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: only 13% of respondents to our survey qualify for this elite group in Latin America, 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 Latin America.
Latin American executives report better progress in diversity: they are more likely to say it has increased among senior leadership over the past three years (47%, vs. 38% globally).

Despite better efforts to build diversity, executives and employees in Latin America are no more likely to report positive effects on culture or financial performance than their global peers.

Lack of leadership slows digital transformation

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

- Latin American executives consistently rate senior leadership’s digital skills lower than do their peers in other regions.
- Just 60% of executives and 65% of employees in Latin America say their company encourages continual development of skills among workers and leaders.
- Latin American executives may be overconfident in recruitment processes: 62% say they have the right recruiting strategies in place, but only 52% say they attract a qualified set of applicants.

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.

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- Despite better efforts to build diversity, executives and employees in Latin America are no more likely to report positive effects on culture or financial performance than their global peers.

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

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

- One-fifth of senior executives in Latin America are Millennials, roughly the same proportion as the overall sample.
- Companies need to cultivate leadership skills in younger executives. Just 51% of Latin American executives say their company is doing so, vs. 56% of the overall sample.
- Millennial executives around the world tend to be more focused on diversity—an area where the Latin American companies in our survey tend to excel.

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.*

- Just 10% of employees in Latin America are from Digital Winner companies. Since employees of Digital Winners tend to be more satisfied with their jobs, that means that Latin American companies should go to extra lengths to engage their workers.
- Just under two-thirds (64%) of Latin American employees say leadership gives ample ongoing feedback to employees; 55% say their culture places a high value on employee satisfaction.
Conclusion

It is hard for companies to get where they need to go if their leaders do not know the way. Latin American companies are ahead in cultivating diversity, but must do more to facilitate digital transformation and improve employee satisfaction. Our research identifies several areas where companies can improve their leadership skills—and their 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 15% of the overall sample comes from Latin America (Brazil, Mexico, and Colombia).

**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