

Leaders 2020



Fact sheet: Brazil

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: 21% of respondents to our survey qualify for this elite group in Brazil, 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 the 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 Brazil.

Lack of leadership slows digital transformation

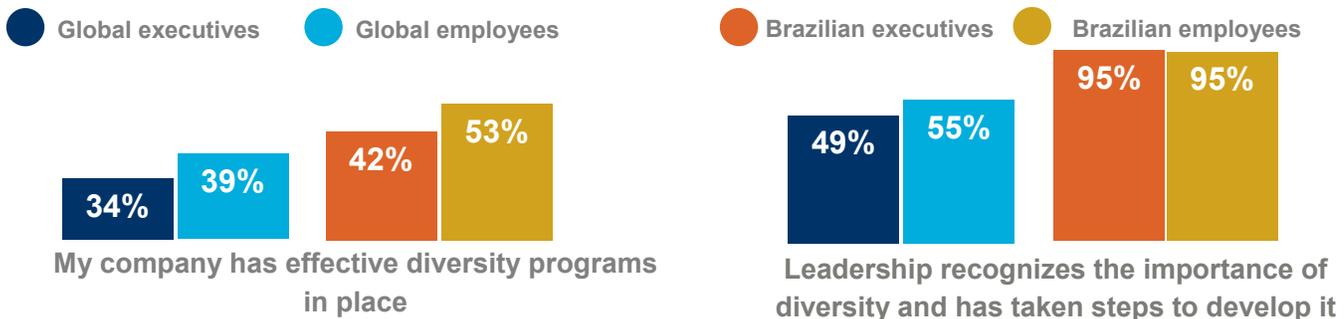
Executives and employees at most companies say management lacks critical digital skills.



- Less than one-quarter of Brazilian respondents say mid-managers excel at inspiring and motivating their employees or facilitating collaboration.
- Decision-making needs to be updated. Only 47% of Brazilian executives say decisions can be mapped to company strategy, and only 38% can adapt to decisions made in real time.
- More than three-quarters (78%) of Brazilian employees believe their company's talent-development plans are strong, but only 33% say their companies have a clear process for succession.

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.

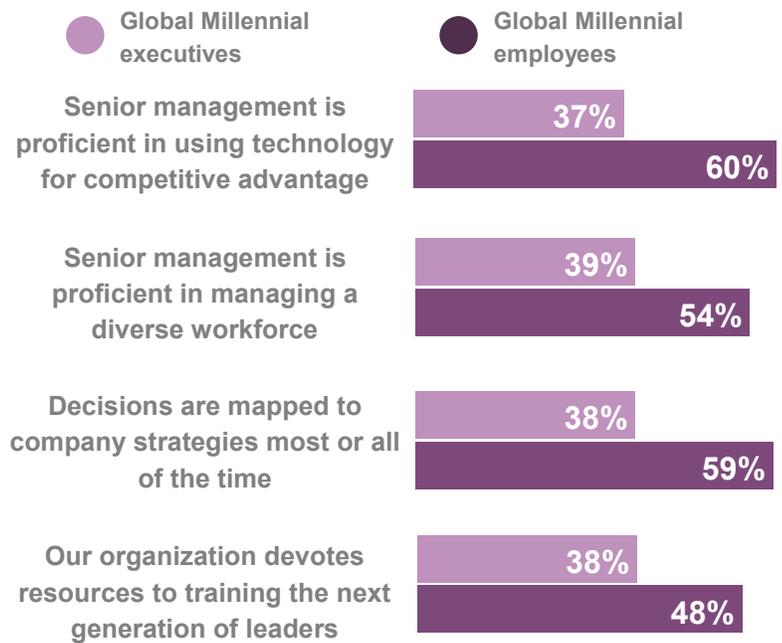


- Brazilian executives (52%) and employees (46%) are more likely than their global peers to report financial payoffs from diversity efforts.
- Diversity change is slow among the general workforce, but 54% of Brazilian executives say mid-level leadership diversity has increased, and 70% say diversity has increased at the senior/board level—the biggest increase reported among all of the countries in our survey.

Millennial executives are impatient for change

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

- Millennial executives make up a large portion of Brazilian respondents (29%, compared with 17% of the overall sample).
- Around the world, young executives are skeptical of their company’s ability to recruit skilled workers and develop talent from within the organization.
- Millennial executives also are more focused on diversity and its benefits, and Brazilian executives are similarly critical: just 23% say senior management is highly proficient in managing a diverse workforce.



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.

- 13% of Brazilian employees come from Digital Winners.
- Brazilian employees are more likely to say leaders have regular contact with workers (70% vs. 47%), reward process improvement changes (70% vs. 55%), and discourage complexity (65% vs. 51%).
- Brazilian employees are more likely to say competitive compensation is offered to most employees (65%, vs. 53% of the overall sample).



Conclusion

It is hard for companies to get where they need to go if their leaders do not know the way. While Brazilian managers may not be as digitally proficient as they should be, executives and employees seem to agree that talent development and diversity are strong points. Our research identifies several areas where companies can continue to 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

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 Brazil.

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