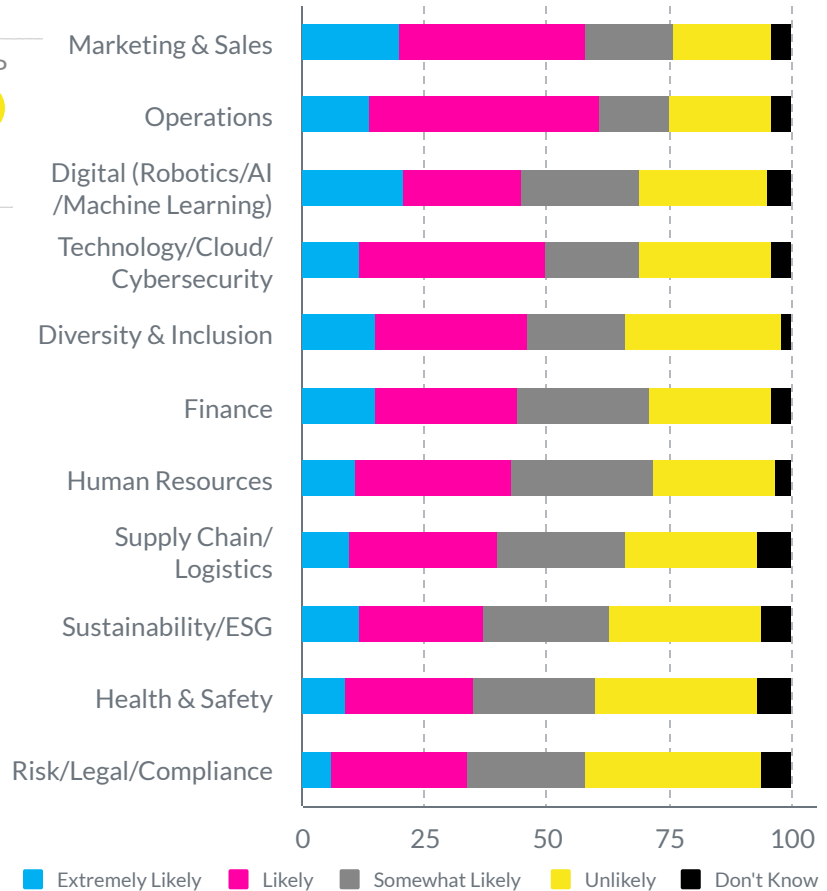


After leadership development for high potentials, and retraining/redeploying talent, **hiring new leadership talent** is the third priority for talent-related investment; 67% of respondents indicate they are *extremely likely/likely* to make this investment.

Into which leadership roles are they hiring? Marketing & sales and digital roles are global priorities. However, Latin America is distinctive, noting operations as the top priority; 61% of respondents are *extremely likely/likely* to hire into this area. Globally, operations roles are the fourth priority.

Globally, top 3 areas for hiring are:

1. Marketing & sales
2. Tech/cloud/cybersecurity
3. Digital (robotics/AI/machine learning)



A closer look: hiring priorities

Responses reveal some areas of concern. Critical roles such as ESG leaders receive limited attention, and with disruption in the global supply chain, organisations are potentially exposed.



ESG & SUPPLY CHAIN

South American economies have historically experienced cycles of boom and bust. As a consequence, local companies and multinational subsidiaries have learned to operate with great short-term agility, leveraging the skills of accomplished regional executives. However, more recently, worldwide considerations of ESG imperatives have gained the attention of local business leaders who see great opportunities both commercially and for society. Increasingly, they are integrating such longer-term emphases into their business models to drive development and growth.

- *William Penney, Boyden Brazil*

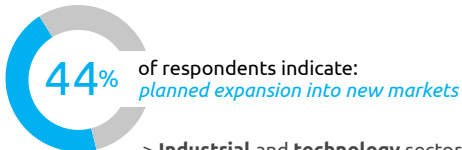


How to attract the best talent

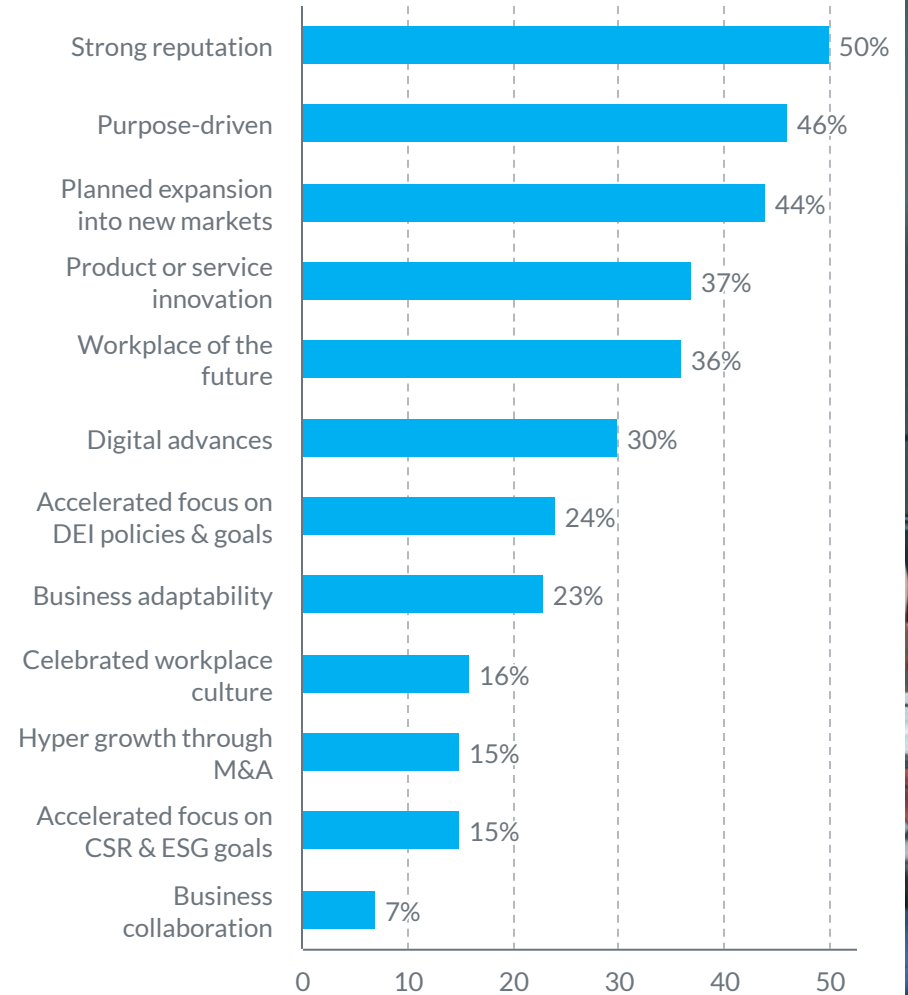


In hiring into these mission-critical areas, how can companies attract the best talent?

Three factors clearly stand out:



> **Industrial** and **technology** sectors identify 'planned expansion into new markets' as the number one factor in attracting the best talent.



BOYDEN QUOTE



Investing in people is a top priority, so diversity, cultural fit and knowledge of technologies remain key, as well as compliance awareness and strong academic background with an MBA. Local board directors are driving business development to shore up losses and asking more from HR leaders, who must be commercially savvy, resourceful and continuous learners.

*- Luis Lezama Bracho
Boyden Mexico*



04.



Reinventing the board



When reviewing current board composition, is a different matrix of skills needed to guide future organisational direction and growth?



Yes 61%

No 20%

Unsure 19%

Inadequate alignment of talent goes right up to board level, with a significant majority of respondents saying a different matrix of skills is needed on the board. Nearly a fifth, or 19%, are unsure, while 20% think the skills matrix does not need to change.

Respondents in Latin America are the most concerned in the world about board composition, with 61% saying a different matrix of skills is needed, compared to 52% globally, 51% in North America and 50% in both Europe and Asia-Pacific.

From a **sector perspective**, 67% of healthcare & life sciences, 66% of industrial and 65% of professional services respondents think a different matrix of skills is needed on the board.



A closer look: business approach

Boyden experts comment on sector-specific outlooks:



INDUSTRIAL

Organizations in Latin America have strengthened their capabilities and market engagement in various digital, financial and technical sectors.

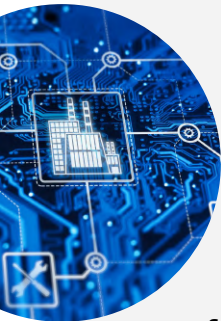
Industrial companies striving to modernise their manufacturing and engineering processes are benefiting from such advances, gaining market share in the region and potentially worldwide. This has spurred organizations to strengthen their leadership, look more broadly and acquire senior executives able to seize global opportunities in the context of constant change in this new digital era.

- Luis F. Rojas, Boyden Mexico

PROFESSIONAL SERVICES

A successful business model in professional services takes years to be forged, usually by seasoned and diligent professionals, so assimilating new practices driven by innovative technologies or disruptive competitors is never easy. However, a significant number of large professional services firms are undergoing deep transformation, incorporating advanced digital and analytical solutions to meet client expectations and deliver better results more effectively. This transformation requires modified skill sets across the entire organization, including board level.

- Leonardo de Souza, Boyden Brazil



Board assessment



A significant gap is revealed in Latin America between the need for a different matrix of skills on the board, cited by 61% of respondents, and those extremely likely or likely to invest in a board assessment, at **42%**. This compares to 38% of global respondents, 45% in North America and 33% in both Europe and Asia-Pacific planning board assessments.



Respondents in Latin America cite a comprehensive list of required skills, indicating the need for a vital recalibration of the board. They point to the need for skills in *strategic planning, complex problem solving, technological understanding, innovation and agility, digital innovation, creativity, and the development of new products and markets.* Important personal attributes are distance leadership, entrepreneurship, emotional intelligence, resilience, an understanding of regional economies and cultural awareness. The need for regional economic understanding and cultural awareness correlates with planned expansion into new markets, a priority for attracting talent, and hiring new leaders in operations.





The pandemic highlighted competitive differences among companies with well-structured processes and governance, and those without. Therefore, a number of companies are reinventing their boards to refresh their strategies and gain agility in a dynamic economic environment. There is strong competition between traditional companies, start-ups and VC-backed businesses, with boards pressed to deliver diversity and innovation.

*- Aurea Imai
Boyden Brazil*



05.

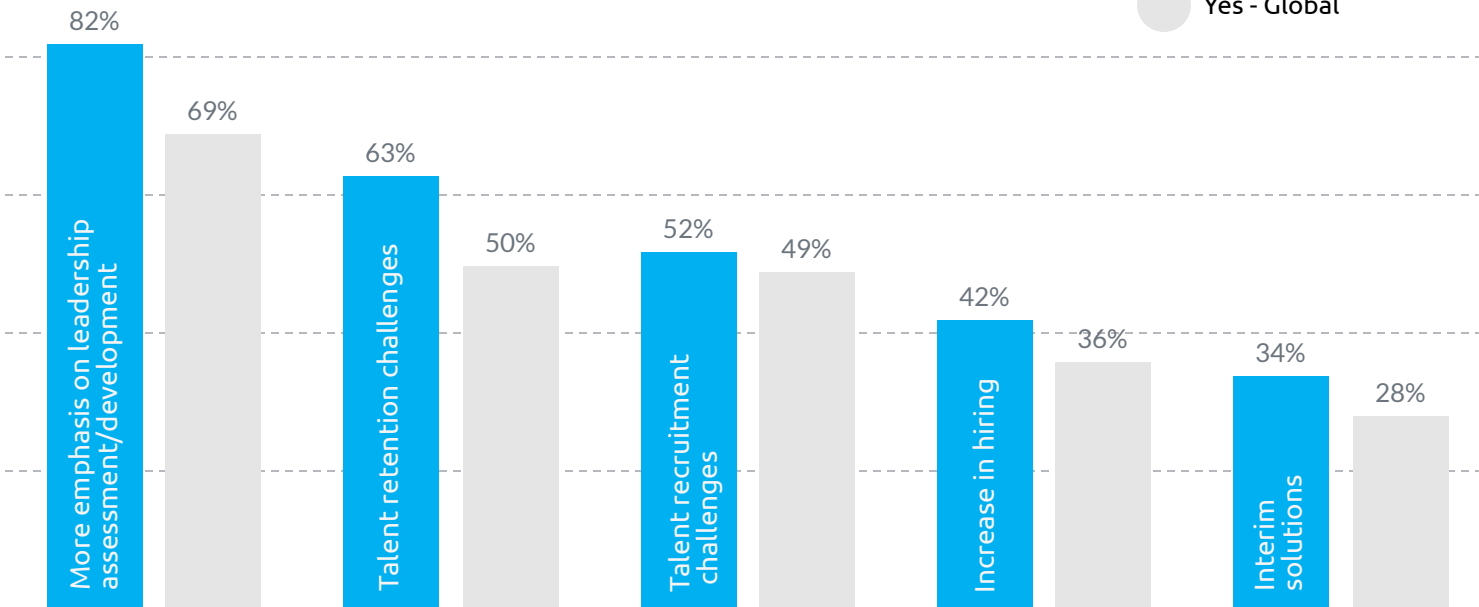
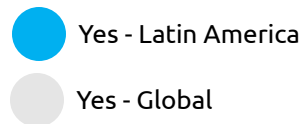


Talent look ahead



In looking ahead, we asked respondents what talent-related initiatives or issues they anticipate through 2022. Compared with global respondents, those in Latin America score very highly in focusing on leadership assessment and development, and expect greater retention and recruitment challenges.

Do you expect to experience any of the following?



BOYDEN QUOTE



Talent management in Brazil is evolving fast. Following the pandemic, most organizations are trying to align their teams with the new reality of labor relations. The need for new leadership competencies is leading to redundancy or dismissal in a low-growth environment, with attractive retention packages for high performers who are scarce and widely in demand.

*- Euri Cruz
Boyden Brazil*



A closer look: talent look ahead



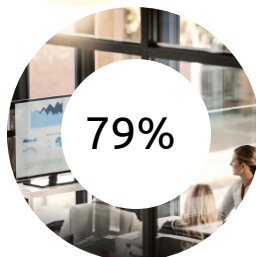
As many as 82% of respondents expect to see more **emphasis on leadership assessment/development**, correlating with the expected investment in leadership development for high potentials at 83%.

Retention challenges are a significant concern, with 63% expecting these, compared with 50% globally. Challenges in **talent recruitment** are expected by 52% of respondents compared with 49% globally. An increase in **hiring** is expected by 42% of respondents in Latin America, compared with 36% of global peers. A third expect to see more emphasis on **interim solutions**, above the 28% global average and in line with concerns over talent retention and recruitment.

Sector breakdown reveals:

- Emphasis on leadership assessment/development is at its highest in healthcare & life sciences (93%)
- Talent retention is expected to be most challenging in healthcare & life sciences (80%)
- Talent recruitment is expected to be most challenging in technology (71%)
- Sectors expecting an increase in hiring new leadership talent are topped by healthcare & life sciences (53%) and industrial (39%)

Organisation type breakdown reveals:



79% of respondents in publicly-quoted organisations expect challenges in talent retention



58% of respondents in private, family-owned businesses expect challenges in talent recruitment



45% of private independent organisations emphasize interim solutions



With the pandemic, and now events in Ukraine, companies are accelerating e-commerce solutions, requiring executives to multitask, be hands-on, open to change, stay close to the consumer online, drive operational efficiencies, be logistics experts, provide ideas, use new digital tools, communicate, evaluate and control new projects, make decisions and be prepared to relocate. Exacting!

*- Luis Lezama Cohen
Boyden Mexico*



CONCLUSION

The senior leaders in Latin America who participated in our study are very confident in their organisation's growth potential. Expansion into new markets and the development of new products are strategic priorities and also a means to attract the best talent. Operational leadership is therefore the top priority in hiring, with an additional focus on operational capabilities at the board level. Directors need a refined understanding of regional economies and cultural awareness to drive the development of new products and markets.

Industrial, technology and healthcare & life sciences sectors are key drivers of business growth in the region. They are under pressure to retain talent, develop people through leadership assessment and hire the right leaders to take advantage of exceptional growth potential.

In order to deliver on ambitions of growth, business leaders need to ensure they have the right talent to align to organisational strategy, scrutinised by board directors with the right skills profile. This region has an impressive cadre of leaders skilled in navigating uncertainty and volatility. With so much opportunity in regional and global markets, organisations with the right leadership may yet improve growth forecasts.

Boyden Global Study

Methodology & Demographics

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