Workforce 2020

Latin America fact sheet: How high-performing companies set themselves apart

Data from our Workforce 2020 research program show a correlation between above-average profit margin and revenue growth and workforce development. Companies with above-average profit margin and revenue growth (high performers) are better prepared for the future workforce than those with below-average growth. Executives who report that their companies have below-average profit margin growth over the past two years (we call them underperformers) indicate that they are struggling to keep up with changing workforce trends. This is especially true when it comes to recruiting employees with both base-level and advanced skills. Perhaps most telling, underperforming companies are significantly less likely to say that HR issues are driving strategy at the board level—which could be a major oversight.

This fact sheet outlines the major differences between high performers and underperformers in Latin America (Brazil, Chile, Colombia, and Mexico). Both face unique challenges and opportunities when preparing for the workforce of the future.
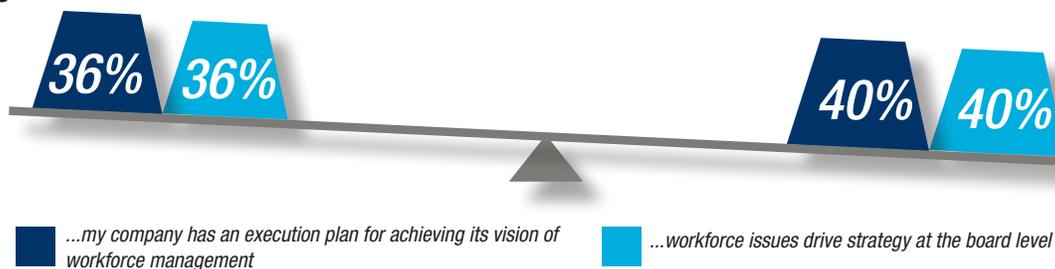
The New Face of Work

*Research shows priorities shifting as economies rebound globally,
but companies lag in understanding these changing dynamics.*

- Just over one-third of executives at high-revenue-growth companies say workforce issues are already driving strategy at the board level. That number is slightly higher for underperformers—40%—and will rise to to 53% in three years. High performers will need to put HR in the driver's seat to prepare for the future workforce.

- Companies with below-average profit margins are struggling to keep up with changing workforce trends: nearly three-quarters of underperformers say difficulty recruiting employees with base-level skills is having an impact on their workforce strategies. They also struggle to find advanced skills (see **The Learning Mandate**).

- Companies with above-average-revenue-growth are significantly more likely than underperformers to say that increasing numbers of aging and Millennial employees are having an impact on workforce strategy, while underperformers are more likely to be affected by globalization.

Executives say...
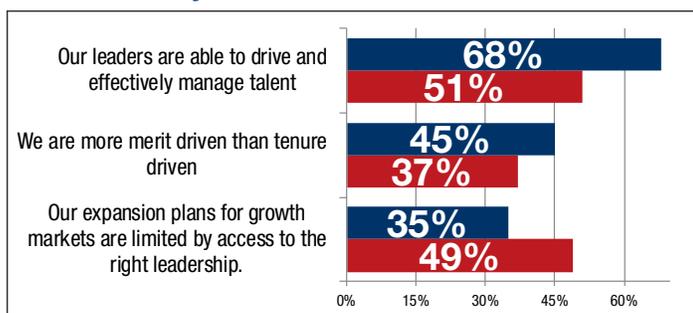
High-revenue-growth companies   **Underperformers**

36% **36%**   **40%** **40%**

- ...my company has an execution plan for achieving its vision of workforce management
- ...workforce issues drive strategy at the board level

The Leadership Cliff

Executives and employees agree that leadership is lacking—and companies are not focused enough on developing future leaders.

Executives say...

	High profit margin growth	Underperformers
Our leaders are able to drive and effectively manage talent	68%	51%
We are more merit driven than tenure driven	45%	37%
Our expansion plans for growth markets are limited by access to the right leadership.	35%	49%

0% 15% 30% 45% 60%

■ *High profit margin growth*   ■ *Underperformers*

- High-revenue-growth companies struggle in some areas of leadership—they are significantly less likely than underperformers to say their leaders can lead a global workforce, that their leadership skills are focused on developing talent, and that talent in leadership positions can drive global growth.

- Underperformers are more likely to say that senior positions are filled from within at their organization.

Bridging the Skills Gap—The Learning Mandate

Better training and education opportunities would benefit employees and businesses alike.
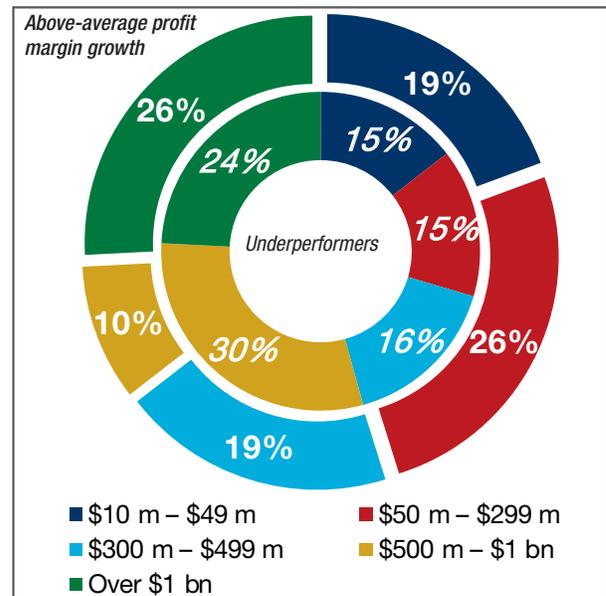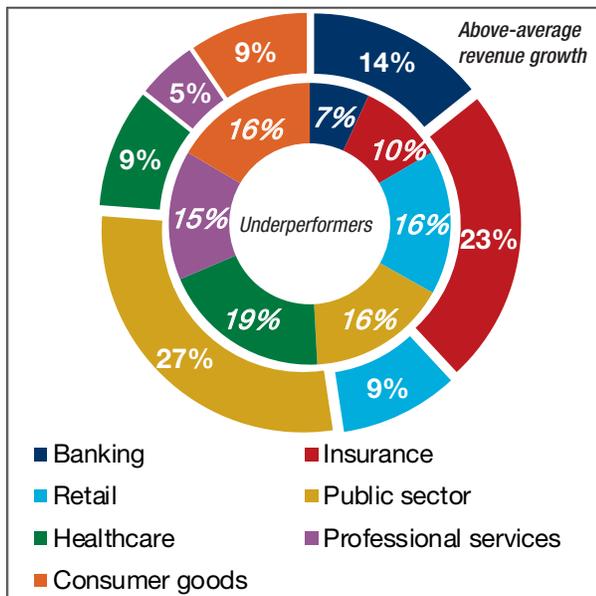
- Low-revenue-growth companies are significantly more likely than high performers to say it is difficult to acquire employees with analytics or programming/development skills.

- Executives at high-revenue-growth companies are significantly more likely to say they have well-defined processes and tools for developing talent.

- Low-profit-margin-growth companies are more likely to offer incentives for pursuing further education (55% vs. 35%), suggesting they may be looking outside their organizations to develop skills.

Executives say these technology skills are well represented at their organization.

Job-specific tools
High-revenue-growth companies: **73%**
Underperforming companies: **61%**

Analytics
64%
46%

Cloud
27%
38%
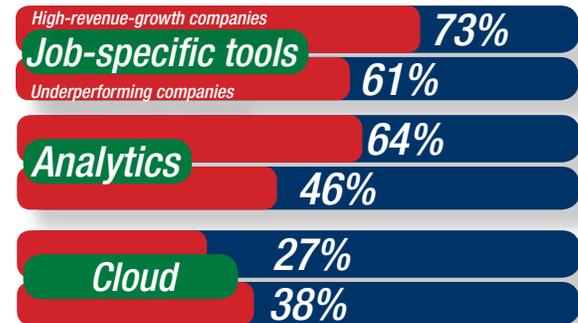
Survey demographics: High performers

- High-revenue-growth executive titles: CEOs (5%); COOs (23%); CFOs (9%); CIOs (5%); CMOs (0%); Chief Human Resources Officers (32%); VPs/Directors of HR (14%); VPs of Learning/Development (0%); VPs Compensation & Benefits (0%); VPs Recruiting or Talent (9%)

Above-average revenue growth

Outer ring: 14%, 10%, 23%, 9%, 16%, 19%, 27%, 15%, 9%, 5%, 16%, 7%

Underperformers (inner ring): 7%, 16%, 16%, 19%, 15%, 9%, 5%, 16%

Legend:
- Banking
- Insurance
- Retail
- Public sector
- Healthcare
- Professional services
- Consumer goods

Above-average profit margin growth

Outer ring: 19%, 15%, 26%, 16%, 19%, 10%, 26%

Underperformers (inner ring): 15%, 15%, 16%, 30%, 24%

Legend:
- $10 m – $49 m
- $50 m – $299 m
- $300 m – $499 m
- $500 m – $1 bn
- Over $1 bn

About the research

Workforce 2020 is a large-scale global study to discover best practices and actual progress toward the creation of talent strategies for the future in the global economy. We surveyed more than 2,700 executives and 2,700 employees, and interviewed 28 executives across the following countries: Australia, Brazil, Canada, Chile, China, Colombia, the Czech Republic, Denmark, France, Germany, India, Japan, Kenya, Malaysia, Mexico, the Netherlands, Poland, Russia, Saudi Arabia, South Africa, Spain, Sweden, Switzerland, Turkey, UAE, UK, US. Survey respondents came from a variety of industries, company sizes, and age groups (49% of employee respondents are Millennials).

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