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# Strengthening the human-centric core of Industry 5.0

**How can organizations thrive in a complex world of risk?**

**REGIONAL ANALYSIS: NORTH AMERICA**



# Executive Summary

**In this regional analysis of Boyden's global report, Strengthening the human-centric core of Industry 5.0: How can organizations thrive in a complex world of risk?, we highlight findings and trends in North America with sector insight from Boyden partners.**

Findings show North American respondents focusing intensely on the human core of Industry 5.0<sup>1</sup>; clients, customers and employees. Respondents are particularly concerned about:

- Balancing employee and business needs
- Leadership skills in attracting/retaining talent
- Competing for the right talent
- Employee burnout
- Retention challenges
- HR skills

Respondents in North America are the **least confident in their organization's growth potential**, with 59% very confident or confident; this compares with 85% in South America, 80% in Europe, and 65% in Asia/Pacific. The technology sector is the most confident, with average confidence pulled down by the industrial sector.

Growth drivers are therefore spread across the fundamentals; product or service diversification, human capital and customer/client needs. The drivers of cultural shifts run parallel to these fundamentals; customer and employee needs, hybrid working and

organizational agility.

Low confidence reflects top external risks of inflation, industry competition and national economic volatility, while top internal risks are employee burnout, rising business costs and rising employee costs.

In this tough environment the top driver of structural change is **'competing for the right talent,'** and HR expertise is the executive skill most in need of strengthening. Recruitment and retention challenges are addressed through financial reward and lifestyle, notably hybrid working.

Looking ahead through 2023, recruitment and particularly retention challenges are expected, with an increase in hiring including the use of interim solutions.

The most valuable soft leadership skills are, correspondingly, attracting & retaining talent, inspiring teams and balancing employee and business needs.

In such a challenging environment, how are organizations addressing ESG imperatives? Data shines a spotlight here on the board. ESG skills are among the top three areas for strengthening skills at board level; board members need to analyze how to operationalize a net zero strategy, enabling senior leaders to focus on human resources, marketing & sales and operations as they steer the organization through Industry 5.0.

<sup>1</sup> The Fifth Industrial Revolution, also known as Industry 5.0, is a new phase of industrialisation, whereby humans work alongside advanced technologies and AI-powered robots to enhance processes within the workplace. Source: The Manufacturer. Source: <https://www.themanufacturer.com/articles/the-innovation-behind-the-industrial-revolution/>

## Sector Insights

**Consumer & Retail:** Top growth drivers are jointly **agility/ability to pivot, customer expectations, human capital** and capital expenditure. Supply chain issues are the top driver of structural change; **customer needs** are the top driver of cultural shifts.

The most concerned about recruitment and retention challenges through 2023. **Innovation/business transformation** is the top priority for strengthening executive expertise, while at board level it is **technology/cloud/cybersecurity**. **Understanding employee needs** is the most valuable soft skill for leaders. Together with industrial, the most concerned about supply chains: the top internal risk is supply chain, the top external risk is supply chain disruption.

**Financial services:** The top driver of growth is **human capital**, and **competing for the right talent** is the top driver of structural change. Hybrid working is the top driver of cultural shifts. Most focused on **hiring new talent**; an outlier in board assessment, with a strong majority extremely likely/likely to conduct a review. Most focused on hiring **more diverse executives** and most likely to use more interim solutions.

With such a focus on people, expertise in **human resources** is the top area for strengthening executive skills, while on the board it is **digital** expertise. The most valuable soft skills for leaders are understanding employee needs, balancing employee & business needs, attracting & retaining talent, learning ability and empathy. People-related issues dominate top internal risks; industry competition and national economic volatility are joint top external risks.

**Healthcare & life sciences:** **M&A** is, distinctively, the top driver of growth. **Customer/client needs** is the top driver of cultural shifts and **competing for the right talent** is the top driver of structural change. One of the most active in hiring new leadership talent. **Operations** is the area where organizations most need to strengthen executive talent; at board level it is expertise in **supply chain/logistics**. The most valuable soft skill for leaders is **driving change**.

The top internal risk is **employee burnout**; the top external risk is **industry competition**.

**Industrial:** **Innovation, agility/ability to pivot and customer expectations** are the joint top drivers of growth. **Competing for the right talent** is the top driver of structural change; customer needs is the top driver of cultural shifts. Most likely to retrain/deploy existing people. **Risk/legal/compliance** is the area where executive skills most need to be strengthened; at board level it is **ESG-DEI**. The most valuable soft skill is attracting/retaining talent.

Together with consumer peers, industrial respondents are the most concerned about **supply chains**; supply chain disruption is the top external risk, while supply chain resilience is the top internal risk.

**Professional services:** Top driver of growth is **human capital**. **Industry transformation** is, distinctively, the top driver of structural change. The top driver of cultural shift is **employee needs**. Need to strengthen executive skills in **human resources**, and at board level, expertise in supply chain/logistics. The most valuable soft skill is **understanding employee needs**. **Inflation** is the top external risk; **rising business costs** is the top internal risk.

**Technology:** top drivers of growth are jointly **innovation** and **product/service diversification**, while the top drivers of structural change are jointly **digital advances** and **competing for the right talent**. The top drivers of cultural shifts are jointly customer needs, employee needs and hybrid working.

Second most likely to see an increase in hiring. Greater expertise in **human resources** is needed at executive level, **health & safety** at board level. The most concerned about retention challenges through 2023. The most valuable soft skill is inspiring teams. Top external risks are jointly industry competition and inflation; the top internal risks are jointly rising employee costs, legacy business models and staying on top of digital transformation.

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# A barometer on confidence

Respondents in North America are less confident than their global peers, with 59% very confident/confident in their organization's growth potential through 2023, compared with the global average of 70%. It shows a significant drop among North American respondents from 75% very confident/confident in 2021, with respondents facing inflationary worries and economic volatility early in 2022, identified as two of their top three external risks in our study.

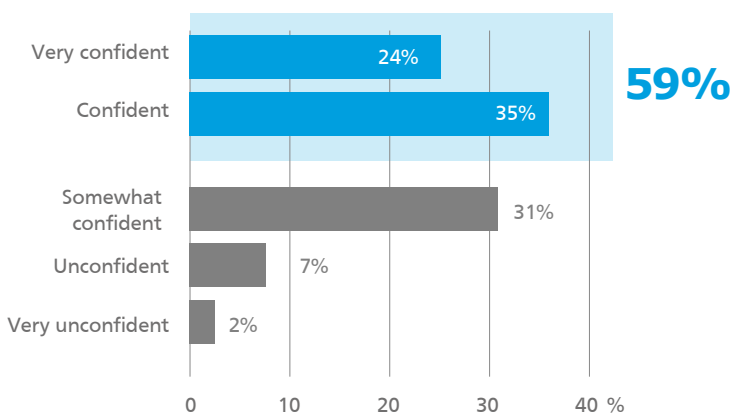
Sector analysis reveals that respondents in **technology** are the most bullish, with 76% very confident/confident in their organization's growth potential, with the top drivers of growth jointly innovation and product/service diversification.

Technology respondents take the lead from **consumer & retail** respondents this year. In 2021, technology respondents were 70% very confident/confident, compared to consumer respondents who were 91% very confident/confident. Confidence among consumer & retail respondents has fallen to 69%.


In **consumer & retail**, the top drivers of growth are jointly agility/ability to pivot, customer expectations, human capital and distinctively, capital expenditure.

The least confident is the **industrial** sector, with 44% respondents very confident/confident. The top drivers of growth are jointly innovation, agility/ability to pivot and customer expectations.

Confidence in organizational growth potential



Technology	76%
Healthcare & life sciences	71%
Consumer & retail	69%
Industrial	44%

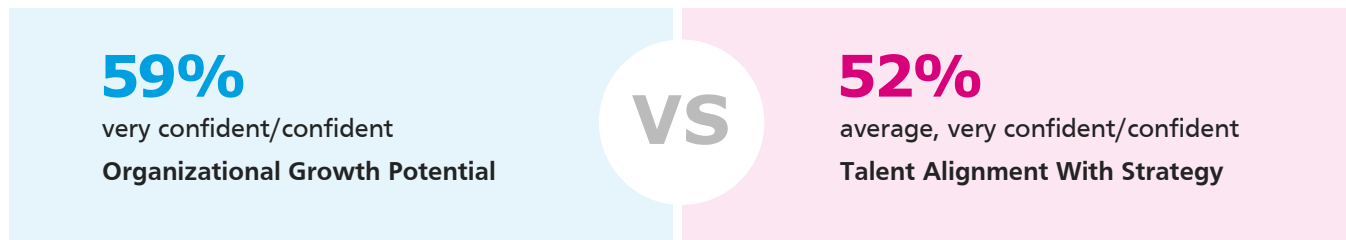


Confidence in organizational growth in the tech sector is mixed while confidence in leadership is actually trending down. IPOs are down, consolidation is on the horizon, and many companies are poaching strong executive talent. Thus, companies in the tech sector need to more strongly consider succession planning and building their depth of talent with an emphasis on agile leaders with more operational maturity.

- JOHN MCCREA, BOYDEN U.S.

# Talent aligned to strategy







Confidence in organizational growth potential is fairly close to confidence in having the **right talent to align with strategy**, but at disappointingly low levels.



This year we look at talent confidence across three distinct areas: (i) overall workforce; (ii) leadership team; and (iii) the board.

The average confidence level across these three areas is 52%, higher than overall talent confidence of 43% in 2021. This could be attributed to investments made in leadership development of high potentials, hiring new executive talent and hiring more diverse executives over the last 12-18 months.

Global findings show that confidence rises with seniority, however, in **North America confidence drops slightly for the board**, with just over half, 52%, very confident or confident; a fifth, 20%, are unconfident or very unconfident. There is a full 10% difference between confidence in the board in North America and globally.

Confidence in having the right talent to align with strategy	Confidence in overall workforce	Confidence in leadership team	Confidence in the board
North America	<p><b>49%</b> Very confident/ confident</p> 	<p><b>54%</b> Very confident/ confident</p> 	<p><b>52%</b> Very confident/ confident</p> 
Global average	<p><b>55%</b> very confident/ confident</p> 	<p><b>60%</b> very confident/ confident</p> 	<p><b>62%</b> very confident/ confident</p> 

Higher confidence in the tech sector is not entirely surprising. While tech leaders are impacted by short-term market downturns, and need to manage their day-to-day businesses appropriately, they tend to be more focused on transformational, longer-term opportunities than their peers in other sectors. In short, quarterly or yearly economic uncertainty does not dampen at all the massive long-term potential of tech innovation across AI, machine learning, quantum computing, or clean tech, to name just a few.

- IAN COLLYER, BOYDEN CANADA

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Despite significant potential for change and growth, public sector organizations share a challenge inhibiting progress: a shortage of talent due to retirement and specialized staff moving to sectors offering better benefits and quality of life. This is most acutely experienced in healthcare and municipal environments across Canada. Demand for clinical, technical and highly specialized skillsets are at a peak, forcing organizations to dissect their value proposition as employers and find innovative ways to manage talent for a sustainable future.

- ANDREW DUMONT, BOYDEN CANADA

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It's clear the electric vehicle market will continue to show resilience and outperform a broader slowdown due to financial and consumer momentum gained in recent years. At the same time the industry is evolving and maturing, so leadership needs remain significant at all levels and the market for digital capabilities highly competitive.

- DAVID ARCHAMBAULT, BOYDEN U.S.



# Growth Outlook

# 02

## Where will growth come from?

**32%** 01  
PRODUCT OR SERVICE DIVERSIFICATION

**32%** 02  
HUMAN CAPITAL

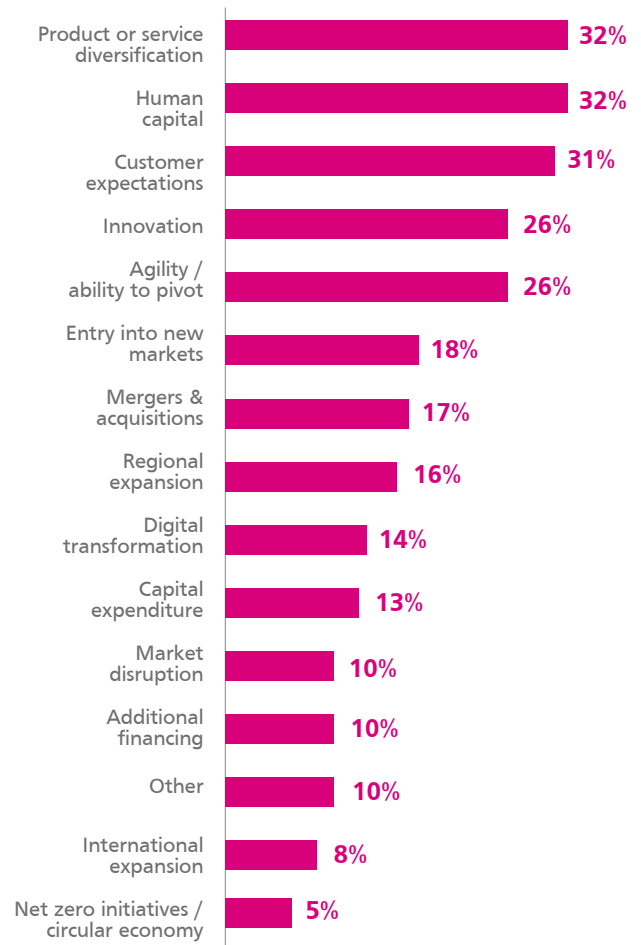
**31%** 03  
CUSTOMER EXPECTATIONS

In North America, the top three drivers of growth are: (i) **product or service diversification**, (ii) **human capital** and (iii) **customer expectations**. Product or service diversification is identified particularly by technology and healthcare & life sciences respondents; and customer expectations by professional services.

Findings compare to global respondents who also look towards human capital, but with a different focus on innovation and digital transformation.

In North America, digital transformation is the ninth priority; international expansion is the second lowest priority; net zero initiatives are at the bottom of the list.

## Organizational growth drivers



## GLOBAL DRIVERS OF GROWTH

01 **INNOVATION**

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02 **HUMAN CAPITAL**

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03 **DIGITAL TRANSFORMATION**

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The top growth drivers by sector are:

Consumer & retail (jointly)	Agility/ability to pivot, Customer expectations Human capital Capital expenditure
Financial services	Human capital
Healthcare & life sciences	Merger & acquisitions
Industrial (jointly)	Innovation Agility/ability to pivot Customer expectations
Professional services	Human capital
Technology (jointly)	Innovation Product/service diversification



# Risks and challenges

## External risks and challenges

In order to understand shifts in strategy and objectives, we explore the risks and challenges leaders are factoring into their decisions. The top three external risks are identified as:

**42%** 01  
INFLATION

**37%** 02  
INDUSTRY  
COMPETITION

**34%** 03  
NATIONAL ECONOMIC  
VOLATILITY

### GLOBAL EXTERNAL RISKS AND CHALLENGES

01	INFLATION	35%
02	GLOBAL ECONOMIC VOLATILITY	34%
03	SUPPLY CHAIN DISRUPTION	34%

## External risks and challenges

42%	Inflation
37%	Industry competition
34%	National economic volatility
28%	Supply chain disruption
23%	Global economic volatility
21%	Lack of local executive talent
20%	COVID variants/other viruses
17%	Industry disruption
15%	Geopolitical risk
15%	Change in consumer habits
13%	Other
10%	Climate change
4%	Energy security
2%	Export/import tariffs



Respondents in North America are distinctive in identifying industry competition and national economic volatility in their top three external risks. There is also concern over supply chain disruption and global economic volatility, but risks closer to home are of greater concern, particularly given interest rate rises.

**The top external risk by job function is:**


Board	Industry competition, global economic volatility
President/CEO	Inflation
MD/Country Head/SVP	Inflation
HR Leader	Inflation

**The top external risk by sector is:**


Consumer & retail	Supply chain disruption
Financial services	Industry competition = national economic volatility
Healthcare & life sciences	Industry competition
Industrial	Supply chain disruption
Professional services	Inflation
Technology	Industry competition = inflation

**Beyond the top external risk, different sectors have specific concerns:**

**Healthcare & life sciences** is concerned by **industry disruption** and a **lack of local executive talent**



**Professional services** is concerned by a **lack of local executive talent**



Respondents in North America are less concerned about climate change and global economic volatility and a little more concerned than global peers about lack of local executive talent.

## Internal risks and challenges

From an internal perspective, the top risks and challenges are:

**43%** 01  
EMPLOYEE BURNOUT

**36%** 02  
RISING BUSINESS COSTS

**26%** 03  
RISING EMPLOYEE COSTS

Respondents in North America are much more concerned about employee burnout and costs than a need for different skill sets, which ranks eighth, compared to third in the global average.

### GLOBAL INTERNAL RISKS AND CHALLENGES

01	RISING BUSINESS COSTS	31%
02	EMPLOYEE BURNOUT	29%
03	NEED FOR DIFFERENT EXECUTIVE SKILL SETS	23%

## Internal risks and challenges

43%	Employee burnout
36%	Rising business costs
26%	Rising employee costs
24%	The 'great resignation'
22%	Effective internal communication
20%	Cybersecurity
20%	Legacy business model
19%	Need for different executive skill sets
17%	Weak leadership team
16%	Lack of innovation
16%	Staying current on digital advances
13%	Staying on top of digital transformation
13%	Supply chain resilience
10%	Hybrid working
7%	Other
4%	Shift in power to employee
4%	Legal liability



**The top internal risk by job function is:**

Board	Cybersecurity
President/CEO	Rising business costs
MD/Country Head/SVP (jointly)	Need for different executive skill sets Effective internal communications
HR Leader (jointly)	Rising employee costs Employee burnout

**The top internal risk by sector is:**

Consumer & retail	Supply chain resilience
Financial services (jointly)	Cybersecurity, need for different executive skill sets, hybrid working, employee burnout, 'great resignation,' effective internal communications, weak leadership team, lack of innovation
Healthcare & life sciences	Employee burnout
Industrial	Employee burnout
Professional services	Rising business costs
Technology (jointly)	Rising employee costs, legacy business models, staying on top of digital transformation

**Discrepancies by job function reveal:**

<p><b>Board members</b> are more concerned about <b>cybersecurity</b>, with 70% seeing it as a top three risk, compared with 23% of Technology/Digital leaders</p> 	<p><b>Finance leaders</b> are extremely concerned about a <b>weak leadership team</b>, with 83% seeing this as a top three risk, compared with only 5% of CEOs/Presidents</p> 	<p><b>Marketing &amp; sales leaders</b> are more concerned about <b>employee burnout</b>, with 67% seeing it as a top three risk, compared with 18% of CEOs/Presidents</p> 
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# Drivers of structural change

The top three drivers of structural change confirm momentum in Industry 5.0:

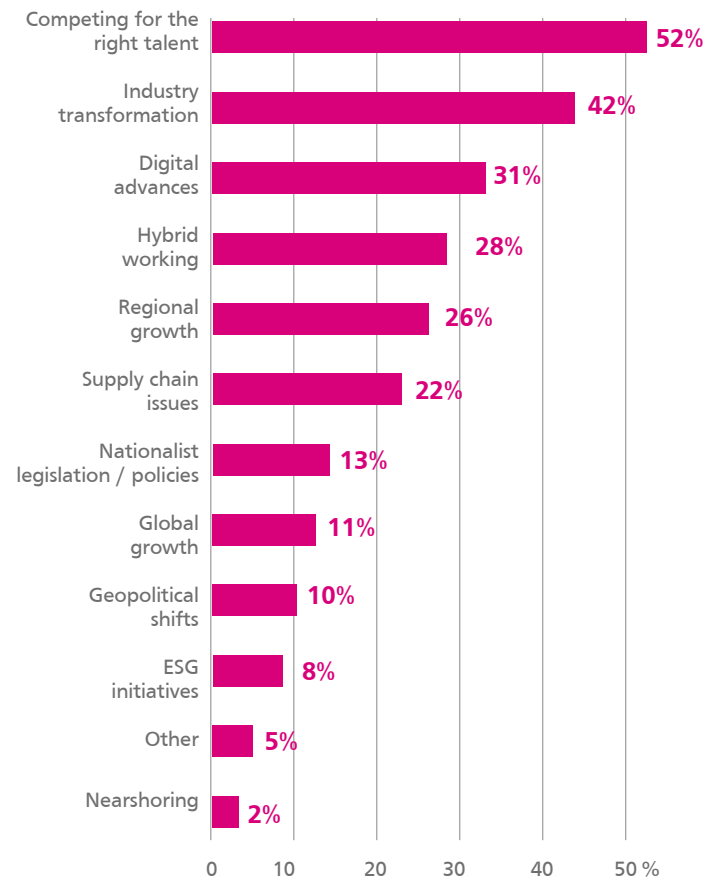
**52%** 01 **COMPETING FOR THE RIGHT TALENT**

**42%** 02 **INDUSTRY TRANSFORMATION**

**31%** 03 **DIGITAL ADVANCES**

These top three drivers are the same globally, except that for respondents in North America **competing for the right talent** is the top driver, reflecting low levels of confidence in growth potential.

Structural change drivers



The top driver of structural change by sector is:

Consumer & retail	Supply chain issues
Financial services	Competing for the right talent
Healthcare & life sciences	Competing for the right talent
Industrial	Competing for the right talent
Professional services	Industry transformation
Technology	Competing for the right talent= Digital advances

In the financial sector, we can't ignore capital growth due to global immigration, direct investment and mergers and acquisitions. Likewise, in the tech sector, this is a key driver: human capital brings innovative ideas, new technology and global resources including capital. In addition, clean tech is becoming the key driver for the business ecosystem in Canada, with opportunity flowing from the restructuring involved in new business cycles; and, policy-driven investment is spurring the development of new technology

- JENNY ZHANG, BOYDEN CANADA

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Across financial services, resignations and hyper competition for talent during the pandemic was a wakeup call. However, leaders are still mainly focused on their need for talent versus the needs of their talent, waiting for the power to shift back to employers. That is a missed opportunity. Leaders who spent time understanding their employees' challenges and supported them with the right resources have been rewarded through organizational culture, retention and performance.

- MICHAEL LEWIS, BOYDEN CANADA

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The most telling aspect of the unfortunate COVID pandemic is the effect it had on healthcare and life sciences. Despite knowing what could happen clinically, healthcare executives did not fully understand what would happen to the business side of healthcare. Initial supply chain issues were followed by furloughing of medical and clinical staff, then dramatic employee burnout. If we don't take a hard look at what must be changed in healthcare now, we will be doomed to repeat it.

- GILBERT J. CARRARA, MD, BOYDEN U.S.



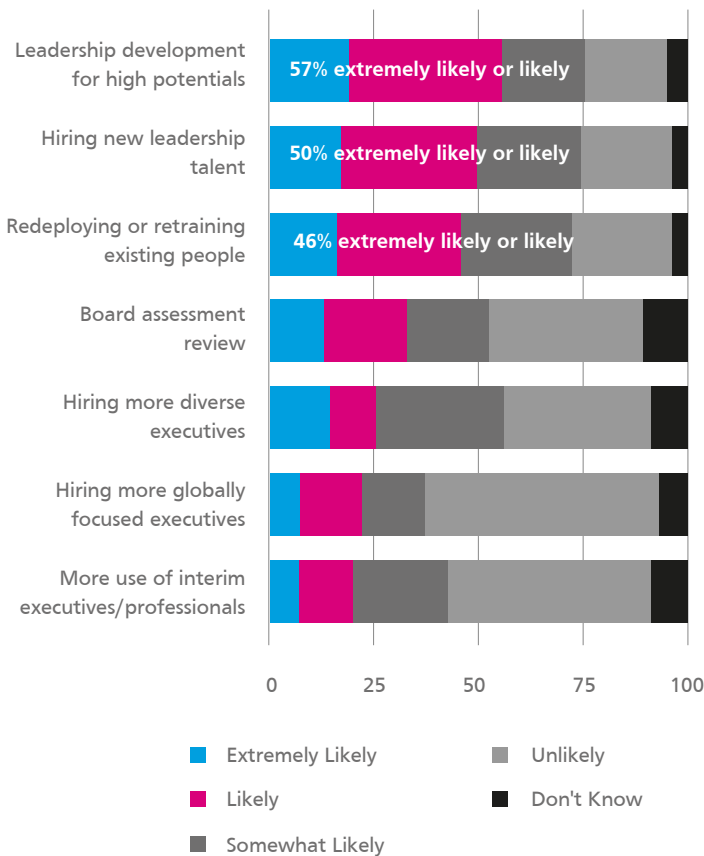
# Talent Landscape

# 03

## Investment priorities

With human capital one of the top three drivers of growth, what talent-related investments are organizations likely to make in the next two years?

### Talent-related investments



**Leadership development** for high potentials is the top talent-related investment that respondents expect over the next two years. This contrasts with our 2021 study, which showed hiring new leadership talent as the top priority and hiring more diverse executives as the third priority. With concerns over rising employee costs, retraining/ redeploying existing people is more likely, while there is less expected investment in board reviews.

The technology and financial services sectors dominate the **top talent-related investments**:

### TECHNOLOGY



### FINANCIAL SERVICES



## The data reveal **disparities by job function:**

90% of **board members** expect to invest in **leadership development for high potentials**, compared with 67% of **HR leaders**



55% of **board members** expect to **hire more diverse executives**, compared with 20% of **marketing & sales leaders**



50% of board members expect more use of interim executives, compared with 17% of finance leaders



It is noteworthy that our findings demonstrate a heightened emphasis on leadership development and retention, but not surprising; the pandemic appears to have accelerated the long-anticipated boomer retirement bubble. More noteworthy perhaps, is the misalignment between boards and HR leaders on executive talent strategy, with a much greater emphasis among board members on leadership development. Alignment in talent strategy should be high on every organization's list of strategic priorities.

- NICK CHAMBERS, BOYDEN CANADA

# Strengthening executive talent

We asked respondents to identify areas where their organizations need to strengthen executive talent over the next two years.

01

**85%**

HUMAN RESOURCES

02

**83%**

MARKETING & SALES

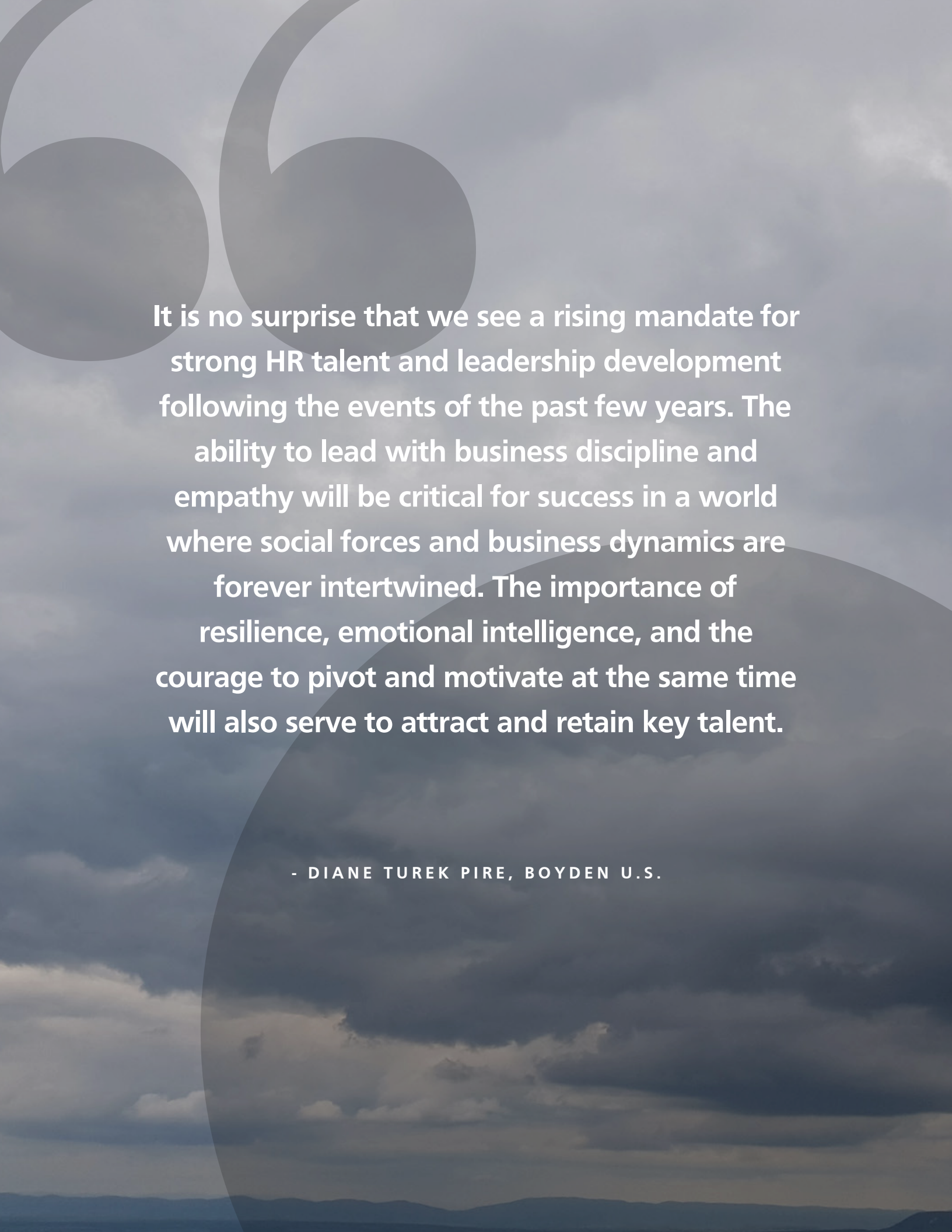
03

**81%**

OPERATIONS

## In-demand executive talent

		Human Resources	Marketing & Sales
		85%	83%
Operations	Technology / Cloud / Cybersecurity	Innovation/Business Transformation	Health & Safety
81%	77%	76%	72%
ESG - Sustainability	Finance	Research & Development (R&D)	Digital (Robotics, AI, Machine Learning)
71%	71%	69%	68%
	Risk / Legal / Compliance	ESG - Diversity, Equity, Inclusion	Supply Chain / Logistics
	67%	63%	56%



**It is no surprise that we see a rising mandate for strong HR talent and leadership development following the events of the past few years. The ability to lead with business discipline and empathy will be critical for success in a world where social forces and business dynamics are forever intertwined. The importance of resilience, emotional intelligence, and the courage to pivot and motivate at the same time will also serve to attract and retain key talent.**

**- DIANE TUREK PIRE, BOYDEN U.S.**

Top three **global** areas to strengthen executive talent:

01

**81%**

DIGITAL (ROBOTICS, AI, MACHINE LEARNING)

02

**80%**

TECHNOLOGY/ CLOUD/ CYBERSECURITY)

03

**79%**

MARKETING & SALES

Findings show a marked difference compared to global averages. For North American respondents Human Resources is the top priority for strengthening executive talent, ranking fourth in the global average.

The top area where **organizations need to strengthen talent by sector** is:

Consumer & retail	Innovation/business transformation
Financial services	Human Resources
Healthcare & life sciences	Operations
Industrial	Risk/legal/compliance
Professional services	Human Resources
Technology	Human Resources



# Drivers of recruitment and retention

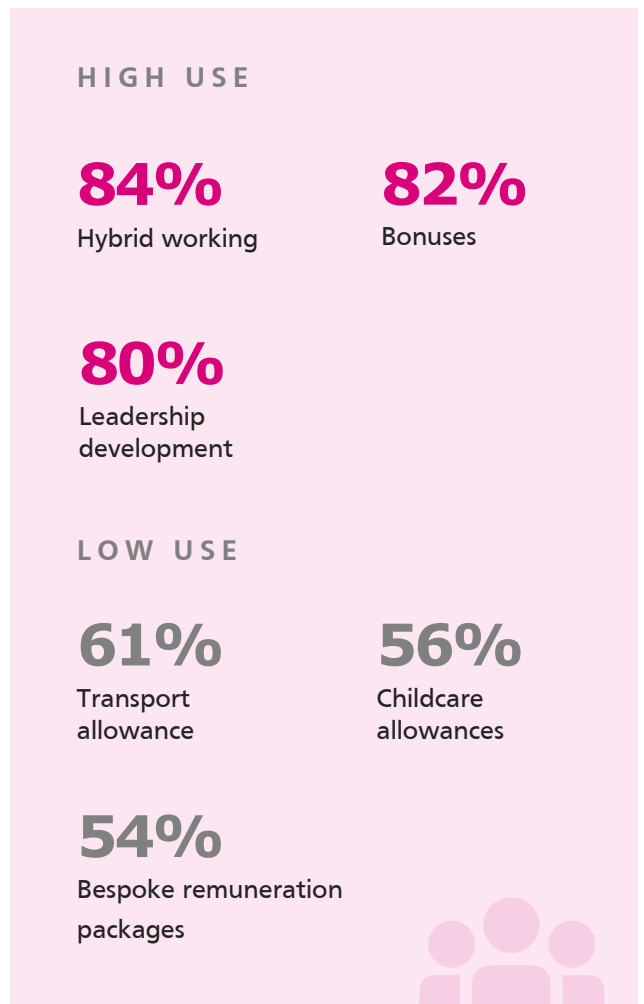
We asked respondents which incentives they use for senior-level recruitment and retention.

## For recruitment,

North American respondents are aligned with global averages, focusing on financial incentives; **sign-on bonuses**, **stock options** and **hybrid working**.

## For retention,

respondents are again in line with global averages, using **hybrid working**, **bonuses** and **leadership development**.



For **recruitment**, the top driver in each sector is:

Consumer & retail	Sign on bonuses
Financial services	Stock options
Healthcare & life sciences	Sign on bonuses
Industrial	Sign on bonuses
Professional services	Sign on bonuses
Technology	ESG commitment

For **retention**, the top driver in each sector is:

Consumer & retail	International exposure, health & wellness
Financial services	International exposure
Healthcare & life sciences	Transport allowance
Industrial	Bonuses, Family care/responsibilities
Professional services	Additional holiday
Technology	Family care/responsibilities

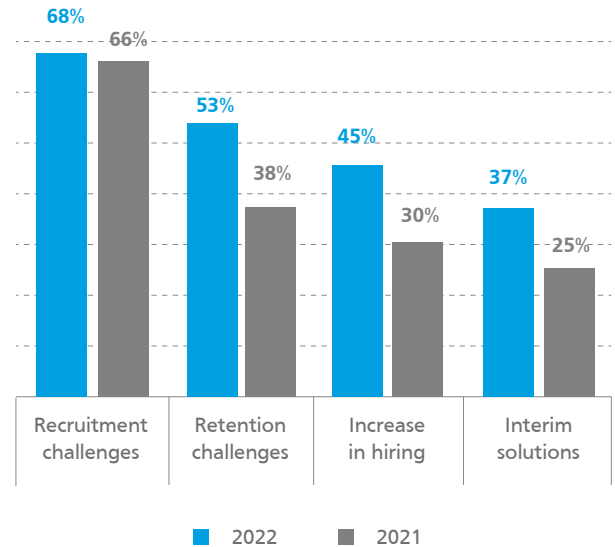
**Are respondents using any innovative approaches in recruitment and retention?**

**Just 18% say yes, compared with 24% of global respondents.**



# Talent look ahead

In looking at talent over the next 12 months, recruitment remains the top challenge globally and in North America. Concerns over retention challenges have significantly increased, up from 38% in 2021 to 53% in 2022. Despite recruitment challenges, a marked increase in hiring is expected, as is more use of interim solutions.




## By sector:

<p>Consumer &amp; retail expects the greatest <b>recruitment</b> challenges</p> 	<p>Consumer &amp; retail the greatest <b>retention</b> challenges</p> 	<p>Consumer &amp; retail leads <b>hiring</b></p> 	<p>Financial services lead the engagement of <b>interim managers</b></p> 
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## By job function:

Board members and Presidents/CEOs are more focused on hiring: 64% expect to see an increase in hiring over the next 12 months, compared with just 38% of HR leaders.





**Our end markets – asset managers and investment banks – had a tough 2022 after enjoying record profitability in 2021. Talent supply is growing as the industry cuts staff and a meaningful number of hedge funds close down, while demand is slowing from high levels. That means 2023 will probably see compensation levels fall, particularly in inflation adjusted terms.**

**- DOMINIC FREUD, BOYDEN U.S.**

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**The consumer and retail industry clearly needs a new mindset around skills, working from the bottom to the top. This industry needs to strengthen talent through two different strategies. First, internally; updating and revitalizing existing talent in digital, technology and new marketing trends; and when this is not possible, secondly, recruiting external talent to immediately update the company on what today is not optional; to be digital.**

**- EDUARDO RABASSA, BOYDEN U.S.**

# Cultural Landscape

# 04

**With growth focused on product or service diversification, human capital and customer expectation, how is organizational culture changing?**

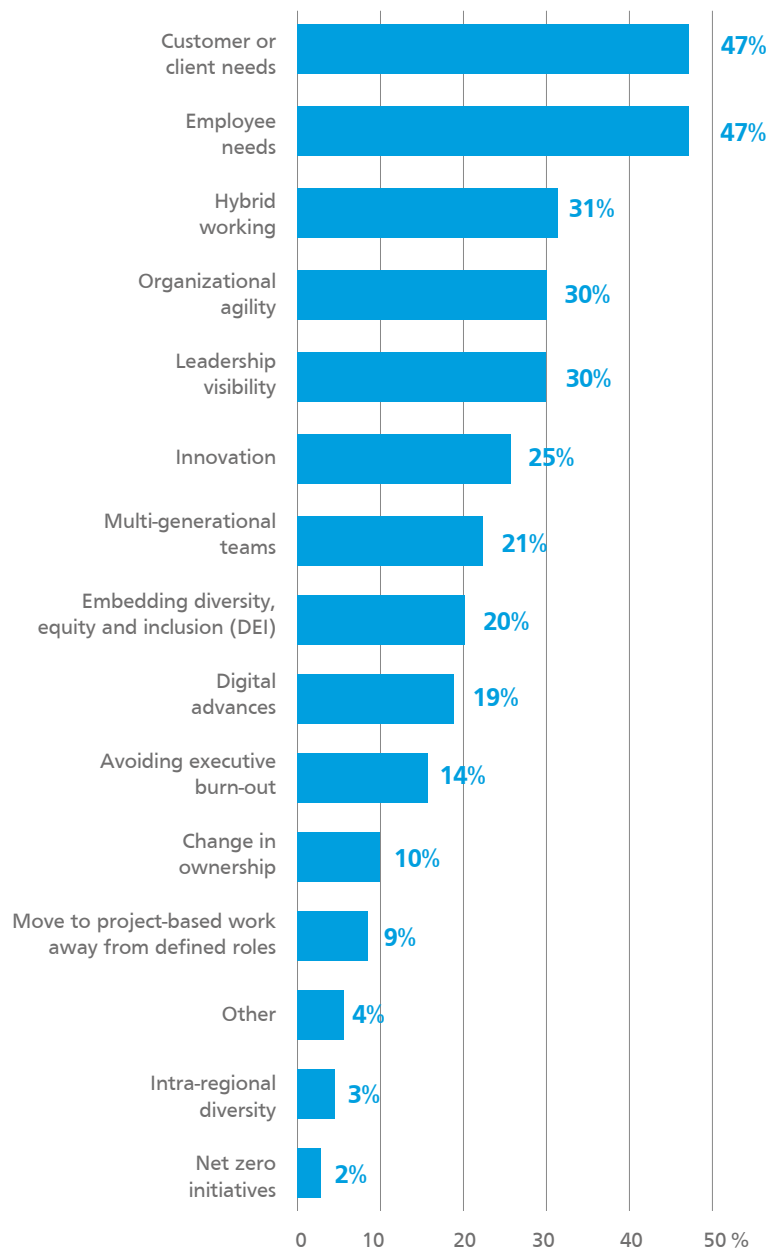
The top drivers of culture shifts are closely aligned to growth drivers, centered on people:

**47%** 01 CUSTOMER/CLIENT NEEDS, AND EMPLOYEE NEEDS

**31%** 02 HYBRID WORKING

**30%** 03 ORGANIZATIONAL AGILITY/LEADERSHIP VISIBILITY

Culture shift drivers



The top driver of **culture shift by sector** is:

Consumer & retail (jointly)	Customer/client needs Employee needs
Financial services	Hybrid working
Healthcare & life sciences	Customer/client needs
Industrial	Customer/client needs
Professional services	Employee needs
Technology (jointly)	Customer/client needs Employee needs Hybrid working

At what stage are these cultural shifts? Taking the temperature of the **alignment of culture and behaviours** to **organizational purpose and business objectives** leaves us lukewarm; respondents score this 6 and out of 10, in line with the global average.

## Environment, social and governance progress

**What impact are environment, social and governance (ESG) initiatives having on culture?**

We look at two areas: (i) ESG in general, and (ii) diversity, equity & inclusion (DEI) in particular, asking respondents to select the most applicable statement for their organization. While we acknowledge that DEI is part of the 'Social' in ESG, we have singled it out to reflect the high proportion of respondents focusing specifically and separately on DEI.

### Environment, social and governance progress



- 14%** This is deeply embedded in our culture
- 26%** This is now part of most business decisions
- 16%** This is a stand-alone initiative
- 18%** This is included in select projects
- 25%** We have not been able to prioritize this


### Diversity, equity & inclusion progress



- 24%** This is deeply embedded in our culture
- 27%** This is now part of most business decisions
- 22%** This is a stand-alone initiative
- 9%** This is included in select projects
- 18%** We have not been able to prioritize this

Respondents in North America are behind their global peers. Approximately half of global respondents have ESG deeply embedded in the culture or part of most business decisions, compared with 40% in North America. As many as 25% of respondents in North America have not been able to prioritize ESG progress, compared with 14% globally.

In DEI progress however, respondents are closer to global peers, with slightly more respondents in North America, 24%, having **deeply embedded DEI in their culture** than global peers, 21%.



For leaders driving change, culture sets the stage for everything. Customers, employees and prospective new talent, as well as regulators in the financial services industry, are watching closely. The traditionally hierarchical and risk-averse cultures of regulated financial institutions find themselves competing with agile fintech start-ups. Acquiring companies or recruiting top talent can be fraught. An emphasis on DEI is helping some companies to consider new perspectives and acquire the necessary skills and experience for their digital transformation.

- KAREN KOSIBA EDWARDS, BOYDEN U.S.

# Soft skills in leadership

**Culture comes from the top, through leadership behavior and soft skills.**

We asked respondents to rank the most valuable soft skills in leadership. While responses in this area are more widely distributed, the following three rank at the top:

**43%** 01  
ATTRACTING/RETAINING  
TALENT

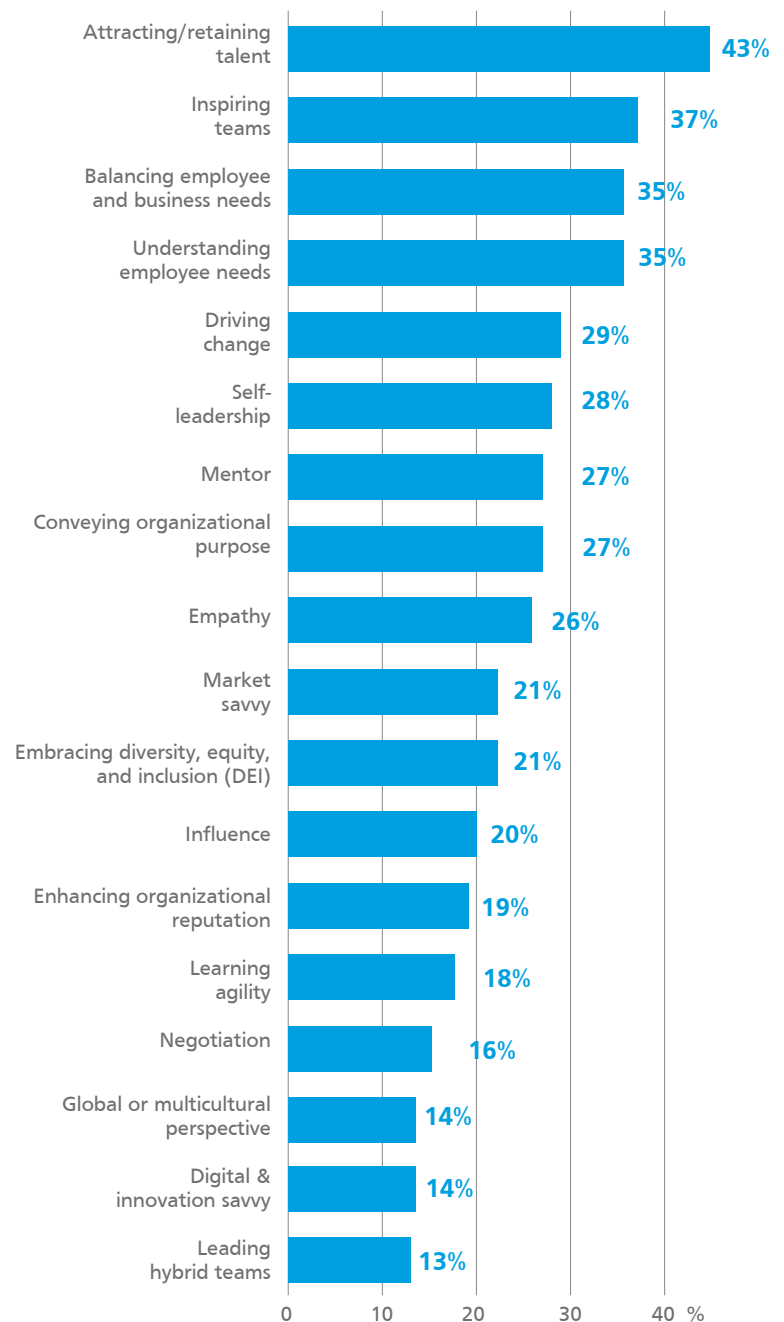
**37%** 02  
INSPIRING TEAMS


**35%** 03  
BALANCING EMPLOYEE  
AND BUSINESS NEEDS

The most valued skill of **attracting/retaining talent** resonates with the top driver of cultural shifts; employee needs. This is followed by inspiring teams and balancing employee & business needs.

The focus is very much on 'internally focused' rather than the 'externally focused' skills identified in 2021; for instance, **enhancing organizational reputation** is now ranked 13, despite being the top factor for attracting the best talent in 2021.

## In-demand soft leadership skills





It's no surprise to see that that 'attracting and retaining talent' and 'inspiring teams' are the highest ranked. They are symbiotic qualities; a leader who inspires her teams will naturally retain that talent. However, there's a dearth of qualified talent. Companies and leaders who demonstrate 'I care' on a daily basis are the ones who will build the strongest employee cultures.

- LISA KERSHAW, BOYDEN CANADA

Top three soft skills globally:

01

**38%**

INSPIRING TEAMS

02

**35%**

DRIVING CHANGE

03

**31%**

EMPATHY

The most valuable soft skill by sector is:

Consumer & retail	Understanding employee needs
Financial services (jointly)	Understanding employee needs Balancing employee and business needs Attracting/retaining talent Learning agility Empathy
Healthcare & life sciences	Driving change
Industrial	Attracting/retaining talent
Professional services	Understanding employee needs
Technology	Inspiring teams



The focus on employee needs has risen to the top, as a driver for the organizational and cultural shifts that we are seeing. I cannot think of a recent time in history where understanding and meeting the multiple needs of employees was more important. Pay, productivity, hybrid work environments, to name a few, are front and center in employees' minds, and beginning to cause significant friction in the workplace at every level.

- DOUG EHRENKRANZ, BOYDEN U.S.

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Industrial growth companies understand that attracting and retaining talent and customers require leaders who 'walk the talk' and demonstrate a true belief in the value of DEI and ESG objectives. Successful companies have gone beyond thinking these are buzz words mixed into speeches; employees demand leaders who inspire others to embrace DEI and ESG as north stars for decision making at all levels.

- CATHERINE VAN ALSTINE, BOYDEN CANADA



# The Board

# 05

How confident are respondents that the skill sets within their current board or executive committee are aligned with strategy?

## North America

**52%** VERY CONFIDENT/  
CONFIDENT

**28%** SOMEWHAT  
CONFIDENT

**26%** UNCONFIDENT/  
VERY UNCONFIDENT

## Global

**62%** VERY CONFIDENT/  
CONFIDENT

**24%** SOMEWHAT  
CONFIDENT

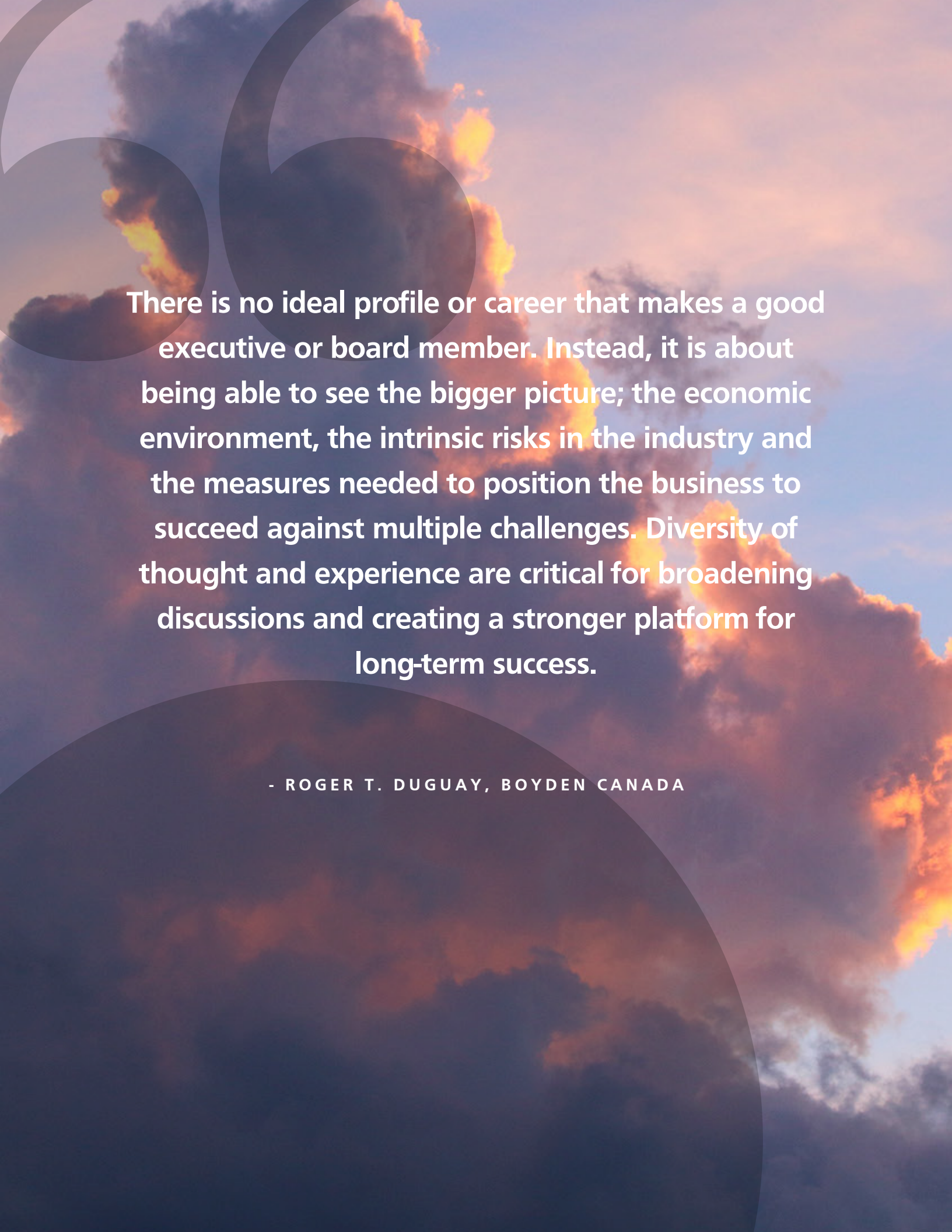
**14%** UNCONFIDENT/  
VERY UNCONFIDENT

Confidence in having the right talent on the **board/executive committee**, is polarized in North America: while more than a half are very confident or confident, compared with 62% globally, those who are unconfident or very unconfident account for over a quarter of respondents, while over a quarter are sitting on the fence, somewhat confident.

How do these figures compare to board assessment? 32% of respondents think it is **extremely likely/likely** that their organization will invest in this over the next two years, compared with 45% in 2021.

While respondents seem to be getting more complacent, the **board members** among them are not; 80% consider it extremely likely/likely that they will undergo a review over the next two years.





**There is no ideal profile or career that makes a good executive or board member. Instead, it is about being able to see the bigger picture; the economic environment, the intrinsic risks in the industry and the measures needed to position the business to succeed against multiple challenges. Diversity of thought and experience are critical for broadening discussions and creating a stronger platform for long-term success.**

**- ROGER T. DUGUAY, BOYDEN CANADA**

# Strengthening board talent

We asked respondents to identify areas where their organizations need to strengthen board talent.

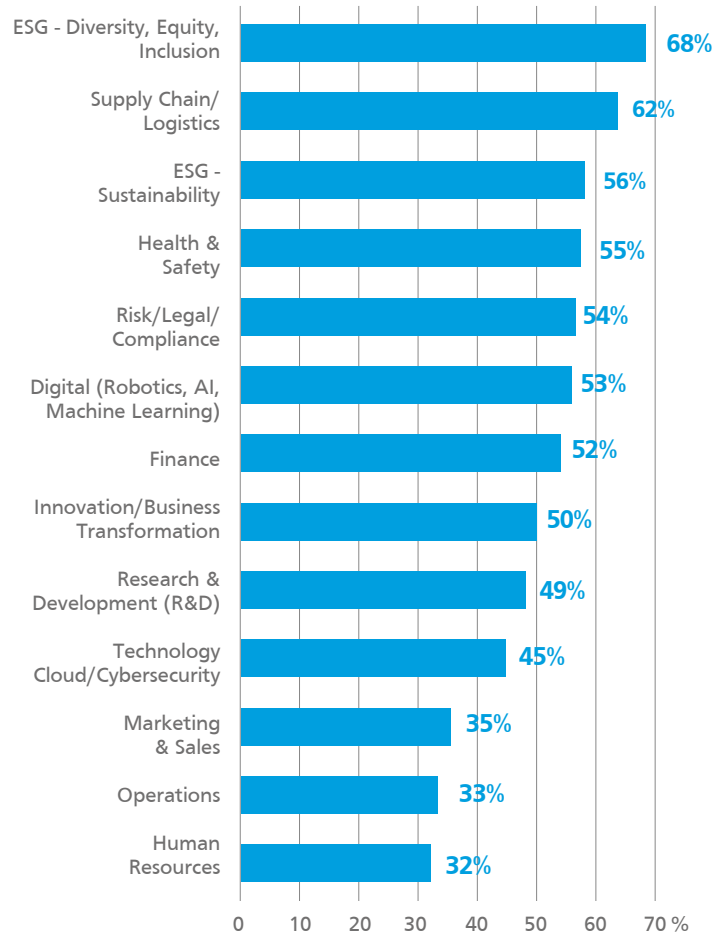
The top three priorities, matching the global average, are:

**68%** 01  
ESG - DIVERSITY,  
EQUITY, INCLUSION

**62%** 02  
SUPPLY CHAIN/  
LOGISTICS

**56%** 03  
ESG - SUSTAINABILITY

## In-demand board talent



Historically, boards consisted of CEOs and CFOs, and diverse executives rarely held those roles, so they were rarely prospective candidates. With 'uncertainty' now a 'certainty,' boards must evolve as businesses adapt to a dynamic world involving conflict and war, geopolitics, cybersecurity, and supply chain issues. Boards are now searching for diverse executives in cybersecurity, procurement, technology, HR, legal, marketing, and sales. Thus, board reviews are critical to identifying areas of redundancy and vital skill gaps moving forward.

- DR. KEITH D. DORSEY, BOYDEN U.S.

It is very positive that ESG skills are seen as critical at board level: board members need to analyze how to operationalize a net zero strategy while senior leaders are focusing on human resources, marketing & sales and operations as they steer the organization through Industry 5.0.

Demand for these skills at board level resonates with the growth drivers of human capital and customer expectations. Supply chain resilience, the top internal risk for respondents in consumer & retail and industrial organizations, is of sufficient concern to warrant stronger expertise at board level.

**The board skill most in need of strengthening by sector is:**

Consumer & retail	Technology/cloud/cybersecurity
Financial services	Digital (robotics, AI, machine learning)
Healthcare & life sciences	Supply chain/logistics
Industrial	ESG-DEI
Professional services	Supply chain/logistics
Technology	Health & safety

**Companies that take a more active approach to their own continuous improvement, specifically in the form of assessments, will outperform those that defer this critical aspect of good governance. The assessment review process only serves to strengthen board culture and performance as well as committee make-up. It should be embraced by all industries, regardless of economic trends or challenges.**

**- ALICIA K. HASELL, BOYDEN U.S.**

# Conclusion

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Respondents in North America are intensely focused on the human core of Industry 5.0, with growth driven by innovation and human capital, and structural change driven by competing for the right talent to leverage digital advances.

The human dimension is attracting greater attention as technology continues to transform lives at work and at home, blurring distinctions and creating concerns around employee burnout and the 'great resignation'.

Our research shows that this era needs people-focused leadership; attracting & retaining talent, inspiring teams and balancing employee and business needs. Employee needs and customer needs are on an equal footing, with HR expertise more fully recognized for its strategic value and delivery of people-centric outcomes.

Organizations face major challenges of rising costs, inflation, industry competition and potentially, national economic volatility. Maximizing the skills and capabilities of boards, leaders, executives and teams is an on-going priority as human ingenuity drives us forward.

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**As Industry 5.0 gains momentum, one of our respondents sums up how individual attitude and corporate culture can help us address some of our most pressing challenges:**

**“Collaboration and cooperation should be high priority. We succeed by working together, where all minds are engaged and the best ideas come from anywhere in the organization. Asking the right questions and bringing everyone together to work out solutions is a powerful organizational model”.**

**More than ever before, business leaders need to face inwards as well as outwards.**

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