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Transformation & Leadership

– beyond the new normal

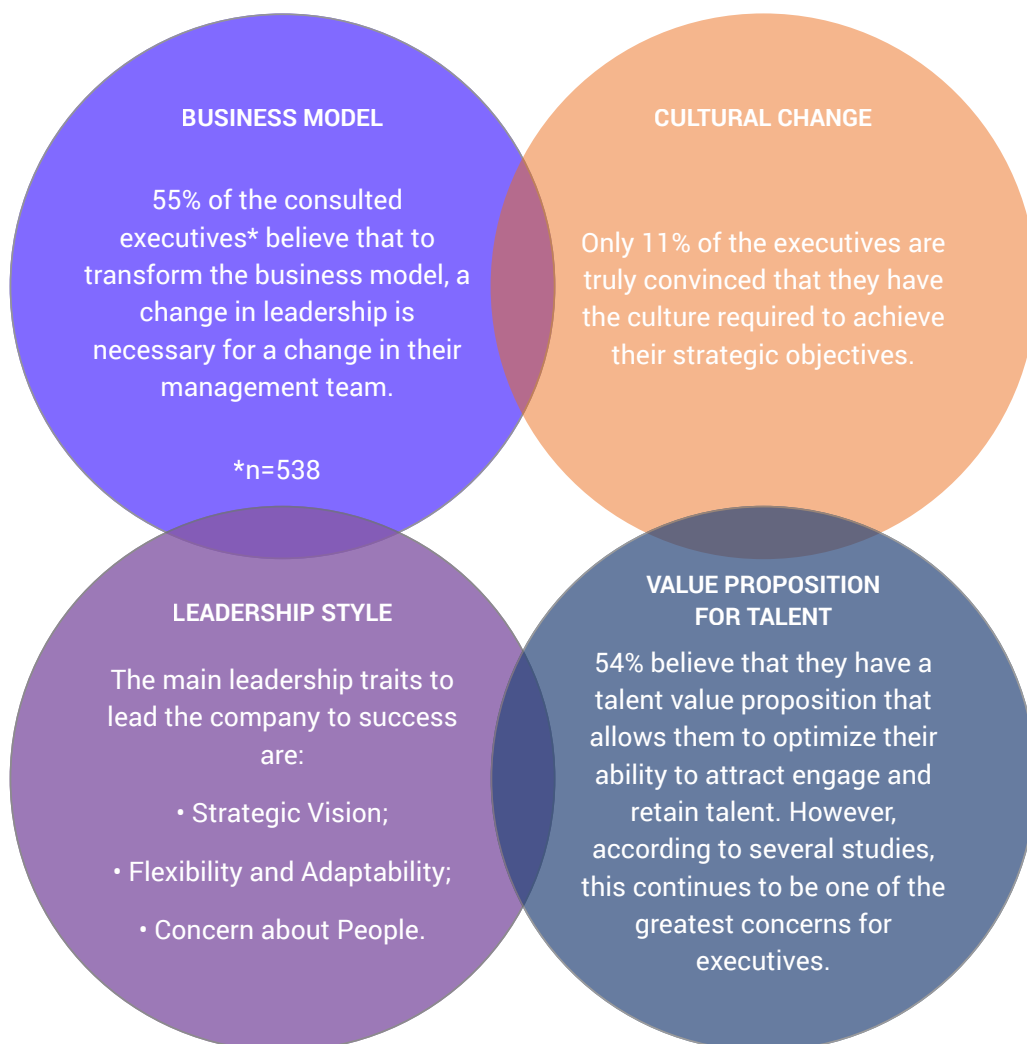


It is possible that not all leaders have really understood the extraordinary change that the pandemic has caused in the corporate culture. Employees have rethought their values and priorities, and now value experiences and well-being much more. Leaders who fail to recognize this fact and fail to engage their teams are destined to fail. COVID has created a new world and needs a new kind of leader.

Umesh Ramakrishnan

Chief Executive Officer – Kingsley Gate Partners

Study Presentation



In the second half of 2020, companies' expectations were mainly focused on recovering "normality." For example, in Spain, and according to data from the INE (National Statistics Institute), only 20% of companies have thought about implementing actions to transform their business model. Currently, 81% of the 538 executives who participated in this study say that the transformation of their business models and their sectors "is already underway." This transformation will pose enormous challenges to organizations and their leaders, and for which most of the companies surveyed think they are culturally unprepared.

According to McKinsey¹, organizations that are best prepared for the future share three characteristics:

- They know who they are and what they exist for;
- They operate on the basis of agility and simplicity;
- They grow through their ability to learn, innovate, and leverage the best ideas.

We know that transformation is inexorable and that only organizations that can adapt to the new environment will survive—undertaking with determination and agility the transformation of their business model, culture, leadership model, and with it, their Talent Value Proposition (TVP).

We agree that, in the current context, technology becomes both a changing and empowering factor, while the human dimension of the organization represents, this time for real, the great competitive advantage. This is supported by a talent that is curious, that learns, that thinks for itself, that creates and that decides. The moment of truth focuses within the virtual triangle "Culture, Leadership and Talent".

At Kingsley Gate Partners, we often hear many top executives asking themselves the same questions: Why don't I have the people I need? Why don't they want to come to my company? Why are they leaving? Why do I have so much trouble finding the talent I need? Why are young people so "volatile"?

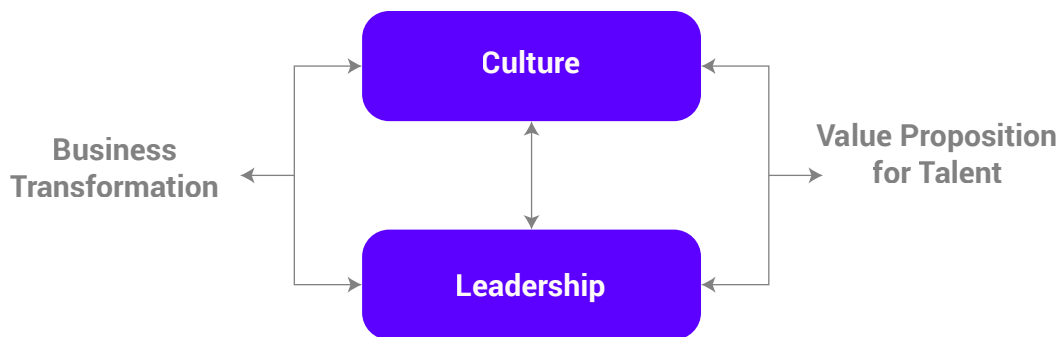
To answer these questions, we decided to conduct an extensive study aimed at uncovering how we are perceiving the transformation that is taking place in our Business Models, Culture, Leadership, and Talent Value Proposition. We are convinced that each of the more than 500 senior executives consulted possess the knowledge—conscious or detected—that allows us to build a valuable state-of-the-art diagnosis per the aforementioned conditions.

¹Organizing for the future: Nine keys to becoming a future-ready company – McKinsey, January 2021



Kingsley Gate Partners has conducted a study involving 538 executives from Argentina, Brazil, Chile, Colombia, Spain, Mexico, Peru, USA, and Venezuela, to understand the impact of the Business Model Transformation Process on the Leadership Style, Company Culture and Talent Value Proposition.

This investigative study is based on the hypothesis that culture and leadership are the two essential axes on any transformation project. These axes share a reciprocal interrelationship that results in a new Value Proposition for Talent as a necessary and valuable response to attract, retain and keep committed an increasingly scarce and restless talent that precisely for this reason, of high value to work on innovation and the creation of new opportunities, should exist without neglecting efficiency and high-performance strategies.



Source: Kingsley Gate Partners

The essence of leadership is managing culture, and the essence of culture is enabling leadership to achieve its full potential. We know that the current business culture models are at an inflection point. On the one hand, disruptive technologies are accelerating the change in consumption habits and business opportunities, while requiring greater agility in the “Go to market.” It requires a type of agile talent that must develop its activity in a different way. But this talent, in turn, demands greater freedom, flexibility and autonomy to work where and when it is most productive, placing a special interest in the pursuit of well-being and in finding a genuine purpose that gives meaning and sustainability to their commitment.

Main Conclusions

1. Transformation is a reality and it is already happening.

81% of the participants believe that the transformation of their company's business model is already happening.

2. It's time to transform the culture!

77% believe that this transformation has a very significant impact on the organization's culture. 84% say that culture is a conditioning or critical factor for the success of the transformation process.

3. Focus on adaptability, creativity, and the way to lead.

Participants identified the organizational and personal capabilities they consider key in this environment: 1) Flexibility and adaptability, 2) Creativity and innovation, 3) Transformational leadership that connects the best talent with the company's purpose.

4. The change in culture will necessarily change the profile of leaders.

The cultural transformation will have a major impact on the profiles and behaviors of the organization's leaders, according to 73% of the participants.

5. Companies still don't have the right leadership to deal with the transformation.

55% of the participants consider it necessary to make a change in the leadership of their organization, aiming to strengthen the essential capabilities for transformation: 1) Strategic vision, 2) Communication skills and flexibility, and 3) Connection with people and credibility of leaders to achieve adherence to change.

6. The Value Proposition for Talent matters—it matters a lot!

72% of the participants highlight the Talent Value Proposition (TVP) as particularly important, considering the following aspects as the most relevant (in order of importance): 1) Culture and work environment, 2) Company reputation, 3) Purpose and values, and 4) Compensation and attractive project.

7. Generational and Cultural Diversity is now even more important than Gender Diversity.

39% of respondents put Generational Diversity as a priority, Cultural Diversity in second place with 34%, and Gender Diversity in third place with 26%.

8. Work is no longer "just" a time or place.

Hybrid models are clearly seen (88% of respondents) as the most appropriate for creating environments conducive to creativity and innovation, as well as value propositions that respond to the preferred format for working on talent that is both essential and scarce.

Different challenges and priorities by country and industry

Analyzing the information in sufficiently representative segments, we find interesting differences in the level of implementation of cultural transformation, both by country and region and by industry. It is also evident that the leadership elements that are considered to be the highest priorities for development, are different in the different segments of the sample:

- **Still far from the ideal level, Iberia and Mexico are leading the transformation. Latin America and Brazil face a major challenge.**

When it comes to culture as a lever to achieve strategic objectives, Iberia with 37% and Mexico with 24% report high alignment between current culture and strategic objectives. Latin America and Brazil are the regions that most need to work on culture change if they want to achieve strategic transformation. ATHENA, Kingsley Gate Partners' culture assessment platform, shows results that are very consistent with those perceived by the executives participating in the study.

- **The technology industry excels at cultural change. Challenge for: Agribusiness, Education, and Entertainment.**

When analyzed by industry, the Technology sector shows the greatest strength in cultural alignment, with 62% of executives agreeing that their companies have the right culture to achieve their strategic goals. In contrast, the Agribusiness, Education and Entertainment sectors report a huge gap between the current culture and the culture needed to achieve company goals. Retail and Consumer Products are at an intermediate level of cultural evolution.

Any transformation inexorably requires a change in culture, but this is only possible if the leader and his management team consistently modify the way they lead, transmitting a "New Leadership Model" the values and behaviors that reinforce the new culture.

Transformation begins with yourself. As Wayne Dyer said, "When we change the way we see things, the things we see change." What are the priorities in leadership development?

- **Strategic vision, flexibility and adaptability, communication and transparency, outreach, and humanity.**

The participants' responses are very similar regardless of region and/or industry, even when we asked the double question, "Which ones are needed in the business world and which ones are priorities in your organization." The conclusion is that in times of uncertainty, leaders who know how to "navigate" with fewer references, and with long-term vision, are more appreciated than ever. But the visionary leader must know how to question himself,

and not be so attached to a single strategic scenario that he neglects the necessary adaptation to emerging changes. He is not a solitary leader, he is a leader who constantly seeks transparent, two-way communication, who maintains a close attitude based on empathy and humanity. Ignoring borders, or the differences between sectors, we are sure that the vast majority of professionals would be engaged and give their best if they had leaders like this.

Why do we call it
transformation when we
should call it disruption?



The labor market playing field has become completely global and hybrid, making it possible to design new organizational models with greater scope and complexity by leveraging these elements. If you can do your job from anywhere in the world, anyone in the world can do your job."

Javier Vidaurreta – People Country Lead Spain - WPP

Although we live in a continuous process of transformation, we are facing a series of disruptive changes, which modify the rules of the game and our vision of business. According to 81% of the more than 500 participants in this study, the transformation of their business models is already happening.

We are basically facing two forces of transformation: on one hand, everything to do with technology/automation/digitization, and on the other hand, its impact on customer/consumer expectations, habits, and behaviors. These two forces force us to constantly rethink our business and do it "from the outside in", while forcing us to keep a

constant focus on innovation. To achieve all this, businesses require different organizational capabilities and talent than more traditional businesses.

Our research into the elements that “trigger” transformation and the capabilities needed to succeed in transformation shows us:

Main Causes of Transformation

(Ordered by Level of Importance)

1. Multiple Technology Platforms
2. Changing Consumer/
Customer Habits
3. Process Automation
4. Improving Customer Experience
5. Cost Optimization



Key Capabilities to Address New Business Models

(Ordered by Level of Importance)

1. Flexibility and Adaptability
2. Creativity and Innovation
3. Transformational Leadership
4. Talent Attraction and Retention

“Intellectual restlessness and exploration of new businesses and new ways of doing things. Flexibility is the key to success. The CEO himself has become an extremely communicative, strategic, and people-oriented leader. An inspirational leader who transforms the culture.”

Antonio Ferreira - Human Resources Regional Director, Latin America - EPSON

Finally, and if anything has changed significantly as a result of the inexcusable global demands of working remotely during the Covid-19 pandemic, it is the experience of working through more flexible formulas, which have become an essential part of the expectations and desires of talent with the ability to choose, and about which this study shows an almost unanimous commitment to hybrid working models, the managers who collaborated in the project see the future of work in their companies this way:

1. Hybrid models, 87%
2. 100% face-to-face models, 6%
3. Hub&Spoke models, 2%
4. 100% Remote models, 2%

The overwhelming support for hybrid models that combine personal interaction with the flexibility of remote work is consistent with a focus on cultures that facilitate creation and innovation, in which personal interaction is important for thinking, ideation, and contrast.

Microsoft WorkLab² already predicted in 2021 the high expectation of flexibility among professionals, showing that 66% of companies were in favor of implementing hybrid work models, and that 46% of workers said they would be willing to leave their jobs if they could not work remotely.

²The Next Great Disruption is Hybrid Work – Are we ready? – Microsoft WorkLab, 2021

How important is Culture in transforming business models?



"We are more efficient in processes, more autonomous and closer to each other, we are more collaborative. Before there was a culture of the CEO making all the decisions, today I can go on vacation and the team works alone. They collaborate a lot with each other. Before I had to give them the ideas, now they come together and come up with ideas, solutions."

Andrés Hecht – General Manager Perú - Taco Bell

77% of the participants believe that the transformation of the business model will necessarily involve a change in the organizational culture, and 84% believe that culture is of great importance as a driver or an obstacle to the transformation of the business model. Based on this data, we can say that there is a consensus that culture can be both a strength and a weakness.

Furthermore, 73% think that organizational culture will have a very significant impact on the organization's leaders, significantly modifying their behavior, thus confirming the importance of alignment between culture and leadership.

When we talk about this "new leadership," and according to McKinsey³, which puts at the center of the transformation not only culture, but also the statement of purpose that "satisfies people's need to feel that they belong and are part of something bigger than themselves," we understand why leaders in this new environment must pay special attention to building and transmitting this sense of purpose.

From these reflections, we link to the key characteristics that project participants consider essential in an appropriate culture to accelerate or consolidate transformation, in order of importance:

1. Agility;
2. Collaboration and Teamwork;
3. Innovation;
4. Flexibility.

Finally, if we previously cited the “Ability to attract, retain and develop talent” among the key organizational capabilities to succeed in their transformation to new business models, recent studies show that for a growing percentage of executives, culture is a top priority when evaluating a potential job change. We are even starting to see more and more candidates requesting a “Cultural Fit Analysis” before deciding whether or not to join an organization. Our ATHENA tool allows us to assess the fit between the candidate’s drivers and those of the organization, their boss, and their peers.

“Demand for results, focus on what can be achieved rather than on effort. According to our climate survey, employees are looking for flexibility and space for each other: more empathy”

Irina Catta Preta - Head of Talent & Culture Brazil - Raízen

What are the differences in the cultural transformation per region?

The process of change is more advanced		Greater need to achieve cultural change	The cultural change still needs work
IBERIA	MEXICO	LATIN AMERICA	BRAZIL
<ul style="list-style-type: none"> • 37% of the respondents believe there is alignment between culture and objectives goals or if you are on the verge of achieving it; • Another 37% believe that the necessary culture is still far from being achieved; • 25% agree that although their organizations have worked to make some changes in culture, there is still some way to go. 	<ul style="list-style-type: none"> • For 24% of participants, there is total alignment between culture and strategic objectives in their organizations; • 27% believe that although some changes are still needed, the culture is still necessary. • On the other hand, 31% agree that they are halfway to reaching the necessary culture, which still needs work; • Finally, 7% believe that there is a total misalignment between the culture and the objectives of the organization’s goals. 	<ul style="list-style-type: none"> • 68% of participants in this region opine that their organizations require certain changes in their cultures in order to act as a leverage to achieve their goals; • 20% believe that there are still necessary major changes needed and that they are far from having the continuity required to drive business change. • Finally, for 11%, their organizations already have the necessary aligned with their objectives. 	<ul style="list-style-type: none"> • 76% believe that it is still necessary to make changes; • For 18%, the organizations are far from having the culture in place; • Only 5% believe that their companies already have the culture in place to achieve strategic goals.

²The Next Great Disruption is Hybrid Work – Are we ready? – Microsoft WorkLab, 2021

“Organizational culture can have a positive impact. And it will depend largely on the commitment of the head of the organization (Executive Team) and the adoption of the ability - objective of adaptation / transformation.”.

José Manuel López – Human Resources Vice President México – Grupo Axo

What are the differences in cultural change by industry?

If we analyze the industry responses, it is clear that some are much more advanced than others in the evolution of their culture as a lever to achieve the strategic objectives and the transformation of their business models. Possibly more recently formed companies, which are not “heirs” to a series of cultural evolutions, are closer to having this culture “right” than those that have tried to transform their culture continuously, and often unsuccessfully, in recent years.

TECHNOLOGY

Strongest in cultural alignment. 62% agree that their company has the culture in place and has made the fewest changes necessary to achieve strategic goals.

RETAIL & CONSUMER

Farthest in achieving cultural transformation. For 40% of the participants, there is some alignment between the organization’s culture and strategic goals. However, changes are still needed. But 19% are of the opinion that there is a total misalignment between culture and objectives in their organizations.

AGRICULTURE


Long way to go. Traditional sectors are working more slowly in the transformation process. 37% feel that their company does not have the culture it should have and that there is still a long way to go to align it with the strategic goals. Only 5% believe that they have the right culture.

EDUCATION

Long way to go. Can be considered a more traditional sector. Almost 100% of respondents in this sector feel that their organizations still need to work on cultural change in order to achieve their strategic goals.

FINANCIAL SERVICES, LIFE SCIENCES, AND MANUFACTURING

Are well oriented. On average, 67% agree that while there is still work to be done, important changes have been achieved in the culture of their organizations, allowing them to chart a good course toward achieving their goals.



How relevant is leadership style in transforming the business model?

"It is very difficult to change behaviors in the short term, this is a matter that is achieved over years. The way to achieve change is for people to feel that what they do differently contributes to the strategy and success of the organization, repeating the behaviors and achieving success through that feeling and repetition. We have already started to drive change with our key leaders under the premise that we have to be aligned, to do things differently in a way that differentiates in the market and helps us compete better and be more integrated with our ecosystem."

Santiago Solanas – CEO, Board Member & Investor Spain – Grupo Primavera

It is often said that things are not said, they are done, because when they are done, they say it themselves. In this perspective, 55% of the participants consider it necessary to consider a change in the organization's leadership team, consistent with the objectives of the business model transformation, experience tells us that success cannot be expected in this process if there is not previously a convinced and aligned top management that behaves in a manner consistent with the desired new cultural values.

We asked the project participants about the aspects of leadership that they think should be strengthened as a priority, asking a double question: we asked both about the priorities in their industry/market, and about those that they consider most urgent in their own organizations. The results do not differ much from each other, which shows that regardless of the sector and organizational model of each company, all companies are in the same process of transforming their leadership, and with very similar goals:

Leadership Traits to Facilitate Transformation

By Order of Priority

Overall

1. Strategic Vision;
2. Flexibility and Adaptability;
3. Proximity and Concern for People;
4. Communication and Transparency;
5. Authenticity and Strong Ethical Values;
6. Consistency and Personal Credibility.

In my Organization

1. Flexibility and Adaptability
2. Strategic Vision;
3. Communication and Transparency;
4. Interest and Focus on Lifelong Learning;
5. Proximity and Humanity.

“Progress can only be made when you think big and look far ahead.” According to this statement the most outstanding trait to drive transformation is STRATEGIC VISION, which together with FLEXIBILITY and ADAPTABILITY and the ability to connect and generate an ATMOSPHERE OF TRUST with people, form a powerful and coherent core of leadership competencies to facilitate transformation:

- Strategic vision, flexibility and adaptability to change;
- Connection and generation of an atmosphere of trust with people that drives creativity and innovation, facilitating work with autonomy and greater agility, behaviors consistent with what talent wants to commit to today.

It is often said that people don't leave companies, they leave their bosses. At Kingsley Gate, we considered it appropriate to explore this commonly accepted assumption and found that 52% consider the “boss factor” of equal importance to brand value, career opportunities, or company size, while 30% attach greater importance to this factor when it comes to attracting and retaining talent. It is therefore crucial in any recruitment to analyze the candidate's fit with the company and its culture, but also with the expectations of the person who will be his or her boss. Our ATHENA methodology allows us to assess the different gaps between the candidate and the company culture, with the expectations of his boss, and with the dynamics between his future “collaterals”.

What differences do you see per region in terms of leadership?

IBERIA

- 32% predominate the requirement of Strategic Vision as a leadership trait.
- 15% consider trust in the teams; and communication and transparency as important.

MEXICO

- 22% consider that there is a predominant need for Flexibility and Adaptability as leadership characteristics.
- 17% consider Communication and Transparency.

LATIN AMERICA

- 36% show an inclination toward the need for Flexibility and Strategic vision as leadership characteristics.
- 14% consider Communication and Transparency.
- 12% consider the focus on Continuous Learning.

BRASIL

- 17% agree that the leadership characteristic most demanded by their organization is to encourage Communication and Transparency.
- 14% believe that the required characteristic is Proximity and Humanity.

What differences do you see in the industry in terms of leadership?

Most Required Characteristics

By Order of Importance

TECHNOLOGY

- Flexibility
- Communication
- Proximity and Humanity

MANUFACTURING

- Flexibility
- Strategic Vision
- Proximity and Humanity

RETAIL & CONSUMER

- Flexibility
- Strategic Vision
- Proximity & Humanity

LIFE SCIENCES

- Flexibility
- Communication
- Strategic Vision

AGRIBUSINESS & EDUCATION

- Flexibility
- Strategic Vision
- Communication

FINANCIAL SERVICES

- Continuous Learning
- Flexibility
- Proximity and Humanity

As you can see, there are no major differences between the different sectors, suggesting that there is a new profile of “approved” leader who would perform successfully in different areas of the economy, so that the more traditional ways of choosing candidates based on “industry knowledge” are giving way to new approaches that are more oriented towards finding leaders with the right mindset and behaviors to manage the talent in their organizations.

Is it time to rethink the Talent Value Proposition (TVP)?



“A different profile of leader is needed, closer to the people, inspiring, empathetic, flexible and people-focused. The PVT is one of the strategic pillars for business growth in the short, medium and long term”.

Jorge García Ramírez – Human Resources Regional Director Latin America - Biogen

It is clear that the significant “disruption” experienced in recent years has had a major impact on people in all areas, causing a rethinking of their lives and careers. As a result, organizations are questioning, more than ever, their ability to attract, retain and engage talent. We are thus entering a second era of the “war for talent” that is not only about attracting talent, but also about managing their motivation, commitment and development, which are the keys to their loyalty.

The shift from “Employee Experience” to “Human Experience” is starting to become a reality. Many organizations are readjusting their policies to ensure that their professionals feel treated as human beings, beyond their consideration as employees, working on trust, closeness and empathy.

From these premises, and anticipating a growing importance of the value of intelligent talent, freed from mechanical, repetitive and recurring activities that will be delegated to robots, is this the time to reflect and reformulate our Talent Value Proposition (TVP)? Are we sure that what we offer is what professionals expect to receive? When about 20% of new recruits decide to leave the organization on their first day of work, shouldn't we try to build and make explicit a new relationship model that more effectively manages the mutual expectations between the company and its professionals? The participants in this project answered very precisely the aspects we need to pay more attention to in this new PVT:

Seventy-two percent considered the Value Proposition for Talent (PVT) to be highly important.

By Order of Priority

Most Relevant Aspects

1. Work environment/culture
2. Company reputation
3. Purpose/values
4. Compensation
5. Attractive project

Aspects to be improved

1. Development/training/career plans
2. Compensation
3. Flexibility/conciliation policies
4. Work environment/culture
5. Attractive design

The “work environment and culture” appear once again as the most relevant elements of the Talent Value Proposition. Recent studies confirm that company culture has become the most relevant attraction factor in the candidate search process across major platforms, with engagements increasing by over 60% with companies that highlight their cultural values in their job offers, and especially when these include flexibility.

Global Talent Trends 2022⁴ confirms this strong desire for flexibility, noting a +83% increase in the number of specific offers that expressly mention flexibility, and a 3.5-fold increase in the number of company profiles that include flexible work as one of the most prominent features of their Talent Value Proposition.

But this is not for free, which is confirmed by the answer to the question about what factors prevent the incorporation of the missing aspects of the PVT in your company, the most frequently cited being:

1. Budgetary constraints;
2. Lack of Awareness of its Relevance;
3. Lack of Management Team Alignment;
4. Lack of Determination to Overcome Internal Resistance.

⁴The Reinvention of Company Culture – 2022 Global Talent Trends - LinkedIn

To conclude this analysis, we explored the priorities on diversity and inclusion as increasingly relevant elements in PVT, with the following results:



It is striking that the dimension of “generational diversity” has risen to the top of the list of diversity and inclusion management concerns. This is probably due to a similar demographic evolution in almost all the countries consulted, which provokes the need to seriously address this aspect in order to have the best talent available, taking advantage of the increase in longevity and life expectancy, overcoming the prejudices that generate age discrimination and limit the ability to get value from the best talent, regardless of the generation to which they belong.



“The employee value proposition is constantly being revised because the market is very dynamic and our business model is evolving and diversifying, so it is necessary to attract new profiles and give different responsibilities to the people who bet on their project”

Javier Castro - CEO BeeDigital

In all countries there is a predominant concern with the Work Environment and Culture, which are the most valued aspects of the company’s value proposition. However, there are different priorities in terms of the aspects to be improved in the short term:

Aspects of Working Short Term

By Order of Priority

Argentina, Brazil, Colombia And Venezuela

- Compensation
- Development/training/career plans

Chile, Iberia, Mexico And Peru

- Development/training/career plans
- Compensation
- Flexibility/conciliation policies

Although the priorities appear quite similar, it is clear that there is a high degree of overlap between countries that are still in the early stages of more sophisticated talent management, and those that have advanced further in this area, making more progress in the “soft” aspects of talent management. As in “Maslow’s Pyramid,” some countries focus their short-term priorities on the most basic or hygienic needs, while others focus on long-term aspects that have a greater impact on long-term motivation.

What differences are observed by the industry in the Talent Value Proposition?

As employees we want everything the company can give us: work-life balance, high pay, training, development... etc. However, what really motivates our people is the impact our business has on society. The project comes first.

Cayetana Pablos - Chief Transformation Officer - ING

Finding hybrid work models that are satisfactory for the company and the employee is a priority objective in most sectors, while there is a high level of interest in factors related to future career: development plans, training, and career models. Our people need a sense of purpose, a connection between their work and the company’s mission, but they also need a sense of professional purpose; they seek to progress; either through technical and specialized training, or through “zig-zag” career paths that allow them to accumulate experience and knowledge. To build loyalty and keep their talent engaged, companies have a clear mission: to unlock the potential of their professionals by giving them opportunities and offering them the support they need to grow.

Aspects that must improve in PVT
By Order of Importance

LIFE SCIENCES

- Flexibility/Reconciliation policies
- Work environment/Culture
- Development plans/training/career
- Compensation

RETAIL & CONSUMER GOODS

- Flexibility/ Reconciliation policies
- Work environment/ Culture
- Development/training/career plans
- Compensation

FINANCIAL SERVICES

- Development/training/ career plans
- Compensation

TECHNOLOGY

- Development/training/ career plans
- Compensation

MANUFACTURING

- Development/training/ career plans

Compensation, which has traditionally been the cornerstone of “attraction and retention” policies, is still present, but it is no longer the essential element of “attraction and retention” proposals. Companies - and their leaders - are becoming more human; they share their purpose with their people, and they have also become aware of the expectations and personal purpose of their people. In a world where talent shortages have diminished the traditional “asymmetry” between employer and employee, relationships are increasingly established as “equals” based on mutual respect for common interests and aspirations.



Transformation & Leadership

Final Conclusions

“Just when we thought we had all the answers, suddenly all the questions have changed.”⁵

By way of summary of the above analysis and the ongoing disruptive changes affecting the business world, we propose the following reflections, which bring us closer to the new questions whose answers are the key to success in an environment that has moved from VUCA to VUCAD (with the D for Disruption):

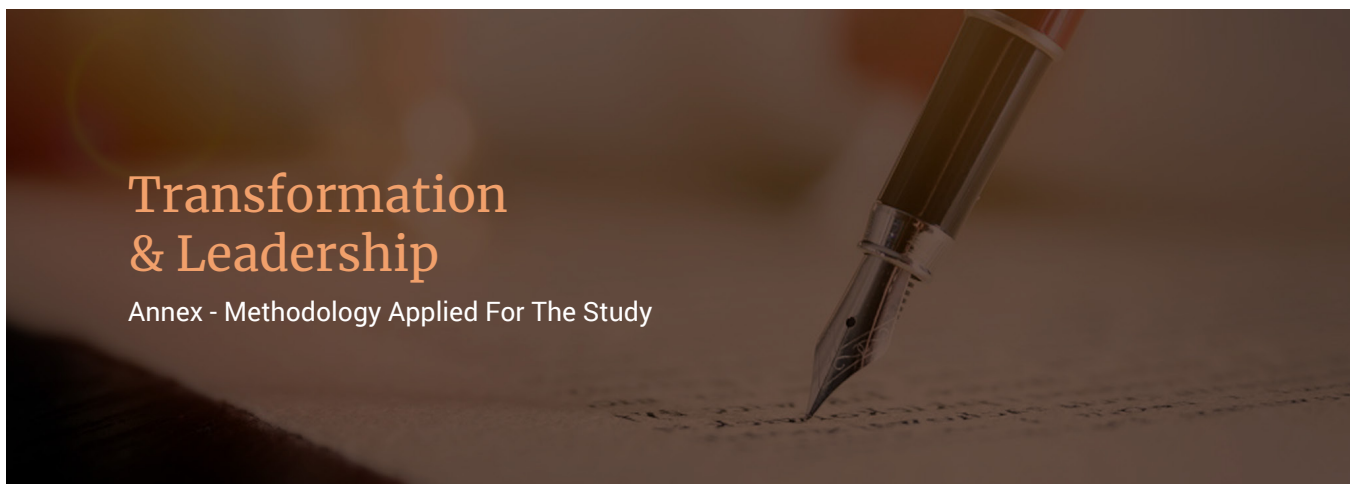
- If the transformation of business models is obvious and imminent, do we have the internal capabilities to stay continuously connected in the technology-customer-market knowledge flow and bring it into our daily business?
- If for this constant connection we need to focus on creation and innovation, do we have the right culture, do we tolerate mistakes, do we value creativity, do we strongly support innovation, and do we strongly support innovation?
- If culture is the result of leaders' behavior, do we have the right leadership for this transformational environment, at both senior and middle management levels?
- If talent is increasingly important, do we have a talent value proposition (TVP) that enhances our ability to attract, retain and develop talent? Do we invest in it?

According to the firm Innosight, the average longevity of companies at Standard & Poor's has gone from 67 years in 1920 to 15 years in 2016, with the average life span of a company expected to be only 12 years in 2027. The survival of our organizations will depend on our ability to successfully respond to the need to adapt, in terms of culture and leadership, to an environment in a continuous process of accelerated change and constant disruption.

Do we have the leaders who question seemingly untouchable paradigms, who question themselves, and who know how to surround themselves with teams capable of facing these challenges?

There is no better time than the present to rethink, beyond our value proposition, the work models, culture and values that inspire them, to shape leadership that connects with the best talents who not only rethink how they want to work, but also aspire to find the answer to the reason for their efforts, to collaborate in environments where there is a genuine sense of purpose, where you can contribute with maximum flexibility and autonomy and in an environment of trust, in an environment where the most human dimension - the “human experience” - is at the center of the relationship.

John Lennon said that “life is what happens while we are making other plans.” In 2021 we were planning to return to normality, to our “comfort zone”, but reality has set in and we find ourselves with the urgency to start a profound transformation, which is already underway and evolving at an enormous speed. Transformation of our business models that has a radical impact on the culture of our companies and the way we lead. Leadership that involves a human dimension that we talked about before, but to which we paid little real attention, and that we now have to develop, because “talent chooses”. We have, without a doubt, a huge challenge ahead of us.



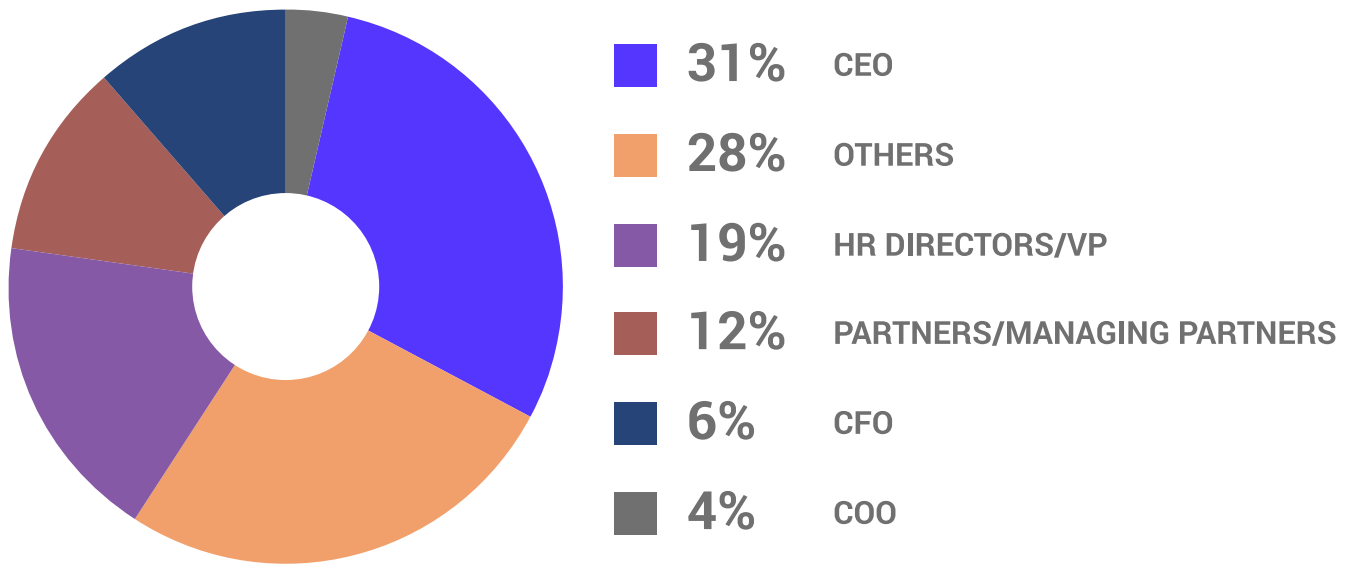
Methodology Applied For The Study

The findings and conclusions of this study are based on information extracted from data collected through face-to-face interviews and online questionnaires. This study involved 538 executives in leadership positions across different functions and geographies.

- The study was conducted through structured questionnaires and face-to-face interviews.

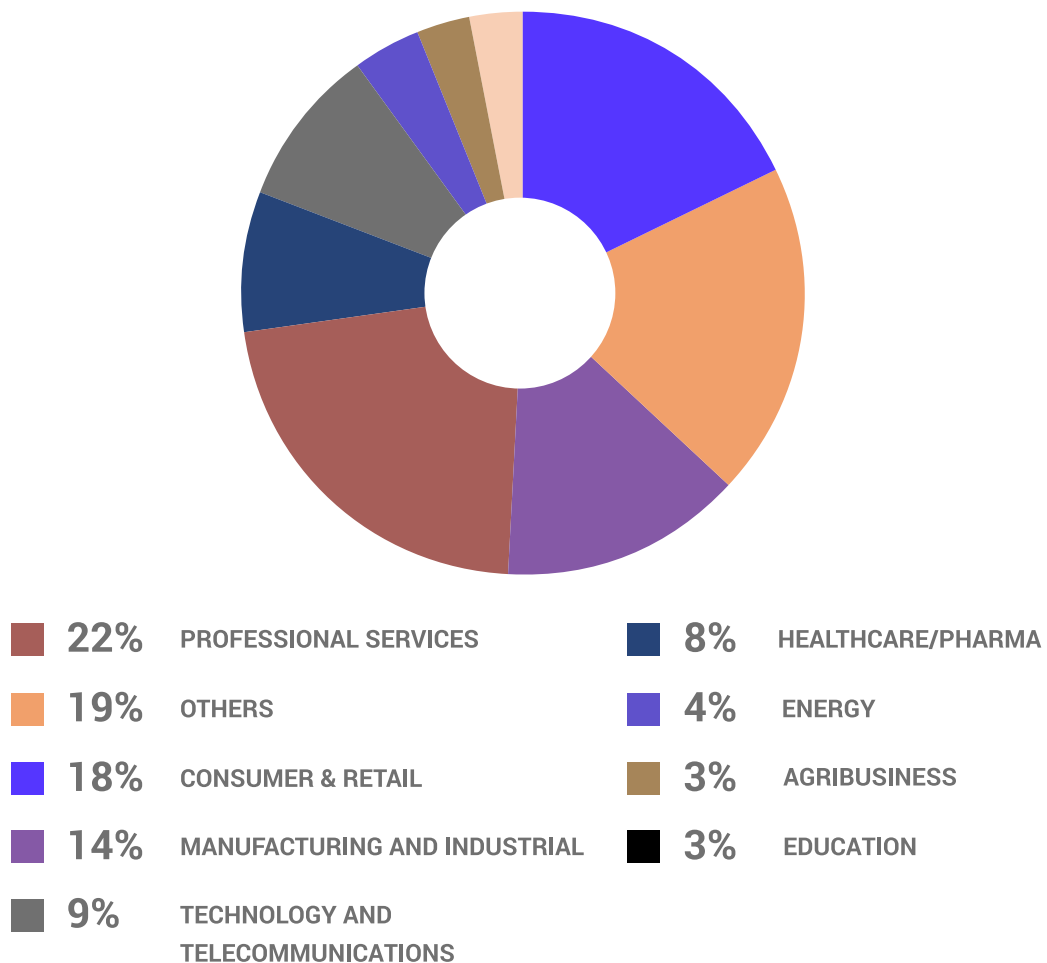
- Regardless of the size of our local operation, we established sufficiently representative samples by country.

Executive Functions



- We also segmented the sample to ensure the representativeness of the different sectors/industries targeted by the study.

Industries



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