

boyden

Strengthening the human-centric core of Industry 5.0

How can organisations thrive in a complex world of risk?

REGIONAL ANALYSIS: LATIN AMERICA



Executive Summary

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

Latin America is a region that invests strongly in talent: findings show an ongoing commitment to retraining or redeploying existing people, leadership development and hiring more globally focused executives, as well as robust investment in board assessment and the use of interim executives.

In industry 5.0, there is a sharper focus therefore on innovation and digital transformation, the top two drivers of growth, with digital talent the priority area for strengthening executive skills.

Latin America is distinguished by significantly higher confidence in organizational growth potential than other regions. The impact of the invasion of Ukraine was yet to be fully felt at the time of our research, although respondents were already concerned by inflation and rising costs.

What also distinguishes Latin America is that talent issues are not impacting organizational confidence to the same extent as other regions, with less of a gap between organizational confidence and confidence in having the right talent to align with strategy.

Respondents also reveal higher confidence in the workforce than in the board, contrary to the rest of the world, where confidence rises with seniority.

The top growth drivers are innovation, digital transformation, human capital and product or service diversification. This region leads the world in recognizing growth potential from net zero initiatives. Almost twice the number of President/CEOs see net zero initiatives as a top three driver of growth than in Europe, and three times the number compared to North America.

Respondents identify inflation as the top external risk, in keeping with global peers; however, they are more concerned about climate change and covid variants/other viruses.

In structural change, the top driver is industry transformation, and respondents put greater emphasis on ESG initiatives than global peers, with over a fifth seeing these as a top three driver of structural change.

In terms of ESG and its impact on corporate culture, this region is ahead of global peers, with a higher proportion of respondents reporting that ESG-sustainability is deeply embedded in their culture and ESG-DEI included in most business decisions. ESG commitments are a top driver for recruitment.

Respondents in Latin America are more outwardly focused than their global peers, with a stronger focus on entry into new markets, together with regional and international expansion. Among the most prized soft leadership skills, is a global or multicultural perspective.

Sector Insights

Consumer & Retail: Customer expectations are the top driver of growth and customer needs the top driver of cultural shifts. Inflation is the greatest external risk. Respondents expect structural change to be driven by global growth, hence hiring more globally-focused executives. The most valuable soft skill is empathy.

Financial services: The top growth driver is innovation. Respondents are as concerned about climate change as they are about inflation. The top external risk is global economic volatility. Digital advances are the top driver of structural change. Distinctive in expecting culture shifts to be driven by multigenerational teams. The most valuable soft skill is empathy.

Healthcare & life sciences: The least confident in organizational growth potential. Distinctive, with tech respondents, in human capital being the top driver of growth, followed by entry into new markets. The top external risk is supply chain disruption. Internally, respondents are the most focused on people issues, concerned by hybrid working, employee burnout and a weak leadership team. Also see the need for different executive skill sets and expect the greatest challenges in recruitment and retention. The top driver of structural change is jointly industry transformation and nationalistic legislative policies. Cultural shifts will be driven by changes in ownership, customer needs and organizational agility. The most valuable soft skill is influence.

Industrial: The highest, extreme confidence in organizational growth potential, with growth driven by innovation. The top external risk is inflation and internally, a need for different executive skill sets. The top driver of structural change is industry

transformation. Cultural shifts will be driven by hybrid working. The most valuable soft skill is a global or multicultural perspective.

Professional services: Above average, extreme confidence in organizational growth potential, with growth driven by digital transformation, innovation and entry into new markets. The top external risk is inflation, and internally, concerned by lack of innovation. Nationalistic legislative policies are the top driver of structural change. The most likely to engage interim executives in 2023. Cultural shifts will be driven by hybrid working. The most valuable soft skill is understanding employee needs.

Technology: Distinctive, with healthcare & life sciences respondents, in human capital being the top driver of growth, followed by entry into new markets. By far the most concerned by climate change; the top external risks are equally climate change, inflation and global economic volatility. Structural change will be driven jointly by competing for the right talent and regional growth. Highest level of investment in talent, with leadership development for high potentials, retraining or redeployment and hiring more globally focused executives; overall, the most active in hiring. Cultural shifts will be driven equally by innovation, digital advances and intra-regional people diversity. The most valuable soft skill is attracting/retaining talent.

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Strengthening board talent

A barometer on confidence

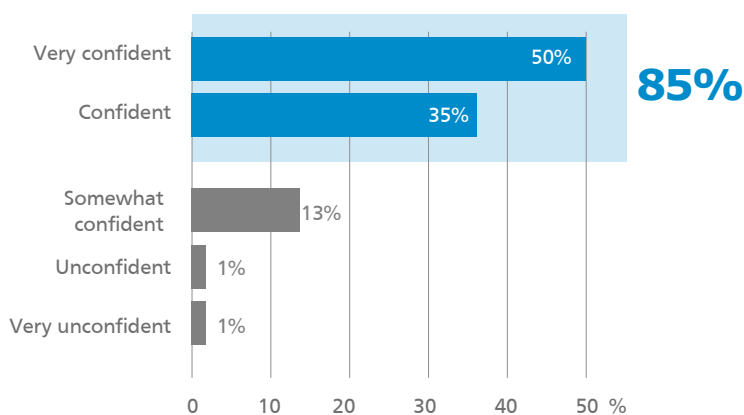
Respondents in Latin America are the global outlier in terms of confidence in their organization's growth potential through 2023; 85% are very confident/ confident compared with 70% for the global average and 59% in North America.

Despite global challenges, confidence in organizational growth potential has dropped only three percentage points this year, down from 88% in 2021.

However, it is important to recognize that despite this study being carried out at the beginning of Q2 2022, the consequences of the invasion of Ukraine were yet to be fully understood worldwide.

While inflation and economic volatility are recognized globally, confidence in areas where there is more control, such as organizational strategy and talent planning, remains robust.

Confidence in organizational growth potential



What distinguishes Latin America is that talent issues are not impacting organizational confidence to the same extent as other regions, where leaders struggle to attract and compete for talent, access the right skill sets and balance employee needs with the needs of the business, particularly in North America.

Confidence is led by the **industrial** sector, where **92% of respondents are very confident/confident** in their organization's growth potential, with growth driven equally by innovation and digital transformation, followed by product or service diversification. Respondents in **professional services** are also more confident than the average, with 90% very confident/confident; growth is expected to come primarily from digital transformation, less so from human capital, unlike their global peers.

Respondents in **healthcare & life sciences** are also global outliers, but in lower confidence: 67% are very confident/confident in their organization's growth potential, compared with 88% in Asia-Pacific, 77% in Europe and 71% in North America for the sector.

	Very confident/confident
Industrial	92%
Professional Services	90%
Healthcare & life sciences	67%

Talent aligned to strategy

Global results show a significant gap among all respondents between confidence in organizational growth potential and confidence in having the [right talent to align with strategy](#).

However, the gap has begun to close in South America, with only a nine-point difference between organizational confidence and talent confidence.

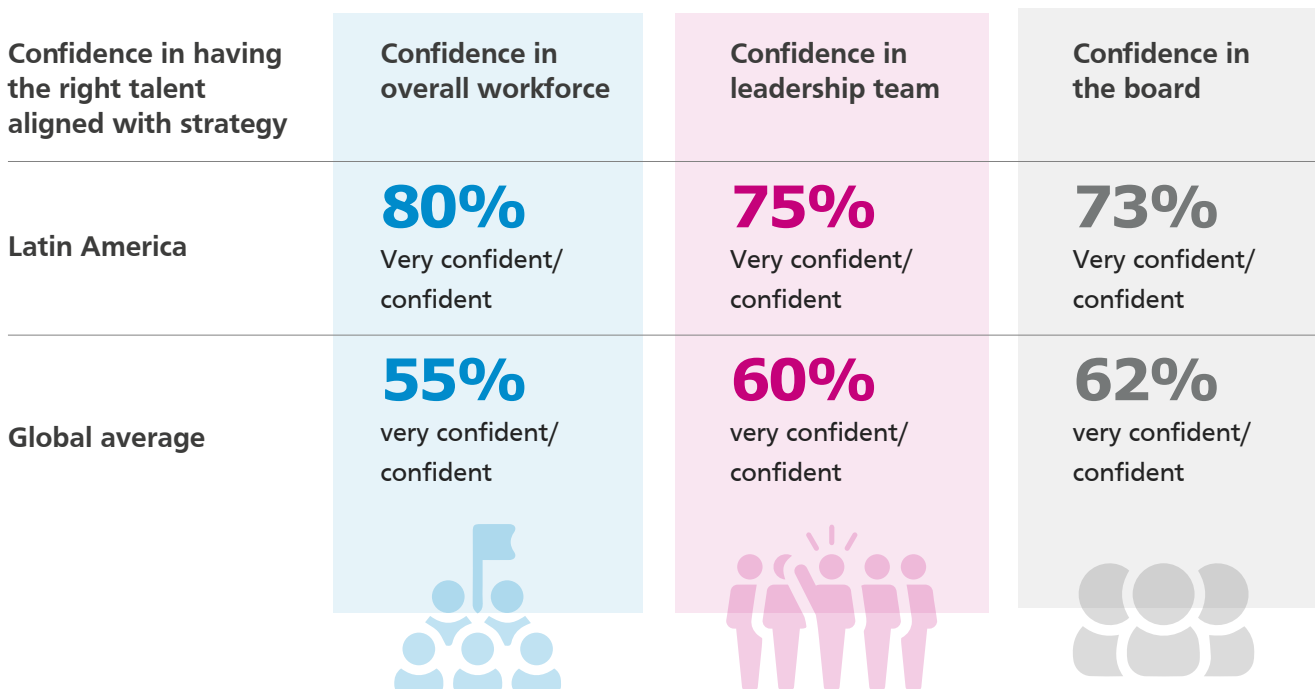
Very confident/confident in...	Organizational growth potential	Right talent to align with strategy
2022	85%	76%
2021	88%	66%

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 76%, 10 percentage points higher than in 2021, and significantly higher than all other regions.

Talent investments in 2021, at higher levels than other regions, may have paid off: 83% of respondents were extremely likely/likely to invest in leadership development of high potentials; 77% in redeploying or retraining existing people; and 68% in hiring new leadership talent.

In looking across the organization, [findings show that confidence rises with seniority in every region, except for Latin America](#); confidence is highest in the workforce, at 80% very confident/confident, then the leadership team at 75% and the board at 73%. Not only that, but confidence levels far outstrip global averages.



After almost five years of economic stagnation resulting from the political crisis in Brazil, we see gradual improvement in all sectors since mid-2021. The industrial sector, the most impacted by the crisis, has been recovering quickly, and company optimism is reflected in an increase in executive hiring, primarily for commercial and marketing roles, with some talent shortages in technical businesses.

- AUREA IMAI, BOYDEN BRAZIL

Confidence in Latin America tends to be higher because global trends strike our region somewhat later. Compared to the beginning of 2022, I will be surprised if confidence has not dramatically decreased due mainly to political changes in countries such as Brazil and Colombia, and high currency devaluations. Coping with global economic change is a priority for companies, aware that talent is having to respond with tolerance and adjustment to market changes.

- ANTONIO SANCHEZ, BOYDEN COLOMBIA

Growth Outlook

02

Where will growth come from?

In Latin America, the top three drivers of growth are: (i) **innovation**, (ii) **digital transformation** and (iii) **human capital and product or service diversification**.

Findings compare to global respondents, with Latin American respondents also emphasizing product or service diversification.

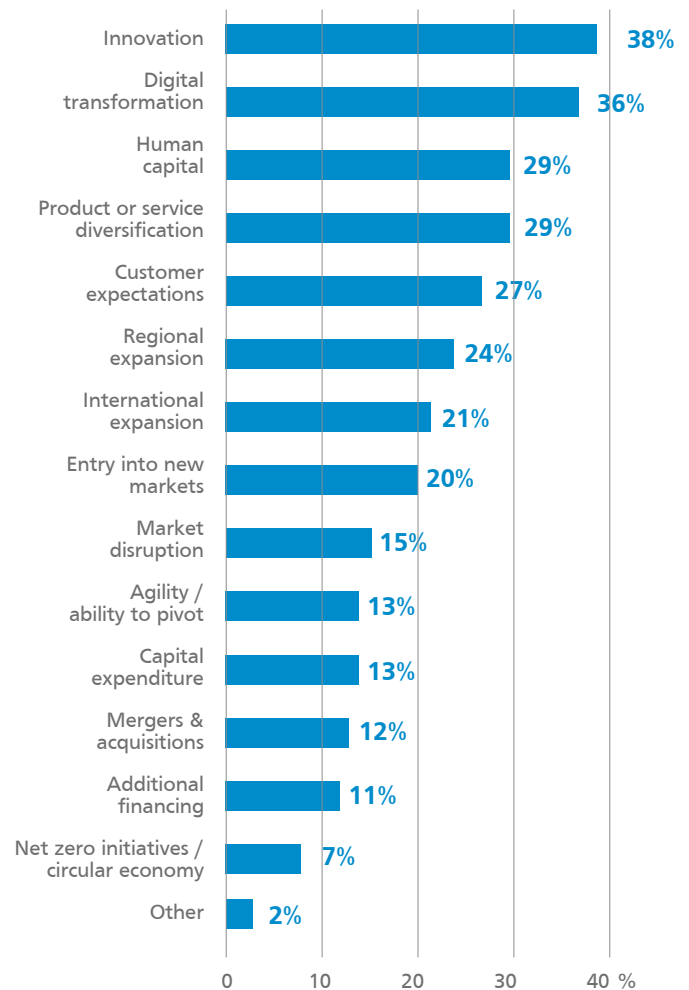
38% 01 INNOVATION

36% 02 DIGITAL TRANSFORMATION

29% 03 HUMAN CAPITAL / PRODUCT OR SERVICE DIVERSIFICATION

While **entry into new markets** does not feature particularly, in both the healthcare & life sciences and technology sectors it is the second driver of growth after human capital; and it is the third driver in professional services, after digital transformation and innovation.

Organisational growth drivers



While average responses **put net zero initiatives** at the bottom of the list, with just 7% seeing this as a driver of growth over the next two years, President/CEOs in Latin America are the most positive among their peers worldwide; 15% see net zero initiatives as a top three driver of growth, compared to 8% in Europe, 5% in North America and 0% in Asia-Pacific. President/CEOs in Latin America have the support of their operations leaders at 13% and senior VP/MD/country or division head at 9%.

The top growth drivers by sector are:

Consumer & retail	Customer expectations
Financial services	Innovation
Healthcare & life sciences	Human capital
Industrial	Innovation
Professional services	Digital transformation
Technology	Human capital

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

35% 02 GLOBAL ECONOMIC VOLATILITY

29% 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
35%	Global economic volatility
29%	National economic volatility
26%	COVID variants/other viruses
26%	Supply chain disruption
24%	Climate change
20%	Geopolitical risk
18%	Industry competition
18%	Export/import tariffs
16%	Energy security
13%	Industry disruption
13%	Change in consumer habits
9%	Lack of local executive talent
1%	Other

Respondents share the concern of their peers in Asia-Pacific about **COVID variants/other viruses**, identified by 26%, making it the fourth top risk in both regions, compared to a ranking of seven globally.

Latin American respondents are the most concerned globally about **climate change**. It ranks sixth overall, and sector analysis reveals that those in **financial services** and **technology** are as concerned about climate change as they are about inflation. Climate change concerns nearly one third of financial services respondents, at 31%, while in technology, it is well over half, at 57%.

As further evidence of respondents' talent confidence, lack of local executive talent rests at the bottom of the chart with only 9% of respondents seeing this as a top three external risk.

The top external risk by sector is:

Consumer & retail	Inflation
Financial services	Global economic volatility
Healthcare & life sciences	Supply chain disruption
Industrial	Inflation
Professional services	Inflation
Technology	Inflation = climate change = global economic volatility



Internal risks and challenges

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

28% 01
CYBERSECURITY

22% 02
RISING BUSINESS COSTS

21% 03
RISING EMPLOYEE COSTS /
LEGAL LIABILITY / LACK OF
INNOVATION

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

28%	Cybersecurity
22%	Rising business costs
21%	Rising employee costs
21%	Legal liability
21%	Lack of innovation
20%	Supply chain resilience
20%	Need for different executive skill sets
19%	Effective internal communication
18%	Staying on top of digital transformation
16%	Legacy business model
15%	Shift in power to employee
15%	Employee burnout
15%	The 'great resignation'
15%	Weak leadership team
14%	Staying current on digital advances
14%	Hybrid working
1%	Other

Cybersecurity is the leading external risk, followed by financial challenges.

Unlike their global peers, overall, respondents in Latin America are not struggling particularly with people issues, such as the employee burnout concerning business leaders in North America, Europe and Asia-Pacific. Nor are they concerned about a weak leadership team, unlike their peers in Asia-Pacific.

Distinctive internal risks and challenges include hybrid working and effective internal communication for **tech respondents**; lack of innovation for **professional services** respondents; and a need for different executive skill sets in **industrial**.

Healthcare & life sciences respondents are the most focused on people issues, with a need for different executive skill sets, and risks around hybrid working, employee burnout and a weak leadership team.

Drivers of structural change

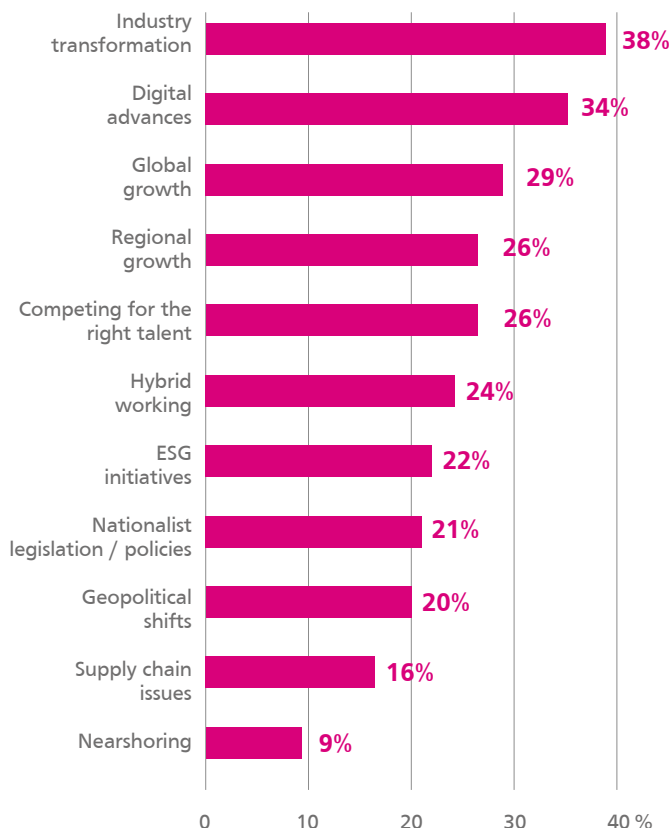
The top three drivers of structural change confirm momentum in Industry 5.0:

38% 01
INDUSTRY TRANSFORMATION

34% 02
DIGITAL ADVANCES

29% 03
GLOBAL GROWTH

Structural change drivers



Industry transformation is the top driver of structural change in Latin America, reflecting growth drivers of innovation, digital transformation and product or service diversification. Respondents in this region are distinctive in identifying global growth as a top three driver of structural change, reflecting the greater emphasis they put on regional and international expansion as growth drivers.

Competing for the right talent is the top driver of structural change in the **technology** sector, together with regional growth. Global growth is the top driver for **consumer & retail** respondents; and nationalist or legislative policies are the top driver for **professional services** and **healthcare & life sciences** respondents.

In keeping with this region’s attention to climate change, ESG initiatives are a top three driver for 22% of respondents, putting it in 7th place, compared to 9th place in the global average, with just 16% seeing it as a top three driver of structural change.

GLOBAL DRIVERS OF STRUCTURAL CHANGE:

43%

01
INDUSTRY
TRANSFORMATION

39%

02
COMPETING
FOR THE RIGHT


38%

03
DIGITAL
ADVANCES

The top driver of structural change by sector is:

Consumer & retail	Global growth
Financial services	Digital advances
Healthcare & life sciences	Industry transformation Nationalistic legislative policies
Industrial	Industry transformation
Professional services	Nationalistic legislative policies
Technology	Regional growth Competing for the right talent





The retail market has been significantly transformed due to confinement during the pandemic and subsequent logistical challenges. The result is a more agile market and more demanding consumers, benefiting from a greater range of channels and products.

- CARLA WOOLCOTT, BOYDEN PERU

In the financial and insurance sectors, we see relevant and positive change as organisations search for executives with expertise in transformation and digital innovation; also, human resources managers who understand the post-pandemic reality, pursuing more agile and friendly economic models based on technology and the value of human resources. This is changing the way of doing business and, above all, attention to both internal and external clients, to everyone's benefit."

- MARYTERE ARIAS, BOYDEN MEXICO

Talent Landscape

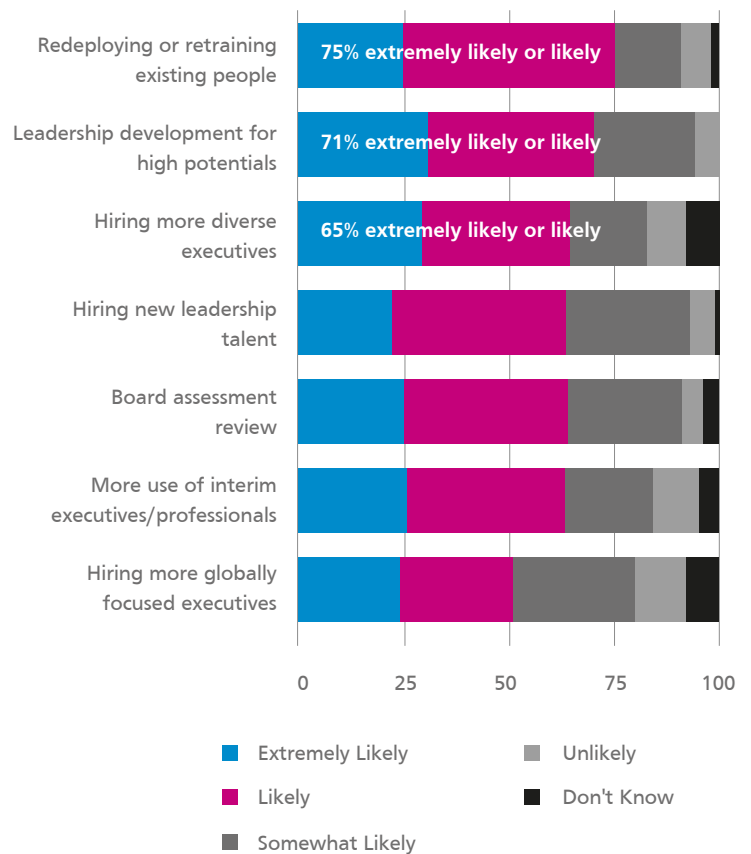
Investment priorities

With human capital one of the top three drivers of growth, what talent-related investments are organizations likely to make through 2023?

We see quite a different picture this year. **Retraining or redeploying existing people** is now the top investment, having previously been second priority after 'leadership development for high potentials'. And 'hiring new leadership talent' is now eclipsed by **hiring more diverse executives**. The clustering of data shows greater investment expected in board assessment, use of interim executives and hiring more globally focused executives, previously below 25% extremely likely/likely.

While 76% of respondents are very confident/confident in having the right talent to align with strategy, those in the **industrial** and **healthcare & life sciences** sectors highlight a need for **different executive skill sets**. Respondents are looking at various ways of addressing this, including retraining or redeploying existing people, leadership development for high potentials and hiring new talent. The big change this year is the likelihood of bringing in interim executives.

Talent-related investments



The engagement of **interim executives** is an important and cost-effective way of securing senior level expertise without high headcount costs, amid concerns over rising employee costs, business costs and inflation. The likelihood of this has increased from 31% in 2021 to 64% in 2022, with **professional services** leading this investment.

Hiring more globally-focused executives, noting that global growth is the top driver of structural change for **consumer & retail** respondents, and regional growth the top driver for **tech** respondents, has increased in likelihood from 32% in 2021 to 51% in 2022.

Investment in talent is boosted by the **technology** sector, where 86% of respondents are extremely likely to investment in leadership development for high potentials; 71% are extremely likely to invest in retraining or redeployment; and 57% are extremely likely to invest in more globally-focused executives.



Strengthening executive talent

We asked respondents to identify areas where their organizations need to strengthen executive talent over the next two years. The top three areas are:

78% 01 DIGITAL (ROBOTICS, AI, MACHINE LEARNING)

76% 02 SUPPLY CHAIN/ LOGISTICS

75% 03 FINANCE

TOP THREE GLOBAL AREAS TO STRENGTHEN EXECUTIVE TALENT:

01	DIGITAL (ROBOTICS, AI, MACHINE LEARNING)	81%
02	TECHNOLOGY/CLOUD/ CYBERSECURITY	80%
03	MARKETING & SALES	79%

Again, we see a very different picture this year. In 2021, **marketing & sales** was the top priority, it's now 11th. **Supply chain** was the 8th priority, now it is the 2nd, reflecting concerns as a top three external risk; and **risk/legal/compliance** has gone from last priority to 7th. **Digital** stays in the top three, now at number one.

In an environment where economic volatility is a concern, together with inflation, business and employee costs, skills in **finance** have moved up from 6th position to 3rd. And with this region's focus more on digital and technology than people in Industry 5.0, skills in human resources are 8th priority, compared to 4th globally.

In-demand executive talent

		Digital (Robotics, AI, Machine Learning)	78%	Supply Chain / Logistics	76%
Finance	75%	ESG - Diversity, Equity, Inclusion	73%	Technology / Cloud / Cybersecurity	73%
		Operations	70%		
Risk / Legal / Compliance	69%	Human Resources	69%	Health & Safety	68%
		Research & Development (R&D)	66%		
		Marketing & Sales	63%	ESG - Sustainability	62%
		Innovation / Business Transformation	62%		

Drivers of recruitment and retention

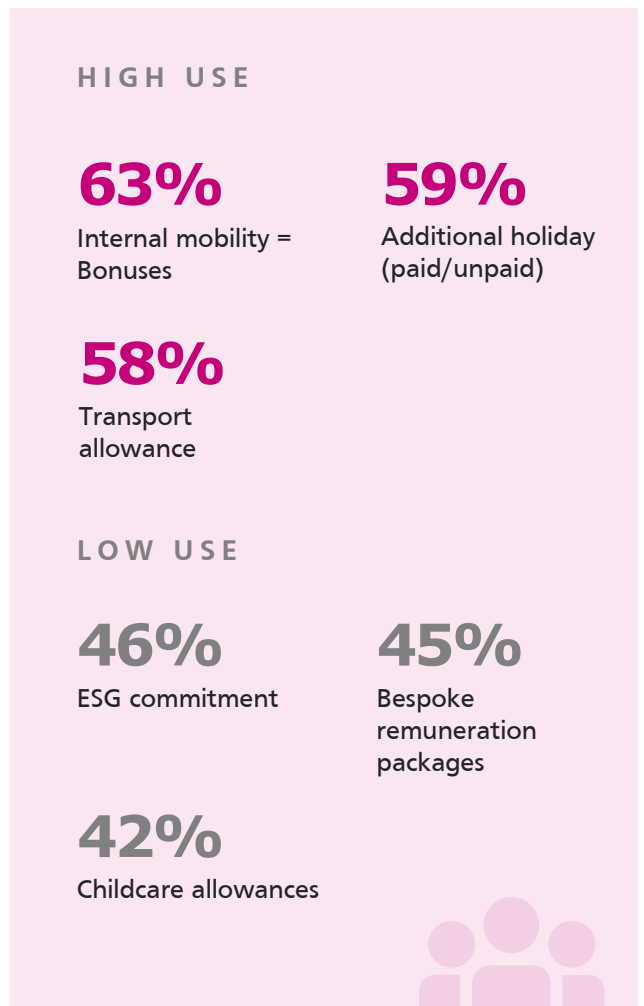
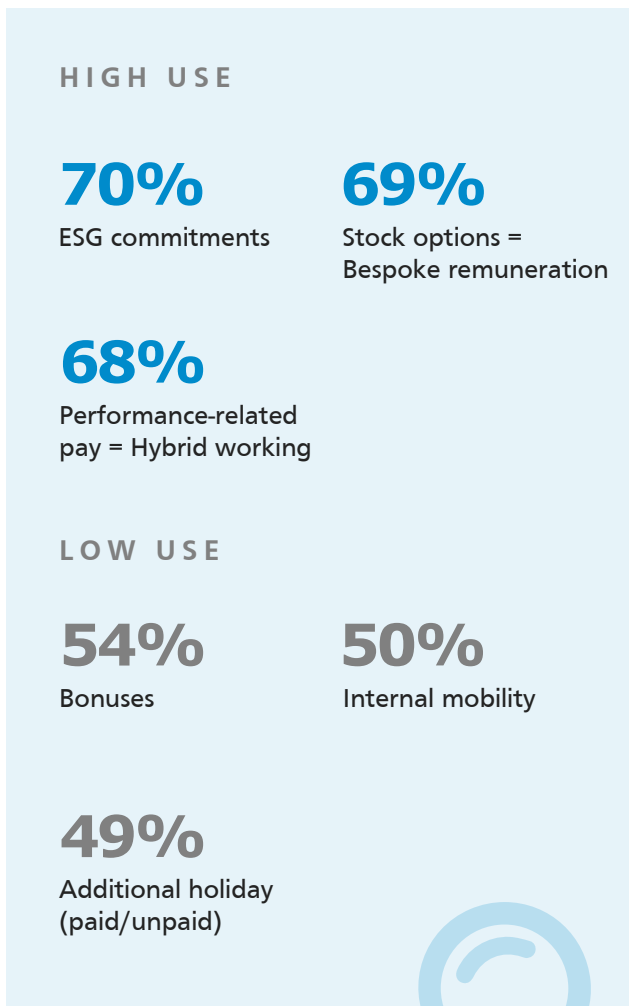
We asked respondents which incentives they use for senior-level recruitment and retention.

For recruitment,

Respondents confirm **ESG commitments**, used by 70% of respondents in recruiting, making it the top incentive. This is closely followed by financial incentives and hybrid working.

For retention,

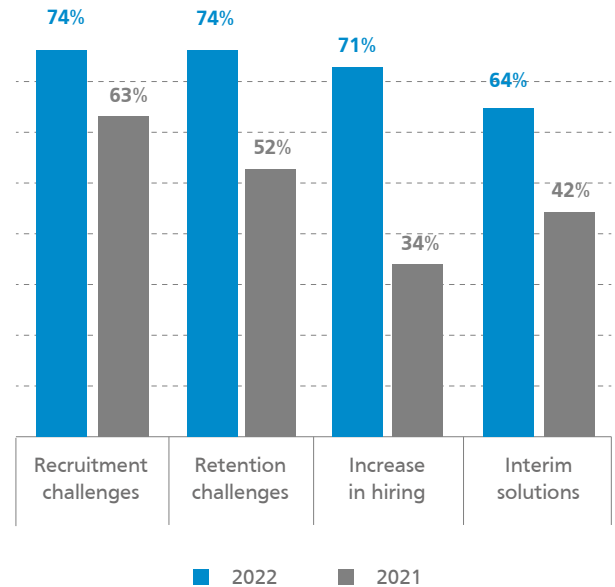
Respondents are providing **job mobility/rotation and bonuses**, additional holiday and transport allowances.



Talent look ahead

In looking at talent over the next 12 months, respondents are more concerned about retention and recruitment challenges than they were last year; 74% of respondents anticipate retention and recruitment challenges through 2023, up significantly from 2021, particularly recruitment.

Given these challenges, **interim solutions** are in the spotlight, with 71% of respondents likely to make greater use of these, up from 34% in 2021; and despite a tough environment, 64% of respondents, a high proportion of them in the tech sector, expect an **increase in hiring** through 2023, compared with 42% in 2021.



By sector:

Healthcare & life sciences expect the greatest **recruitment** and **retention** challenges



Technology respondents expect to be the most active in **hiring**



Professional services leads the engagement of **interim managers**.



The pandemic shone a light on the healthcare sector, making it more attractive for a higher number of executives. Purpose is a major criteria for professionals assessing career opportunities, and healthcare ranks top when executives feel it is time to further contribute to society. Many newcomers in the industry have contributed to a higher degree of professionalization through their organizations, with more diverse executive profiles and managerial best practices from other industries.

- ALEXANDRE SABBAG, BOYDEN BRAZIL

Executive retention among national companies has become a very important issue in recent years, particularly with technological disruption to working practices, such as remote work and the work itself. In contrast to other countries, Peru has several companies where executives work for periods of up to fifteen days straight. This type of 'incentive' is becoming as important as traditional approaches to retention, such as bonuses and profit sharing.

- GUSTAVO CAILLAUX, BOYDEN PERU

Cultural Landscape

04

With growth focused on innovation, digital transformation, human capital and product or service diversification, how is organizational culture changing?

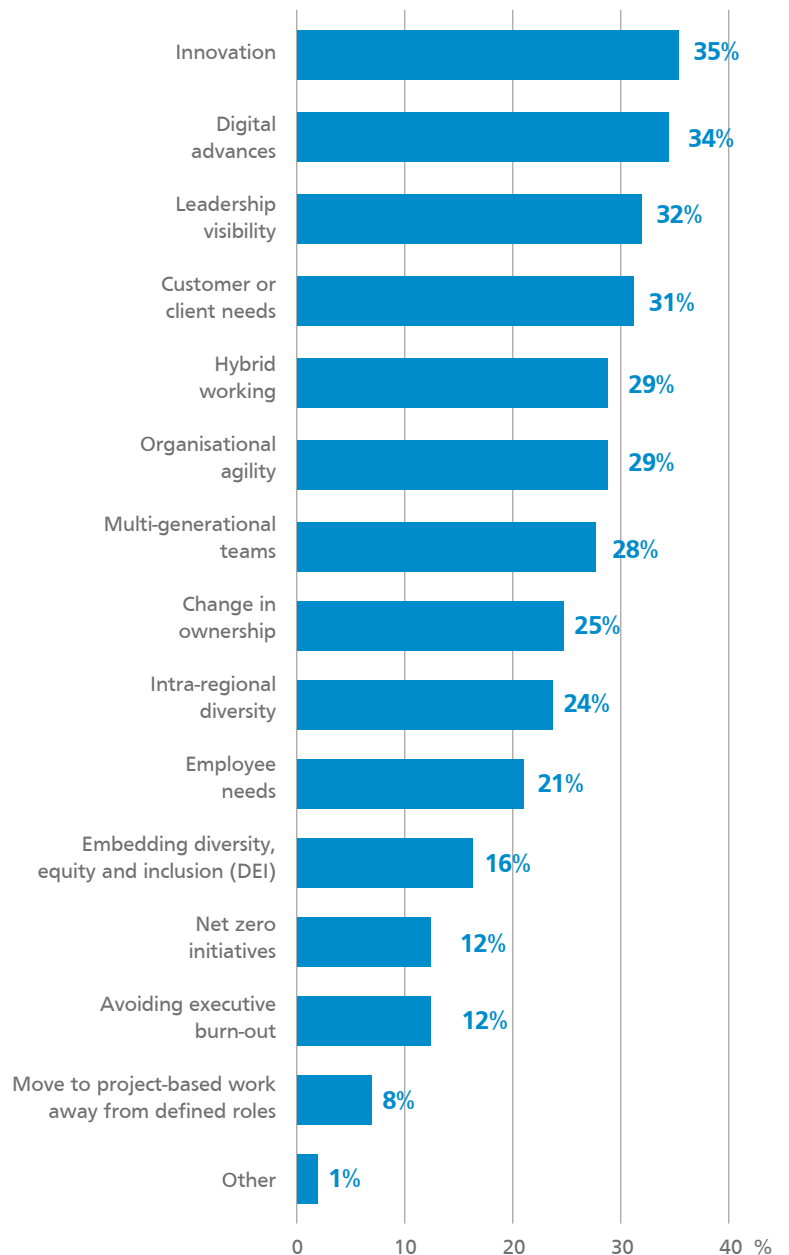
The top drivers of culture shifts are:

35% 01 INNOVATION

34% 02 DIGITAL ADVANCES

32% 03 LEADERSHIP VISIBILITY

Culture shift drivers



The top driver of culture shift by sector is:

Consumer & retail	Customer needs
Financial services	Multigenerational teams
Healthcare & life sciences	Change in ownership = customer needs = organizational agility
Industrial	Hybrid working
Professional services	Hybrid working
Technology	Innovation = digital advances = intra-regional diversity

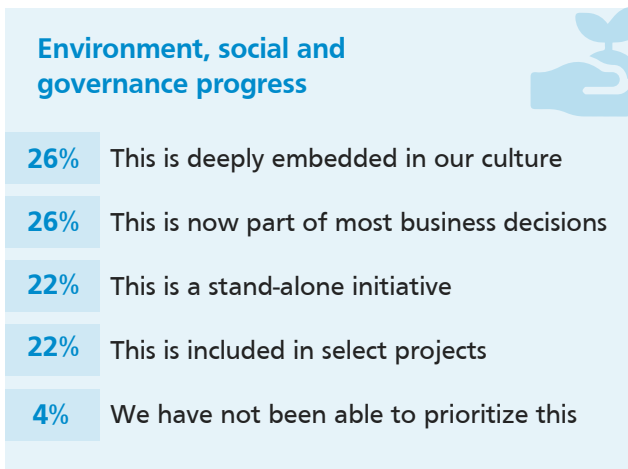
At what stage are these culture shifts? Taking the temperature of the alignment of culture and behaviours to organizational purpose and business objectives we see greater alignment in Latin America than in other regions; respondents score this 7 and out of 10, compared to the global average of 6 out of 10.

Respondents in this region are distinctive in highlighting multigenerational teams in financial services, change in ownership in healthcare & life sciences and intra-regional diversity in technology.

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 organizations focusing specifically and separately on DEI.



Respondents are ahead of their global peers. A higher proportion, 26% have ESG deeply embedded in the culture, compared with 17% globally; and a higher proportion, 41% include DEI in most business decisions, compared with 31% globally. Very few respondents have not been able to prioritize ESG or DEI, at 4% and 7% respectively, compared with 15% for both areas globally.

Soft skills in leadership

Culture comes from the top, through leadership behaviour 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:

34% 01 **EMPATHY**

31% 02 **NEGOTIATION**

32% 03 **GLOBAL OR MULTICULTURAL PERSPECTIVE**

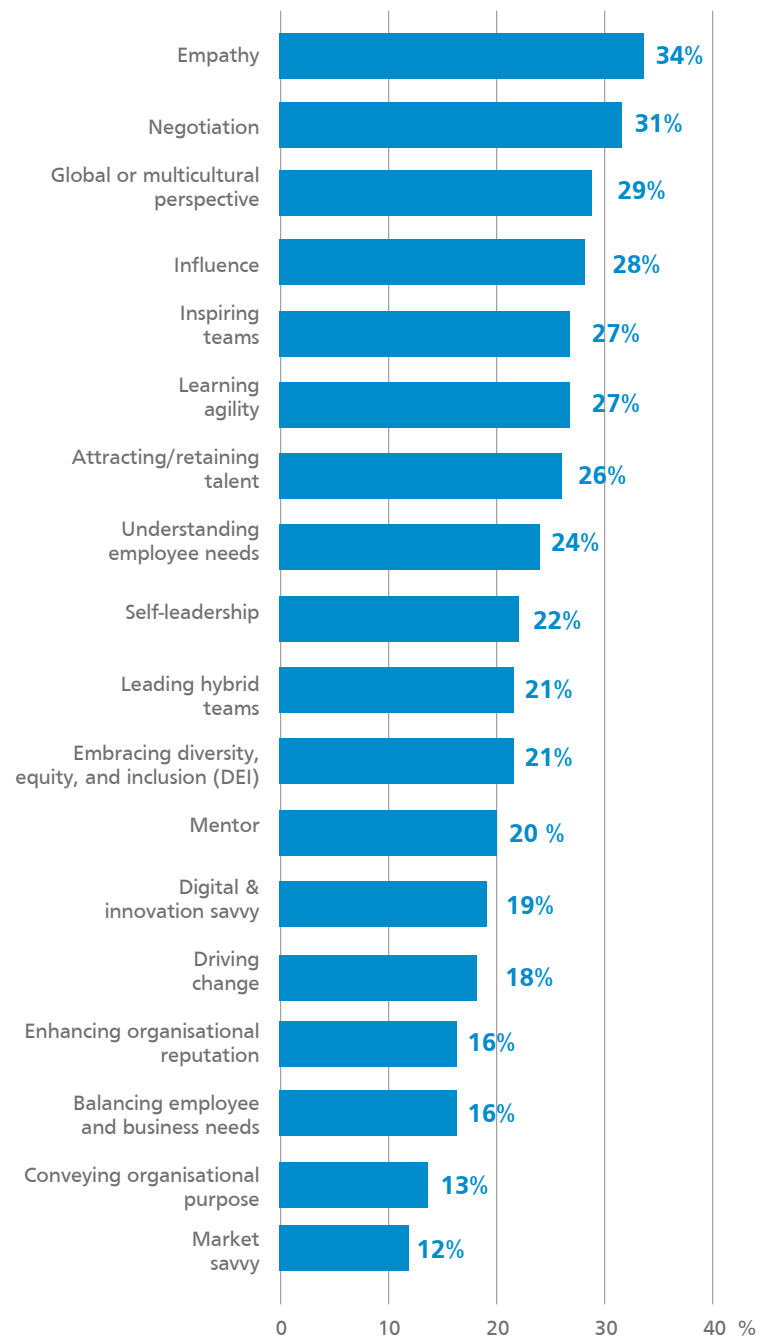
The most valued skill of **empathy** is the only one shared with global peers. A **global or multicultural perspective** reflects the focus on entry into new markets, regional and international expansion, and intra-regional diversity driving cultural shifts in the tech sector.

The ability to attract or retain talent is 7th priority, a little concerning given anticipated recruitment and retention challenges through 2023. Strengthening the human capital core of 5.0 could be challenging.

TOP THREE SOFT SKILLS, GLOBALLY

01	INSPIRING TEAMS	38%
02	DRIVING CHANGE	35%
03	EMPATHY	31%

In-demand soft leadership skills



The **most valuable soft skill** by sector is:

Consumer & retail	Empathy
Financial services	Empathy
Healthcare & life sciences	Influence
Industrial	Global or multicultural perspective
Professional services	Understanding employee needs
Technology	Attracting/retaining talent

While people issues are not at the forefront of concerns in Latin America, they are consistently more apparent among **technology** respondents, with **attracting/retaining talent** the top soft leadership skill in this sector.

The digital era has shown us that technology is here to stay, evolving and growing at a significant pace, so that all leaders must align themselves with progressive technology. They must adapt to constant shifts in the environment, driven by rapidly changing communication capabilities. Fundamental to any organization today is diversity and inclusion, and the capacity of a leader to drive this is testimony to their ability to adapt.

It's never enough to have great knowledge and persuasive skills; it's also crucial to understand client needs, and exercise patience through their decision-making processes, even if it lengthens the timescale.

- LUIS LEZAMA BRACHO, BOYDEN MEXICO

In recent years, the tech sector has seen extraordinary growth based on new solutions and the increasing range of its applications. Large groups were formed and new business models incorporated into traditional companies, attracting executives from various sectors into this emerging corporate ecosystem. With many companies still in the early stages of maturity, innovation, digital advances and diverse executive profiles are seen as key drivers for consolidating corporate culture.

- LEONARDO DE SOUZA, BOYDEN BRAZIL

A very clear trend is the adherence to hybrid work, blending remote tasks and face-to-face activities. Good execution takes attention and planning, and finding the middle ground is a key element in maintaining the culture and retaining talent. Companies are fostering a culture of innovation through engagement and alignment of the board with this approach, encouraging employees to be more collaborative, decentralizing the decision-making process and exposing ideas without fear of taking risks.

- VERENA LORENZ, BOYDEN BRAZIL

The Board

05

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

Latin America

73% VERY CONFIDENT/
CONFIDENT

18% SOMEWHAT
CONFIDENT

8% UNCONFIDENT/
VERY UNCONFIDENT

Global

62% VERY CONFIDENT/
CONFIDENT

24% SOMEWHAT
CONFIDENT

14% UNCONFIDENT/
VERY UNCONFIDENT

Confidence in having the right talent to align with strategy over the next two years is higher in Latin America than in any other region; at board level, 73% of respondents are very confident/confident in having the right talent to align with strategy, compared to the 62% global average.

How do these figures relate to **board assessment**? Despite such high confidence, 64% of respondents think it is **extremely likely/likely** that their organization will invest in a board assessment over the next two years, compared to 42% in 2021.

Board members themselves have not changed their thinking to such an extent; 40% consider it extremely likely/likely they will undergo an assessment over the next two years.



Strengthening board talent

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

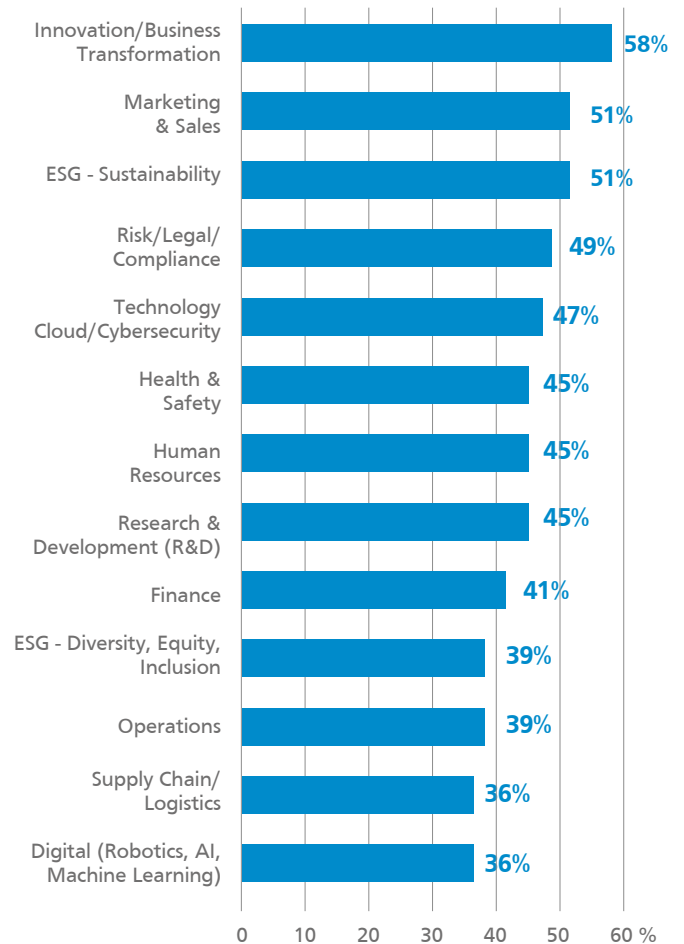
The top three priorities are fairly distinctive, with respondents focusing more on **marketing & sales** and **risk/legal/compliance** at board level than their global peers.

58% 01 INNOVATION/BUSINESS TRANSFORMATION

51% 02 MARKETING & SALES / ESG-SUSTAINABILITY


49% 03 RISK/LEGAL/ COMPLIANCE

In-demand board talent



ESG-sustainability is a recurring theme in Latin America and a global priority at board level. With global growth one of the drivers of structural change in Latin America, stronger marketing & sales skills are considered important at board level. Risk/legal/compliance is a more consistent theme in Latin America than in other regions and a top priority at board level: it is the fourth top internal organizational risk and stronger executive skills in risk/legal/compliance have moved from last to 7th priority.





While confidence in boards being aligned with strategy is relatively high, companies face challenges resulting from political change and regional or global market shortages and inflation. This is creating pressure on short and medium-term strategies. Boards are having to review plans carefully to ensure business remains sustainable and profitable, sometimes to the detriment of longer-term objectives and DEI/ESG issues that, in my opinion, need more focus and action compared to what we are seeing today.

- EURI CRUZ, BOYDEN BRAZIL

Conclusion

Respondents in Latin America provide us with the most distinctive regional findings. There is a stronger focus on climate change, ESG initiatives, sustainability and DEI progress, risk/legal/compliance skills and nationalistic legislative policies.

There is also a stronger global outlook; respondents expect to hire more globally-focused executives, they value a global or multicultural perspective among leaders, and are more keen to enter new markets and secure regional and international expansion.

Industry 5.0 is being driven more by innovation than people, although the focus on people among tech respondents suggests that the human element is almost 'built-in,' as organizations look to tech companies to secure growth through innovation and digital advances. With human capital their top growth driver, tech companies will be the most active in hiring, and competing for the right talent will drive structural change. The most valuable soft skill in this sector is attracting or retaining talent.

With such high levels of confidence and robust investment in talent, leaders will strive to deliver on global aspirations and high expectations in a tough global environment.

Indications are that they will do this with a strong focus on climate change and strategic approaches to ESG imperatives. Business leaders in Latin America have faced some of the most difficult periods of economic and currency volatility; they will stand up to tests of their confidence, experience and resilience.

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