Leaders 2020
Fact sheet: Mexico

The pace of change in today’s digital economy puts new demands on executive leadership, but the results of a global research program by Oxford Economics and SAP show that most companies are stuck in the past.

Some companies are more prepared for the digital future. Oxford Economics identified a set of capabilities and practices that define the best-led organizations—we call them Digital Winners. At most companies, digital transformation is just beginning: just 17% of respondents to our survey qualify for this elite group in Mexico, compared with 16% of the overall sample.

Our analysis of the data shows organizations that meet our criteria see better financial results and have happier, more engaged employees.

Four themes, outlined on the following pages, emerged from our research. By focusing on any shortfalls in these areas, companies can boost their chances of becoming Digital Winners.

This fact sheet outlines key findings for Mexico.
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Lack of leadership slows digital transformation

Executives and employees at most companies say management lacks critical digital skills.

- Mexican employees and executives have a fairly dismal view of mid-managers—only 25% of executives and 29% of employees think they are highly proficient at using technology for competitive advantage.
- But more than 80% of employees and executives agree that their companies encourage workers and leadership to continually develop new skills.
- Employees are not impressed with their companies’ efforts to train the next generation of leaders—only 29% say their companies devote resources to it (vs. 47% of executives).

Diversity pays off

Diversity levels are not where they should be for most companies—but it is higher at those with superior executive leadership and better financial performance.

- Three-quarters of Mexican executives and employees say that the diversity of their general workforce has increased over the past three years.
- More than one-third of Mexico-based executives say they have a Chief Diversity Officer or equivalent, but the role may not be visible to the workforce—only 24% of employees say this is the case.

Note: Bullet points represent survey results not pictured in the charts.
Millennial executives are impatients for change

A new generation is rising up the org chart, and these young executives want more from

- Millennial executives are not very prevalent in Mexico—only 1% of Mexican executive respondents are Millennials.
- Executives in Mexico are looking inward for leaders—74% say they have strategies for cultivating leadership from within.
- While Millennial executives may see the benefits of diversity, Mexican executives are less sure—only 36% say diversity has had a positive impact on their company culture.

Digital Winners have more engaged employees

Employees who work at companies with better executive leadership are more satisfied and engaged—and less likely to leave for a new position.

- 17% of Mexican employees work for Digital Winners—the third-highest rate among the 21 countries surveyed.
- Employees from Mexico are fairly satisfied with their jobs.
- That may be the result of solid company cultures—more than half of Mexican employees say leadership works with employees to develop their careers, and 66% say leaders are expected to develop talent, and are rewarded for doing so.

Note: Bullet points represent survey results not pictured in the charts.
Conclusion

It is hard for companies to get where they need to go if their leaders do not know the way. While respondents from Mexico say their companies are serious about developing future leaders, they are less likely to have resources devoted to doing so—and the lack of Millennial executives in Mexico shows that companies need to move quickly to develop next-generation leaders. Our research identifies several areas where companies can improve their leadership skills—and business performance.

- **Communicate a company-wide digital vision.** The best leaders not only have a strategy for going digital—they are sharing it with employees across the organization.

- **Continuously update executive and employee skill sets.** Everyone, from the ground floor to the executive suite, needs digital skills and the ability to learn new ones quickly.

- **Flatten the organization.** Leadership needs to empower managers and workers across the enterprise to make decisions quickly, without bureaucratic bottlenecks.

- **Emphasize diversity.** Companies that cultivate a diverse workforce and take a broad range of employee perspectives into account are better poised to succeed in a global economy—and to keep employees happy and engaged.

- **Listen to young executives.** The growing cohort of Millennial executives has a strong vision for leadership in the digital economy—taking their advice may be a shortcut to digital transformation.

For more on what it takes to become a Digital Winner, see [www.successfactors.com](http://www.successfactors.com)

About the research

Oxford Economics and SAP surveyed 2,050 senior executives and 2,050 employees from 21 countries in the second quarter of 2016 about leadership and workforce development for the Digital Economy. Roughly 5% of the overall sample comes from Mexico.

**Location:** United States, Canada, Brazil, Mexico, Colombia, Singapore, Malaysia, Thailand, Philippines, Indonesia, Australia, New Zealand, Japan, Korea, China, India, France, United Kingdom, Germany, Spain, and Russia

**Industries:** The overall sample is split roughly evenly among Financial Services, Retail, Public Sector, Healthcare, Consumer Goods, Professional Services, Manufacturing, and Technology

**Functions:** The overall sample is split evenly among Finance, HR, IT, Sales/Marketing, and Procurement

**Company size:** 25% $250m–$499 m; 25% $500m–$1 bn; 50% more than $1 bn

**Gender:** 50% male, 50% female

**Age:** 50% of employees are Millennials