BOYDEN GLOBAL EXECUTIVE SURVEY 2023

Exploring adaptivity through strategy and talent

REGIONAL ANALYSIS: NORTH AMERICA

EXECUTIVE SUMMARY

In this regional analysis of Boyden's global report, **Exploring adaptivity through strategy and talent**, we highlight findings and trends in North America with sector insight from Boyden partners.

Business leaders in the United States and Canada are facing an economic slowdown, leading through volatility and a global outlook impeded by inflation, the on-going conflict in Ukraine and downturns in key markets, particularly Europe and China.

Executives at all levels are maintaining a keen focus on people, in terms of human capital and customer expectations, leveraging skills in human resources, innovation and sustainability. CEOs are seeing vulnerability in the workforce with concerns around employee burnout, weak leadership teams and succession planning; rising business costs spur a careful balance between employee costs and investing in human capital.

Leadership visibility is mission-critical to boost motivation and drive change, as well as preserving brand values and company culture. By giving teams greater insight into organizational strategy, they become more comfortable with strategic flexibility; they embrace more agile decision-making and empathy towards customers and each other. Through these closer connections, organizations can develop new strengths in adaptability.

What is the value of this research for our North American clients and business leaders?
The ability to benchmark instinct against data from regional peers, discovering talent priorities for business longevity and future relevancy. Our findings distil mission-critical conversations in a vacuum of time:

- How do our approaches to strategy and talent compare with global peers?
- How well aligned is our talent to the growth potential of our organization?
- What is the best talent investment to support our growth drivers?
- What priority risks are driving decision-making in other organizations?
- Are we in keeping with regional peers or out of kilter in managing talent?
- What are the most valuable soft skills for recalibrating our culture?
- Do skills on our board correlate with complexity in the market?

Our research findings show a cohesive narrative around adaptive leadership, rapid change, digital transformation, strategic flexibility and agile decision-making.

Respondents in North America are the least confident in their organization's growth potential to 2025; 62% are very confident or confident, compared with 87% in both South America and Asia/Pacific, and 78% in Europe. Respondents in technology are the most confident, expecting growth to be driven by innovation and process efficiency.

62% very confident or confident in organizational growth potential vs.
60% very confident or confident in having the right talent to align with strategy
61% very confident or confident in the leadership team

The top three growth drivers are **human capital**, customer expectations and innovation, similar to 2022 but with customer expectations a higher priority; correlating with this, skills in **human resources** and **innovation** are in need of strengthening. However, the top priority is skills in **sustainability**, as growth opportunities and external pressure push leaders to address a lack of dedicated sustainability capabilities.

30% **need to strengthen skills in sustainability**
29% **need to strengthen skills in innovation**
28% **need to strengthen skills in human resources and operations**

27% **have no designated sustainability lead**
15% **have a dedicated sustainability lead**
11% **have a Chief Sustainability Officer**

This year little progress has been made in ESG and the landscape remains patchy; about half of respondents think their organizations are investing sufficiently in sustainability.

51% think their organization is investing sufficiently in sustainability
19% report ESG as part of most business decisions
15% of respondents report ESG deeply embedded in their culture
25% have not been able to prioritize ESG

While organizations demonstrate cohesive thinking around strategic skills, talent investment and how best to recruit and retain executives, the external environment is challenging; major issues of climate change and energy security are put into perspective by dominant fears over external issues: economic volatility, inflation and recession.

36% **identify national economic volatility**
35% **identify inflation**
34% **identify risk of global recession**

In preparing for recession, leadership teams are focusing on **more agile decision-making**, capturing ideas from all parts of the organization and building new businesses to keep pace with customer needs and expectations.

Internally, respondents identify the top risks as jointly **rising business costs** and **employee burnout**, followed by lack of innovation and a weak leadership team.

Against this backdrop, the biggest driver of culture shifts is **customer/client needs**, with the most valuable soft leadership skills being **inspiring teams, driving change and showing empathy**.

Structural change is driven by the need for strategic flexibility, competing for talent and digital advances.

43% identify strategic flexibility
35% identify competing for the right talent
29% identify digital advances

Talent remains a point of pain, particularly recruitment.

52% anticipate recruitment challenges over the next year
48% expect retention challenges over the next year

Recruitment concerns are about a **shrinking talent pool**, competing with bigger brands and lack of applicable senior-level skill sets. Organizations are countering this with **flexible working, performance-based bonus, hybrid working, and further leadership development**.

Leadership development for high potentials remains the top priority for talent investment for over half of respondents. This is followed by hiring new talent and retraining existing people. Organizations are pursuing these talent strategies year-on-year to address **a weak leadership team, the need for different executive skill sets and succession planning**.

With so many demands on leaders, the relationship between the board and the executive has become much closer, with a thirst for more skills in **business transformation, sustainability** and **operations** at board level as leaders seek greater operational input.

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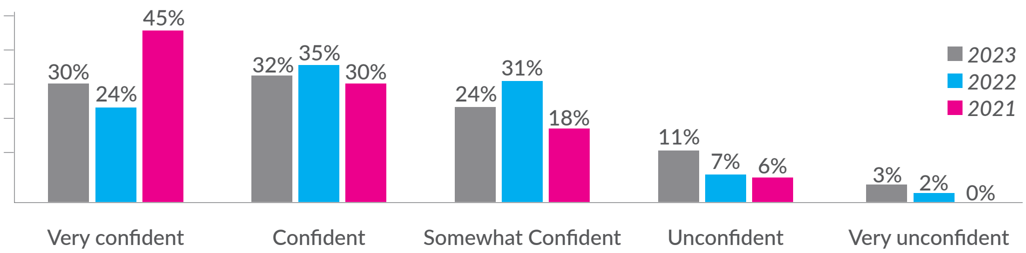
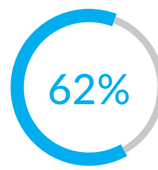
A note on visual theme:

The recurring motif of rivers serves as a powerful visual metaphor for the concept of adaptive leadership. Much like rivers display extraordinary adaptability and the capacity to navigate obstacles, these images highlight the parallel qualities found in modern leaders. By drawing on the metaphor of rivers, we emphasize the relevance of agility, flexibility, and navigational acumen in guiding organizations through today's ever-changing and demanding landscapes.

01 BAROMETER ON CONFIDENCE

Confidence in organizational growth potential is much lower, at 62%, than the global average of 77% very confident or confident in growth potential to 2025. In North America, there is a distinct drop in respondents who are very confident, at 30%, compared with 45% in 2021.





of respondents are very confident or confident

From a sector perspective, respondents in **technology** are the most confident overall, with 76% very confident or confident, expecting growth to be driven equally by **innovation** and **process efficiency**.

The highest proportion of respondents feeling **very confident**, 53%, is in the **public sector,** with growth driven equally by **human capital, customer expectations** and **innovation**.

30% **Very Confident**

32% **Confident**

The manufacturing and broader industrial sector in Western Canada have adeptly navigated the economic challenges of Q1 and Q2 2023. Our clients have taken proactive steps in addressing rising borrowing costs and reduced product demand. Embracing a customer-centric approach and pinpointing best practices has resulted in improved efficiencies, which are beginning to yield positive results. There is client optimism in the sector with many focusing on a strong upswing in 2024.

-Craig Hemer *Managing Partner, Canada*

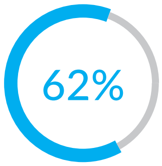
Talent aligned to strategy

Confidence in organizational growth potential and having the right talent to align with strategy are at comparable levels. This is distinctive to North America; among global peers, there is a significant gap between organizational and talent confidence, with organizational confidence higher than talent confidence at 77% vs. 65%.

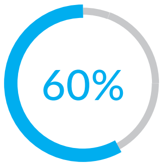
We look at talent confidence across three distinct areas: (i) overall workforce; (ii) leadership team; and (iii) the board or executive committee. The average confidence level is 60%, which is 8% higher than 2022 levels, at 52%.

Globally, findings show that confidence tends to rise with seniority, but in North America it is the reverse; confidence in the **board or executive committee** is 8 points lower than confidence in the **overall workforce**. Global comparisons show board confidence to be 10 points lower in North America.

Nevertheless, year-on-year comparison reveals that confidence has increased at all levels in North America this year and by a margin of 15 points for the overall workforce.



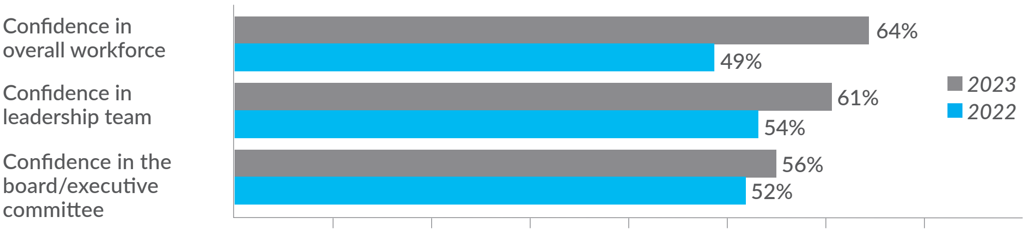
organizational growth potential



right talent to align with strategy

Confidence in having the right talent to align with strategy

Very confident or confident

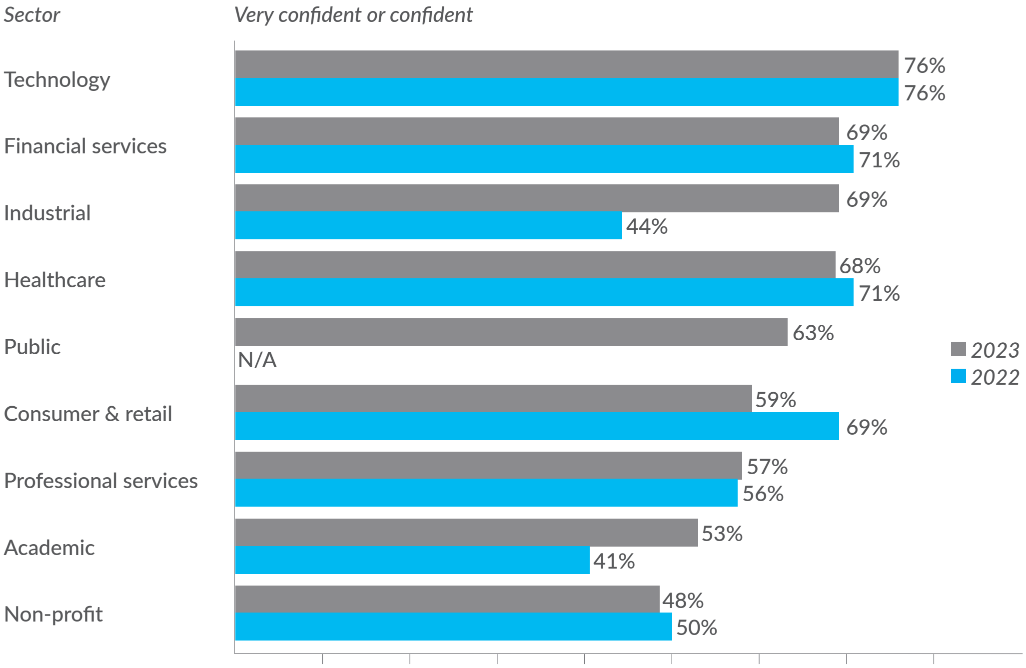


A closer look

Confidence by sector

Respondents in the **tech sector** remain the most confident in their organization's growth potential this year, with **76%** of respondents very confident or confident. The least confident are in **non-profit**, with less than half very confident or confident.

Confidence has increased significantly in the **industrial sector**, up from 44% very confident or confident in 2022 to **69%** this year. Confidence has improved in the **academic sector**, up from 41% to **53%**. The biggest fall in confidence is in **consumer & retail**, down 10 points.



Employees will increasingly expect their CEOs to publicly address a wide spectrum of critical issues, including the treatment of employees, discrimination or climate change. Remaining silent or avoiding these questions will be seen as less and less acceptable.

-Roger T. Duguay, *Managing Partner, Canada*

The financial services industry is grappling with several challenges, including a significantly higher interest rate environment following 15 years of rates hovering near zero. This shift will inevitably stress interest rate sensitive borrowers, particularly within commercial real estate, potentially leading to substantial write-offs for banks. Executives with expertise in managing workouts will likely see increased demand for their services.

Meanwhile, following a challenging 2022, the landscape for asset managers has shown signs of improvement with the revival of the equity market. We anticipate a growing demand for talent in this sector as we move into 2024.

-Dominic Freud , *Managing Partner, United States*

Confidence by job function

- **Finance leaders** have the highest 'very confident' scores with 47% very confident or confident in their organization's growth potential.
  - In preparing for recession, they point to building new businesses.
- **President/CEOs** and **HR leaders** are the most confident overall, with 82% and 72% very confident or confident, respectively.
  - In preparing for recession, both point to more agile decision-making among the leadership team.
- **Operations leaders** are the least confident and demonstrate the greatest spread of opinion: 21% are very confident; 24% are confident, 24% somewhat confident and 24% unconfident; 7% are very unconfident.
  - In preparing for recession, they are focusing on more agile decision-making and shifts in corporate resource allocation.
- **Tech leaders** are the most polarized: 50% are very confident or confident; and 50% are somewhat confident, unconfident or very unconfident.
  - In preparing for recession, they are focusing most on shifts in resource allocation.

02 GROWTH OUTLOOK

With muted confidence in organizational growth potential, where are the opportunities for growth?

The answer is people: executive talent and customers. The top driver of growth over the next two years is **human capital**, identified by 33% of respondents, followed by **customer expectations** at 32% and **innovation** at 31%.

The picture is fairly consistent with last year, with **innovation** replacing product or service diversification in the top three.

As economic momentum slows in Q3 2023, business spending is at risk. Headcount reductions in the tech sector are impacting R&D, with only 14% seeing this is a top three growth driver, and slowing corporate profits are constraining capital expenditure, with just 10% seeing this as a top growth driver. Conversely, **sustainability opportunities** gain greater attention, which is encouraging; net zero initiatives were bottom of the list last year.

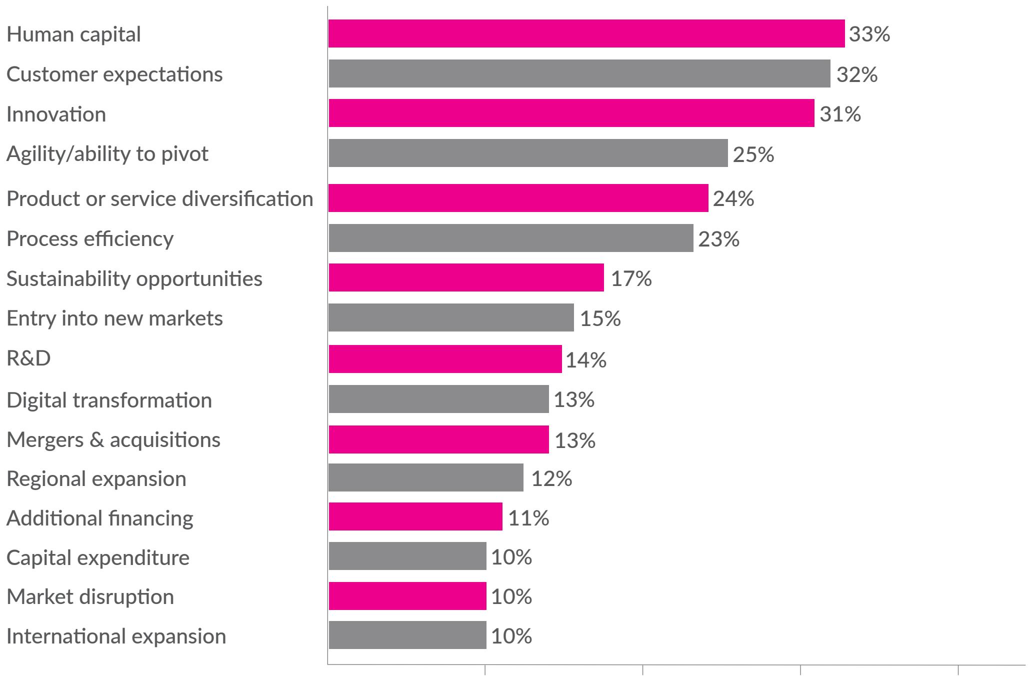
Overall, the focus is firmly on **people** and **innovation**, and adaptivity or the **ability to pivot**, a top driver for a quarter of respondents.

33% Human capital

32% Customer expectations

31% Innovation

Organizational growth drivers



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.

Findings contrast with global averages showing global recession as the top risk, followed by inflation and geopolitical risk.

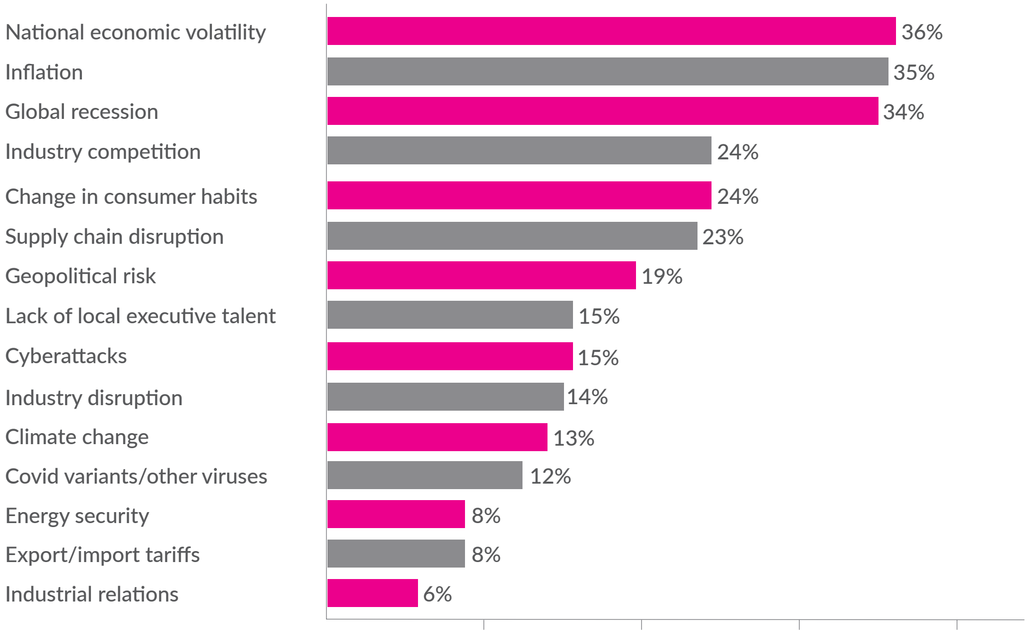
In North America, given the economic outlook for growth, **national economic volatility** is identified as the top challenge, followed closely by inflation and global recession; industry competition remains a key concern, with industry disruption having peaked.

36% National economic volatility

35% Inflation

34% Global recession

North American external issues



It's evident that uncertainty often breeds indecision and inaction. The instinct to 'shelter in place' arises as a natural response to mitigate risk. Inflation, global recession, climate change, geopolitical turmoil, employee burnout, and the ongoing debate over remote versus in-office work environments all form a backdrop of uncertainty for business leaders.

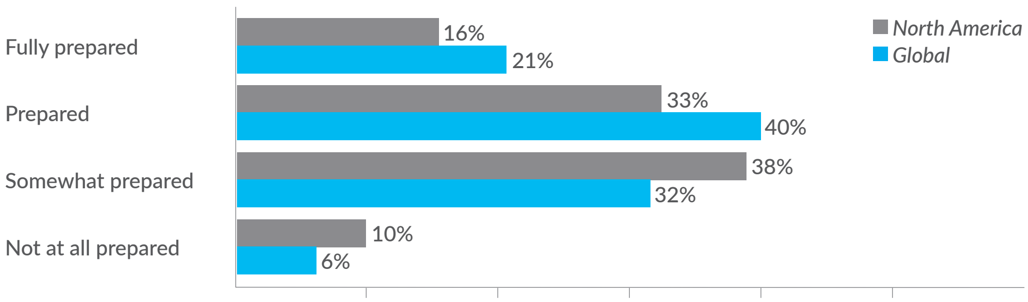
Our survey of North American business leaders reflects these challenges as key determinants of their behavior. Consequently, the need for aspirational and action-oriented leaders, capable of cutting through this malaise, becomes evident.

-Rick Wargo, *Managing Partner, United States Global Practice Leader, Technology Practice*

Respondents in different sectors have specific concerns:

- In the **academic sector**, they are more concerned about **change in consumer habits**
- **Financial services** respondents are concerned equally about **industry competition** and **cyberattacks**
- **Industrial respondents** are particularly concerned about **supply chain disruption**

We asked respondents to what extent their leadership team is prepared to manage a recession:



Leaders in North America consider their leadership team less well prepared than global respondents: 16% of North American leaders think their leadership team is 'fully prepared' compared with 21% of global respondents; a third consider the team 'prepared' versus 40% globally, while 10% consider the leadership team 'not at all prepared'.

A closer look:

How are leaders handling the threat of recession?

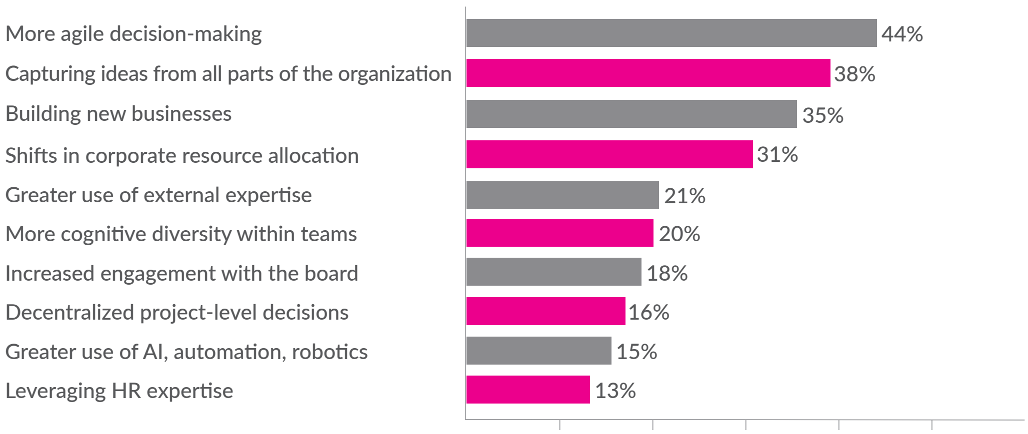
With concerns over a toxic combination of economic volatility, inflation and recession, we explore the views of respondents on how best to prepare for recession.

Adaptive leaders are creating adaptive organizations, preparing for a predicted global recession through:

1. **44%** **more agile decision making**
2. **38%** **capturing ideas from all parts of the organization**
3. **35%** **building new businesses**

Leaders in North America are broadly in line with global peers, but with significantly less focus on AI, automation and robotics, possibly due to their more advanced status in this area. For global peers, use of AI, automation and robotics is an important recession-proofing move. North American respondents are also less focused on engaging with the board and leveraging HR expertise.

‘What is your leadership team focusing on to prepare for a predicted recession in 2023?’



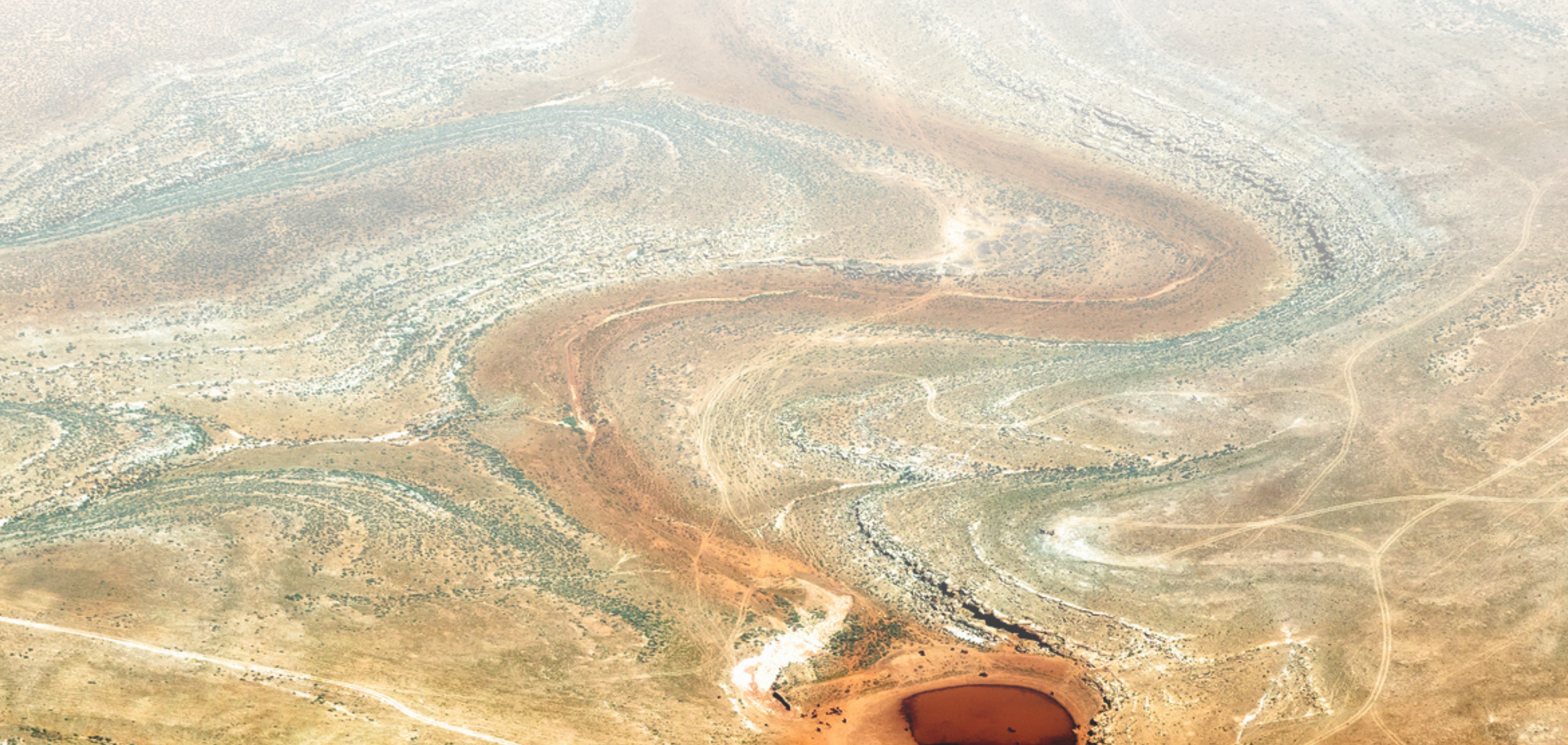
From a sector perspective, findings are broadly consistent. However, among **technology** respondents, the top priority in preparing for recession is **shifts in corporate resource allocation**, with the **academic, financial services** and **healthcare sectors** also leveraging this. Respondents in the **public sector** are focusing more strongly than others on **greater use of external expertise.**

The Healthcare & Life Science sectors are currently experiencing a second ‘Industrial Revolution,’ with significant transformations occurring across all segments. Over the past 8-10 years, technology has been quietly undermining traditional approaches to clinical care and drug development. Emerging technologies, such as Robotics, AI, Large Language Models, and others, are ushering in unprecedented efficiencies and capabilities in the sector. Generative AI, in particular, possesses the capacity to autonomously and instantly condense vast volumes of data, thereby liberating clinicians and healthcare providers to address other pressing needs.

-Gilbert J. Carrara, MD, *Managing Partner, United States*

This year, recruitment challenges continue to loom large for industrial companies. Despite the anticipation of growth, a significant number express doubts about possessing the right talent to effectively align with their strategic objectives. This underscores the enduring importance of today’s executives in skillfully navigating these complex challenges.

-Kathy Pattillo *, Partner, United States*



Internal risks and challenges

Within the organization the top risks and challenges are primarily people-focused: employee burnout, rising business costs, and jointly, a weak leadership team and succession planning.

With human capital the top driver of growth, these challenges evidence lower confidence in organizational growth potential and serious concerns about delivering on growth plans. A weak leadership team has moved from 9th place in 2022 to 3rd place in 2023, as leaders struggle to cope with a difficult domestic environment and multiple global 'black swan' events.

These concerns align with muted confidence in the leadership team, at 61% very confident or confident, and 56% for confidence in the board or executive committee, compounding concerns around succession planning.

Maintaining brand values/company culture is of greater concern to respondents in North America than global peers, reflecting perceived vulnerability in the workforce.

From a sector perspective, a **weak leadership team** is of most concern in the **academic, public** and **healthcare sectors**.

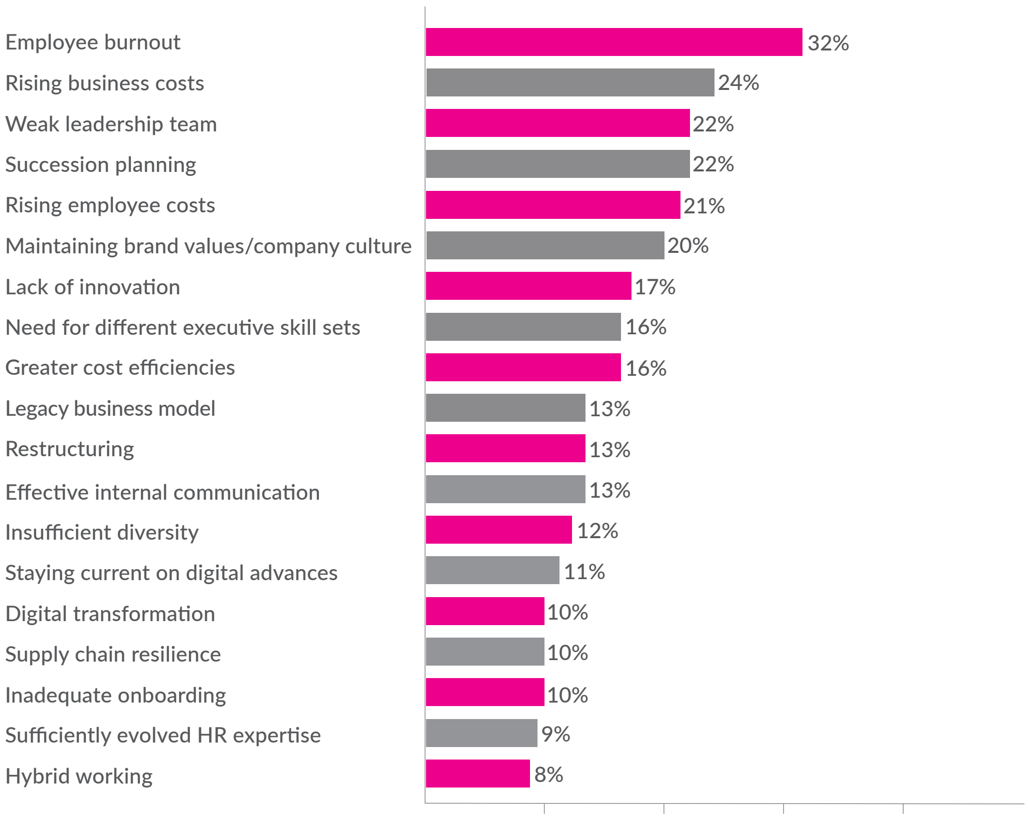
32% Employee burnout

24% Rising business costs

22% Weak leadership team

22% Succession planning

North American internal issues

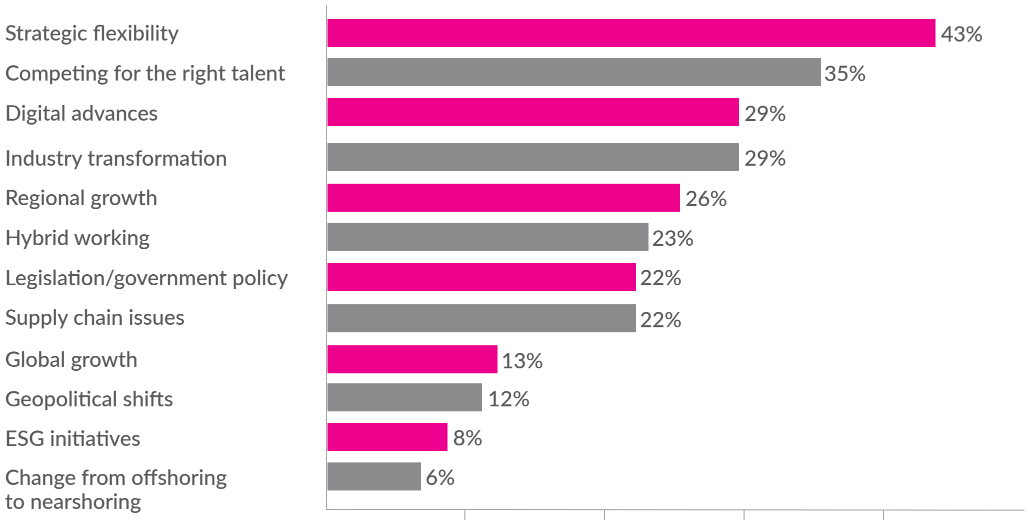


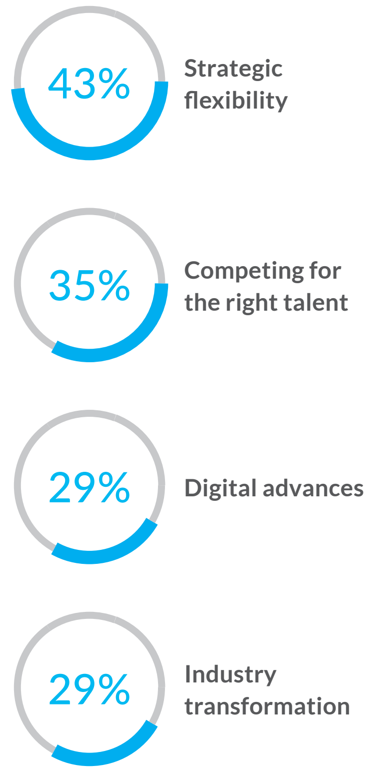
Drivers of structural change

Adaptive leadership is a reflection of the drive towards transformation and growth through human capital, meeting customer expectations and leveraging innovation.

We therefore see the top three drivers of structural change as: **strategic flexibility**, the top driver for 43% of respondents; **competing for the right talent** for 35% and jointly **digital advances** and **industry transformation** for 29%.

Structural change drivers





Regional growth is a much stronger driver of structural change than global growth, at 26% compared with 13% respectively; this corroborates with less focus on hiring more globally-oriented executives. **ESG initiatives** have little impact on structural change, at just 8% in North America, compared with 14% globally.

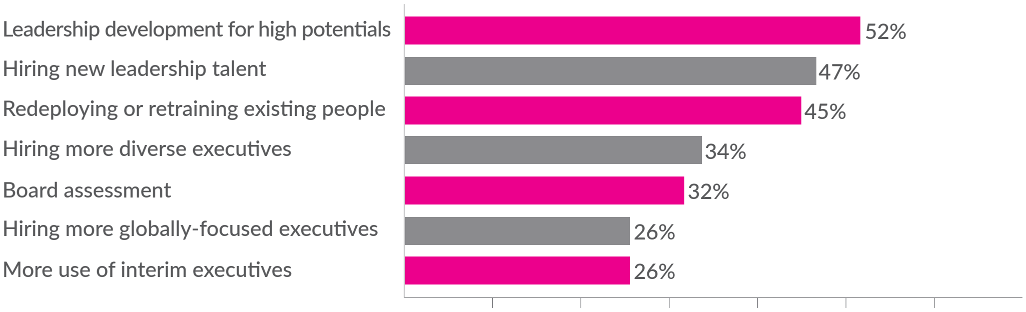
> The human capital environment has grown increasingly complex over the past three years. Companies continue to struggle to acquire, develop and retain talent effectively amidst this environment of uncertainty. The changing macro environment is also compelling leaders to pivot from their established strategies and explore innovative approaches to maintain a competitive edge while navigating shifting client demands, rising costs, interest rate hikes, global instability, and disruptive technologies. In the financial services sector, smaller, more agile players in the alternative space (subject to fewer regulations) are capitalizing on these shifts and actively expanding their talent pool.
>
> ***-Michael Lewis*** *Partner, Canada*
> *Global Practice Leader, Financial Services Practice*

03 TALENT LANDSCAPE

Investment priorities

In an environment demanding adaptive leadership, what talent-related investments are organizations most likely to make in the next two years?

Talent-related investments



Investment is below global levels across all talent-related areas, and below investment levels for North America in 2022. Respondents in this region are in a difficult position, with national economic volatility, inflation and fears of recession apparently suppressing talent investment; concerns over a weak leadership team and succession planning may well remain.

In today's global, digital work landscape, companies must evolve their strategies for attracting and retaining talent. People are now making decisions beyond job title and compensation; they seek opportunities to contribute to innovation and growth, desire flexibility in their work arrangements, and aspire to be part of sustainable organizations guided by culture-conscious leaders. It's both an exhilarating and demanding period for anyone engaged in identifying talent.

-Diane Turek Pire, *Partner, United States*
Global Practice Leader, Human Resources Practice

Leadership development for high potentials remains the top talent investment this year. Compared with global peers, North American leaders are more cautious about hiring new leadership talent. They also show less intent to hire more diverse or globally-focused executives, reflecting structural change that is more likely to be driven by regional rather than global growth.

By sector, the top **talent-related investments** show **technology** and **financial services** as the most active investors across all areas. Respondents in **financial services** are the most likely to conduct **board assessments** at 52% compared with the 32% average.

Other differences show the **public sector** is focusing particularly on redeploying or retraining existing people, at 55% compared with the 45% average; while the **academic sector** expects to make more use of interim executives, at 42% compared with the 26% average.

The top talent-related investment by sector is:

Leadership development for high potentials
Technology
Financial services

Hiring new leadership talent
Financial Services
Technology

Redeploying or retraining existing people
Public
Technology

Hiring more diverse executives
Financial services
Public

Hiring more globally-focused executives
Financial services
Technology

Board assessment
Financial services

More use of interim executives
Financial services
Academic

Strengthening executive talent

We asked respondents to identify areas where organizations need to strengthen their executive talent. The top three priorities are: **sustainability**, **innovation** and jointly **human resources** and **operations**.

This year **sustainability** has leapt six places to the skill most in need of strengthening in North America; sustainability opportunities are a top three growth driver for 17% of respondents. Skills in **human resource**s remain in the top three, enabling growth through human capital. Respondents in North America are less focused on digital skills and a little less focused on R&D.

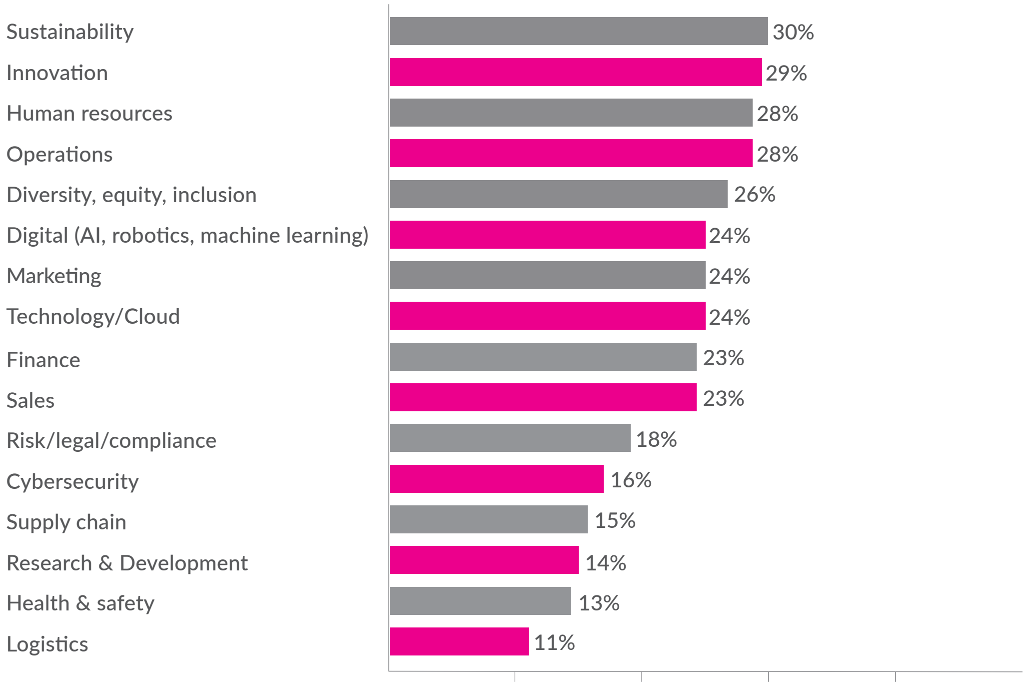
30% Sustainability

29% Innovation

28% Human resources

28% Operations

In-demand executive talent



Organizations that consistently outperform across a range of metrics, including employee engagement, retention, well-being, and business performance, don't simply invest in leadership development. They begin by creating a clear picture of the leadership qualities, skills, and attitudes that are most critical for their organization's ongoing success. Then, they become fanatically focused on developing, rewarding, and measuring these attributes at every level of the organization.

***-Nicole Bendaly,** Managing Partner, Leadership Consulting, Canada*

The Financial Services sector is undergoing rapid transformation, giving rise to new roles and streamlining operations within the digital landscape. The projected uptick in interest rates is poised to strengthen financial performance, potentially triggering increased M&A activities in the near term. In this environment, the importance of scale remains a driving factor, with specific digital platforms positioned to provide immediate value to large institutions.

***-Eduardo Rabassa,** Managing Partner, United States*

A closer look:

Sustainability

With varied resources across publicly-quoted, private and non-profit organizations, responsibility for sustainability is spread across different corporate functions.

Accountability is primarily held at senior committee or business unit level with a combined 53%. Dedicated sustainability leaders or chief sustainability officers together make up 26%, compared with 40% globally, while a sizeable 27% of respondents in North America have no designated sustainability lead in their organization. This reflects the strengthening of sustainability skills as top priority at executive level.

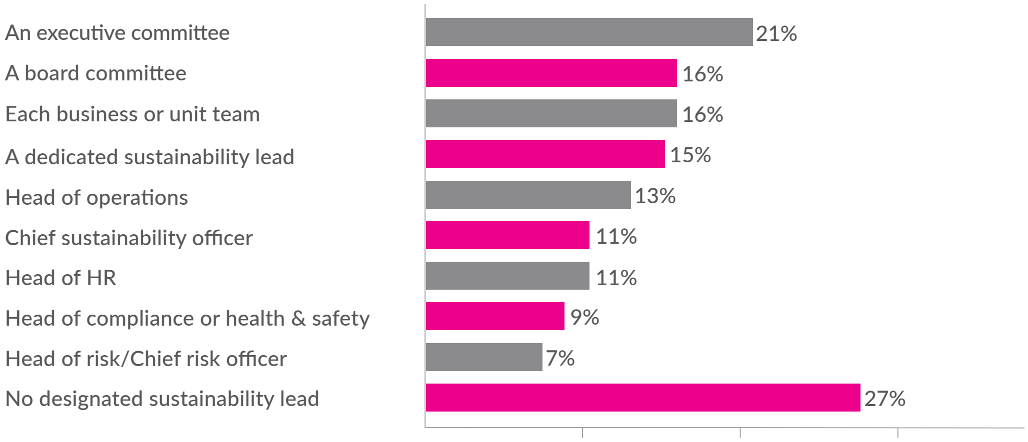
21% An executive committee

16% A board committee

16% Each business or unit team

15% A dedicated sustainability lead

Sustainability accountability



This year, we asked respondents **'Is your organization investing sufficiently in sustainability?'**

Just over half, 51% of respondents in North America think it is, compared with nearly 60% globally. Nearly a third in North America think their organization is not investing sufficiently.

Global

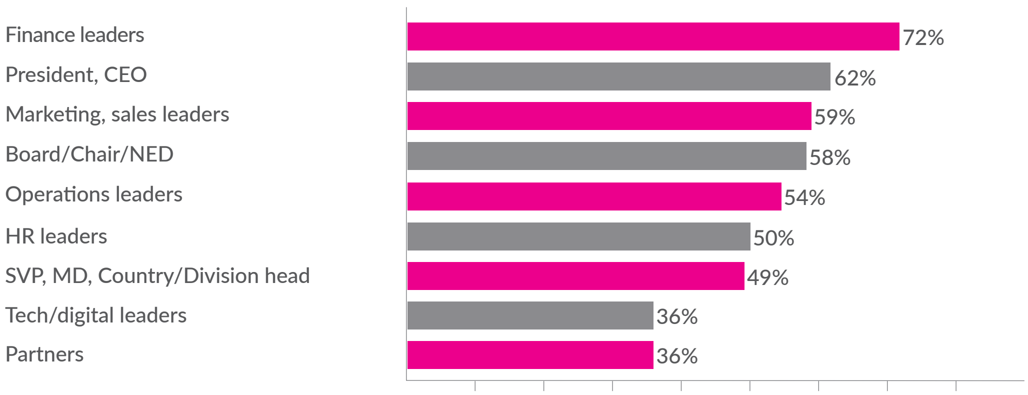
59% **Yes**
30% **No**
11% **Don't know**

North America

51% **Yes**
32% **No**
17% **Don't know**

Data **by job function** show contrasting opinions:

- The most positive respondents are **finance leader**s at 72%, **President/CEOs** at 62% and **Marketing/Sales leaders** at 59%, well above the average of 51% who think their organization is investing sufficiently.
- The least positive are **tech/digital leaders**; only 36% think their organization is investing sufficiently, compared with 70% of tech/digital leaders globally.
- The closest respondents get to a consensus is among **finance leaders** and **partners**; 72% of **finance leaders** in North America and 70% globally think their organization is investing sufficiently. At the other end of the scale, only 36% of **partners** in North America and 38% globally think their organization is investing sufficiently.
- **HR leaders** are sitting on the fence; 50% in North America and 54% globally think their organization is investing sufficiently.



Drivers of recruitment and retention

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

Recruitment	North America	Global
Flexible working	45%	45%
Performance-based bonus	42%	53%
Hybrid working	41%	44%
Further leadership development	35%	34%

Retention	North America	Global
Performance-based bonus	49%	54%
Flexible working	45%	47%
Hybrid working	38%	38%
Further leadership development	37%	39%

Low use in North America

Recruitment

14% International exposure
10% ESG commitment
7% Childcare allowances

Retention

13% Relocation benefits & support
9% ESG commitment
8% Childcare allowances

This year, in contrast to previous years, incentives are the same for both recruitment and retention, as concerns about employee burnout, recruitment and retention persist. Flexible working, performance-based bonus, hybrid working and further leadership development are the top incentives.

For **recruitment**, in light of employee burnout, the top internal risk, organizations are using flexible working to a greater degree than performance-based bonus.

For **retention**, performance-based bonus is top, and flexible working more important than hybrid working; further leadership development is a priority as executives strive to adapt by updating their skills and leadership capabilities.

Organizations are keen to motivate executives from all angles; work/life accommodation, remuneration and career development. The focus is very much on the executive, with ESG commitment and childcare allowances little used.

Maintaining our commitment to equity, diversity, and inclusion is imperative. There is still a long road ahead to learn how to integrate and appreciate diverse perspectives. We need to continue to foster cultures of acceptance and inclusion; without which any organization can overlook a significant pool of talent and potential for innovation and profit. Only through diversity and inclusion can we properly confront the challenges of the future workplace.

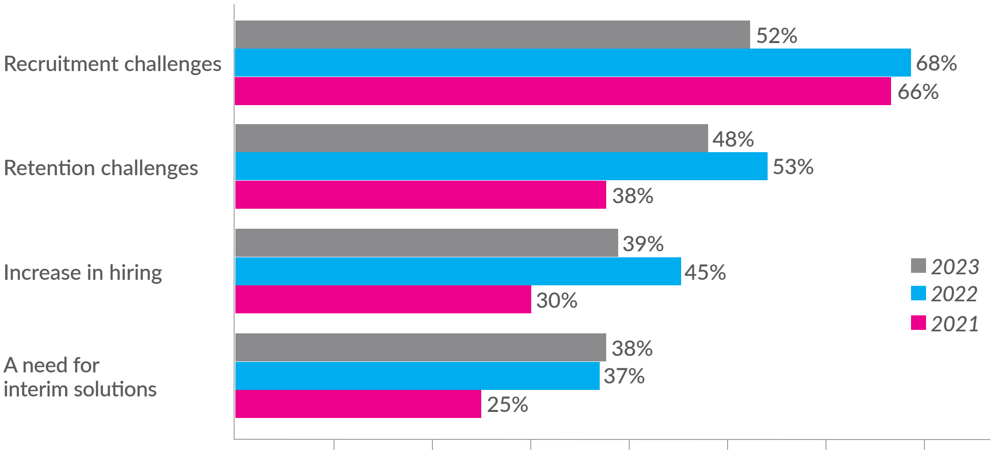
*-**Claudia Pascu**, Partner, Canada*

In the future, a middle-management challenge looms. While much attention centers on attracting Gen Z, retaining and developing Gen Y (aged 25-40) presents a greater hurdle. Gen Y values aspects such as work-life quality, flexible schedules, diversity and inclusion, and social consciousness. Crafting retention and development strategies tailored to Gen Y is essential for companies. There's no one-size-fits-all solution, but addressing these preferences will be vital, given that the Gen Y demographic is poised to fill crucial middle management roles.

***Doug Ehrenkranz,** Managing Partner, United States*
North America Regional Practice Co-Leader, Consumer & Retail Practice
Global Sector Leader, Consumer Products

Talent look-ahead

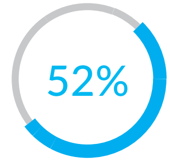
Expectations of recruitment and retention challenges have reduced this year, and hiring is slowing. With rising business costs and a shrinking talent pool, the need for interim solutions continues to grow, reaching 38% compared with 25% in 2021.



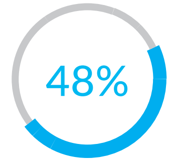
We asked our respondents to specify their recruitment challenges, revealing the following ranking:

1. Shrinking talent pool
2. Difficulty with cultural fit or fluency
3. Competing with bigger brands
4. Lack of applicable senior-level skill sets
5. Cost/bidding wars/'golden hand cuffs'
6. Finding the right executive search expert =
7. = Insufficient senior-level soft skills to attract strong candidates
8. Reticence over office-based or hybrid working
9. Risk-averse executives, reticent to move
10. Mobility/relocation issues

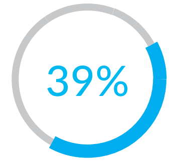
A **shrinking talent pool** is by far the biggest issue in recruitment, for 40% of respondents, leading to escalating salaries and a keener focus on individual, with performance-based bonuses, as well as accommodation of working preferences. Difficulty with cultural fit or fluency correlates with the importance of leaders in maintaining brand values & company culture. A lack of applicable senior-level skill sets is driving investment in leadership development.



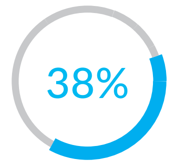
expect recruitment challenges



expect retention challenges



anticipate an increase in hiring



anticipate a need for interim solutions

1 **Shrinking talent pool**

2 **Difficulty with cultural fit or fluency**

3 **Competing with bigger brands**

04

CULTURAL LANDSCAPE

How is organizational culture changing?

Culture is changing to support the top growth drivers of human capital and customer expectations, with **customer or client needs** and **employee needs** the top drivers of culture shifts, cited by 37% and 35% of respondents respectively.

As teams look to their leaders to direct and motivate them, while maintaining brand values & company culture, **leadership visibility** is the third top driver of culture shifts, followed by organizational agility. Multigenerational teams and avoiding executive burnout have greater impact in North America than they do globally.

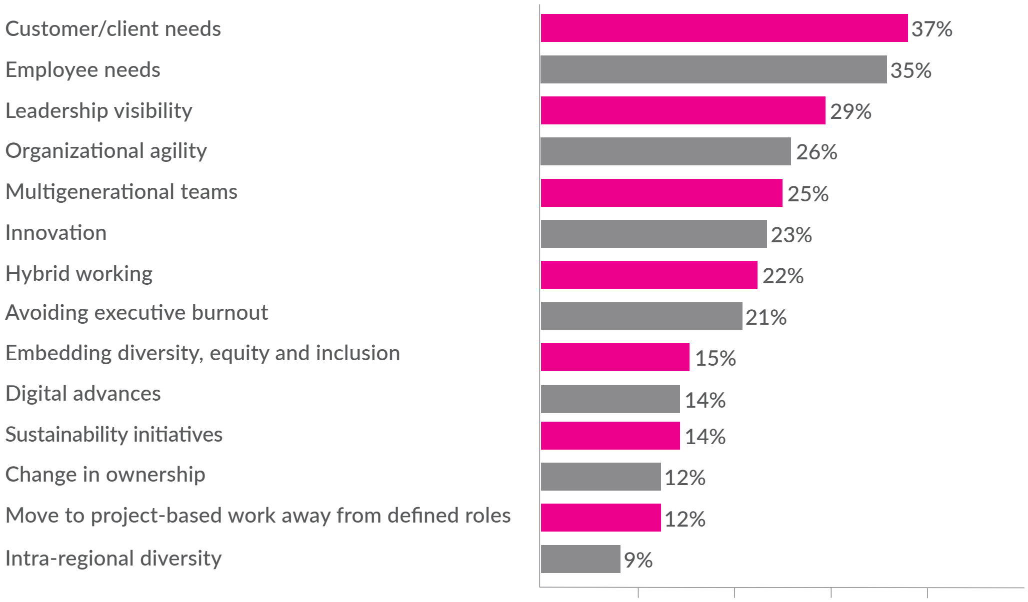
Sustainability initiatives, while not a high figure, are having a greater impact on culture this year, with 14% seeing this as a top three driver of culture shifts; net zero initiatives barely featured on the scale last year at 2%.

37% Customer/client needs

35% Employee needs

29% Leadership visibility

Culture shift drivers



At what stage are these cultural shifts? There is a slight change this year in the **alignment of culture and behaviors** to **organizational purpose and business objectives;** this has improved by one point since 2022, scoring 7 out of 10.

Today's leaders must demonstrate strong emotional intelligence. Skills such as inspiring others, driving change, and leading with empathy aren't typically acquired in business schools and can be challenging to quantify on a resume. Search committees and hiring managers should adjust their interview techniques to uncover a candidate's past behaviors and personal qualities. Interviews should not be viewed as an interrogation, but rather as a conversation aimed at revealing the 'how,' 'what,' and 'why' behind a candidate's background and personal attributes.

-Wendy Wilsker, *Managing Partner, United States, Global Sector Co-Leader, Not-for-Profit*

-Lisa Vuona, *Managing Partner, United States, Global Sector Co-Leader, Not-for-Profit*

Environment, social and governance progress

What impact are Environment, Social and Governance (ESG) initiatives having on culture?

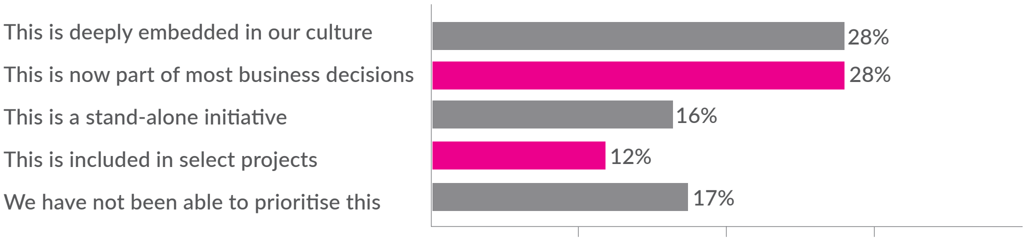
We look at two areas here: ESG in general and Diversity, Equity & Inclusion (DEI) in particular. While we acknowledge that DEI is part of 'social' in ESG, we have separated it out to reflect the high proportion of organizations focusing specifically and separately on DEI.

In our previous surveys, findings show that ESG and DEI are gradually shifting the culture of the organization, although progress is slow.

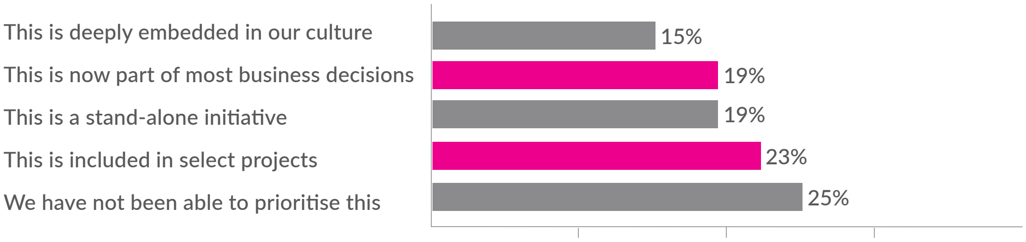
In North America, 56% of respondents report that **DEI** is either deeply embedded in their culture or part of most business decisions and in line with the global average of 57%.

There is a greater disparity regarding **ESG** progress; in North America 34% report this as deeply embedded in the culture or part of most business decisions, compared with the global average of 52%. As in 2022, a quarter of respondents in North America report their organization has not been able to prioritize ESG goals.

Diversity, equity & inclusion progress



Environment, social and governance progress



Soft skills in leadership

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

We asked our respondents to rank the most valuable leadership soft skills, selecting up to five. Responses are clustered, with **self-leadership, inspiring teams, empathy** and **attracting/retaining talent** the most valuable. The top skill of **self-leadership** is distinctive to North America, being the fourth most valuable skill among global peers.

The importance of **inspiring teams** correlates with the importance of leadership visibility, the third most important driver of culture shifts in North America. Empathy remains an extremely important attribute for leadership.

With more than half of respondents expecting recruitment challenges, the ability to **attract/retain talent** is a highly valued soft skill; 'insufficient senior-level soft skills to attract strong candidates' is identified by respondents as a specific concern in recruitment. Other people-centric, valuable soft skills are understanding employee needs, mentoring and balancing employee & business needs.

In other areas, respondents in North America place more value than global peers on **conveying organizational purpose** and **enhancing organizational reputation**; particularly valuable for developing, hiring or retaining talent.

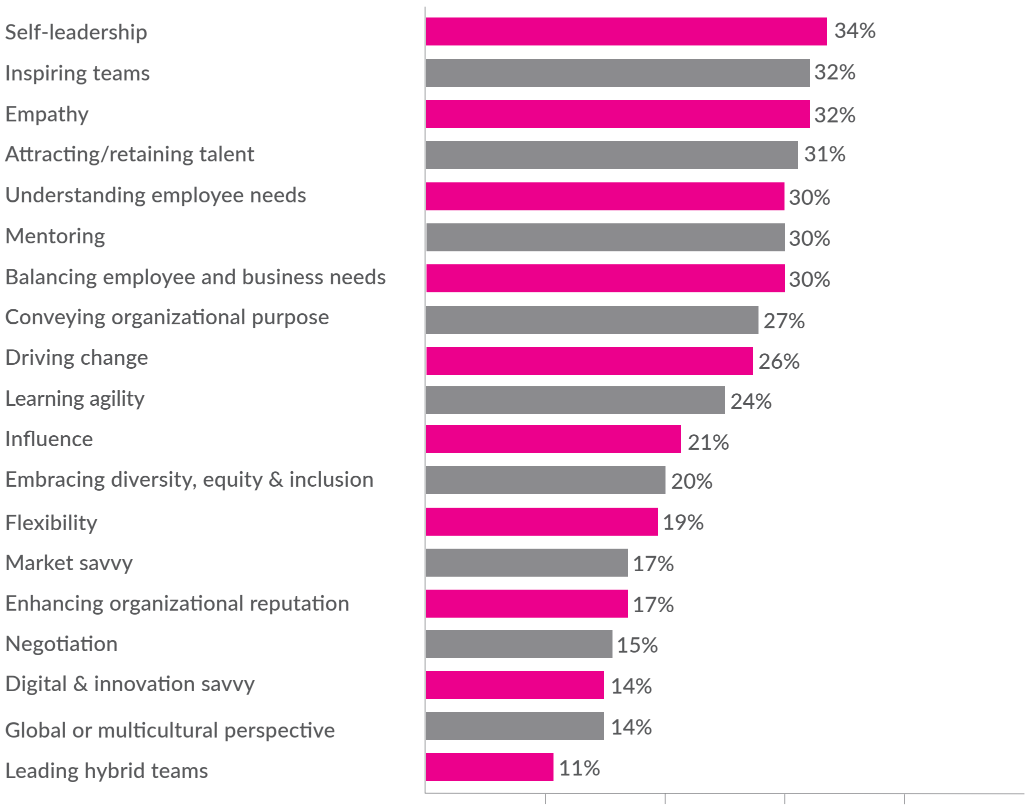
34% Self-leadership

32% Inspiring teams

32% Empathy

31% Attracting/retaining talent

Most valuable soft skills



In this volatile period of macro and environmental changes, adaptive leadership, strategic flexibility, and organizational change agility have taken on paramount importance within financial services, investments, and real estate. These sectors are uniquely susceptible to external economic forces, market fluctuations, regulatory shifts, and emerging technologies; leaders must be adept at swiftly adjusting their strategies and fostering innovation to successfully navigate through these complexities.

-Derrick Chow, *Managing Partner, Canada*

Leadership in today's world is not just about making decisions; it's about shaping culture and inspiring others. Soft skills like self-leadership, empathy, and the ability to attract and retain talent have become the currency of effective leadership. To lead successfully, one must not only lead from the front but also from the heart, fostering a culture that values people and purpose above all else.

-Nick Chambers, *Partner, Leadership Consulting, Canada*

05 THE BOARD

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

Confidence in having the right talent to align with strategy tends to rise with seniority, but for boards or executive committees in North America, it is the opposite. Confidence is lowest at board level.

In North America, 56% of respondents are very confident or confident in having the right talent to align with strategy on the board or executive committee, revealing a 10-point gap with global peers:

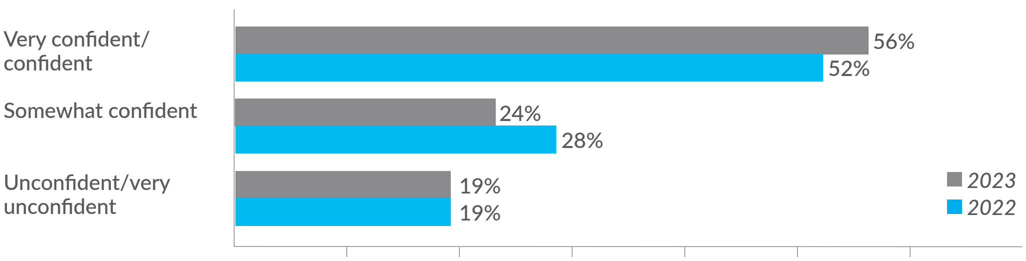
North America

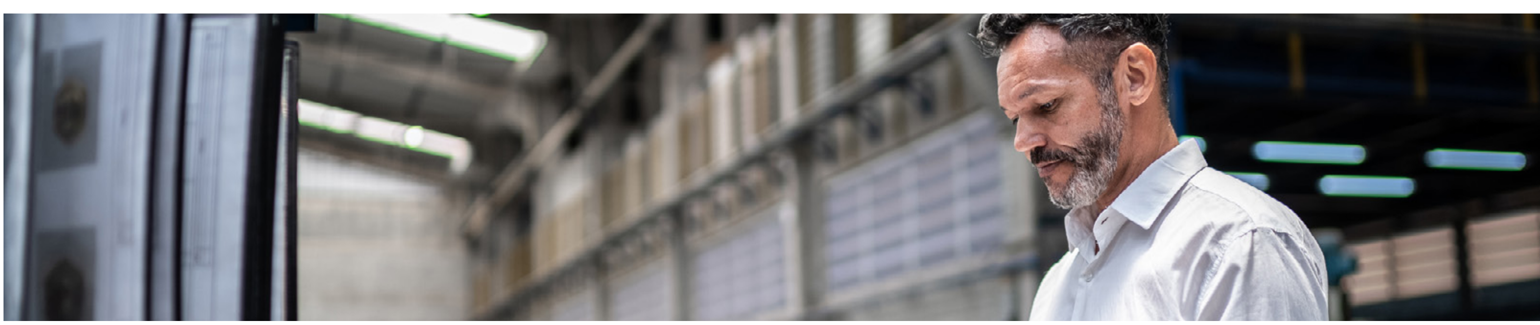
56% Very confident/confident Board skills to align with strategy

Global

66% Very confident/confident Board skills to align with strategy

Confidence in board/executive committee skills remains polarized in North America and below global peers. Well over half of respondents, 56% are very confident or confident, compared with 66% globally; nearly a quarter are sitting on the fence with 24% somewhat confident, and 19% are unconfident or very unconfident.





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The talent agenda for boards focuses on two key areas. First, in relation to the board itself, there is a growing trend of boards reevaluating their existing ‘just-in-time’ assessment and recruitment processes. They are now transitioning towards systems that facilitate annual, biannual, and periodic assessments, generating rich data for board effectiveness and refreshment practices. Second, concerning the firm’s talent strategy, boards are actively engaging with a broader spectrum of employees beyond the C-Suite. This inclusive approach allows them to gather feedback on workforce-related matters, reducing risks and uncovering barriers like glass ceilings.

-Keith D. Dorsey, EdD, *Managing Partner, United States*

Strengthening board talent

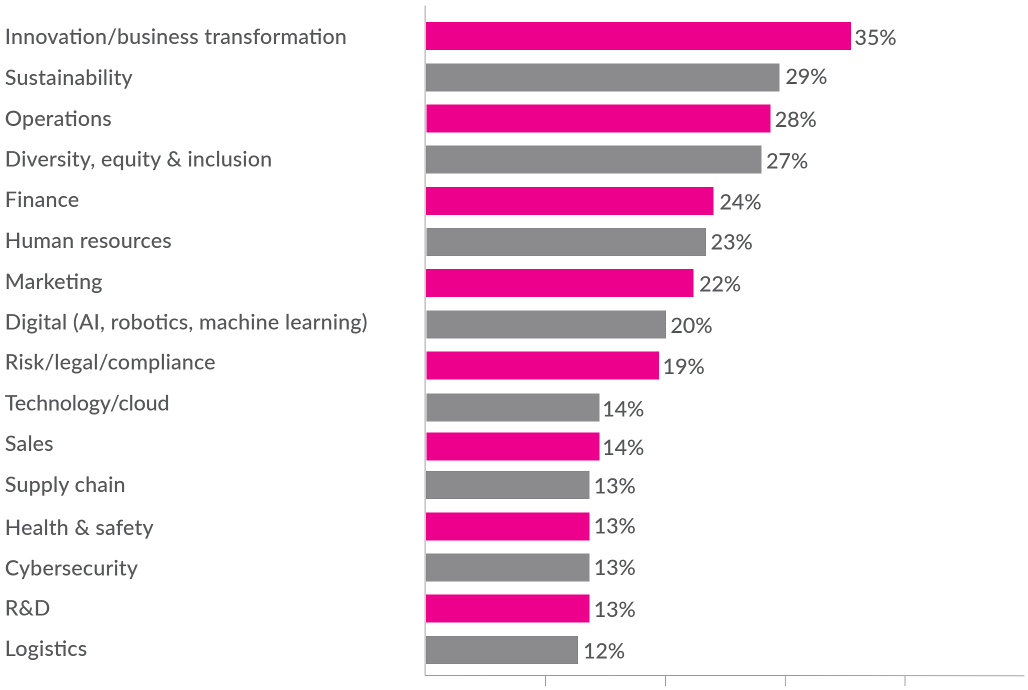
We asked respondents 'Does your organization need to strengthen board talent in any of the following areas over the next two years?'

1 **35%** **innovation/business transformation**

2 **29%** **sustainability**

3 **28%** **operations**

Priority board skills



The most important skill to strengthen at board level is in **innovation/business transformation**, reflecting two of the top three top growth drivers, customer expectations and innovation. This year, expertise in innovation/business transformation replaces DEI as the top priority, up from eighth priority in 2022. As the executive focuses more intensely on people, the board is refocusing more broadly on **business transformation, sustainability** and **operations**.

Given these priorities, to what extent will organizations conduct **board assessments?** 32% report it extremely likely or likely that their organization will invest in this over the next two years, the same as 2022, well below the figure of 45% in 2021. Board assessment is a greater priority for global peers, with 47% extremely likely or likely to make this investment in 2023.

North America

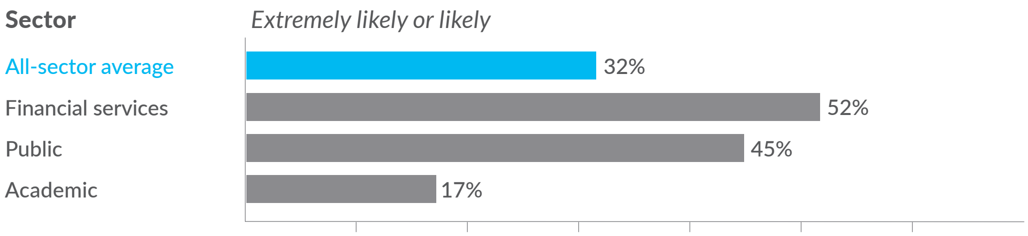
32% Extremely likely or likely to invest in board assessment

Global

47% Extremely likely or likely to invest in board assessment

There are marked differences by sector; respondents in **financial services** and **public sector** are the most likely to conduct a board assessment; those in the **academic sector** are the least likely.

'How likely is your organization to invest in board assessment?'



Boards, much like the companies they oversee, require engaged, current, and diverse talent to stay competitive. Without a plan or strategy to assess and rejuvenate the board's composition, this valuable source of innovation, inquisitiveness, and wisdom may underperform. Having top talent in the boardroom raises everyone's game.

-Karen Kosiba Edwards, *Managing Partner, United States*

Today's challenging business landscape is marked by rapid technological advancements and evolving customer expectations. Innovation and business transformation are not mere buzzwords; they are non-negotiable priorities for survival and success. The fact that only 56% of North American respondents express confidence in their board's ability to align with the strategy emphasizes the urgency of this need.

-Kare Hernandez*, Principal, United States*

CONCLUSION

Adaptive leaders and organizations are moving beyond resilience to creating a new future on the front foot. The focus on strategic flexibility, agile decision-making and capturing ideas from all parts of the organization is connecting people in different ways as they push forward in an environment shaped by domestic and global volatility, both economic and political.

Respondents in North America remain highly focused on talent, with human capital the top driver of growth. However, there is a fine line to tread; while rising costs, inflation, volatility and fears of recession are compromising investment in talent, business leaders need to address concerns over employee burnout, a weak leadership team, succession planning and falling confidence in having the right skills on the board.

Innovation, building new businesses and transformation are driving adaptivity, enhanced by leadership visibility and organizational agility. Leaders need to act on their concerns about talent, and give greater priority to leveraging HR expertise. The confidence in organizational growth potential of HR leaders is close to that of President/CEOs; now is the time to enhance the strategic partnership, strengthening skills in AI, robotics and machine learning, as well as innovation and sustainability. It is important to remember that delivering growth through human capital is about having the right board, as well as the right talent.

Read 2023 Boyden Global Executive Survey

This research was conducted in Q2 2023 among senior executives worldwide, with more than 1,000 complete responses comprised of 39 percent from Europe, 24 percent from North America, 20 percent from Asia/Pacific and 11 percent from South America. Respondents include 29 percent board/president/CEOs, 20 percent SVP, division or country heads, 13 percent HR leaders, 9 percent heads of operations, with the remainder across finance, marketing /sales, digital/technology and partner. By organisation, 41 percent are from private/independent, 21 percent publicly-quoted, 18 percent private/family-owned, 9 percent private equity backed and 7 percent social enterprise, with the remainder from start-up businesses. By sector, technology accounts for 22 percent of responses, industrial 21 percent, consumer & retail 13 percent, financial services 11 percent, healthcare & life sciences 10 percent, with the remainder from academic, media/telecoms, non-profit, public, private equity and professional services.

REPORT CONTRIBUTORS

Nicole Bendaly
Managing Partner, Leadership Consulting, Canada

Gilbert J. Carrara, MD
Managing Partner, United States

Nick Chambers
Partner, Leadership Consulting, Canada

Derrick Chow
Managing Partner, Canada

Keith D. Dorsey, EdD
Managing Partner, United States

Roger T. Duguay
Managing Partner, Canada

Doug Ehrenkranz
Managing Partner, United States, North America Regional Practice Co-Leader, Consumer & Retail Practice, Global Sector Leader, Consumer Products

Karen Kosiba Edwards
Managing Partner, United States

Dominic Freud
Managing Partner, United States

Craig Hemer
Managing Partner, Canada

Kare Hernandez
Principal, United States

Michael Lewis
Partner, Canada
Global Practice Leader, Financial Services Practice

Claudia Pascu
Partner, Canada

Kathy Pattillo
Partner, United States

Eduardo Rabassa
Managing Partner, United States

Diane Turek Pire
Partner, United States
Global Practice Leader, Human Resources Practice

Lisa Vuona
Managing Partner, United States
Global Sector Co-Leader, Not-for-Profit

Rick Wargo
Managing Partner, United States
Global Practice Leader, Technology Practice

Wendy Wilsker
Managing Partner, United States
Global Sector Co-Leader, Not-for-Profit