LEADING THE FUTURE

THE EXECUTIVE BLUEPRINT FOR SUSTAINABLE SUCCESS

ODGERS BERNDTSON

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INTRODUCTION

Leadership has always been the engine of progress. Today, in an era defined by relentless change and disruption, its importance has never been more evident. Leaders are expected to anticipate challenges, inspire their teams, and deliver tangible results in an environment marked by uncertainty and complexity. To succeed, they must not only adapt but also lead their organisations through transformative change.

This new reality demands more than traditional leadership skills. It requires a strategic recalibration at every level — organisational, team, and individual. Leaders must embrace critical behaviours that drive sustainable growth, while organisations must embed these behaviours into their culture to maintain a competitive edge.

Odgers Berndtson has long been a trusted advisor to leaders and organisations worldwide. Through our expertise in Executive Search, Leadership Development, Organisational Design, Human Resources Strategy, and Corporate Governance, we provide actionable insights that empower top executives to make informed, strategic decisions. Our role is to guide our clients in shaping leadership practices that drive innovation, enhance performance, and ensure long-term success.

Over recent years, we have developed actionable insights across key areas such as Leadership, Organisational Design, Human Capital Strategy, and Corporate Governance. These insights are designed to equip senior executives with the tools to thrive in a fast-evolving business landscape.

The studies included in this book provide a comprehensive framework for addressing these challenges:

• **Leading Disruption:** Captures how top executives navigated the pandemic to create value across stakeholders.

• **Leadership Confidence Index:** Defines the core drivers of leadership confidence and outlines key actions for boards and CEOs to sustain leadership effectiveness, ensuring long-term organisational success.

• **Organisational Excellence Index:** Demonstrates the link between organisational excellence and superior business performance.

• **HR Strategic Transformation:** Examines the evolving role of HR as a strategic partner in driving organisational change.

• **The Importance of Effective Boards:** Underscores how well-structured boards enhance organisational resilience and readiness for future challenges.

We are entering a new era of organisational excellence, where every decision must be driven by a forward-looking vision, underpinned by effective leadership practices and an unwavering commitment to success.

This book goes beyond presenting data and observations. It serves as a strategic guide for top executives **seeking to anticipate challenges, inspire their teams, and deliver impactful results.**

This is an invitation to act decisively, leveraging these strategies to position your organisation for sustained success. The time to lead boldly is now.

Luís Sítima
MANAGING PARTNER ODGERS
BERNDTSON GROUP PORTUGAL
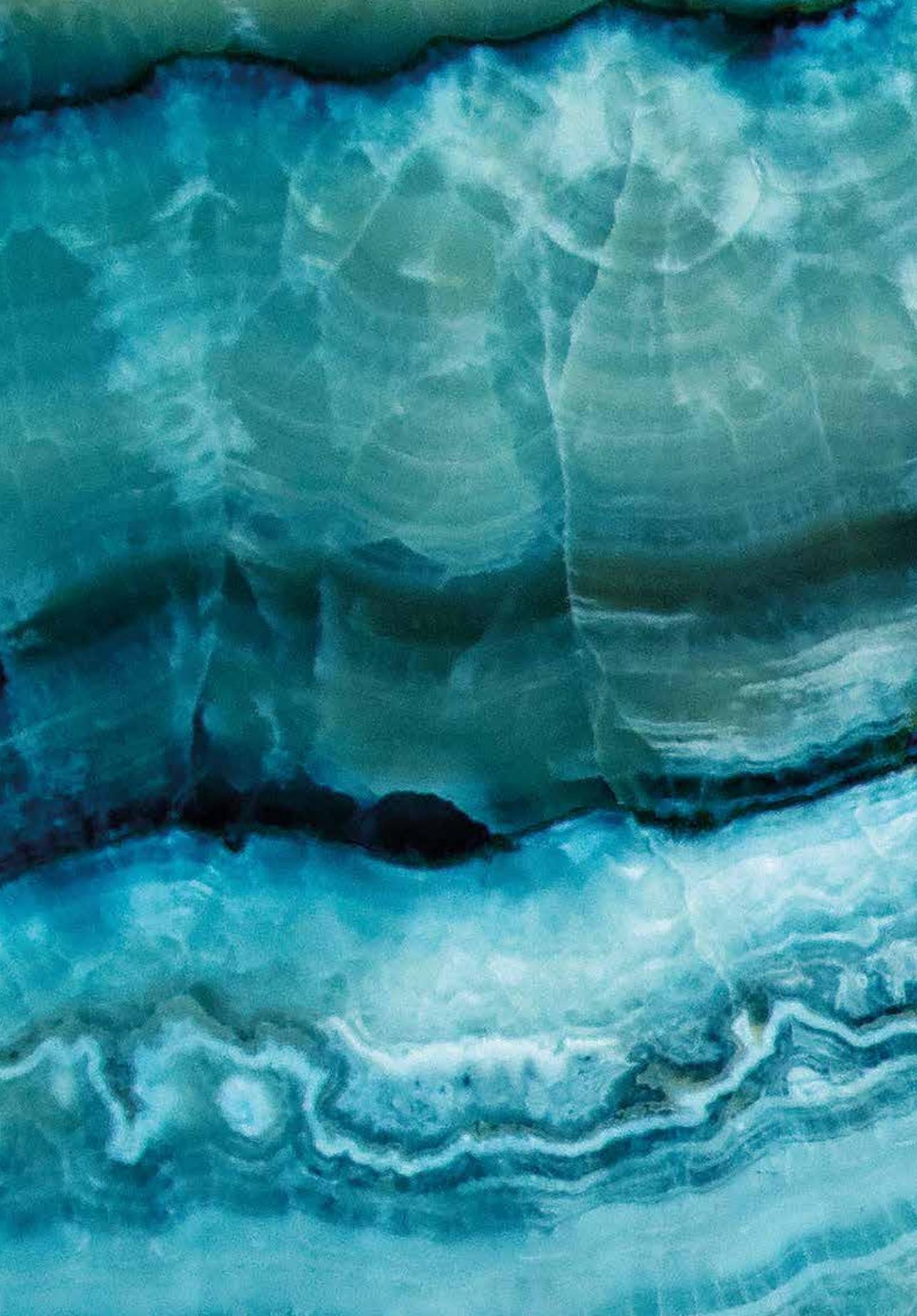
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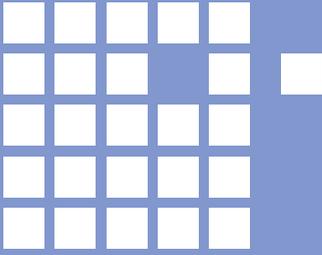
LEADING THE DISRUPTION

MESSAGE FROM OUR MANAGING PARTNER ODGERS BERNDTSON GROUP PORTUGAL

Luís Sítima

MANAGING PARTNER ODGERS BERNDTSON GROUP PORTUGAL

In Chinese, the word "crisis" is composed of two characters, one of which means "danger", whereas the other means "opportunity". The challenge here is being able to turn threats into opportunities.

A recent study conducted by Odgers Berndtson, working alongside Harvard Business Review Analytic Services, illustrates precisely that. Organisations that are prepared for such a disruption

embrace these moments as an opportunity to readjust operational models, and/or capture new profit pools. However, despite 95% of organisations claiming they are prepared to face such a disruption, believing it to be critical for success, only 15% trust that their leadership has the ability to effectively manage this challenge.

The moment we are currently living in is an extraordinary opportunity to accelerate and leverage the development of this capacity within organisations. Despite the fact that we are still in the initial stages of what is called "The New Normal", significant impacts are already being crystallised within the operational models of organisations.

To better understand the specific impacts within Portuguese organisations, we invited 20 CEOs and business leaders to explain how they have been facing the COVID-19 crisis, and, more importantly, how they intend to take advantage of that opportunity to create, or defend, value for their consumers, for their teams, and for all remaining stakeholders.

In concrete terms, we proposed three questions, that summarise key priorities of their strategic programmes:

• How can we reinvent the business in order to face the new challenges proposed by the market, technology, consumer behaviour, and risk management?

• How can we streamline the organisation in order to swiftly and determinedly answer these challenges?

• How can leadership be prepared to adapt the organisation's talent management practices to this new reality?

Naturally, the challenges faced by managers are different, varying from sector to sector, from organisation to organisation, from context to context. Still, we are able to identify a set of common trends that guide their strategy, both in the short and medium term.

We would like to, first of all, thank all 20 CEOs and Executives who shared their insights with us, as we believe that what we have learnt from them provides an important synthesis of the strategic priorities for all organisations, large and small, local and international, aiming to successfully face the enormous challenges ahead, whether in the short or medium term.

How can the business be reinvented in order to face the new challenges posed by the market, technology, consumer behaviour, and risk management?

STREAMLINING STRATEGIC CYCLES: ADAPTING, ACCELERATING, AND ANSWERING THE EMERGING OPPORTUNITIES AND RISKS

Crises aren't anything new. Even within the current golden period of economic development we have been living in since World War Two, there have been multiple economic shocks. However, the past 20 years have shown a trend for greater, more regular, and more structurally impactful crises. The 2008 financial crisis managed to, for the very first time since WWII, reduce global GDP, and the crisis we are currently facing will cause, for only the second time since WWII, the world economy to experience a sharp contraction. The additional aggravating factor is that, in 2008, global GDP contracted by 1.7%, while in 2020, it was estimated that the negative impact exceeded 5%, compounded by a declining global average growth rate. Whereas in the '60s and '70s, the world economy was growing at an average of 4-6% rate, between 1980 and 2010, that growth declined to around 3-4%, and in the last decade, global GDP has been growing at a rate of only 3%. When we look to the Portuguese case, this trend is even more pronounced, with sharper declines and further reduced growth rates.

In short, as economic growth rates decline, creating value becomes increasingly challenging. The greater depth of economic shocks leads to an increased potential for negative impacts, which in turn represents a great structural threat for organisations. The COVID-19 crisis added a new set of challenges, some related to the management of sanitation issues, others with the imposed lockdown and social distancing measures, which resulted in a behavioural change for the consumer and the workforce, with impact at various levels.

It is still too early to rate the strategic impact of COVID-19, but the 20 leaders we interviewed generally assume that the crisis won't force a reinvention of the business. The long-term aims and vision will remain unchanged, but the key questions become how a company can adapt, and even accelerate, its strategic initiatives in order to answer new consumer behaviours, and how to build a balanced business portfolio that allows for successful management of present and future risks. This strategic agility tends to become ever more crucial in the organisation's ability to swiftly react to such changes.

ACCELERATING A CUSTOMER'S DIGITAL JOURNEY: BECOME DIGITAL OR DIE

The growing digitalisation of the economy and business is a reality we have been living with for a long time, but the COVID-19 crisis has made it an even more central concern on the strategic agenda of organisations, accelerating initiatives aimed at addressing the new digital behaviours exhibited by consumers.

" Older people have become more digital, and younger people have gained access to tools that allow them to consume more quickly, effectively, and globally. The lockdown period led to, across different age groups, an increased demand for ease in remote searching and purchasing, delivery timing, presentation, and the safety of delivered goods, which I believe to be crucial, and to which the market and companies must respond. "

Rui Ferreira
Super Bock Group CEO

The restrictions on movement forced consumers to readjust how they choose, buy, and receive goods. Aside from existing restrictions, the uncertainty regarding how deep and how long the crisis would last generated a downturn in consumption. The consequence of this shift was the acceleration of the digitalisation of the customer journey, with a focus on e-commerce. Restaurants became 'Uberised', schools went online, and banks are in the process of 'going Amazon'. Companies whose business focused on sales through physical locations and channels reallocated their resources to meet these new circumstances, in sectors as diverse as insurance, drinks, and healthcare.

In just a few days, the Super Bock Group created its own online store, establishing a direct sales channel with consumers. Lusíadas Saúde Group implemented and scaled up its virtual consultations in just a few weeks. Tranquilidade/Generali is broadening its presence within ecosystems that allow it to diversify its consumer contact points, achieving a broader role than the one traditionally followed by the sector.

ADAPTING AND ACCELERATING STRATEGIC INITIATIVES TO RESPOND TO EMERGING OPPORTUNITIES OR RISKS

The downturn in activity, felt in various business sectors, forced organisations to focus on the continuity of their operations. This focus had a very strong operational aspect, but also led to a need to generate and save cash, so that companies could gain some financial management flexibility, both in the short and medium term. In order to achieve this, many companies readjusted their priorities, choosing to focus on immediate demand products.

" The COVID-19 pandemic led to an acceleration of several trends we had been observing for some time. I believe that the most noticeable change can be found in consumer behaviour, notably when it comes to the use of digital channels, an area in which Portugal still shows low market penetration. In Fidelidade's case, which has an omnichannel strategy, this evolution translated into leveraging online channels, not only as a tool for consultation and information, but also as a sales channel. "

Rogério Henriques
Fidelidade CEO

Hertz is a business where demand is heavily dependent on tourism, and specifically, on the demand for rental cars at airports. With the forced closure of borders and air traffic, the company refocused the core of its activity, from private cars to company vans. The surge of e-commerce resulted in the scarcity of delivery capacity for logistics companies, and this became an opportunity for Hertz, due to the previously mentioned refocusing of its activities. Betting on a traditionally less relevant business segment allowed the bolstering of cash flow generation. In just a few short weeks, ISQ created its new Covidout service, which allowed the identification, analysis, evaluation, and treatment of the transmission risk of SARS-CoV-2, helping companies prepare their return to physical locations.

Parallel to this, we witnessed the creation of new opportunities by accelerating already existing initiatives. The changes observed at societal, economic, technological, and several more levels generated significant opportunities for value creation. In Sovena's case, the crisis validated its decision to build a sustainability-focused production model. Efacec, one of the premier national exporting companies, facing a growing trend of protectionism in the local market, reiterated the existing opportunity to reshore its activities to

Europe to provide better and more agile responses to the specific needs of each country, while simultaneously developing new partnerships and local networks.

> "Sovena, with its cooperation and transparency-focused leadership, promotes flexibility, the ability to change, and an orientation towards results in its talent management practices, thus preparing its employees for the challenges of an ever-changing world."
>
> **Jorge de Melo**
> Sovena CEO

In 2018 Semapa created Semapa Next, their venture capital unit, and the following crisis only reinforced their commitment to what is now known as the fourth industrial revolution and, as an example, made a significant investment in one of the most promising Portuguese technologies in the area of artificial intelligence, DefinedCrowd.

" The need to be more agile was the big evolution we have felt these past months. This means, more agile when it comes to seeing new trends, more agile in understanding new scenarios, and more agile in our ability to respond to these changes. "

Ricardo Pires
Semapa CEO

Whether by adapting or accelerating strategic initiatives, the crisis reinforced the need to manage shorter strategic cycles in an agile manner, while maintaining a focus on long-term objectives and effectively managing the present to accelerate future progress.
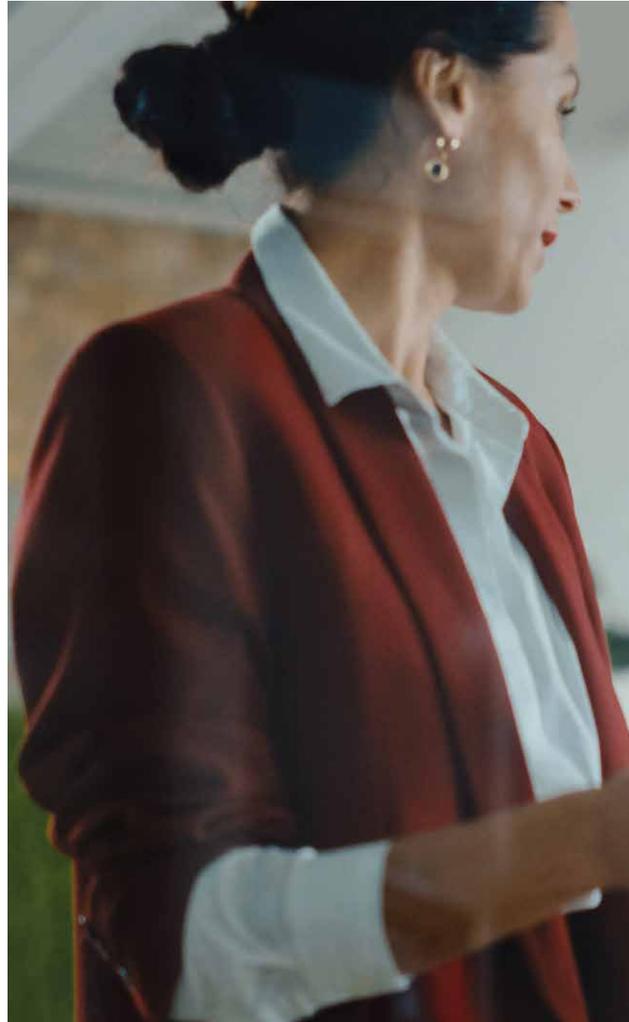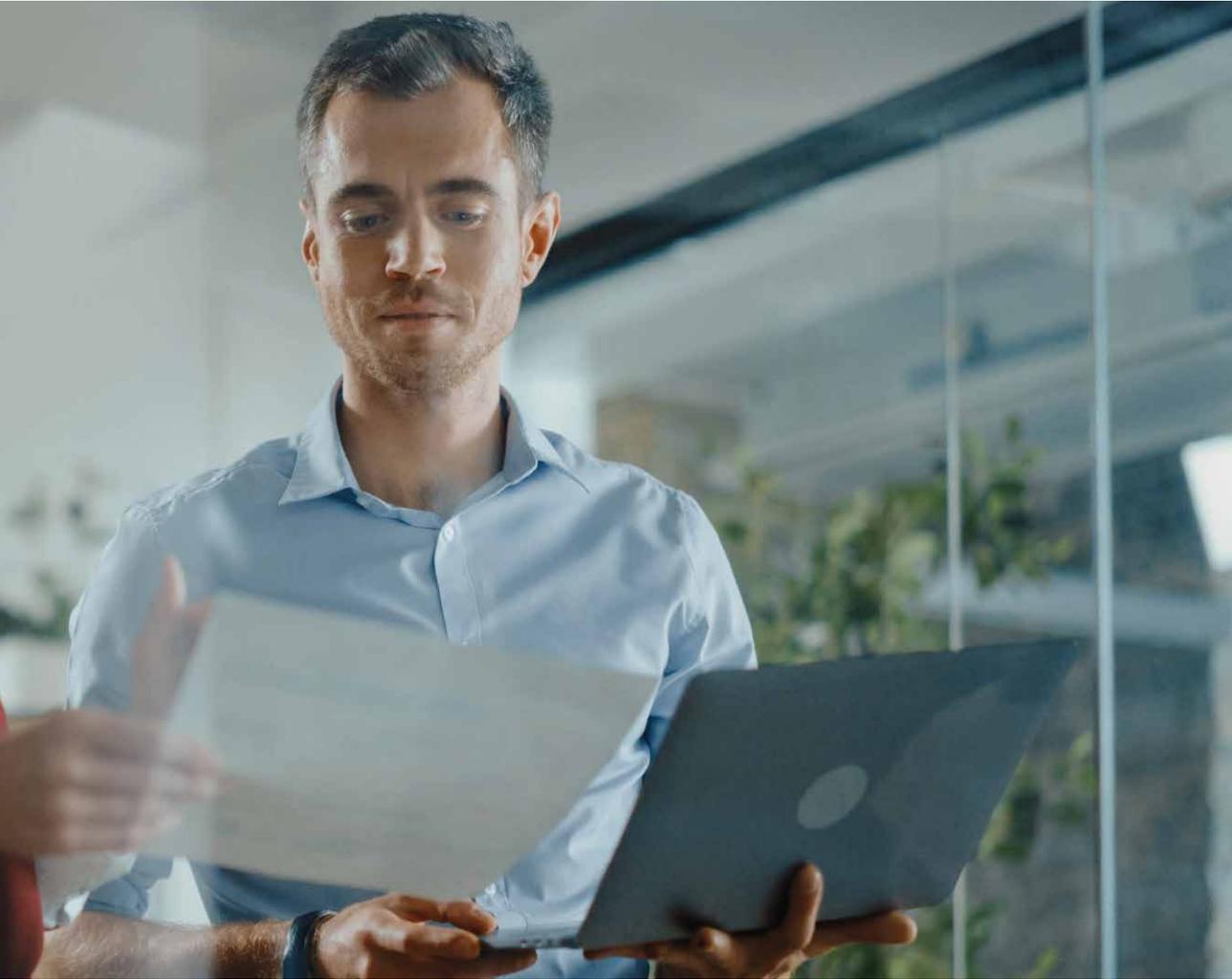
How can the organisation be streamlined in order to quickly and decisively respond to these challenges?

AGILE AND DECENTRALISED ORGANISATIONAL ECOSYSTEMS: THE PRIMACY OF SPEED AND COLLABORATION OVER COMMAND AND CONTROL

For most organisations, the development of a new service, the creation of a new product, opening a new shop concept, or changing/ simplifying a work process requires a very structured action plan, many work meetings, and the involvement of countless stakeholders in an excessively bureaucratic decision process. Throughout the pandemic it became evident that these processes, which might have taken months otherwise, could effectively be executed in just days or weeks. The seemingly impossible became a common practice, proving that, when forced to change, we simply adapt.

The need to prepare organisations to react more swiftly to unexpected events demanded a new approach to their modus operandi. The only way to respond to shorter strategic cycles is by equipping the organisation with agility and speed, which validated the long-standing management theory that reality, almost instinctively, favours speed over control. Empowerment replaced centralisation, collaboration supplanted verticality, simplicity reduced bureaucracy, and productivity triumphed over physical presence.

Our interviewees unanimously agree that this new reality has been a success and that the next big challenge will be perpetuating or even accelerating this new dynamic into a new normal.

DECENTRALISING DECISION-MAKING AND EMPOWERING STRUCTURES

Most organisations recognise that timing is increasingly becoming a competitive factor. However, companies with more vertical structures tend to miss this opportunity for agility due to increased hierarchical levels and the presence of bureaucratic, time-consuming decision-making processes. Now, more than ever, it's essential to prioritise swiftness over control, and swiftness requires not only decentralisation and autonomy in the decision-making process, but also a more entrepreneurial mindset, as well as greater risk-taking. There are many examples reported at this level, and here we highlight two trends that may very well have come to stay, and which will significantly change the operating dynamic and the decision-making process of organisations in the future.

> " From a decision-making culture perspective, we are focusing our discussion on the 2-3 key topics for each decision, and discarding the non-essential, thus avoiding recurring iterations and delays. "

Carlos Santos
Nuvi Group CEO
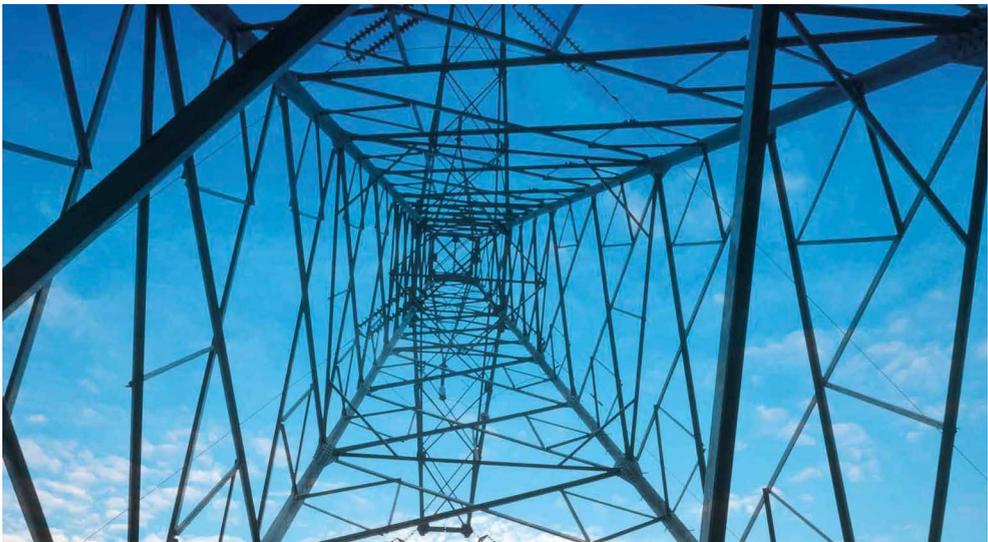
The first results in closer-to-client structures, leading to an acceleration of their empowerment, easing their reactions, and improving decision-making swiftness in relation to market needs. This is a trend that might significantly impact the reduction of organisational layers, an increase in control spans, a reassessment of accountability models, and even the re-evaluation of the role of middle management. Sonae Fashion challenged its structures to find new solutions to reach consumers. In just three days, they reopened over 50 Mo stores in Portugal, achieving record-breaking revenue levels. The newly granted autonomy to store managers was a decisive factor in this process. Nuvi Group is revising its organisation at the levels of delayering its hierarchy, increasingly making its functions more flexible, as well as generally simplifying the organisation. Decisions are increasingly made based on critical and essential data, thus mitigating the analysis paralysis that affects so many modern companies. In Saphety's case, the focus now lies on internal entrepreneurship, so that whenever a good idea is born, the company is capable of incubating, supporting, and accelerating its growth.

The second trend sees a revision of the role of corporate centres. Companies such as Ascendum and BA Glass showed heightened awareness that the corporate centre neither needs to nor should be fully aware of and in control of all local realities. This shift enabled the decentralisation of the decision-making process, resulting in greater speed and agility in responses, allowing the organisation to adapt by offering tailored solutions to different regions. This approach empowered businesses and facilitated a more dynamic, entrepreneurial, and effective response to the pandemic. The corporate centre's role changed, no longer being a decision centre, but rather a communication facilitator while also sharing good practices between different countries.

COLLABORATE, REDUCE AND DIGITALISE BUREAUCRACY

Swiftness and decentralisation call for enhanced collaboration between different areas and for streamlined, less bureaucratic processes. Thus, the focus switches to the creation of a collective intelligence, swiftly and effectively connecting different structures and competencies, so that problems may be solved and specific realities addressed. The functional nature of organisations is, and will continue to progressively change, with 'wiki' organisations increasingly becoming a reality.

This dynamic requires cooperation, as well as being able to break down functional silos that still exist within companies and, in order to achieve this, organisations increasingly opt for creating more multi-functional teams on a more operational level. Fidelidade started this transition through the introduction of agile methodologies in their IT area, and managed to reduce project delivery time by 2 or 3 times. The success shown by this initiative led to this new work philosophy being extended to other departments, where closer to the end customer multi-functional teams work together in order to solve concrete issues.

" We have focused on the extensive creation and use of methodologies such as design thinking and agile, in order to promote consumer centricity, swift experimentation, and data-based decision-making. This approach has been fundamental in changing not only our mindset, but also the way in which we develop our projects, how we have grown to be more experimental and risk-taking, and it has also given us more agility with regard to decision-making. "

Miguel Matos
PMI Belgium Managing Director

In order to complement more traditional hierarchical models, EDP is developing hybrid management models, based on having more flexible and dynamic project teams. Parallel to this, it has increased its commitment to technologies, systems and tools, such as a more intense use of cloud, the adoption of agile methodologies, as well as utilising minimum viable projects, aiming to create solutions that solve problems more swiftly.

Simultaneously, there has been an urgent desire to reduce bureaucracy through the adoption of paperless approaches, as well as the automation of processes through the use of robots and chatbots. Philip Morris/Tabaqueira has taken advantage of the ongoing reinvention of its business model to test and implement digital resources in its work processes, focusing on AI and data-driven decision-making tools.

THE NEW PHYGITAL "WAY WE WORK"

40 minutes per day. 150 hours per year – that is the average time spent in traffic by a Lisbon or Oporto-based worker. Globally, it makes for over 500 million hours spent on cars, motorcycles, and public transport. This is one of the most basic examples of how so-called remote work can lead to efficiency gains, as well as to the improvement of pollution indicators in cities.

Many debates and studies have been conducted regarding the virtues of remote working, as well as its issues and limitations. For workers, remote work represents greater flexibility, less time spent on commuting, and the ability to spend more time with their family; for companies, it might lead to reduced office costs, gaining access to talent pools located in distant geographies, and a greater focus on tasks that matter. On the other hand, there remain questions regarding how to guarantee productivity levels, personnel development, and the challenges of creating a remote organisational culture.

> "Office dynamics have been one of the most discussed topics, and future approaches will largely depend on the nature of the activity and the type of job. Call centres – an individual task that prioritises focus and does not rely on interpersonal interaction – will inevitably transition to remote work models, and we have already observed examples of significant productivity gains."

Luís Reis
Sonae Universo CEO

When the COVID-19 pandemic was at its peak, around 50% of European workers adopted remote work. The results were remarkable, with various studies showing that over 80% of workers experienced productivity increases. Additionally, they were 30% happier compared to working in the office, and 60% preferred to continue working from home.

For the majority of our interviewees, there is no doubt that there is no going back to the past, that this is an irreversible movement. There are already studies showing that, in the future, there's a strong possibility that 50% of workers will exist in an ecosystem balanced between the office, home, and other places. Adding to this, the creation of tools aiming at reducing internal bureaucracy, by means of digitalising the decision-making process, has already achieved somewhere between a 40% and 50% reduction in decision-making time.

Such a solution will depend on each company's workforce profile, technological infrastructure, the inherent risks of each function, as well as other factors. However, regardless of its final configuration, there is great potential for increased company agility and enhanced worker well-being, and this must not be wasted.

Such a shift demands that companies change their management practices, both at the communication and collaborative levels, so that companies and workers are able to deliver quality results effectively and on time.
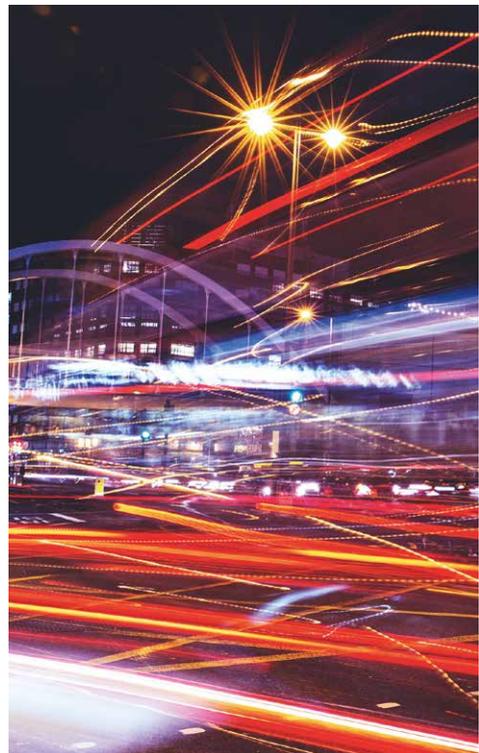
How can leadership be prepared to adapt the organisation's talent management practices to this new reality?

A NEW LEADERSHIP PROFILE, AND PEOPLE MANAGEMENT CENTRED AROUND... PEOPLE

The past few decades have shown that technology changes faster than strategies and organisations, and that, in turn, strategies and organisations change faster than people's behaviour. This lack of alignment in the rate of change leads to significant gaps in the speed and effectiveness of their implementation and, for this reason, it is said that "culture eats strategy for breakfast". A recent study conducted by Odgers Berndtson has shown precisely this: 58% of organisations state that the greatest barrier to disruption management is people's resistance to change.

What the COVID-19 crisis has shown, and in a much clearer way than previous crises, is that whenever all rhythms of change are aligned – technology, strategy, organisation and people – its results can be truly extraordinary. Whenever change is imposed by uncontrollable external factors that create a palpable sense of urgency, people adapt swiftly. In more

"buzzworthy" terms, you might say they become more "agile" themselves. Agents of change emerge, passive elements become proactive, and sceptics get confused, and in some cases even become converted, given the evidence of results.

Generally, all our interviewees have emphasised the importance of being able to change people management, leadership behaviours and mindsets, in order to be better prepared to, in the near and far future, be able to respond to disruption challenges. This moment was a great opportunity to accelerate this transformation. Plainly stated, it has never been easier, quicker, or more effective to change.

Two trends have been particularly highlighted in order to successfully perpetuate these critical effects within organisations: a new leadership profile; and a more personal way of managing people.

A HUMBLER, BRAVER, MORE AGILE, MORE INCLUSIVE AND MORE WIDESPREAD LEADERSHIP PROFILE

" Leadership will become more widespread, and the responsibilities of leadership will gradually be shared more broadly within the organisation, with people being able to identify opportunities, take risks, make decisions, develop teams, and mobilise their co-workers. "

Carlos Moreira da Silva
Entrepreneur

Of all the points summarised here, the shift in leadership skills stands out as the one that fosters the greatest convergence among the 20 CEOs and business leaders interviewed. Leaders who, in recent months, proved to be more effective distinguished themselves through their ability to adapt to new realities, their courage to take risks, a faster decision-making process, greater tolerance for errors, and the humanity shown in how they lead and inspire those around them. Resilience, along with the ability to maintain focus on the bigger picture and think strategically, proved to be just as critical as the capacity to manage and motivate teams in a physically distant context.

Schréder's case is an illustration of a company that defined the core characteristics of its managers – humility and team-serving leadership – and also invested in proximity and role-modelling in order to develop these skills throughout the past months.

" The desired organisational changes require workers who are ready for change, and in this regard, worker empowerment becomes critical. This empowerment will only yield the desired results if workers are prepared for this transformation. Reskilling and upskilling workers in digital skills, data analysis, and new ways of working will be crucial, just as multidisciplinary team management will be essential for leadership. "

Pedro Carvalho
Generali/Tranquilidade CEO

As one might expect, this new context has uncovered countless hidden talents, some of them true revelations. We are certain that the past few months were a golden opportunity to identify leaders who were capable of showing resilience, courage, and impact, as well as those who, conversely, were disappointing in their roles, mostly due to clinging to traditional leadership behaviours, and resistance to adopting this "new management and leadership style".

However, it wasn't simply a new profile that proved to be more effective in managing this disruption, but also the effects of this necessary decentralisation and empowerment of decisions, which led to a more shared type of leadership, rather than one focused on the top. This decentralisation of power, the increase in accountability across the organisation, when combined with greater connectivity between functional and project teams, tends to demand leadership behaviour at every level of the organisation, in what we call "widespread leadership". This across-the-company leadership mindset must be present in an increasingly wider proportion of organisations.

A MORE PERSONALISED PEOPLE MANAGEMENT: MANAGING PEOPLE RATHER THAN RESOURCES

Each person experienced this moment in their own way, and we dare say that organisations have never before developed such a deep, systematic understanding of each individual's needs and characteristics. Generally, people responded positively. This is a dynamic that, if it lasts into perpetuity, will completely change the ways in which people are managed in organisations, accelerating many of the trends that had long been proclaimed.

> " We are focusing on developing talent with systematic reasoning to optimise operations, alongside disruptive profiles that will shape the future, guided by a leadership matrix that values belonging, responsibility, and a drive for change. "
>
> **Luís Drummond Borges**
> Lusíadas Saúde Board Member

> " I emphasise the need for leadership to be aware of the movements emerging worldwide, which point us towards policies centred on worker satisfaction and have the potential to enhance productivity. Notable examples include continuing remote work or reducing the workweek to four days. "
>
> **Ângela Vieira**
> Ascendum Executive Board Member

For the majority of organisations, the pandemic created the need to deal with "the person", rather than "the worker". Before the economic crisis, there came the public health crisis. Before anxiety at work there came the fear for public safety. Before job satisfaction there came adapting to new ways of working. And before competitiveness came a collective sense of solidarity.

Firstly, the greater knowledge and information regarding each worker, not limited only to their professional side, but also to their human dimension. Secondly, their developmental experience and journey must be personalised, with more customised

value propositions in order to meet their real needs.Thirdly, greater trust, challenge, and empowerment must be present in the decision-making process and in how their development is managed. Fourthly, in a more proactive way of managing their needs, aspirations, and talent, with far more regular monitoring of their motivations and opinions. Lastly, in the way diversity of profiles is fostered and developed.

" The experience we are currently undergoing as an organisation prompts us to reflect on our Employee Journey. It shows us that we must adapt it in a tailored, informed, and inclusive way. By embracing flexibility and new asynchronous work models, we can enhance collaboration while supporting a better work-life balance. "

Cristina Campos
TOP Health Founder and
Novartis Former CEO

We are all aware that having the right person in the right place at the right time has a significant impact, and that the opposite is also true. The COVID-19 crisis, like every other crisis, exponentially increased the differences between people, and accentuated this need for the right person. It also came to highlight that, when treated in a transparent, humane and inclusive way, people will respond in an extraordinary way. But again, the opposite is equally real.

These disruptive contexts accelerate a "war for talent", and the challenge of remote work, where one person can work anywhere for any organisation, highlights this global demand. Organisations that show themselves more capable of managing each worker's individuality will be the ones that will succeed in attracting and retaining talent, coming out of this battle greatly strengthened, but, for the vast majority of them, such a thing will demand that their management practices be deeply changed.

What now?

FINAL MESSAGE: DISRUPTION, THE NEW NORMAL

Disruptions are nothing new, but the last few decades have shown their trend to become more frequent, more global, and more impactful.

By sharing the experiences and insights of 20 national leaders, we hope to gain some valuable lessons to guide an organisation's transformative agenda, not only in response to the current disruption, but also to future challenges.

An agenda focused on the acceleration of strategic cycles, the implementation of more decentralised and agile organisational ecosystems, and on the development of new leadership skills capable of answering the following seven key questions:

• Are we adapting and accelerating our businesses in order to address emerging opportunities or risks?

• Are we developing businesses that enhance the digital customer journey?

• Are we decentralising the decision-making process and empowering structures in order to

achieve a faster, more agile response to market needs?

• Are we promoting a collaborative, de-bureaucratised, and digital organisational ecosystem?

• Are we effectively preparing our "Way of Work" for a phygital context?

• Are we attracting, retaining, and developing a more humble, courageous, agile, inclusive, and widespread leadership profile?

• Are we adapting our talent management practices to a more "personalised" type of management, focused on the person rather than the resource?

Many of these concepts aren't truly new for most organisations. However, the question lies in whether we view them as a strategic priority, and whether we accelerate their implementation.

We are at the start of a period of transition that must be prepared for. However, the challenges we

faced in the past months, and most organisations' responsiveness, show that such an undertaking is possible.

In his book, *Good to Great*, Jim Collins stated that the best strategy for facing change is to have a "bus" filled with adaptable people, capable of achieving a brilliant performance regardless of context. "First Who, Then What".

Never before has having the right people made all the difference... but the opposite is also true; the need for them became clear when they were absent.

The conversations we had with CEOs and business leaders made it clear that their organisations had the capacity to adapt to this new context. We believe that the greater share of this success comes as the result of having the right people in the right place, meaning, in business-critical functions. It was they who showed the strategic agility to focus on a digital consumer, develop new products, and start building an operational model capable of facing and even embracing disruption. It is they who are now implementing a new, more decentralised organisation, around a more cooperative operation, with the new phygital "Way We Work."

The key to materialising this transformation lies in the ability to align the rhythms at which technology, strategy, the organisation, and people are changing. The collaboration of the CEO-CTO-CHRO triumvirate will increasingly become the determining factor in leading all this process.

In brief, the disruption pushed by COVID-19 provides both new challenges and an extraordinary opportunity to accelerate transformation, and this is an opportunity we mustn't lose if we wish to come out stronger from this challenge. Those who are able to achieve this will win the battle against the virus!
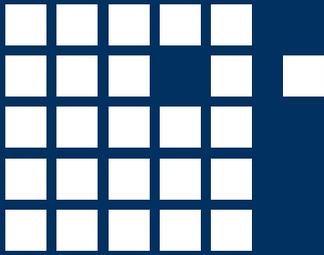
LEADERSHIP CONFIDENCE INDEX

MESSAGE FROM OUR GLOBAL CHIEF EXECUTIVE OFFICER

Kester Scrope

GLOBAL CHIEF EXECUTIVE OFFICER
ODGERS BERNDTSON

Four years ago, just 24% of executives had confidence in their leaders. This crisis of confidence conveyed a clear message: the majority of leaders lacked the ability to face the world's most disruptive forces.

But four years on and the picture is very different. COVID-19 galvanised the global cohort of business leaders. Faced with a crisis the likes of which have not been experienced in recent history, many have been seen to have rallied, adapted, and ultimately succeeded in leading their organisations through turmoil.

Now, 42%* of executives have confidence in their leaders. While this is still less than half, given the extent of the pandemic and its acute impact on global economies, we believe this is very significant progress.

" Organisations which have confidence in their leaders outperform those which don't "

*Source: Odgers Berndtson and Forrester's Leadership Confidence Index 2022 Methodology.

Organisations which have confidence in their leaders outperform those which don't, most notably by attracting and retaining the best talent. Understanding where this confidence comes from, how it can be maintained, and how it can be lost are therefore critical to long-term success.

Technology, ESG and I&D, and preparation for the future are at the heart of this. Those leaders who genuinely understand which technologies to invest in, inspire greater confidence. Those leaders who are delivering real change on ESG and I&D promises and demonstrating a strong sense of purpose, have more engaged and subsequently more confident workforces. And those leaders who are seen to have the resilience and agility to embrace further disruption will be viewed with more confidence by those they lead.

This Index unpacks these areas and provides leaders with key insights into the current trends in leadership confidence.

EXECUTIVE SUMMARY

It's four years since we released our first Leadership Confidence Index (LCI). That report, built from an extensive global survey of executives and board members, showed that confidence in leadership was severely lacking in all but 24% of organisations.

Today, the picture is very different, and leaders are perceived to be significantly better: 42% now have confidence. This is great news, but understanding why this is the case will help provide the needed focus on what is most important for boards and CEOs, as they navigate into the future.

The most fascinating aspect of this report is that we are talking about the same leaders. Over the last four years, there has been no discovery of a new and magical way of leading. The question then is: what has changed, and how do we ensure this new-found confidence in leadership continues?

The data from this survey comes from an extensive questionnaire, completed by 1,100 executives and board members from around the world. These executives come from a broad spectrum of industry sectors and organisational scale.

Some of the survey questions were about simple facts (revenue, employees, growth percent, industry, etc). The rest were subjective questions to assess every measure of effective leadership.

Ultimately, 'confidence in leadership' is subjective, but it is right at the heart of attracting, engaging, and retaining the best talent. When companies get this right, they dominate their markets. If they get it wrong, they struggle, and the simple fact is poor leadership is the cause. This *Leadership Confidence Index* shows us how boards, CEOs and other executives see their own leadership effectiveness as a team.

Four clear trends stand out when we compare the data to the survey taken four years ago.

LEADERS ARE PERFORMING BETTER THAN FOUR YEARS AGO

COVID-19 brought a crisis to every leader and they had to quickly adapt to unprecedented conditions. At the two extremes, the pandemic brought opportunity for some, while others needed to focus purely on survival. Either way, the crisis meant it was no longer business as usual and leaders had to decisively realign their management teams with a new and clear purpose. We believe that leaders got to show 'what they are made of' in this crisis and that brought a new level of alignment and engagement. It's not good news for all companies though and the data clearly spells this out in the next section.

ATTITUDE TO TECHNOLOGY HAS CHANGED

Most companies accelerated technology adoption during COVID-19 because of an immediate need to avert operational crisis. Employees were naturally more accepting of change because the need for change was obvious to them. The typical resistance to change disappeared and progress was quick. This signals a significant 'mindset' change as technology becomes the enabler rather than the disruptor. The data shows how many companies have continued to grow since the start of COVID-19 and claim to be market disruptors. The flip side to this, is that most of our respondents do not believe the executive teams are equipped to make effective decisions about technology.

DIVERSITY AND SUSTAINABILITY ARE NOW CENTRE STAGE

The data shows that there is greater confidence in leaders regarding their actions and engagement with progressing the diversity and sustainability agendas in their companies. However, the real progress made is not aligned with the confidence score we got, which points to more talk than action. That confidence will tail off quickly if the promises are not met. Purpose and place in society for a company is now higher than ever in the minds of employees, who will vote with their feet if they lose the belief that their companies are doing the right thing.

THERE IS MORE DISRUPTION TO COME

In our last survey, nobody was planning for a global pandemic and fast changing technology was seen as one of the most significant disruptors. Today, the view of what will be the future disruptors is very different. What's clear is that just about everyone expects more, rather than less disruption... but most believe we are now better equipped to handle it.

The strategy firms have written endlessly about how to take advantage of disruption as opposed to seeing only an ominous threat on the horizon. Over the last four years, every company has had no choice but to deal with the biggest and most immediate disruptor faced by this generation. The data in this report offers some clear pointers on the differences between what the thrivers are doing, and the strugglers are not.

THE BUSINESS ENVIRONMENT HAS CHANGED **OVER THE LAST FOUR YEARS**

HOW HAS YOUR ORGANISATION'S ANNUAL REVENUE CHANGED IN THE PAST FOUR YEARS?

PREFER NOT TO SAY

NOT APPLICABLE: DO NOT HAVE COMMERCIAL REVENUES

3%

2%

16% GROWN MORE THAN 30%

3%

DECREASED MORE THAN 30%

5% DECREASED 10%-30%

5% DECREASED 5%-10%

3% DECREASED LESS THAN 5%

8% REMAINED FLAT

10% GROWN LESS THAN 5%

24% GROWN 10%-30%

21% GROWN 5%-10%

10% LOW

45% MEDIUM

45% HIGH

HOW SIGNIFICANTLY HAS YOUR ORGANISATION BEEN IMPACTED BY DISRUPTIVE FORCES OVER THE PAST FOUR YEARS?

LEADERS ARE PERFORMING BETTER THAN FOUR YEARS AGO

When asked about how confident they are about how their leadership team have managed over the last four years, 56% have a high level of confidence.

Are their executive leaders the right leaders to manage the next years? 42%* feel confident that they are, while four years ago only 24% were believers.

*The 2022 methodology includes a minor variation in the question from four years ago.

The big change is that, since the last survey, COVID-19 arrived virtually overnight and in adapting, a large percentage of leaders have, in the eyes of their teams, done well and inspired confidence.

The data shows 71% of respondents stated that their organisations grew revenue over the last four years, while 90% agreed that they had been impacted by disruption – and 60% seeing that disruption as 'significant'.

"The data shows 71% of respondents stated that their organisations grew revenue over the last four years"

ON A SCALE OF 1 TO 10, HOW CONFIDENT ARE YOU THAT SENIOR EXECUTIVES IN YOUR ORGANISATION HAVE EACH OF THE FOLLOWING SKILLS? ANSWER FOR EACH SKILL WHETHER 'OUR SENIOR EXECUTIVES HAVE _____ SKILLS'
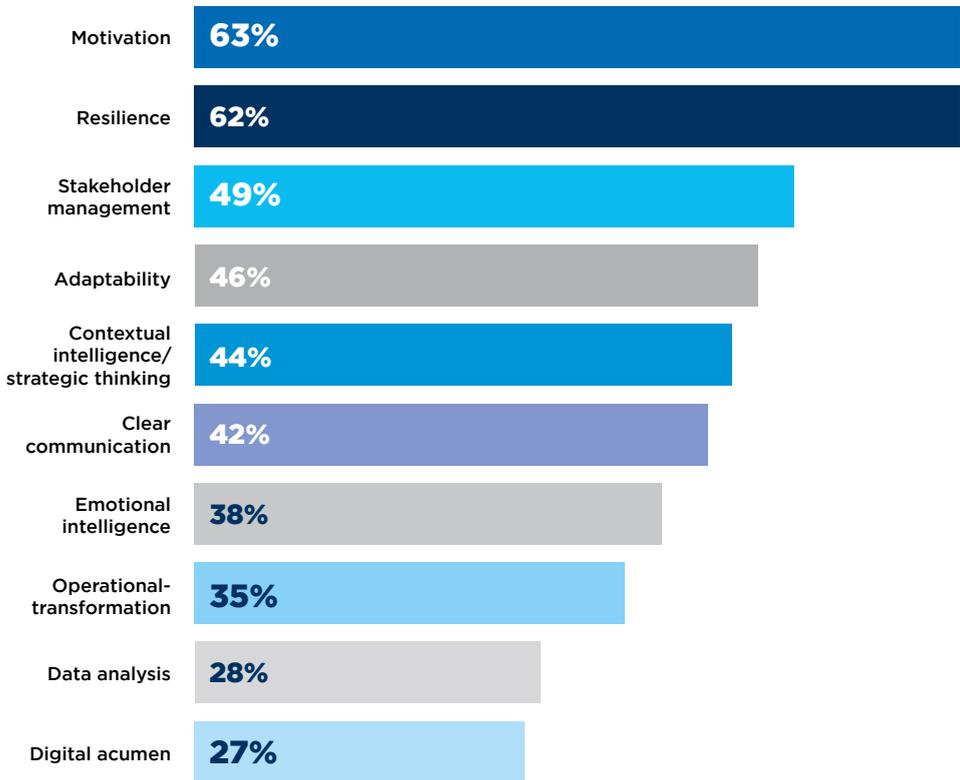
Skill	
Motivation	63%
Resilience	62%
Stakeholder management	49%
Adaptability	46%
Contextual intelligence/ strategic thinking	44%
Clear communication	42%
Emotional intelligence	38%
Operational-transformation	35%
Data analysis	28%
Digital acumen	27%

Showing 8 to 10 scores only, on a 1 to 10 scale

ON A SCALE OF 1 TO 10, HOW CONFIDENT ARE YOU THAT THE SENIOR EXECUTIVES IN YOUR ORGANISATION EMBODY EACH OF THE FOLLOWING ATTITUDES?
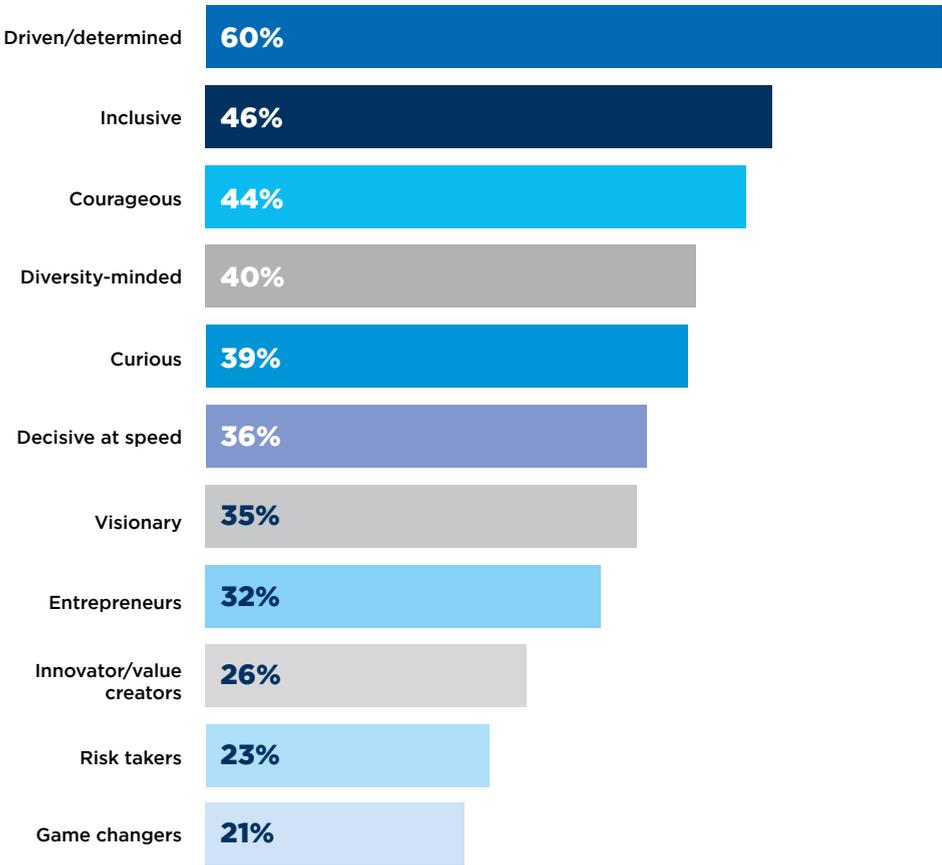
Attitude	Score
Driven/determined	60%
Inclusive	46%
Courageous	44%
Diversity-minded	40%
Curious	39%
Decisive at speed	36%
Visionary	35%
Entrepreneurs	32%
Innovator/value creators	26%
Risk takers	23%
Game changers	21%

Showing 8 to 10 scores only, on a 1 to 10 scale

ON A SCALE OF 1 TO 10, HOW CONFIDENT ARE YOU THAT SENIOR EXECUTIVES IN YOUR ORGANISATION ARE ABLE TO ACCOMPLISH THE FOLLOWING?

Make data-driven decisions, tapping multiple sources of data	**31%**
Launch new products/services through new channels	**29%**
Launch new business models or operating processes	**28%**
Deploy digital at scale	**25%**
Prioritise breakthrough innovation	**24%**
Rapid experimentation	**22%**
Employ AI/automation/ emerging technologies	**20%**
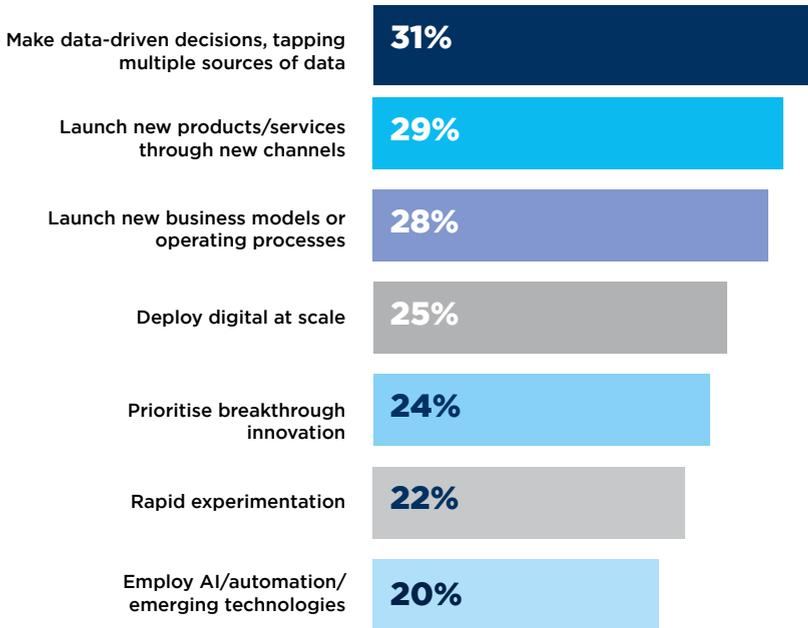
Showing 8 to 10 scores only, on a 1 to 10 scale

THE REAL QUESTION THEN IS, WHY ARE THE SAME LEADERS INSPIRING A MUCH GREATER LEVEL OF CONFIDENCE TODAY THAN THEY DID JUST FOUR YEARS AGO?

Our theory is that when there is no crisis, they are like the ship captain sailing across calm waters. Not much to admire by their teams and possibly not enough going on to excite them to 100% engagement. In rough waters, they get to show what they have got and why they are there.

Similarly, we have seen board engagement increase significantly – boards changed gear from mostly governance and review, to becoming intimately involved in rapid strategy change and support of the CEO. The urgency and focus brought on by the pandemic prioritised what was most important and removed what was not. Interestingly, our respondents ranked board involvement above the CIO in managing disruption.

It's not all good news though. 44% of respondents reported that their leadership has performed either fair or poorly over the last four years and 48% have medium confidence in their leadership's ability to manage the future, with another 11% having only low confidence. For the large middle, if they haven't earned the confidence of their peers in this pandemic, is there any reason to believe they will summon new leadership skills they didn't already draw on to face whatever comes next?

ATTITUDE TO TECHNOLOGY HAS CHANGED

Most companies have accelerated technology adoption over the last four years because of an immediate need to avert operational crisis.

One CEO told us: "We advanced our technology platform by five years in just three months. We had no choice, and we could not have done this without a crisis".

Four years ago, 62% of executives saw advances in technology as a disruptor. Today, that number has reduced to 44%.

HOW CONFIDENT ARE YOU THAT SENIOR EXECUTIVES IN YOUR ORGANISATION CAN PRIORITISE WHICH TECHNOLOGY DECISIONS AND INVESTMENTS NEED TO BE MADE TO MANAGE DISRUPTIVE FORCES?

LOW 11%
MEDIUM 63%
HIGH 26%
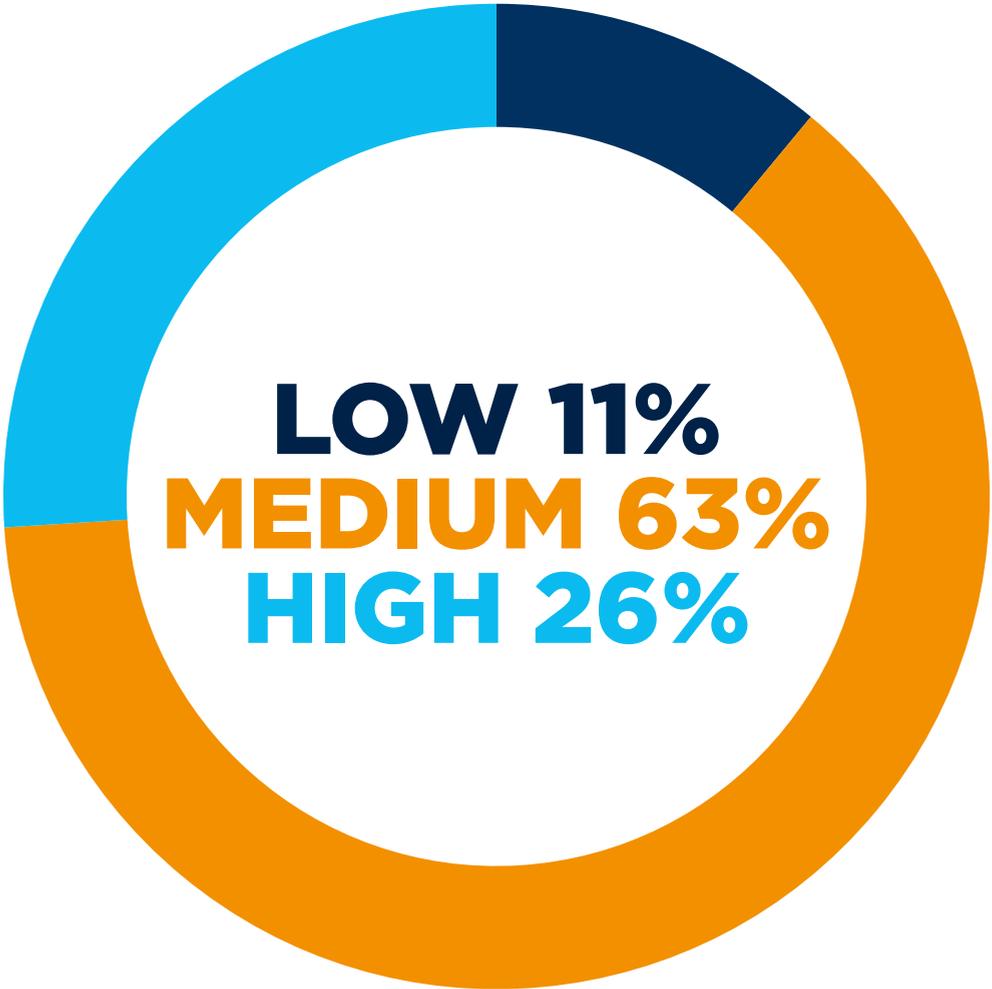
HOW SIGNIFICANTLY HAS YOUR ORGANISATION DISRUPTED ITS INDUSTRY OR OTHER INDUSTRIES OVER THE PAST FOUR YEARS?

LOW 34%
MEDIUM 50%
HIGH 16%
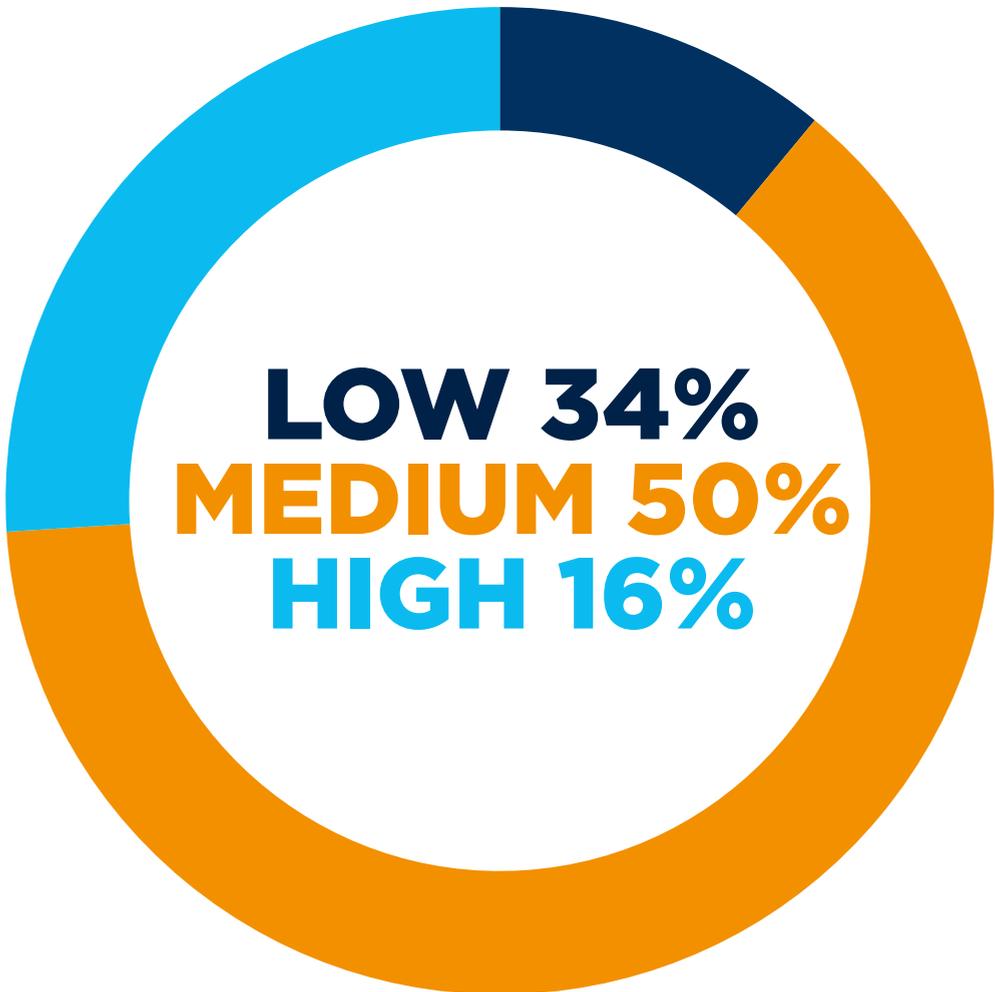
There is a clear mindset change in relation to technology.

Working from home during lockdowns forced people at every level to learn new ways of working and now there seems to be a different attitude towards technology. Employees and leaders have embraced agility with changing work environments, reacting more efficiently and effectively for business continuity, no matter the disruption. Businesses now have a stronger focus on innovation and productivity through new technology, wanting to be 'future-ready'.

The data shows how many of the surveyed companies have continued to grow since the start of the pandemic and at the same time, claim to be market disruptors.

While most agree that the attitude to technology has shifted, the confidence in the ability of the leadership teams to making the right technology decisions and investments shows a clear gap between what is needed and where most leadership teams stand now. Only 26% of respondents have a high level of confidence for this.

> "Businesses now have a stronger focus on innovation and productivity through new technology, wanting to be 'future-ready'"

Forrester forecasts that IT technology spend in 2022 will rise by 7% in the U.S. and 5% in Europe.* Both of these represent significant rebound growth over the tech investments made in 2021. The lower spend of 2021 was shaped by careful and focused spending on technology solutions to address the needs of the pandemic but was still infused with investment in future technologies that promised to deliver higher productivity and business growth.

New project spending dipped in 2020 but has rebounded to a place where Forrester sees a clear demonstration that tech executives are eager to seize the technology moment coming out of the pandemic.

The mix of functional and aspirational technology investment is clear when Forrester asked almost 4,000 IT and business executives in eight countries what they would prioritise in their IT technology strategy in 2022.

First, it's clear that leaders have a hard time prioritising since a wide array of priorities all come in as high or critical priorities for between 57% and 69% of respondents. But across the array we see priorities ranging from focused technology improvements like security and resilience – clearly driven by pandemic lessons learnt – but extending into innovative priorities designed to improve the customer experience and align IT to business outcomes.

Overall, the new confidence that technology matters more than ever will need to translate into spend on new projects and new technologies or executives' weakening confidence in technology leadership will have been well founded.

*Source: Global Tech Market Outlook For 2022 to 2023, Forrester Research, Inc., 24 February 2022.

WHAT PRIORITY WILL EACH OF THE FOLLOWING IT OBJECTIVES BE FOR YOUR ORGANISATION OVER THE NEXT 12 MONTHS?

Objective	Percentage
Improve security and privacy	69%
Improve IT reliability and resilience	65%
Reduce IT risk exposure	64%
Improve IT capabilities to enhance customer experience	64%
Increase IT delivery speed	63%
Increase business adaptivity	62%
Align IT performance to business outcome metrics	61%
Improve access to insights to unlock the value of data	61%
Improve IT capabilities to enhance employee experience	60%
Enhance cross-organisation IT collaboration with business	60%
Increase technology-enabled experimentation and innovation	60%
Optimise value from external partners and suppliers	59%
Cut IT costs	57%

Source: Forrester's Priorities Survey, 2022.

DIVERSITY, INCLUSION AND SUSTAINABILITY ARE NOW CENTRE STAGE
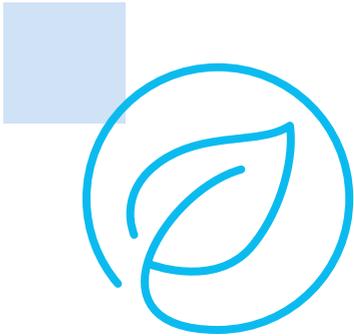
Boards and CEOs have consistently been increasing the volume of their messaging and commitment to diversity, inclusion and sustainability over recent years.

At first glance, the data shows significant progress in most companies. It looks like they are marching forward with purpose on all fronts.

The data shows there is a relatively medium to high level of confidence in the leadership team for this.
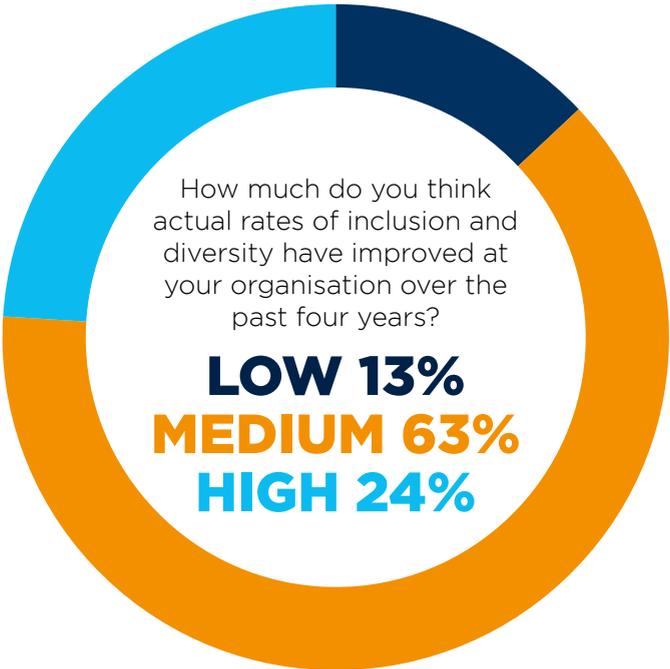
How much do you think actual rates of inclusion and diversity have improved at your organisation over the past four years?

LOW 13%
MEDIUM 63%
HIGH 24%

How confident are you that the senior executives in your organisation are leading in improving inclusion and diversity?*
(SEE PAGE 70)

LOW 13%
MEDIUM 54%
HIGH 34%

ON A SCALE OF 1 TO 10, HOW EFFECTIVELY HAS YOUR ORGANISATION USED THE FOLLOWING PRACTICES TO IMPROVE INCLUSION AND DIVERSITY?

Creating a safe environment for employee feedback about diversity and discrimination issues — **46%**

Ensuring your employees know about inclusion and diversity efforts and work being done to reduce bias — **43%**

Integrating specific inclusion and diversity practices into culture and processes — **35%**

Measuring your internal diversity statistics and effectively benchmarking against outside data — **31%**

Partnering with relevant organisations to educate, develop priorities, and take actions — **28%**

Setting leadership diversity targets — **28%**

Showing 8 to 10 scores only, on a 1 to 10 scale

HOW MUCH DO YOU THINK SUSTAINABILITY HAS IMPROVED AT YOUR ORGANISATION OVER THE LAST FOUR YEARS?
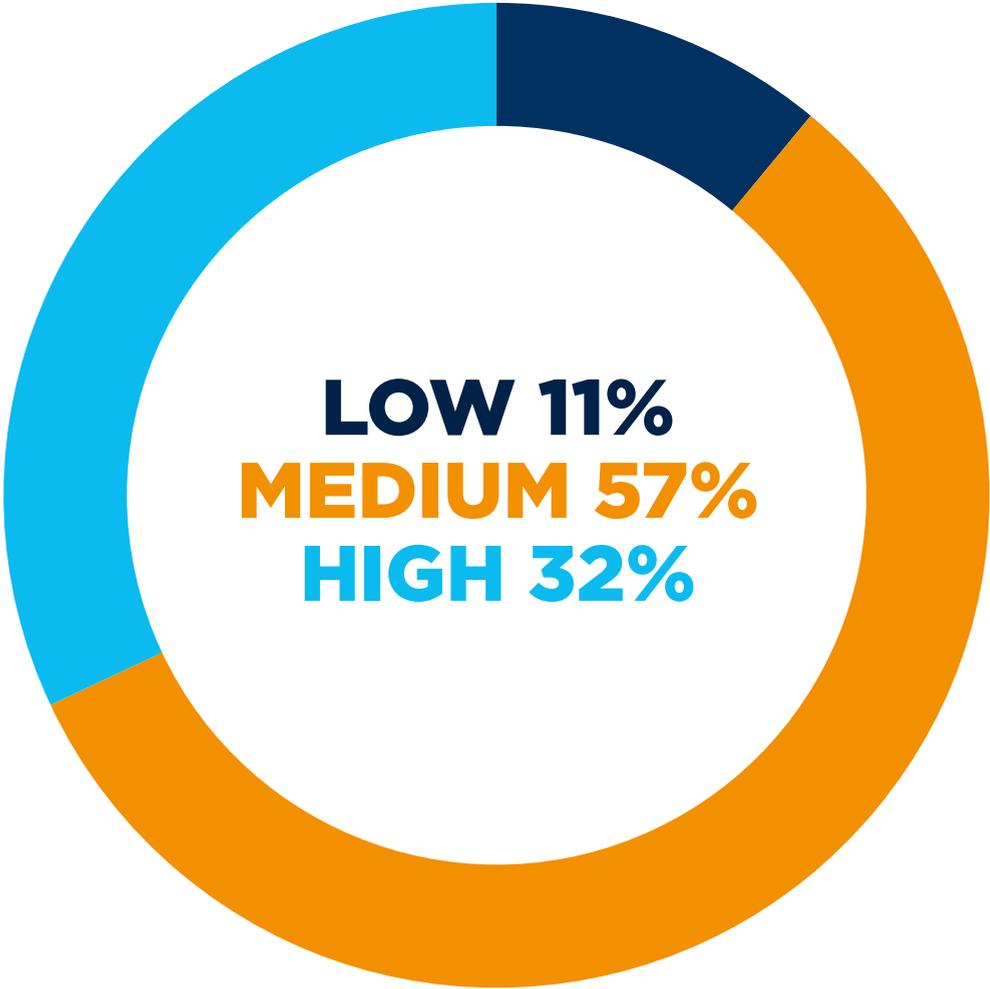
LOW 11%
MEDIUM 57%
HIGH 32%

HOW CONFIDENT ARE YOU THAT THE SENIOR EXECUTIVES IN YOUR ORGANISATION ARE LEADING IN IMPROVING SUSTAINABILITY?
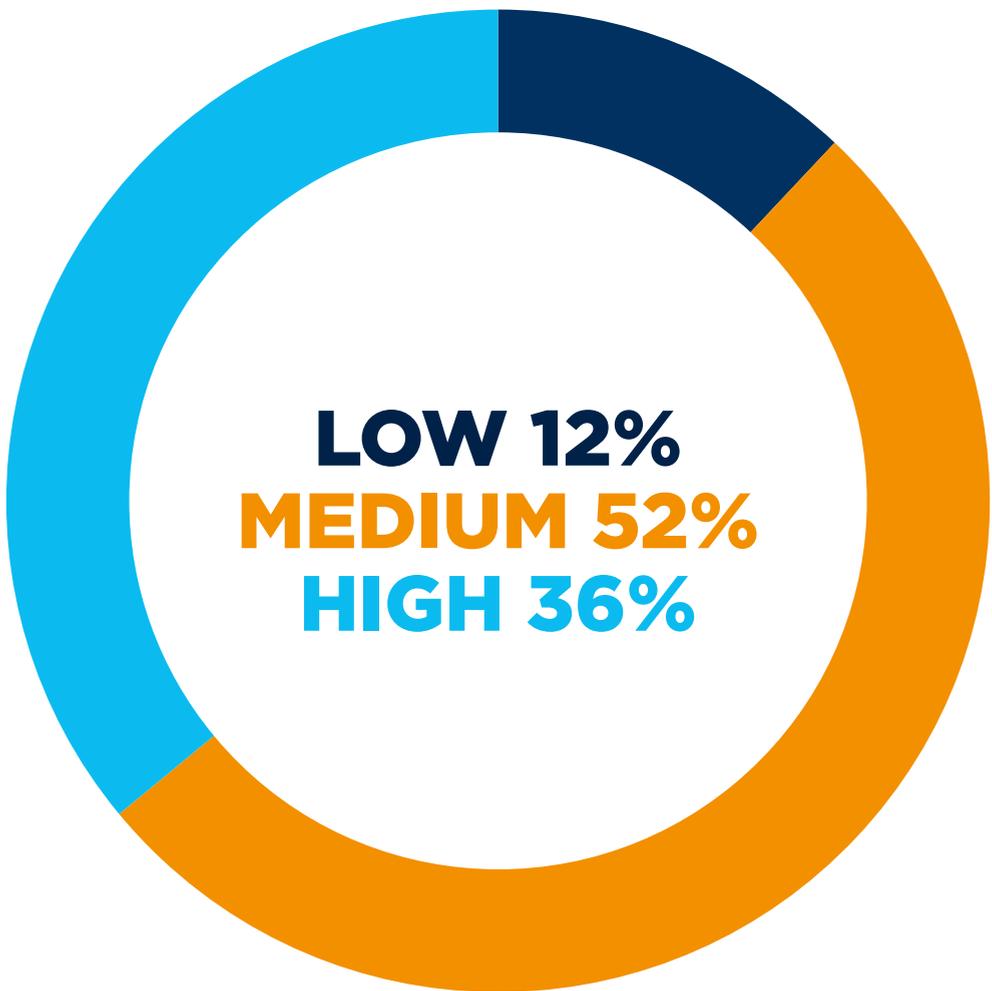
LOW 12%
MEDIUM 52%
HIGH 36%

ON A SCALE OF 1 TO 10, HOW EFFECTIVELY HAS YOUR ORGANISATION USED THE FOLLOWING PRACTICES TO IMPROVE SUSTAINABILITY?

Setting specific sustainability targets
34%

Ensuring your employees know about sustainability efforts and work being done to improve
34%

Creating an environment for employee feedback about sustainability practices
30%

Partnering with relevant organisations to educate, develop priorities, and take actions
29%

Integrating specific sustainability practices into culture and processes
29%

Measuring your sustainability outcomes and effectively benchmarking against outside data
28%

Showing 8 to 10 scores only, on a 1 to 10 scale

HOWEVER, THE DATA DOES NOT SHOW THE WHOLE PICTURE

The respondents are all executives, and we see a discrepancy between intent and results here. Other studies that look directly at the true pace of change for diversity, inclusion and sustainability, show that the results are running at a slower pace than the rhetoric.

The risk for leaders is that the Environmental, Social, and Governance agenda for employees has advanced well up their personal priorities list over the last four years. However well-intentioned an executive team may be, failure to deliver on their goals for inclusion, diversity, and sustainability, will result in employees losing faith and leaving. They will go to companies where they believe the leadership team is aligned with their values and beliefs.

Of course, for the companies who have achieved real progress, they have also gained a competitive advantage in attracting the best talent.

HOW MUCH DO YOU AGREE OR DISAGREE WITH THE STATEMENT: 'I AM PROUD TO WORK FOR OR WITH MY ORGANISATION'?* *(SEE PAGE 70)*

LOW 6%
MEDIUM 29%
HIGH 64%
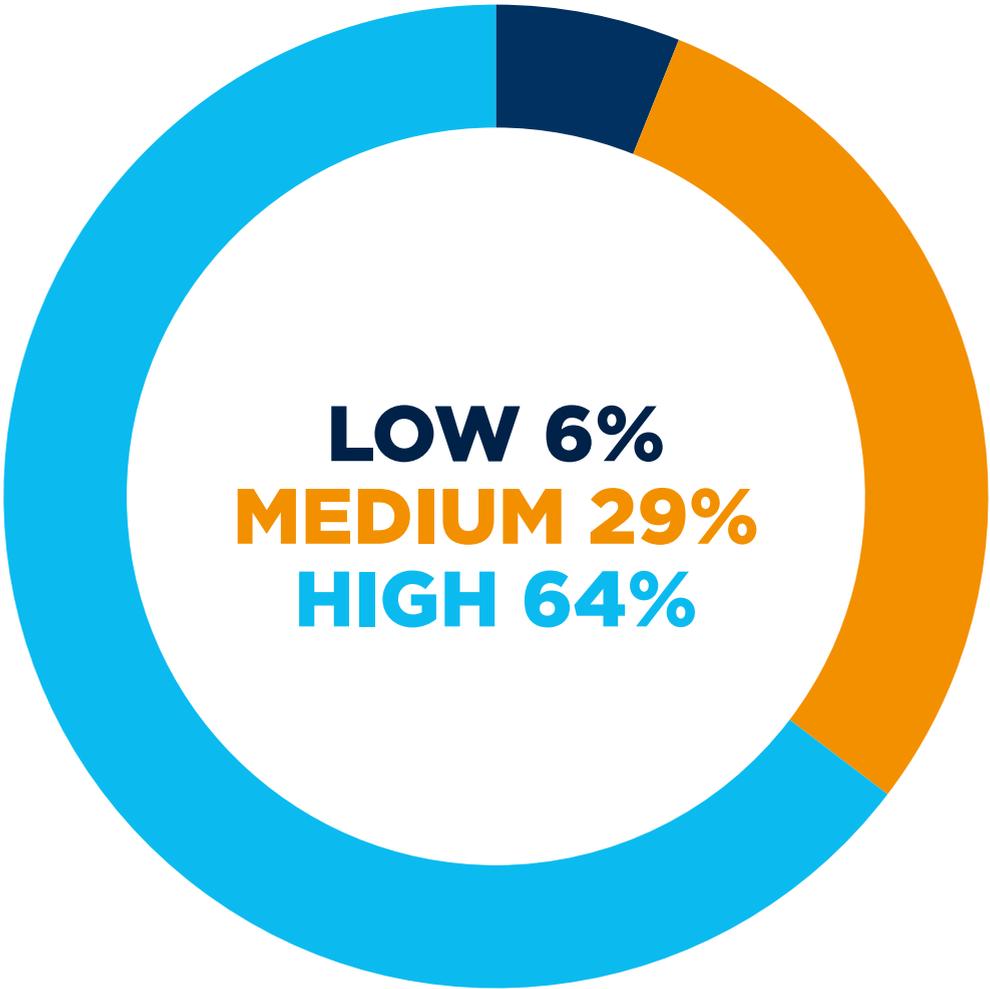
MORE DISRUPTION TO COME

The level of disruption to businesses over the last four years has been breathtaking.

Everyone can cite stories of companies that have boomed through to those who have failed to survive. Most companies sit between these two extremes and, for them, it's been a journey of rapidly evolving their business and operating models.

79% of respondents to the survey see disruption continuing at the same level or increasing.

The pandemic sparked new disruptions on several fronts, but the disruptors for businesses that were in play before the pandemic have not gone away. We just have more.

As far as our respondents are concerned, leaders are definitely performing better in the face of disruption, with 42% now saying they have confidence in their leadership team to deal with disruption, while four years ago, this was 24%.

There is also a change in how the respondents prioritise the importance of the various executive roles in successfully managing disruption. Since the last survey, there was no change in how they saw the CEO, but the board, HRD and CFO are all regarded as being more important now, while the CIO has faded into the background somewhat.

Increase significantly **18%**

Increase slightly **33%**

Stay about the same **28%**

Decrease slightly **18%**

Decrease significantly **3%**

100/0

90

80

70

60

50

40

30

20

10

How do you expect disruption of all kinds to continue at this point in the pandemic? I expect it to:

65

GIVEN THE DISRUPTION YOU BELIEVE WILL OCCUR, WHAT FACTORS DO YOU BELIEVE WILL CONTRIBUTE MOST TO THE DISRUPTION OF YOUR ORGANISATION OR INDUSTRY?

Factor	Percentage
Changing customer expectations	57%
Sustainability/climate change	48%
Emerging technology like automation and artificial intelligence	47%
Flexible/remote working	44%
General advances in technology	44%
Evolving business and/or operating models	37%
Evolving expectations from employees about the value and benefits they receive from employers	36%
Regulatory pressures	36%
Geopolitics	30%
Changing stakeholder/shareholder expectations	26%
New competitors	25%
Shift to greater collaboration throughout organisation's ecosystem (e.g. partners, suppliers, customers, etc)	21%
The rising volume of data available about employees, products, customers, markets and partners	20%
Changing organisational structure	18%
Availability of capital/funding	17%
Shifting demographics/population diversity	16%
Restricted access to global markets	14%
Other (please specify)	7%

WHICH LEADERSHIP ROLES ARE MOST IMPORTANT TO SUCCESSFULLY MANAGE YOUR ORGANISATION THROUGH DISRUPTION POST-PANDEMIC?

Role	Percentage
Chief Executive Officer or equivalent	85%
Chief Human Resources Officer or equivalent	53%
Chief Operating Officer or equivalent	45%
Chief Financial Officer or equivalent	43%
The Board of Directors	38%
Chief Information Officer or equivalent	30%
Chief Digital Officer or equivalent	27%
Chief Technology Officer or equivalent	25%
Chief Marketing Officer or equivalent	24%
Chief Strategy Officer or equivalent	23%
Chief Innovation Officer or equivalent	20%
Chief Sustainability Officer or equivalent	11%
Chief Information Security Officer or equivalent	10%
Chief Research & Development Officer	9%
Chief Revenue Officer/ Director of Sales or equivalent	9%
Chief Diversity Officer or equivalent	8%
Chief Learning Officer	8%
Chief Experience Officer or equivalent	4%
No one currently at my organisation	1%

SUMMARY AND CALL TO ACTION

Perfection will always be out of reach in every endeavour. Leading people can be a very tough ask and most self-aware leaders strive for a constant evolution in themselves and their companies, knowing that they can never have it all.

There are four clear pointers for leaders that come from this data:

1

You are likely to be perceived as being a better leader than you were four years ago. It was the urgency, clarity of purpose and care for your team that got you there. Don't lose this, as the added engagement produces exponential results.

2

Attitude to technology has changed for just about everyone, but most leaders are perceived as being behind in understanding what is needed. If you have delegated technology strategy and understanding to the CIO, then you are a dinosaur and will be extinct soon.

3

The ESG agenda needs to be executed with urgency and authenticity, or your employees and clients will leave you over time. Properly and visibly leading and engaging with your company's ESG plan is critical.

4

Every executive is trying to predict future threats, but there will be more of the unknown. You know what to do now.

The pandemic has sparked unexpected change. Most leaders rose to the occasion, but more storms will come and how you navigate those will be a function not only of your own resilience and newly earned confidence, but also in how well you transfer the confidence to your people. Come the next storm, the team needs to be ready to hoist the sails. Perhaps there is an evolution in the way we lead companies under way and that would be good news. But, it took a crisis to get us here and will you be able to sustain the momentum?

METHODOLOGY

The methodology has been developed by Odgers Berndtson and Forrester. The analysis is based on responses to a study of 1,100 senior executives in 46 countries, representing companies with revenues ranging from US$50m to over US$5bn.

The survey was fielded from 2 November to 15 December 2021. For this study, we defined disruption as the unsettling forces that can impact an organisation's strategic direction and challenge its operational capabilities, such as COVID-19, emerging technology, the impact of climate change, regulatory oversight, innovative business models, rising customer expectations, meeting inclusion and diversity targets and shifting demographics.

The Index provides a single measure of confidence in leaderships' ability to succeed through disruption by combining the responses to questions examining attributes and activities of leadership.

The Index also measures confidence in leadership skills, experiences, motivations, and behaviours. Companies with high and low confidence scores are compared to highlight those leadership activities and attributes that are found to a much greater degree in organisations that feel positive about future success.

Forrester is a leading global research and advisory firm. It offers proprietary research, consulting, and events and conducts annual surveys of more than 700,000 consumers, business and technology leaders worldwide. Its offerings are grounded in rigorous and objective research methodologies.

*Please note that some of the charts do not total 100 owing to rounding

STUDY STATISTICS

The Leadership Confidence Index **is based on data from 1,100 senior executives in 46 countries, representing companies with revenues ranging from US$50m to over US$5bn.**

Using a methodology developed by Odgers Berndtson with Forrester, it provides a measurement of confidence in leadership teams to manage well in changing times. The analysis is based on responses to a study conducted by Odgers Berndtson and in partnership with Forrester.

Industry: Which of the following best describes the industry in which you work?

13% Manufacturing

13% Technology

13% Financial services (including insurance, banking, real estate, investments, etc)

7% Business/ Professional services

6% Retail

6% Healthcare

5% Not-for-profit

4% Leisure/Media (including hospitality, entertainment, etc)

4% Education

4% Consulting services

4% Energy/ utilities

21% Other

65% EUROPE

23% NORTH AMERICA

12% APAC/REST OF WORLD

23% <$50M

14% $50 – $150M

16% $150 - $500M

10% $500M - $1BN

16% $1 - $5BN

15% >$5BN

6% Not sure

Revenue: What is your organisation's annual gross revenue or turnover?
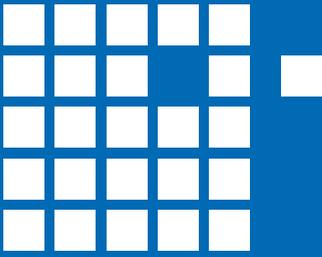
ORGANISATIONAL EXCELLENCE INDEX
PORTUGAL

MESSAGE FROM OUR EXECUTIVE SEARCH MANAGING PARTNER

Pedro Mêda
MANAGING PARTNER
EXECUTIVE SEARCH

Over the past decades, organisations have focused their attention and resources on developing the right strategies, promoting rigorous financial management, creating impactful marketing and sales approaches, and optimising their operations. The economic development we have seen in this period demonstrates the ability of managers and their employees to promote enormous and continuous

ORGANISATIONS CAPABLE OF ANTICIPATING, INSPIRING AND EXECUTING, CREATE MORE VALUE

growth. However, the last years of disruption have put organisations and their leaders to the test. Success formulas needed to be revisited and readjusted. In this context, the companies that have demonstrated the most success have been those that have adapted best, adopting the organisational behaviours that have made them able to anticipate, inspire, and deliver consistently. In summary, organisations consolidate routines that allow them to execute a strategy in an aligned manner and, in parallel, promote continuous adjustment to new market contexts are able to create more value for their shareholders

and other stakeholders. Studies point to a 2.2 times higher EBITDA, double the Return on Invested Capital (ROIC) and a 3 times better Total Return to Shareholders (TRS). Our Organisational Excellence model seeks to work in a targeted way on these behaviours and routines. The results of the Organisational Excellence Index illustrate that Portuguese companies are on the right track. The study also shows enormous potential to focus on more conscious and proactive management of organisational behaviours that can act as a catalyst for value creation.

ANTICIPATE, INSPIRE AND DELIVER
– THE 3 DIMENSIONS OF LEADERSHIP
AT THE 3 LEVELS OF THE ORGANISATION

ORGANISATION

TEAM

INDIVIDUAL

EXCELLENT
ORGANISATIONS

EFFECTIVE
TEAMS

SOLID
LEADERSHIP

ALIGNED
PATHS

MOTIVATED
AND
EMPOWERED

RESPONSIBLE
AND CAPABLE
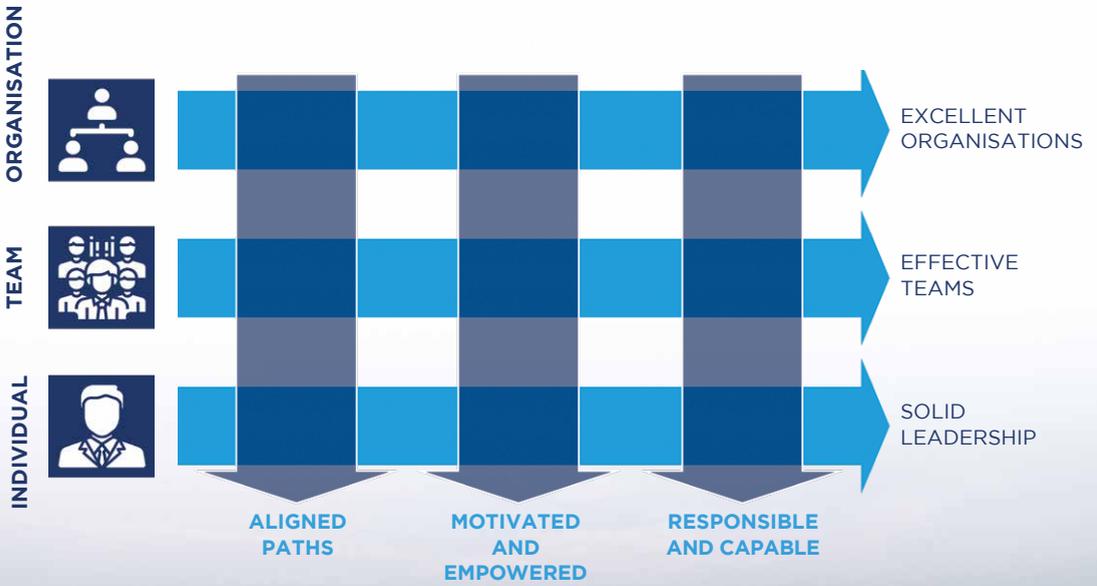
THE ORGANISATIONAL EXCELLENCE MODEL IDENTIFIES THE BEHAVIOURS THAT ARE CRITICAL FOR A HIGH PERFORMANCE

The **Organisational Excellence Index** is the aggregated result of these 6 dimensions

Anticipate

Inspire

Deliver

1. Challenging Purpose

2. Stakeholder Value

5. Consistent Delivery

6. Great Leadership

3. Talent Management

4. Change Agility

1
- Market Intelligence
- Challenging Vision
- Clear Goals
- People Alignment
- Financial and Risk Management

2
- Sustainability
- Customer Focus
- External Knowledge and Benchmark
- Social Responsibility
- Ecosystems and Partnerships

3
- Organisational Collaboration
- Rewards and Recognition
- Talent Development
- Skills and Talent
- Diversity & Inclusion

4
- Trust & Transparency
- Openness and Learning
- Meaningful Values
- Improvement and Innovation
- Organisational Agility

5
- Standards of Excellency
- Processes Efficiency
- Organisational Clarity
- Empowerment and Accountability
- Monitor and Control Systems
- Technology-Driven Enablement

6
- Top Management Leadership
- Middle Management Leadership
- Quality of Talent Pool
- Leadership Development

THE STUDY AIMS TO GET THE PERSPECTIVE OF NATIONAL BUSINESS LEADERS ON THE STATE OF ORGANISATIONAL EXCELLENCE IN PORTUGAL

80
BUSINESS LEADERS C-LEVEL EXECUTIVES

7+
SECTORS OF ACTIVITY

(Health, Financial Services, Real Estate, Retail, Construction, Services, Manufacturing...)

FROM SMEs TO PORTUGUESE STOCK INDEX COMPANIES

MAIN CONCLUSIONS

The last two years are perceived by national business leaders as years of **positive performance.**

This **positive assessment** extends to the **organisational excellence** exhibited. The Organisational Excellence Index indicates higher levels of maturity in the dimensions of **Challenging Purpose** (ability to anticipate trends and changes, showing the ability to communicate and mobilise the organisation around a common vision and goals), **Change Agility** (agility to adapt to change, in an environment of continuous innovation, trust, openness and flexibility), and **Stakeholder Value** (ability to manage relationships with stakeholders, delivering added value to customers, partners and others).

We also noticed that there is a **significant difference** between the **Organisational Excellence** level of companies reporting **high performance** in the last two years when compared to companies reporting **lower performance**. These results confirm international studies on the direct relationship between the ability to create value and the level of proficiency in the behaviours underlying organisational excellence.

Specifically, we identify that there are **5 key behaviours** that all high performing organisations in Portugal exhibit: anticipating trends, effectively managing financial resources, focusing on high standards of performance, continuous improvement, and top management leadership with the necessary skills.

The Organisational Excellence Index also indicates that there is no single path. Along with the core behaviours, the remaining routines in which organisations must achieve high levels of proficiency **depend on their specific context**, namely their starting point, strategy, and culture.

This does not imply, however, that companies should focus on all behaviours in the same way. For example, the study indicates that there are two dimensions that can have a disproportionately positive impact when improved: **Consistent Delivery** (ability to deliver consistently and efficiently by setting high performance standards) and **Great Leadership** (presence of a high-quality leadership pool with the ability to address the organisation's challenges and develop leaders for the future). Finally, a message about the future. The CEOs and Directors consulted report less preparation of organisations to meet the challenges that await them in the coming years. These leaders anticipate that organisations will have to operate in an increasingly decentralised way to meet the challenges, selecting **Talent Management** as the dimension that will require the most attention.

PORTUGUESE EXECUTIVES ARE SATISFIED WITH THE PERFORMANCE OF THEIR COMPANIES IN THE LAST TWO YEARS

78/100

PAST PERFORMANCE

Considering your market, how well do you rate your organisation's performance in the last two years?

81/100

SATISFACTION

In general, how highly do
you rate your level of
satisfaction working
in your organisation?

PORTUGUESE COMPANIES HAVE AN ORGANISATIONAL EXCELLENCE INDEX OF **74**, WITH HIGHLIGHT TO THEIR CHALLENGING PURPOSE, STAKEHOLDER VALUE, AND CHANGE AGILITY LEVELS

# Organisational Excellence Index

Global result:

85

78
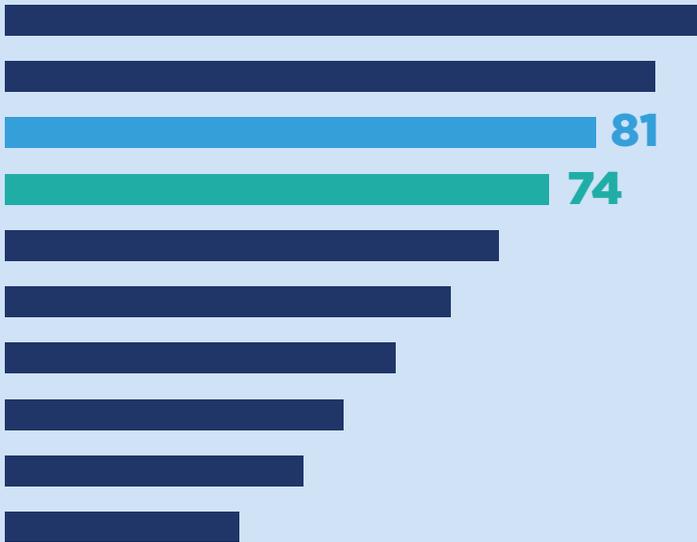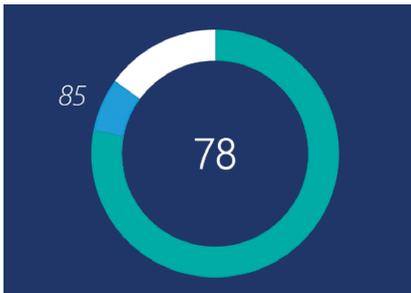
CHALLENGING PURPOSE

Ability to anticipate trends and
changes, showing ability to commu-
nicate and mobilise the organisation
around a common vision and objective
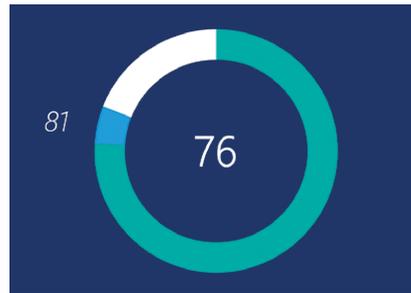
81

76

STAKEHOLDER VALUE

Ability to manage relationships with
stakeholders, delivering added value
to customers, partners and others

76

71
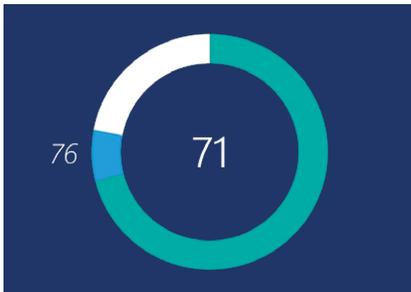
TALENT MANAGEMENT

Ability to shape a cohesive,
high-performing, involved, motivated
and collaborative team
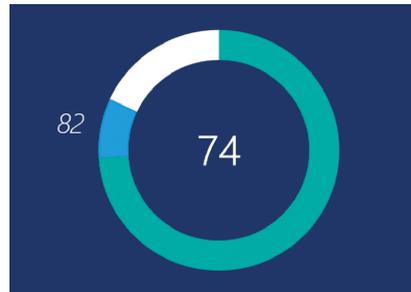
82

74

CHANGE AGILITY

Agility to adapt to change, in an
environment of continuous innovation,
trust, openness and flexibility

80

72

CONSISTENT DELIVERY

Ability to deliver consistently
and efficiently by setting
high-performance standards

80

72

GREAT LEADERSHIP

Presence of a high-quality leadership
pool with the capacity to meet the
organisation's challenges and develop
leaders for the future

Average　　**High Performing Norm**

CHALLENGING PURPOSE HAS THE HIGHEST NUMBER OF BEHAVIOURS IN THE TOP 5, WHILE GREAT LEADERSHIP AND CONSISTENT DELIVERY OCCUPY THE MAJORITY OF THE BOTTOM 5

	TOP 5 - TOP RATED BEHAVIOURS	AVERAGE	HPN*
S V	My organisation is customer-oriented, understanding and meeting customer needs.	83	86
C P	My organisation manages its financial resources effectively, managing risk efficiently.	82	88
C D	My organisation is governed by high performance standards, demanding excellence in the results to be achieved.	80	87
C P	My organisation has a clear and challenging purpose and vision for the future, which generates enthusiasm and commitment.	80	86
C P	My organisation anticipates trends and changes in the market and how they impact the future evolution of the business.	80	86

* HPN: High Performing Norm

	BOTTOM 5 - WORST RATED BEHAVIOURS	AVERAGE	HPN*
C D	My organisation is efficient in managing its processes and resources, minimising unnecessary procedures.	65	74
G L	My organisation has a talent pool with high potential to take on leadership roles in the future.	68	75
G L	My organisation demonstrates the ability to develop leaders for the future.	69	76
T M	My organisation has the right competencies, skills, and talent to meet current and future challenges.	70	76
C D	My organisation fosters autonomy and accountability by ensuring that decisions are made at the appropriate level.	70	81

AN IMPROVEMENT IN ORGANISATIONAL EXCELLENCE CAN PROMOTE SUPERIOR PERFORMANCE

Performance in the last 2 years of the participating companies*

	Low	Medium	High
Challenging Purpose	61	78	85
Stakeholder Value	56	77	81
Talent Management	56	69	78
Change Agility	53	74	82
Consistent Delivery	51	71	80
Great Leadership	49	72	80

Low **Medium** **High**
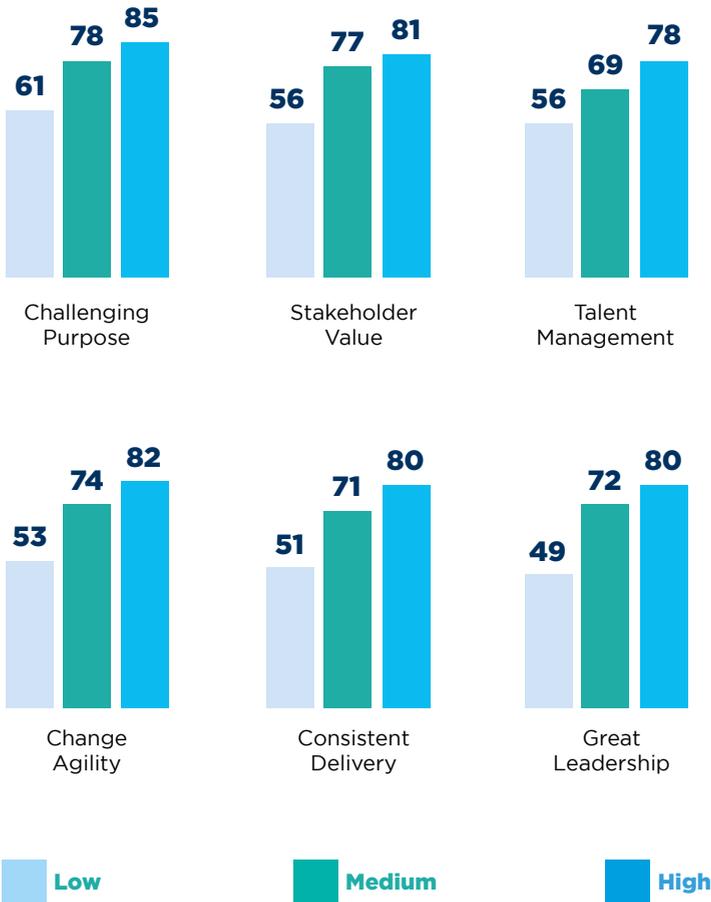
* Based on the self-evaluation of the study participants

THE PATH TO ORGANISATIONAL EXCELLENCE 4 KEY QUESTIONS

1 Are there core organisational behaviours that are common across high-performing companies?

2 Are organisational behaviours equally critical for different organisations?

3 Which dimensions of organisational excellence have the most direct impact on future performance?

4 What are the dimensions that most concern leaders in the face of future challenges?

1 HIGH-PERFORMING ORGANISATIONS DEMONSTRATE PROFICIENCY IN 5 KEY BEHAVIOURS

All companies reporting high performance show a high level of proficiency in 5 core behaviours.

Analysis indicates that these behaviours can be a baseline requirement for achieving high performance:

- **Anticipation of trends and impacts** on the future evolution of the business

- **Effective management of financial resources**, controlling risk efficiently

- **High standards of performance**, demanding excellence in results

- **Focus on innovation and continuous improvement of processes**, challenging the status-quo

- **Leadership** with the right competencies needed to face strategic challenges

2 APART FROM THE CORE BEHAVIOURS, THE IMPORTANCE OF OTHER BEHAVIOURS VARIES DEPENDING ON THE ORGANISATIONAL CONTEXT

Behaviours Exhibited by High-Performing Organisations.

Examples of High-Performing Organisations

	ORGANISATION #1	ORGANISATION #2	ORGANISATION #3
OTHER CRITICAL BEHAVIOURS	PURPOSE AND A CLEAR VISION OF THE FUTURE STRATEGIC PARTNERSHIPS AUTONOMY AND ACCOUNTABILITY USE OF TECHNOLOGY IN KEY PROCESSES	PURPOSE AND A CLEAR VISION OF THE FUTURE CLEAR STRATEGIES AND OBJECTIVES CREATION OF A CLIMATE OF TRUST AND MUTUAL RESPECT CREATION OF A POOL OF HIGH--POTENTIAL TALENT	PROACTIVE EMPLOYEE DEVELOPMENT AUTONOMY AND ACCOUNTABILITY CREATION OF A CLIMATE OF TRUST AND MUTUAL RESPECT CREATION OF A POOL OF HIGH--POTENTIAL TALENT

CORE BEHAVIOURS

ANTICIPATION OF BUSINESS TRENDS AND IMPACTS

EFFECTIVE MANAGEMENT OF FINANCIAL RESOURCES

HIGH-PERFORMANCE STANDARDS

FOCUS ON INNOVATION AND CONTINUOUS IMPROVEMENT, CHALLENGING THE STATUS QUO

LEADERSHIP WITH THE NECESSARY SKILLS TO MEET STRATEGIC CHALLENGES

Behaviours relevant to achieving high performance vary between starting point, strategy and organisational culture

It is not necessary to exhibit high proficiency in all behaviours

3 AN IMPROVEMENT IN THE DIMENSIONS OF CONSISTENT DELIVERY AND GREAT LEADERSHIP TENDS TO HAVE A MORE DIRECT IMPACT ON THE ORGANISATIONS' PERFORMANCE

IMPACT LEVEL	ORGANISATIONAL EXCELLENCE DIMENSION	SPECIFIC BEHAVIOURS
HIGHER IMPROVEMENT	GREAT LEADERSHIP	Top Management Leadership
		Middle Management Leadership
PROPORTION OF PERFORMANCE IMPROVEMENT AS A CONSEQUENCE OF INCREASED PROFICIENCY IN THE RESPECTIVE DIMENSIONS OF ORGANISATIONAL EXCELLENCE	CONSISTENT DELIVERY	Quality of Talent Pool
		Leadership Development
	TALENT MANAGEMENT	Standards of Excellency
		Processes Efficiency
	CHANGE AGILITY	Organisational Clarity
		Empowerment and Accountability
	CHALLENGING PURPOSE	Monitor and Control Systems
	STAKEHOLDER VALUE	Technology-driven Enablement
LOWER IMPROVEMENT		

| 4 | **PORTUGUESE EXECUTIVES CONSIDER THAT TALENT MANAGEMENT WILL INCREASE IMPORTANCE IN THE FUTURE** |

Percentage of Portuguese Executives who consider Talent Management as one of the top three priorities to face future challenges.

32%

68%

Effective Talent Management considered critical to winning in the future

Dimension with lowest scores in Organisational Excellence Index (71)

Need to improve:

> IDENTIFICATION OF CRITICAL COMPETENCIES <

> DEVELOPMENT OPPORTUNITIES <

> MERITOCRACY <

> ABILITY TO COLLABORATE <

> DIVERSITY AND INCLUSION <

NO **YES**
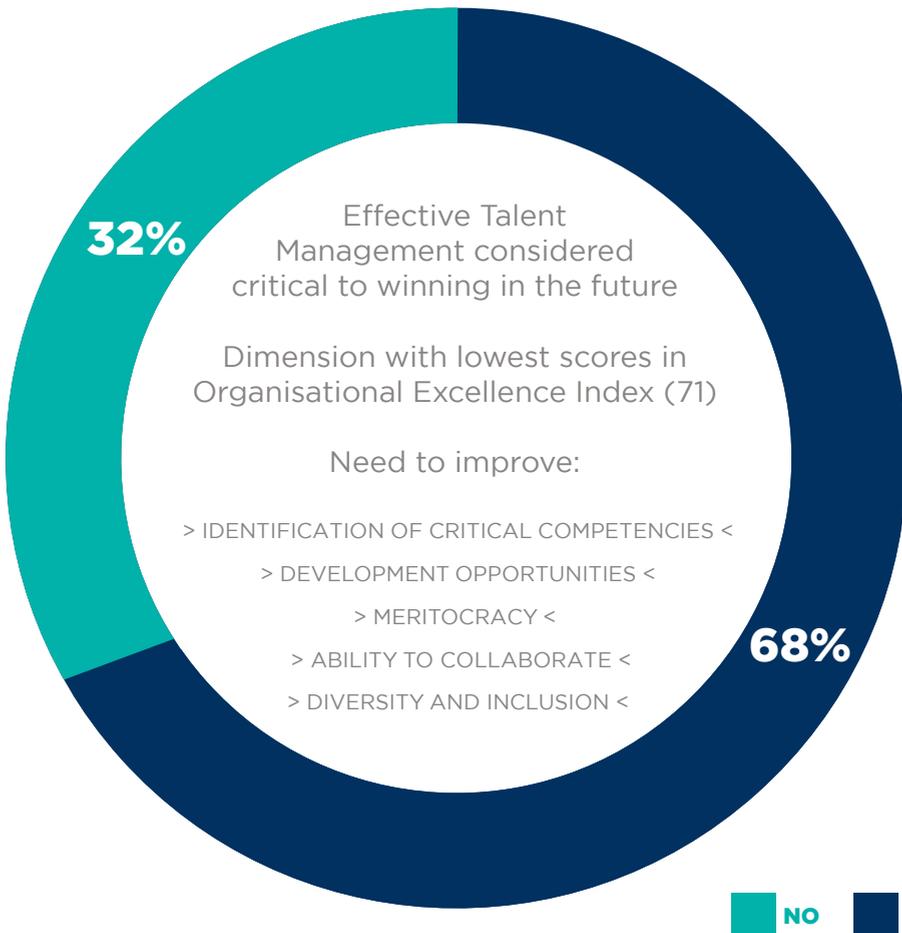
HOW CAN ORGANISATIONS START ON THE PATH TO EXCELLENCE?

1 DIAGNOSE

Which behaviours have the most room for improvement?

2 PRIORITISE

Of the identified behaviours, which are the highest priorities to face future challenges?

3 PLAN

What are the initiatives to promote improvement in the prioritised areas?

4 TRANSFORM

How to ensure effective change?

TRANSFORMATION CAN BE PROMOTED BY TARGETED INITIATIVES

GET THE BASICS RIGHT

Working on the core behaviours and dimensions of success

GET READY FOR THE FUTURE

Working on the behaviours and dimensions that will prepare the organisation for future challenges

CHALLENGING PURPOSE	• Advisory Boards • Top Team Coaching • …
TALENT MANAGEMENT	• Succession & Career Planning • Talent Scouting & Mapping • …
STAKEHOLDER VALUE	• Stakeholder Mapping • Client Structures and Journeys • …
CONSISTENT DELIVERY	• Performance Appraisal and Management • Organisational Design • …
CHANGE AGILITY	• Agile Governance Model • Role Modelling & Feedback Systems • …
GREAT LEADERSHIP	• Leadership Mapping & Assessment • Leadership Development Programmes • …

THE IMPORTANCE OF ACTING NOW

72/100 ▼*

READINESS FOR THE FUTURE

Considering your market,
how well do you rate your
organisation's readiness
for the challenges
of the future?

National business leaders believe their organisations
are less prepared for the future.

* In view of past performance

CONCLUSION:
6 KEY-MESSAGES

1

LEADERS ARE SATISFIED WITH THEIR COMPANIES' PERFORMANCE (78/100)

2

COMPANIES WITH HIGHER ORGANISATIONAL EXCELLENCE INDEX PERFORM BETTER

3

HIGH PERFORMANCE COMPANIES EXHIBIT 5 CORE COMMON BEHAVIOURS

4

EACH CONTEXT REQUIRES THE PRIORITISATION OF DIFFERENT ORGANISATIONAL BEHAVIOURS

5

CONSISTENT DELIVERY AND GREAT LEADERSHIP AS THE DIMENSIONS WITH THE MOST DIRECT IMPACT

6

LOWER CONFIDENCE IN THE FUTURE (72/100), WITH TALENT MANAGEMENT TAKING HIGHER PRIORITY
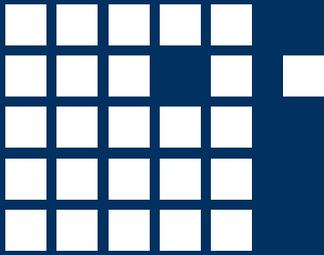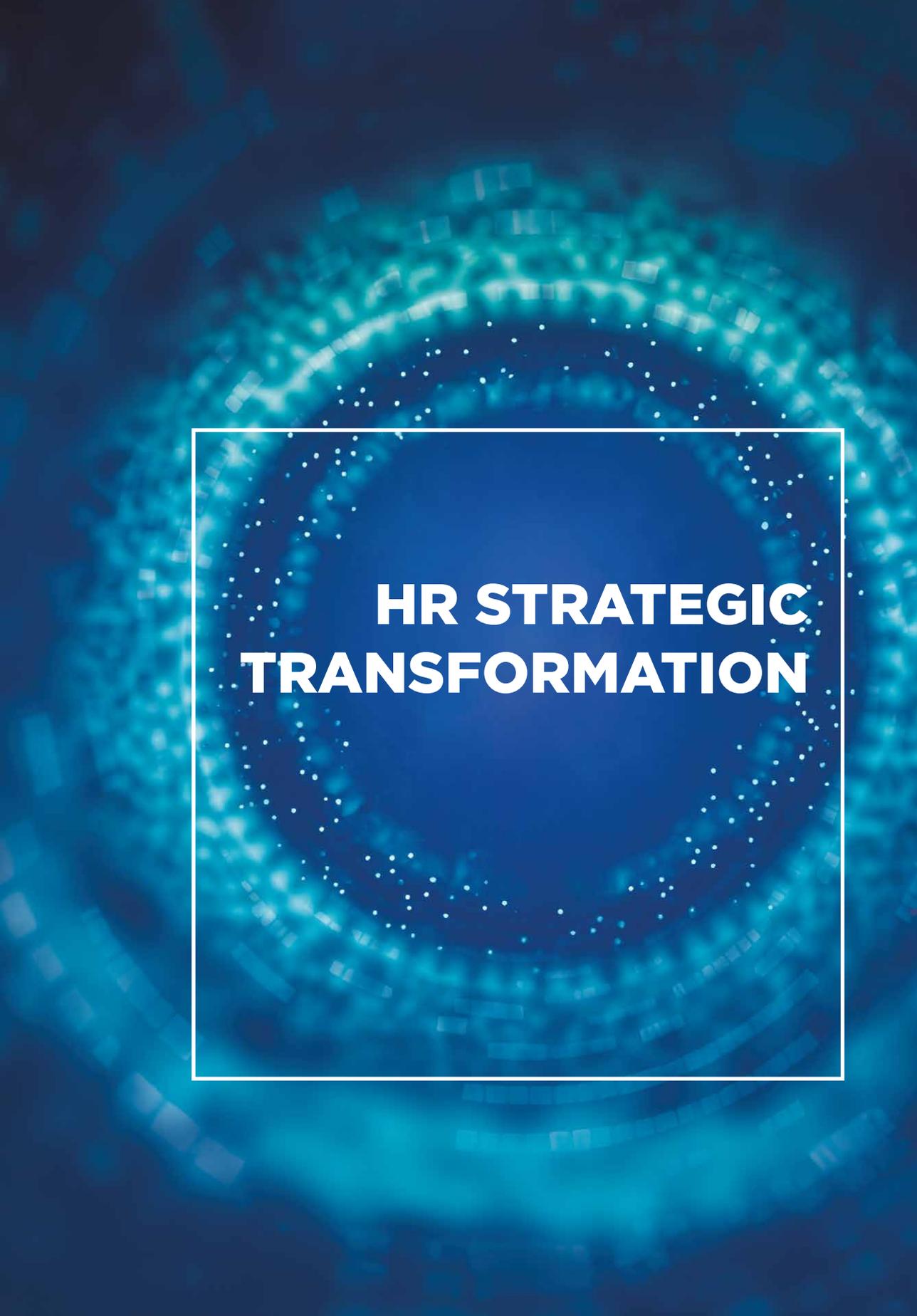
HR STRATEGIC TRANSFORMATION

MESSAGE FROM OUR LEADERSHIP & TALENT CONSULTING MANAGING PARTNER

Maria João Gomes

MANAGING PARTNER
LEADERSHIP & TALENT CONSULTING

Pre-pandemic (before we could have known what was coming), Odgers Berndtson was studying the level of Leadership Confidence to embrace disruption and an unprecedent pace of transformation, with significant impact on organisations and teams (Leadership Confidence Index). At the time, confidence was relatively low (only 15% of Leaders felt confident in their ability to manage the challenges

ahead), but one of the emerging forces was the need to effectively manage talent like never before. In the context of disruption, talent was seen as crucial and CHROs were emerging as a critical role in organisations. Soon after the pandemic, the confidence level increased (from 15% to 40%), and the CHRO, perhaps unsurprisingly, was now considered part of the top leadership triumvirate, alongside the CEO and CFO.

As proven by recent events, organisations will continue to struggle with the pace of change, disruptive forces and increasingly complex global challenges. When we carried out our Organisational Excellence Index in 2022, participating CEOs Executives identified Talent Management as the dimension that would require the most attention to face this context.

The aim of this study is to analyse the current situation in Portugal and how HR leaders and teams are preparing to play a crucial role in effecting business strategy and creating value for colleagues and shareholders.

In essence, we aim to reflect on the role of HR and its increasing validation as business leaders on a journey of enormous transformation and extraordinary events that impact the way we look at talent within organisations.

The coexistence of so many changing variables forces us to challenge the context and the teams to tap into their maximum potential. The digital revolution is no longer about the future; it's now in the present and it demands objective, factual and quantifiable solutions for decision-making. The younger generations bring new demands that create intense pressure on the company/employee relationship, while simultaneously proving the best partners in this transformation process. Their aspirations, perspectives and ideas can be the driving force behind an unprecedented organisational evolution.

Amid this evolution, we may face a new paradigm for Human Resources teams, who must fully realise their role as leaders of strategic transformation.

# EXECUTIVE SUMMARY

The strategic ascension of HR.

In recent years, in a world where digital transformation and business agility have become priorities for organisations, the role of Human Resources (HR) in Portugal has evolved. Though not yet entirely consolidated, this evolution is already noticeable within these teams, which now assume a more strategic role as opposed to their previous predominantly transactional one.

This evolution is coupled with a closer proximity to the "decision-making table", with 61% of the participants reporting directly to the CEO. This marks a significant change as previously most HR areas reported to the CFO (currently only ~3% of respondents continue to do so) and reflects the increasing relevance and influence of HR. This direct reporting line also presents an opportunity to place the issue of Talent on the strategic agenda of organisations.

However, despite the evolution of the HR role, there are still a number of challenges facing HR teams. The Odgers Berndtson leadership model identifies 3 main responsibilities of a strategic leader:

- **Anticipating** the future;

- **Inspiring** people;

- **Delivering** sustained results.

However, many of the HR leaders who participated in the study recognise that, in actual fact, most of their time is still spent on delivering short-term results. This prevents them from allocating the necessary time and attention to focus on anticipating trends and opportunities and inspiring key stakeholders; all of which are necessary elements for driving organisational transformation. In fact, these leaders admit that they usually devote less than 20% of their time "Anticipating", which limits their performance and consolidation as a true strategic business partner.

EXECUTIVE
ADMINISTRATOR
(RESPONSIBLE
FOR HR)

CFO

COUNTRY
MANAGER

CHRO

30%

3%

3%

3%

REPORTING
STRUCTURE
OF HR
DEPARTMENT

61%

CEO
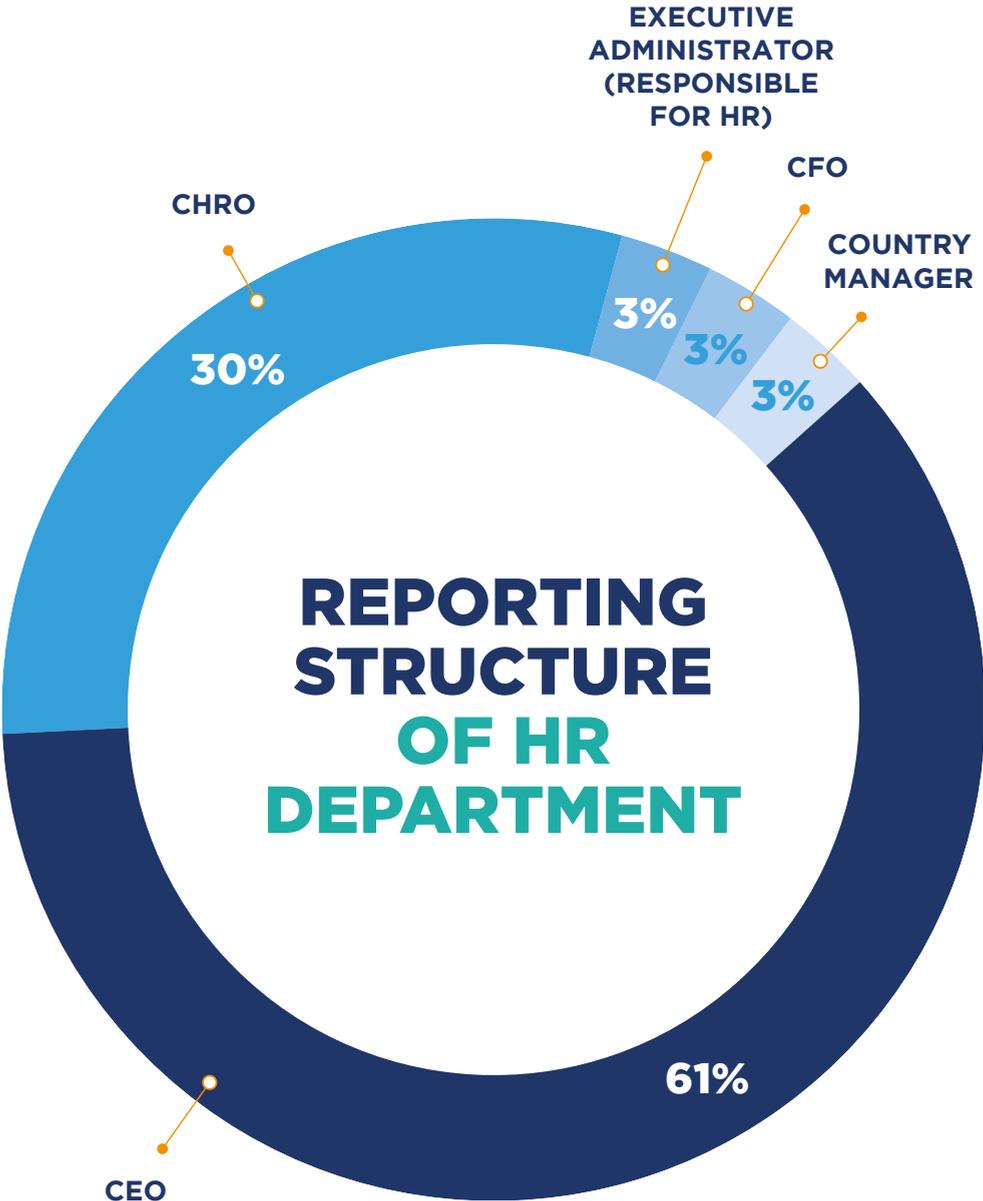
Challenges that outline the path

5 main priorities for the future:

1

Ensuring a strategic business-oriented agenda,
sharing and delegating responsibility for talent management and the development of future leaders within the business, as well as rethinking HR's KPIs/scorecard in line with strategic objectives.

2

Empowering the HR area
by establishing a closer proximity to Senior Management, defining a clear vision for the future, leading strategic talent forums and ensuring decisions are based on concrete data.

3

Defining an Organisational Model geared towards Change,
implementing new models that make HR teams more agile and efficient, while diversifying their scope of action by incorporating new areas, such as Sustainability, Internal Communication or Transformation.

4

**Ensuring diversity of skills in HR profiles,**
incorporating analytics, transformation and digitalisation profiles. Conversely, ensuring diversity of experiences thereby facilitating increased mobility between HR and business areas, in order to better understand the context and challenges of the business.

5

Transforming the profile of the Human Resources Director (HRD),
evolving from a People Manager to a Transformation Leader with close proximity to the business, strong strategic and stakeholder management skills and high adaptability. In short, a true business leader.

KEY TOPICS FOR HUMAN RESOURCES TO BECOME MORE STRATEGIC

Topic	Percentage
BUSINESS EXPERIENCE/ORIENTATION	15,9%
LEADERSHIP READINESS IN TALENT MANAGEMENT	15%
DIGITALISATION (PROCESSES, TOOLS, SYSTEMS)	14%
PROXIMITY TO SENIOR MANAGEMENT	14%
RESPONSIBILITY FOR BUSINESS KPIS	12%
NEW COMPETENCES	6,5%
DIVERSITY IN THE TEAM	5,6%
GREATER AUTONOMY	4,7%
NEW LEADERS	4,7%
FOCUS ON CUSTOMER SERVICE	3,7%
DIVERSITY OF EXPERIENCE	2,8%
MINDSET OF THE EXECUTIVE COMMITTEE	1%

I. ENSURE A STRATEGIC BUSINESS-ORIENTED AGENDA

HR leaders' agenda priorities.

When analysing the main trends/ challenges that have been priorities for HR in recent years, it is evident that their attention was primarily directed towards three areas: Employee Experience (11%), Organisational Culture and Environment (10%), and Diversity, Equity, and Inclusion (DEI) (9%).

These topics have been and continue to be relevant, considering the growing "power" of employee expectations towards organisations, driven by the demands of the new generations. Millennials are expected to make up more than 70% of the workforce in two years, with Generation Z becoming increasingly represented. The search for purpose at work challenges organisational culture

to align more closely with employees' core values. Finally, Portugal's lag in DEI when compared to other European countries has accelerated the need for greater emphasis on this issue. According to the Gender Equality Index of the European Institute for Gender Equality (EIGE), Portugal only ranked 15th in 2022.

Looking ahead, there is an even greater focus on employees, with approximately half of the surveyed leaders prioritising Talent-related issues as the main challenges of the future. This is especially true in terms of attraction and retention, leadership development, and digital transformation.

HUMAN RESOURCES TOPICS THAT GAINED PROMINENCE IN RECENT YEARS

EMPLOYEE EXPERIENCE	#1	**11%**
CULTURE AND CLIMATE	#2	**10%**
DIVERSITY, EQUITY AND INCLUSION	#3	**9%**
TALENT MANAGEMENT (PERFORMANCE AND POTENTIAL)	#4	**8%**
LEADERSHIP DEVELOPMENT	#5	**8%**
FUTURE OF WORK	#6	**7%**
COMPENSATION AND BENEFITS MANAGEMENT	#7	**6%**
ORGANISATIONAL TRANSFORMATION	#8	**6%**
EVP (EMPLOYEE VALUE PROPOSITION)	#9	**6%**
TALENT RETENTION	#10	**6%**
EFFICIENCY/ COST OPTIMISATION	#11	**5%**
ESG (ENVIRONMENT, SOCIAL, GOVERNANCE)	#12	**5%**
LEARNING AND DEVELOPMENT (INCL. UPSKILLING/RESKILLING)	#13	**5%**
RECRUITMENT & ONBOARDING	#14	**5%**
STRATEGIC WORKFORCE	#15	**2%**
HR ANALYTICS	#16	**1%**

THE BIGGEST CHALLENGES FOR HR TEAMS IN THE COMING YEARS

TALENT ATTRACTION	**13%**
LEADERSHIP DEVELOPMENT	**11%**
DIGITAL TRANSFORMATION AND NEW MANAGEMENT PLATFORMS	**11%**
TALENT RETENTION	**10%**
CONTINUOUS IMPROVEMENT OF THE EMPLOYEE EXPERIENCE	**9%**
EMPLOYEE WELL-BEING	**8%**
NEED FOR NEW SKILLS	**7%**
CONSOLIDATION OF NEW WAYS OF WORKING	**6,5%**
CULTURAL TRANSFORMATION	**6,5%**
SUCCESSION PLANNING	**6%**
PRESSURE ON DIVERSITY, EQUITY AND INCLUSION ISSUES	**5%**
CONSOLIDATION OF HR'S POSITION AND INFLUENCE IN THE ORGANISATION	**4%**
ORIENTATION TOWARDS EFFICIENCY/COST OPTIMISATION	**3%**

Talent has become the main driver of value for organisations, and although the "war for talent" is not new, contextual changes continue to accelerate this challenge. On one hand, technological advances have created a need for specialised talent in new areas (e.g. data science, artificial intelligence) where talent is still scarce. On the other hand, increasing

globalisation and remote working are forcing companies to compete not only at national level, but also with international players.

In addition, new generations have different career priorities to those of previous generations. They value elements such as work-life balance, flexibility at work, a clear purpose and the feeling of contributing to a greater good, in detriment of elements such as professional stability, loyalty to the organisation and "conventional" benefits. Furthermore, we have to take into account different employment contractual situations within the workforce, such as permanent workers, consultants, freelancers or even volunteers, with different expectations and ways of working, all of whom must be harmoniously involved and committed to the organisation.

All these elements force organisations to readjust their talent attraction and retention strategy, rethinking their value proposition to better align themselves with market demands and guarantee their most significant differentiating factor.

While the ability to attract talent is imperative to ensure a diverse and highly qualified workforce, leadership development is essential to face complex challenges and explore growth opportunities. Digital Transformation, meanwhile, is undoubtedly a response to the technological changes that are shaping the way companies operate and interact with their employees and clients, requiring agile and effective adaptation. HR needs to take on the role of promoters and agents of change, as up until now business has been the main catalyst. A more strategic shift requires them to take the lead.

" Our strategic growth depends on our continued ability to attract and develop talent. Nowadays, our talent expects us to be able to provide new opportunities as well as high exposure, challenges and proximity to decision-making. We are committed to initiatives to accelerate talent, whether through careers with functional and geographical mobility or development programmes that place talent directly at the strategic discussion table with our senior leaders. Our directors are responsible for and sponsor these initiatives, which ensures the sharing of perspectives and continuous strategic challenges throughout the organisation, preparing it for the future. "

Paula Carneiro
EDP Head of Global People
& Organisational Development

BUSINESS ALIGNMENT

Leadership development.

IN MOST ORGANISATIONS, RESPONSIBILITY FOR LEADERSHIP DEVELOPMENT IS SHARED BETWEEN HR AND BUSINESS LEADERS, BUT IT STILL FALLS PREDOMINANTLY ON HR TEAMS **(59% BY HR AND 41% BY BUSINESS LEADERS)**

Preparing leaders means preparing the organisation for the future. It is, therefore, crucial that HR shares this responsibility and places the issue on the agenda of the business leaders who interact with their teams daily. At the same time, they must provide the necessary tools, enabling individuals throughout the organisation to take on a more active role in talent management and leadership development. HR should act as a partner and trusted advisor in this process but should not be the protagonist or main decision-maker.

Some of the largest organisations in Portugal are investing heavily in identifying "Leaders of the Future" and identifying and preparing potential successors to ensure the necessary agility in renewing leadership. Increasingly, the timely identification of these future leaders through investment in development processes

(e.g. functional enrichment and rotation, international assignments, reinforcement of technical and management skills) is becoming a factor for competitive affirmation.

> " CUF's success is the success of its employees, and leadership is the critical factor for its teams to achieve it. Ensuring exemplary leadership is an imperative priority for our growth and sustainability. We have a lot of talent in the organisation, and we need to ensure we know them well and consistently help them reach their full potential to ensure they are ready to take on bigger leadership challenges in the future. "

José Luís Carvalho
CUF Head of People

RESPONSIBILITY FOR DEVELOPING LEADERS

BUSINESS LEADERS 41%

HUMAN RESOURCES 59%

SUCCESS METRICS:

Linking HR and Business KPIs.

Galileo said that it's fundamental to know how to "measure what's measurable and measure what's not" - without a clear direction and definition of what constitutes "success", we can hardly direct a team's efforts towards the right priorities that will make a difference to the business. Although defining Key Performance Indicators (KPIs) is common practice in HR teams, most metrics track aspects such as turnover, time-to-hire, training hours, eNPS, diversity indicators and cost control. In other words, they generally don't include business indicators. This gap, therefore, hinders HR's fundamental contribution to

achieving business objectives while simultaneously perpetuating the perception of an indirect and reactive approach.

In order to guarantee a consistent and aligned strategy, it is imperative to include business indicators in HR KPIs and integrate key talent management indicators into business KPIs so that responsibility can effectively be shared, making talent management collaborative, agile and effective.

Sharing KPIs helps HR to "speak business language", facilitating more strategic and informed decisions.

MAIN KPIS FOR HUMAN RESOURCES TO SUPPORT THE BUSINESS

Category	%
RETENTION & TURNOVER	18%
CULTURE AND CLIMATE	17%
TALENT & DEVELOPMENT	13%
DEI	9%
FINANCIALS/COSTS	8%
EFFICIENCY/PRODUCTIVITY	7%
TRAINING	7%
R&S	7%
HEADCOUNT	4%
ABSENTEEISM	2%
BUSINESS	2%
QUALITY	2%
OTHERS	2%
SUCCESSION	1%
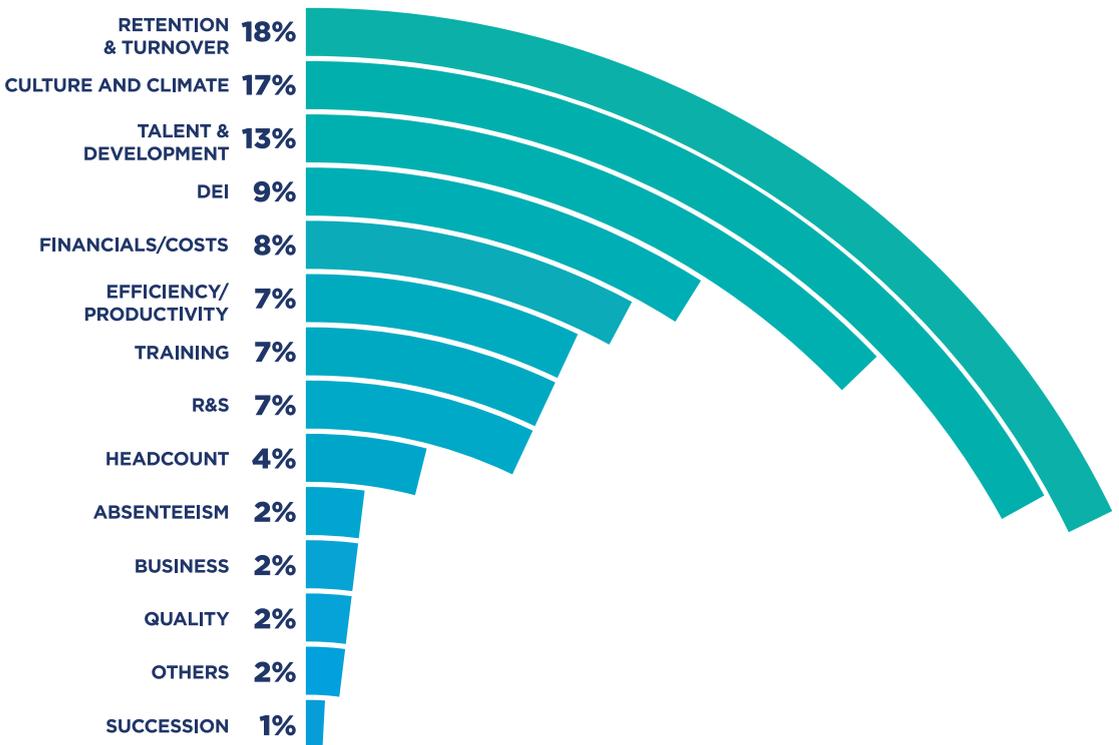
II. FURTHER EMPOWERING HUMAN RESOURCES TEAMS

Despite the optimism about the growing influence of HR in organisations, data shows that there is still a long way to go when it comes to affirming HR as a strategic decision-maker.

For example, HR's participation in the Executive Board's succession plans is still significantly heterogeneous. In some organisations, HR plays a critical role in this process, while in others, their involvement is noticeably lower or late, and they are not called to the decision-making table from the start of the discussion.

Closer proximity to senior management allows HR to play a more strategic role, fully aligned with management's vision and objectives. Reporting directly to the CEO/CHRO is a positive indicator that allows HR leaders and teams to assert themselves in a strategic role. However, it will be equally critical for these leaders to be part of strategic discussion forums, whether it's having a seat in the Management Team, coordinating People/Talent Committees or joining other relevant committees such as the Innovation and Diversity, Equity and Inclusion Committees. In short, they should be involved in forums that allow

them to acquire a global vision of the organisation and actively contribute to strategic definition and discussion.

> " Preparing future leaders is in our DNA and is part of our commitment to our stakeholders and the communities in which we operate. This is why the definition of the Leader profile takes place at the highest level, ensuring that we have the right leaders, both now and in the future. A leader at José de Mello is an ambassador for our culture and core values and must inspire others; they must be an example to follow, who makes our people, clients and partners proud. "

Luís Wissmann
José de Mello Group Director of People and Talent Management

HR IN ACTIVE DISCUSSIONS ABOUT THE COMPOSITION AND SUCCESSION OF THE EXECUTIVE BOARD MEMBERS

14%	3%	6%		6%		25%	8%	8%	31%
1	2	3	4	5	6	7	8	9	10
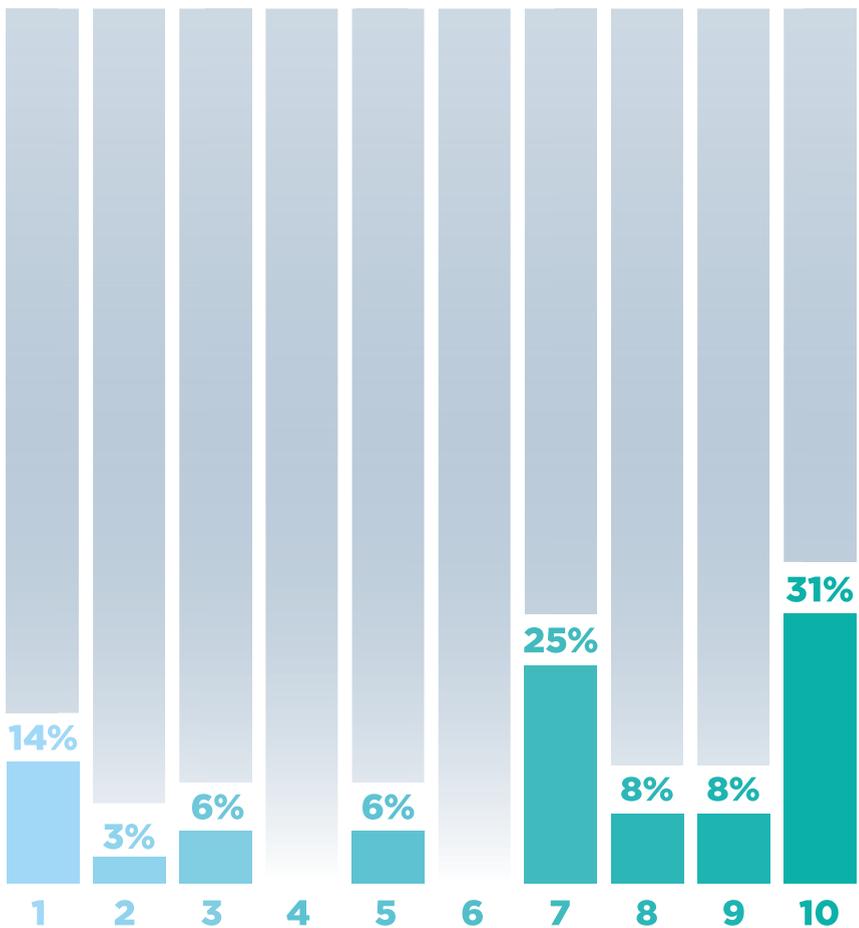
THE POWER OF DATA

A key lever for strategic assertion is the ability to discuss and decide based on data, supported by robust tools such a **HR Analytics**, **Predictive Analytics** or **Strategic Workforce Planning**.

Interest in the use of HR analytics has grown exponentially in recent years. At a global level, it is increasingly moving towards a predictive direction in various areas. Some examples include predictive recruitment, which makes it possible to identify the candidates most likely to be successful in a given role; pulse surveys or sentiment analysis with real-time data on employee engagement levels based on employee feedback; detecting trends and actions to improve engagement, or even identifying which recognition and reward programmes most motivate employees based on their preference and performance, making it possible to create more customised and effective recognition models.

Companies like Google have used data from a "forward-looking" perspective for over a decade, predicting

employee turnover and defining more robust retention strategies for key employees who may be at higher risk of leaving.

In Portugal, however, data indicates that these issues have not yet been prioritised by HR (<2%, see graph "Human Resources topics that have gained prominence in recent years"), partly due to a lack of analytical profiles or suitable systems to enable them to develop these tools.

Although most organisations have made efforts to ensure the production of information, very few strategic HR decisions and risk mitigation actions are genuinely based on data. Its use is still very limited to the reporting sphere, and there is a significant gap in the ability to manage and act early based on information from this data.

" Our ambition to continue leading the market requires us to anticipate trends and act proactively. Strategic Workforce Planning at MC allows us to align the organisation's strategy with the needs of our teams, when anticipating the need to attract and accelerate talent by identifying skill gaps in line with the company's new strategic requirements, for example. SWP allows us to implement specific actions to provide the business with the skills and profiles necessary for our growth, in an agile and structured way. "

Vera Rodrigues
SONAE MC Head of People

III. CHANGE-ORIENTED ORGANISATIONAL MODEL

In this new paradigm of HR being increasingly more strategic, relevant, and focused on monitoring indicators for a more significant impact, there is a need to reconsider operational models.

International trends point to significant changes in these teams' operational models over the next few years. In Portugal, these leaders also highlight this dimension as one of the main transformations and one that will continue to gain prominence in the coming years.

These new models incorporate changes such as the redefinition of HRBPs' roles into more specific functions, the creation of dynamic teams of "problem solvers", the implementation of next-generation Centres of Excellence to provide agile support, and the development of robust service delivery and operations teams. Everything points to HR transactional tasks being more externalised.

AREAS WHERE THE GREATEST CHANGES ARE EXPECTED TO OCCUR IN THE STRUCTURE OF THE HUMAN RESOURCES TEAM

DIGITALISATION/ AUTOMATISATION	26%
UPSKILLING/RESKILLING OF COMPETENCES	17%
NEW ORGANISATIONAL MODELS	16%
NEW LEADERSHIP PROFILES	12%
NEW KPIs MODELS	10%
ADOPTION OF NEW WORKING METHODS	8%
ADJUSTMENTS TO THE TEAM PROFILE	6%
OUTSOURCING/ INSOURCING	3%
PROFILE CHANGES	1%
NEW AREAS TO COVER AND DEVELOP	1%
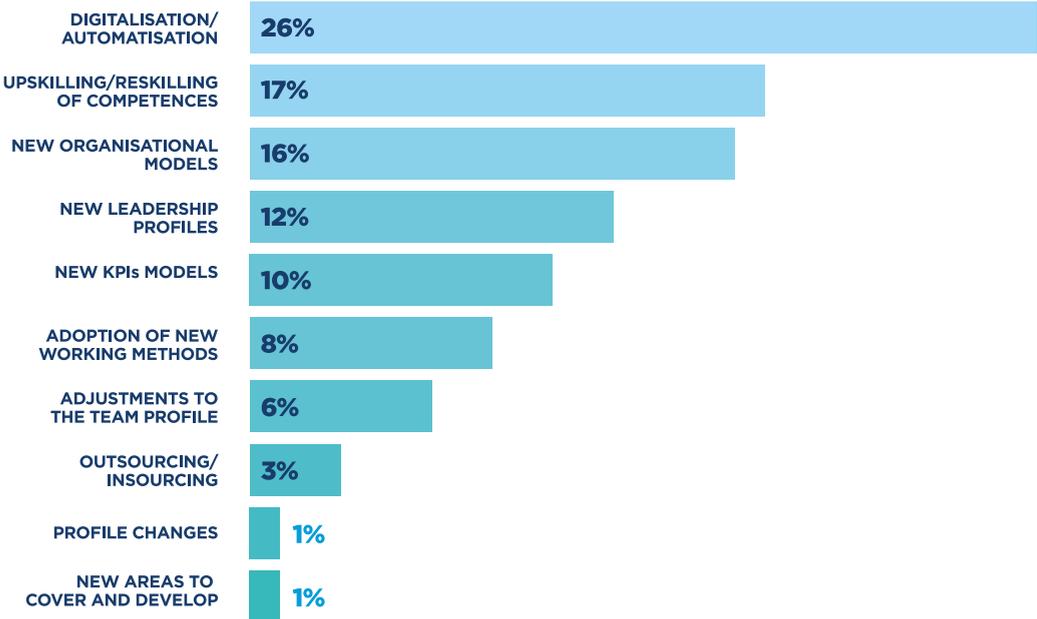
We are also seeing various organisational models emerge globally, such as Agile, Ex-driven, Leader-led, Machine powered... Selecting the most appropriate model depends on the organisation's strategy, culture, and the preparation of the HR team, among other factors. In common, these new models have a focus on agility, the employee experience and the use of technology, such as automation software or data analysis.

In Portugal, the organisational model that divides functions into "Run" and "Change" (Ulrich) continues to be a trend in the HR field. This model allows HR teams to combine dual roles. "Run" refers to traditional functions focused on day-to-day operations, such as payroll, operations and registration. "Change", on the other hand, reflects the strategic side of HR, working closely with senior management to drive organisational change, develop talent and strategically plan the workforce. The key to success lies in balancing these two aspects to guarantee the effectiveness of the HR department, ensuring day-to-day operations without neglecting the strategic aspect.

The Agile model is also emerging, enabling teams to collaborate more effectively and quickly deliver on critical acceleration and transformation projects (e.g. rethinking the talent model for new generations and creating further consultation and engagement models). Scrum, Kanban and Design Thinking methodologies are typically used in this context. According to our clients, adopting these practices still requires a cultural and mentality change, as well as a strong training component and alignment with the rest of the organisation.
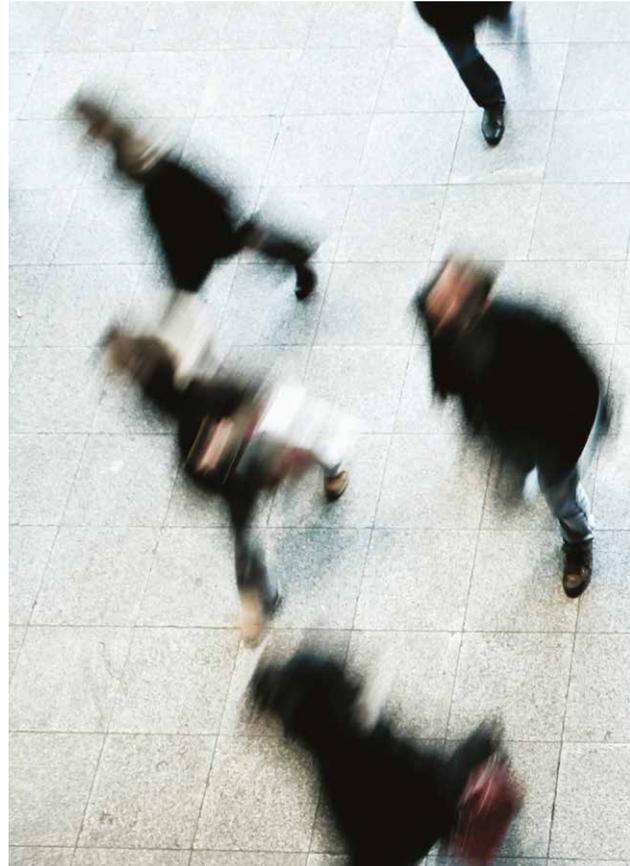
"The use of Agile models in HR teams is increasingly becoming necessary in a context of accelerated strategic evolution. At Galp, the HR team is piloting this model, which allows it to adapt quickly to changes (sprint delivery and continuous improvement), boost collaboration between areas, increase the focus on the internal customer and improve response efficiency. The organisation of squads is dynamic and organic according to needs and, having overcome the challenges of implementation (namely coexistence and alignment with other working models), it is a powerful tool with high potential and a recognised impact on the business. The improvement of main metrics (eNPS, CSI, Cost to Serve) illustrates this impact and fosters a data driven culture, which is a key element of the Agile model."

Marco Serrão
GALP Chief People & Spaces Officer

NEW AREAS OF ACTIVITY

Another emerging aspect is the diversification of HR teams' areas of activity. Just over a third of those surveyed say they plan to increase the size of their teams over the next two years, with 54% indicating the creation of new areas as the main reason for doing so.

INTENTIONS FOR THE NEXT TWO YEARS

59%

33%

8%

MAINTAIN THE SIZE OF THE HUMAN RESOURCES TEAM

INCREASE THE SIZE OF THE HUMAN RESOURCES TEAM

DECREASE THE SIZE OF THE HUMAN RESOURCES TEAM
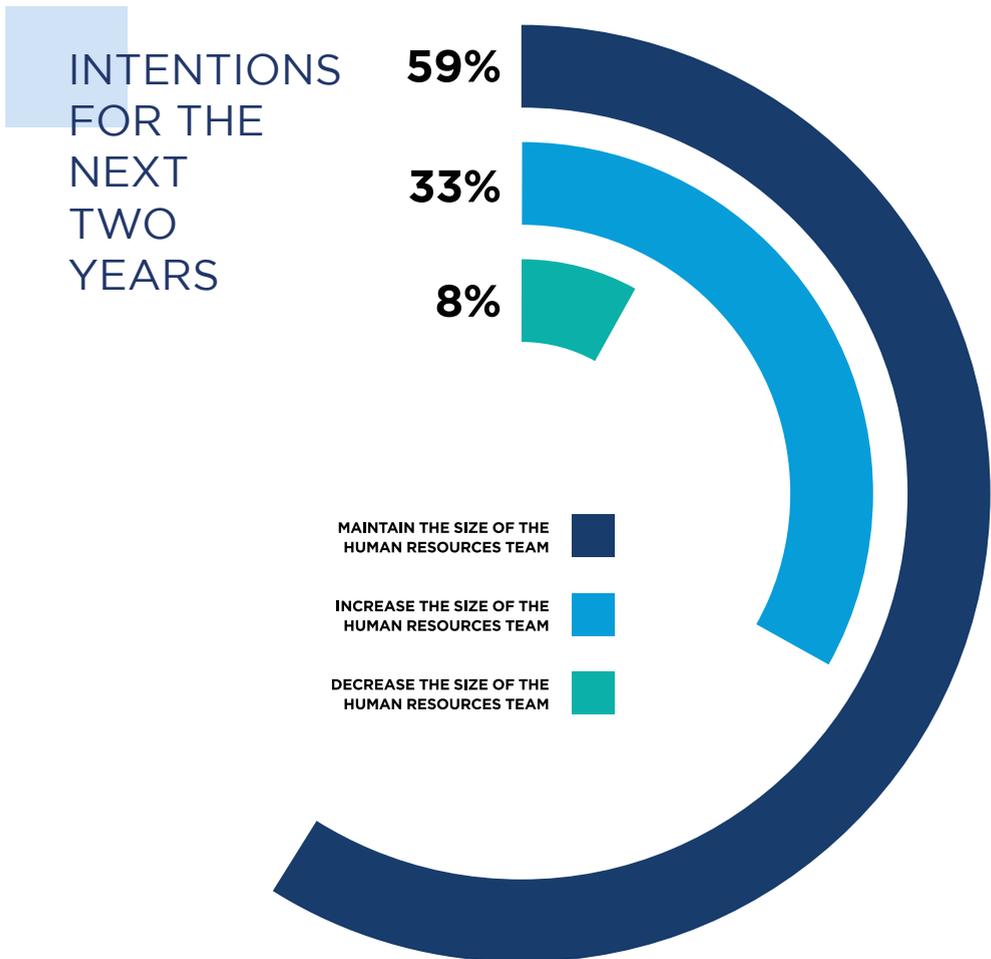
REASON FOR THE EXPECTED INCREASE IN THE SIZE OF THE HUMAN RESOURSES TEAM

54%

23%

18%

5%

NEW AREAS OF HUMAN RESOURCES
ACTIVITY (E.G., DIVERSITY, EQUITY,
INCLUSION, ESG, COMMUNICATION)

ACQUISITIONS/
NEW BUSINESS UNITS

INCREASE IN THE TOTAL
NUMBER OF EMPLOYEES

GREATER RESPONSIBILITIES
WITHIN THE ORGANISATION
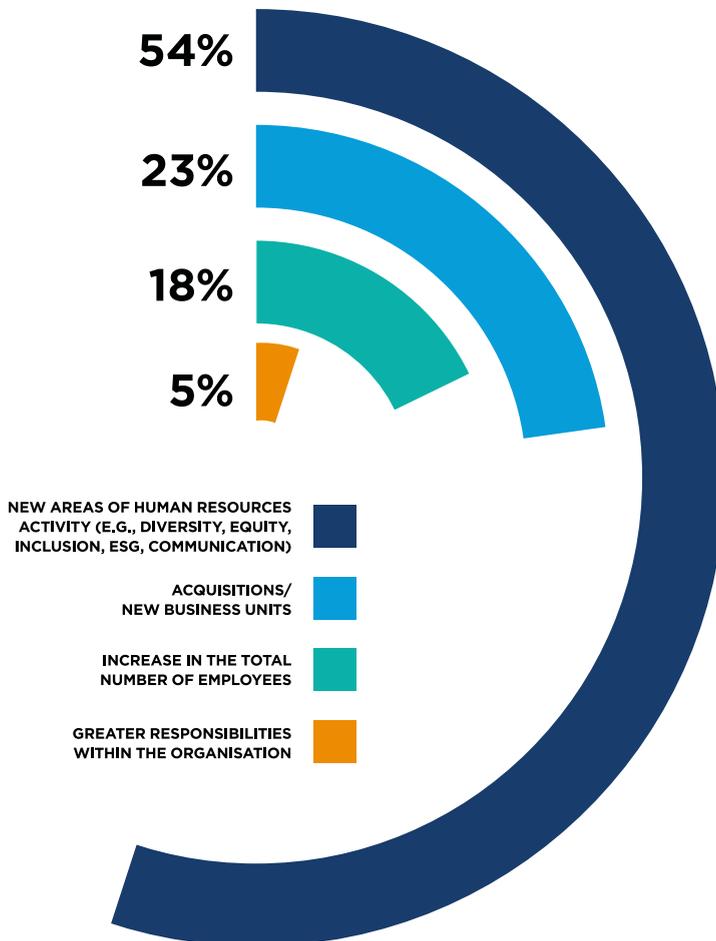
These new areas include Technology and Data Analysis, Diversity, Equity, and Inclusion (DEI), Well-being, Communication, Sustainability and Social Responsibility, Change Management, and the Future of Work.

The global concern for Diversity, Equity, and Inclusion (DEI) is also observed among Portuguese companies. However, the maturity levels may vary depending on the company's culture or industry sector. Factors such as changes in employee expectations, regulatory or social pressures, or an understanding of the benefits that DEI can bring to innovation, creativity, and business performance are driving the prominence of this topic. Study participants expressed a positive view of the evolution of DEI indicators in their companies over the past two years (7.9/10), giving significant importance to HR teams in the impact of DEI (7.9/10) on the organisation.

Sustainability and Social Responsibility are also trending topics, leading some organisations to create autonomous departments to focus on them. In other companies, this responsibility falls on HR, which makes sense and helps foster a more strategic positioning. Potential candidates are increasingly considering sustainability when choosing future employers, making it essential for companies to adopt responsible practices. Many organisations also emphasise their values and culture, incorporating these aspects into their Employee Value Proposition, enhancing talent attraction and retention. Therefore, incorporating ESG (Environmental, Social and Governance) principles into the HR agenda can be crucial when aligning the company's interests with the expectations of employees and candidates, promoting a sustainable and responsible culture.

> "In the HR team, we had a clear vision of our objective: we wanted to be a transformative force, fully engaged in the business. We built a new structure to ensure a customer-centric (both external and internal) and results-focused approach while enhancing internal efficiency and best practices. We introduced the role of Business Coach, which focuses on building strategic partnerships with the business. We also defined new areas, such as the Future of Work, which seeks to promote the organisation's agility in various dimensions by implementing transformational projects in Agile methodologies and a hub-and-spoke logic."

Joana Queiroz Ribeiro
Fidelidade Head of People and Organisation

FOCUS ON EFFICIENCY, EMPOWERED BY **DIGITAL TRANSFORMATION**

Digital Transformation is not a new topic, but it has become inescapable due to the quick escalation imposed by the pandemic. The numerous advantages have led to permanent changes in Recruitment and Selection processes, Onboarding, Training, and even communication and collaboration models among teams. Furthermore, Artificial Intelligence (AI) further amplifies the benefits (although there are reservations regarding the risks involved, such as privacy, security, legal risks, misinformation, and manipulation, among others). It is gaining traction and more adopters (primarily led by technology companies).

However, adoption barriers, such as technological complexity, a lack of digital skills, a resistant culture, privacy and ethical concerns, and cybersecurity risks, will require companies to adopt gradual strategies on their digitalisation journey.

IV. NEW SKILLS PROFILE FOR HR

The study reveals a significant confidence gap among HR leaders regarding the existing competencies within their team to address future challenges (6.3/10) and the team's potential to assume leadership roles in the future (6.7/10). Therefore, it is imperative to implement significant changes in the profile of HR teams and ensure their resilience so they become relevant players capable of leading transformation.

Change in Human Resources Profile Types.

One of the reasons for this competency gap is the predominance of what is often called "traditional" profiles in HR teams. Currently, the three most common backgrounds found in these teams are HR Management (22%), Management (20%), and Psychology (20%). Internationally, this trend is similar: the background of HR professionals in the top 200 Fortune companies in 2021 was Psychology (22%), followed by Management (19%) and Labour Relations (11%).

However, future expectations indicate a growing need for diversification of profiles. Faced with market transformation, the main profiles that HR leaders anticipate integrating into their teams are analytical profiles (26%), transformation profiles (22%) and digitalisation profiles (11%).

Some companies have started this journey, facing the concurrent challenge of developing the value proposition of the HR team itself, which now needs to become appealing to attract professionals from areas not naturally associated with HR. This reflects the emphasis on elevating Human Resources, making them more data-driven, digital, and capable of engaging in strategic discussions, in line with the previous findings.

PROFILES TO
INTEGRATE INTO
THE HR TEAM
IN RESPONSE
TO MARKET
TRANSFORMATIONS

ANALYTICS 26%

TRANSFORMATION 22%

DIGITALISATION 11%

CONSULTING 9%

GENERALIST 7%

STRATEGY 5%

MARKETING 5%

IT 4%

PSYCHOLOGY 3%

NO RECRUITMENT NEEDS 2%

COMMERCIAL 2%

ENGINEERING 2%

LEGAL 1%

FINANCIAL 1%
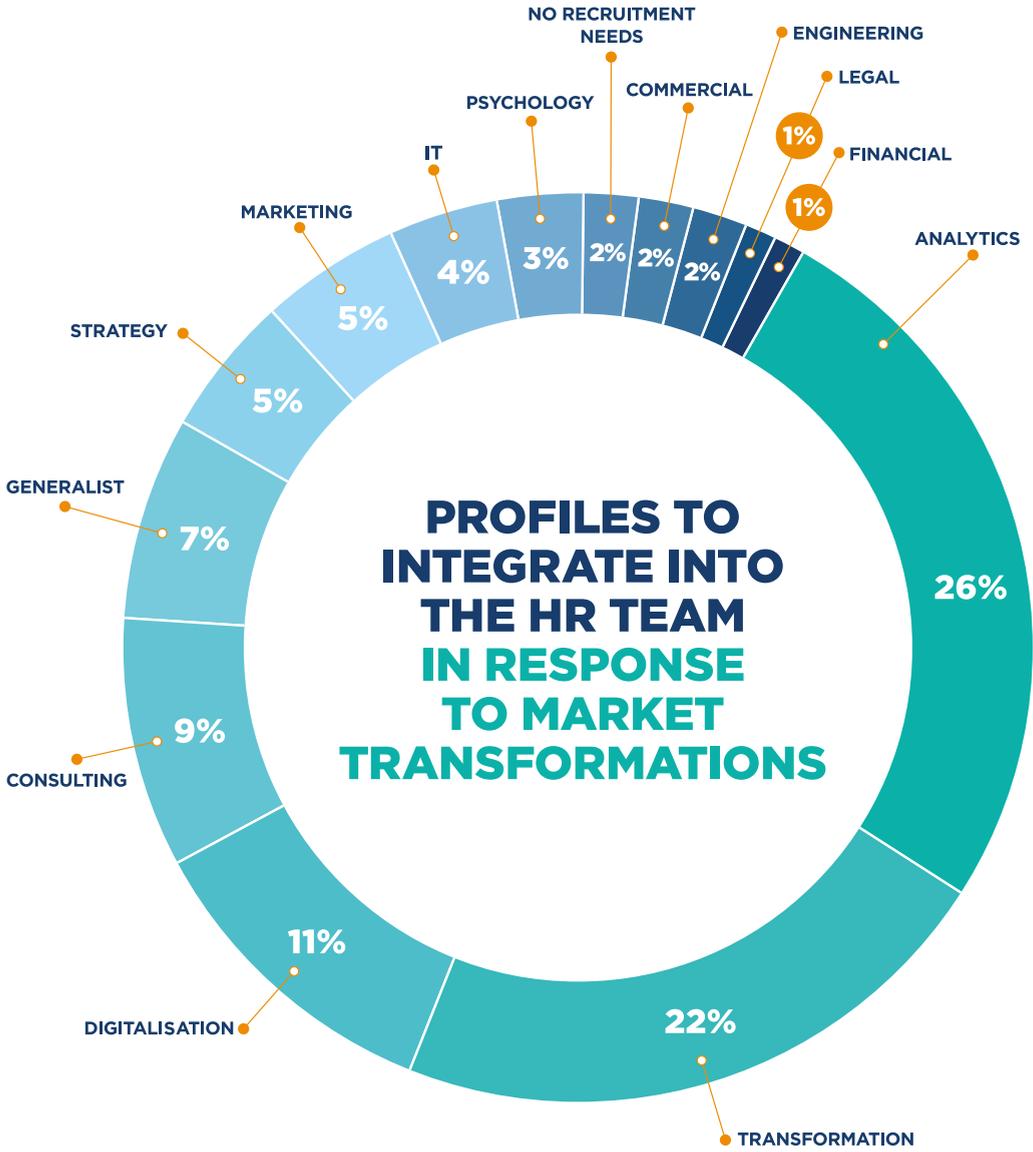
Another notable challenge is strengthening the business acumen of HR teams, enabling them to challenge and engage in strategic discussions and make decisions collaboratively rather than simply implementing business directives. This ambition is often reflected in the company structure with positions such as HR Business Partners or the existence of internal mobility programmes. However, as the study reveals, the mobility of professionals from Business areas towards the HR team is low (6.3/10), and HR mobility to Business areas is even lower (5.9/10). This data indicates a lack of confidence, preparation, and legitimisation of HR profiles to lead business-related topics and master skills such as strategic and business vision, stakeholder management, P&L management, among others.

of new skills in their teams: transversal projects that involve collaboration between HR and other departments with expertise in data analysis/ digitisation, etc.; interdepartmental mentoring, in which colleagues from different departments mentor HR professionals and vice versa; promotion of internal mobility, creating rotation programmes for HR profiles with business or other corporate areas; recognising and rewarding employees for active participation in initiatives, projects or learning opportunities that enhance their management skills; partnerships with technology organisations (including educational institutions) to ensure appropriate levels of preparation.

Approaches to overcome these Challenges.

Given these needs, investing in external recruitment of new profiles is a more agile solution with short-term returns. However, the challenge lies in creating a distinctive proposition to attract these scarce profiles in a highly competitive market. Are HR prepared for this?

To ensure the necessary talent pipeline, HR Leaders consider other options that can help the development
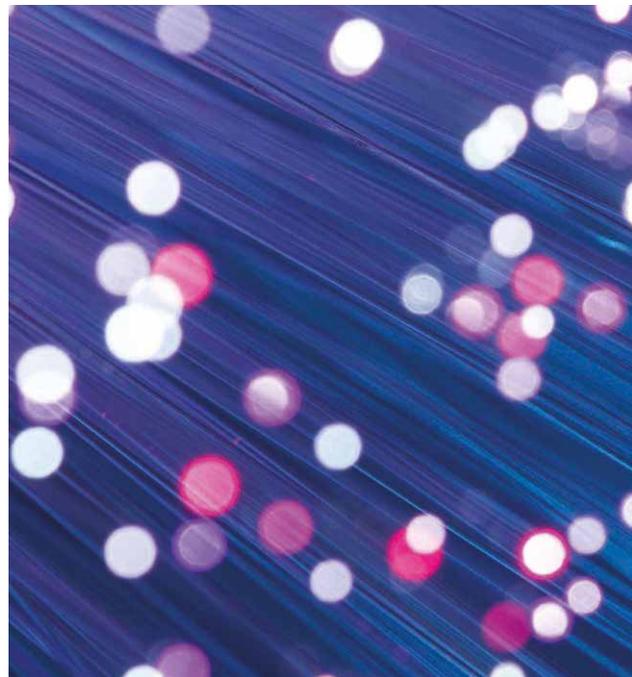
HR Leaders as Development Agents.

With the desired transformation in the field of Human Resources already well underway, upskilling and reskilling become proactive and essential approaches for managing the talent in these teams, alongside the upskilling of other business areas.

Globally, many companies are already making substantial investments in improving the skills of their employees. According to estimates from the OECD, in the coming decades, approximately 42% of Portuguese workers will need to update their qualifications or change profession. HR should be at the centre of the requalification process, both as promoters and recipients.

According to our research participants, HR employees are expected to upskill in areas such as data analysis (22%), strategic thinking (21%), digital acumen (10%) and operational transformation (10%).

HR leaders will play a crucial role in this learning journey; from creating opportunities, to ensuring appropriate conditions for employees to participate in these programmes, and encouraging professionals to become proactive and take ownership of their development. Unfortunately, HR teams often prioritise the daily pressures of their roles over future proofing (primarily by focusing on "deliverables," as previously noted in this paper).

> " Success means adding value, and that entails constantly evolving our mindset and changing some behaviours. Upskilling programmes help us instil a development culture in the organisation, involving everyone at all levels of responsibility. At Semapa, empowering our employees is essential to ensure that our teams are always up to date and remain competitive in the market. "

Isabel Viegas
Semapa Chief People Officer

V. NEW HR LEADER PROFILE

The role of the Chief Human Resources Officer (CHRO) is undergoing a significant transformation. In the past, it was common for HR leaders to specialise in Human Resources management and remain in this field throughout their professional careers. While they might transition and become proficient in various HR areas, such as compensation & benefits, or recruitment and talent development to gain a holistic view of HR, the pursuit of "thinking outside the box" and acquiring knowledge in other areas of the organisation is still in its infancy and is increasingly valued. Companies recognise the need for HR leader profiles with experience in developing business insight capable of leading transformation or autonomously managing relevant P&L (Profit and Loss). Furthermore, experience in a variety of industries is also considered an advantage. Although these trends are more evident internationally (e.g., Francine Katsoudas at Cisco, Beth Galetti at Amazon, Béatrice Guillaume-Grabisch at Nestlé), they are also gaining momentum in Portugal.

Skills for Leading Transformation

According to study participants, companies can benefit from HR leaders with proven management skills, by investing in the following competencies:

Strategic Thinking (30%): To anticipate business issues, not just HR issues. Standout HR leaders will offer a comprehensive view of the organisation and understanding of talent management strategies and business strategies synergies.

Stakeholder Management (16%): To ensure the involvement of all stakeholders during organisational transformations, establishing collaborative, rather than adversarial relationships. HR leaders are more likely to succeed when they build strong relationships of mutual influence across the management team, starting with the CEO, CFO, CTO, and COO.

Adaptability (13%): To handle situations of high uncertainty and ambiguity, maintaining a focus on medium and long-term strategies while managing changing factors with flexibility.

THE MOST VALUED SKILLS IN THE HUMAN RESOURCES DIRECTOR IN THE FUTURE

Skill	%
STRATEGIC THINKING	30%
STAKEHOLDER MANAGEMENT	16%
ADAPTABILITY	13%
EMOTIONAL INTELLIGENCE	11%
COMMUNICATION	8%
OPERATIONAL TRANSFORMATION & PROCESS OPTIMIZATION	7%
DATA ANALYSIS	4.6%
DIGITAL ACUMEN	4.6%
RESILIENCE	4.6%
MOTIVATION	1%
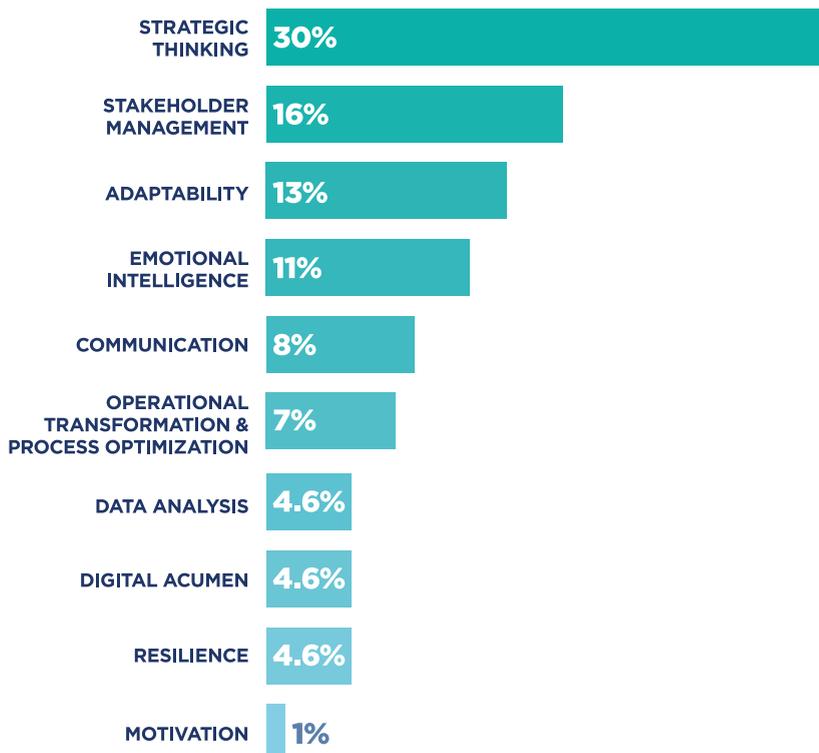
CALL TO ACTION

In order to become an influential voice, the Chief Human Resources Officer (CHRO) must bring the perspective of a strategic leader to the HR function. It is essential to have an honest reflection on how prepared we are to address the various strategic priorities and challenges previously discussed. Therefore, a structured development plan aligned with the business requirements should include:

Strengthening management knowledge and skills by combining training and management programmes (e.g., executive master's degrees, finance, analytics).

Actively engaging in strategic initiatives within the organisation or participating in forums discussing key areas of the organisation's strategy.

Following industry trends and the broader ecosystem by participating in external events or joining associations and business roundtables. These actions enable the establishment of connections with other business leaders, sharing knowledge, and fortifying social influence and support.

Collaborating with business leaders to ensure talent management becomes a shared responsibility, with business and talent KPIs spanning the management team.

This shared responsibility encourages interdependence between HR activities and the achievement of the organisation's macro-objectives. Speaking the business' language, understanding, and sharing responsibility for its KPIs will help HR make more strategic and informed decisions.

Preparing the HR team for the future by ensuring a variety of profiles and competencies through upskilling/reskilling or the inclusion of new profiles with solid expertise in analytics, digital, or transformation.

Normalising the use of data-driven insights to support decision-making and demonstrate the impact of HR strategies on business outcomes.

HR executives should be business leaders and bold advisors to senior management. As members of the Executive Committee or the organisation's leadership team, they play a critical role both with shareholders and stakeholders across the organisation.

Lastly, it's worth emphasising that CEOs expect HR leaders to have the same business vision as the rest of the executive team. What are we waiting for?

METHODOLOGY

This study, conducted by Odgers Berndtson Portugal, aimed to provide a comprehensive overview of trends in Human Resources, taking into account the reality of Portuguese companies while also monitoring global trends in this field.

To achieve this goal, a methodological approach that combines quantitative and qualitative sources was adopted. Information was gathered through the administration of a questionnaire to HR leaders (CHRO/HRD) of companies in Portugal, along with exploratory interviews with the study participants and Odgers Berndtson's clients. A comprehensive review of international literature from reputable institutions in the subject areas discussed was also conducted, contributing to the foundation of this work.

It is worth noting the extensive experience of the Odgers Berndtson team in organisation, talent, and leadership consulting, which played a crucial role in enriching this study.

CURRENT ROLE

3%

33%

64%

HRD   CHRO   HR MANAGER
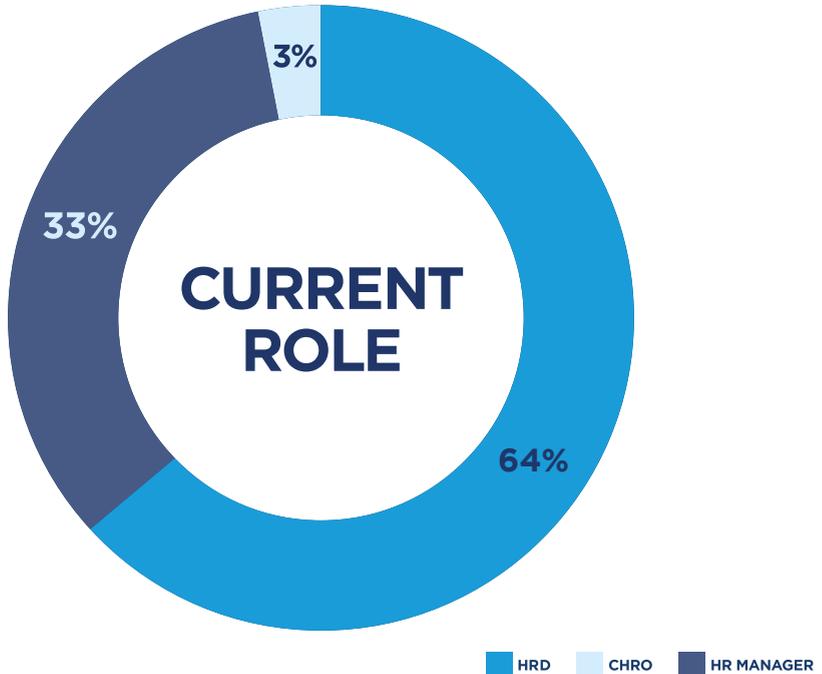
Study participants represent companies from more than 10 sectors of activity, with a focus on Commerce and Retail, Financial and Insurance Activities, and Manufacturing Industries. Notably, 78% of respondents work in large enterprises with more than 1000 employees, with a national reach of 58%.

The study was conducted from April to June 2023. The guiding structure of the study was based on four essential pillars: New Strategic Agenda, Governance, Team, and Performance, both at the organisational and HR team levels. In addition to multiple-choice questions, the questionnaire included questions using a scale from 1 to 10, where 10 represented the highest level of agreement with the statement. Consequently, throughout this article, the results of these responses are presented as averages in the format x/10.

*Note: some charts may not add up to 100% due to rounding
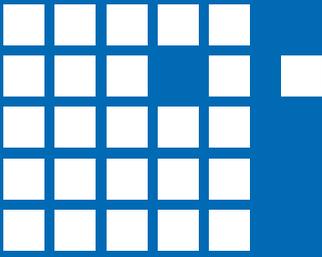
THE IMPORTANCE OF EFFECTIVE BOARDS

MESSAGE FROM OUR BOARD SOLUTIONS MANAGING PARTNER

Nuno Fernandes

MANAGING PARTNER
BOARD SOLUTIONS

Over the years, the complexity of board responsibilities has increased significantly. Our study, "The Importance of Effective Boards" explores how, in Portugal, boards are challenged to go beyond traditional oversight to become accurate engines of strategic value, driving organisations towards a sustainable and resilient future.

Based on insights from executive and non-executive directors across various sectors, this study is structured around our Board Effectiveness model, founded on five pillars: Purpose and Mandate, Structure and Processes, People and Skills, Board Dynamics, and the Role of the Chair. These pillars provide a comprehensive view of the practices and behaviours that most contribute to organisational success and resilience.

The findings are clear: boards with effective, well-structured practices are better equipped to face future challenges and align with the best governance practices. However, it is evident that there is still a way to go. Only 19% of boards are performing at their best, and issues such as skills, diversity, succession planning, and formal processes remain critical points for many.

This study offers a profound and practical reflection on the evolution of boards in Portugal. It provides actionable recommendations that can be implemented to encourage leaders to adopt a more strategic vision and strengthen their boards' foundations for the future. By following these practical steps, leaders can feel empowered to make a real difference in their organisations.

EVOLVING BOARD RESPONSIBILITIES

Boards today move beyond traditional oversight, becoming key strategic partners in guiding company direction.

## BOARD RESPONSIBILITIES ARE EXPANDING BEYOND THEIR TRADITIONAL SCOPE

FROM: TRADITIONAL OVERSIGHT	TO: DRIVING VALUE-DRIVEN DISCUSSIONS
■ Comply with fiduciary responsibilities	■ Assess trends and uncertainties
■ Ensure financial oversight	■ Anticipate business disruptions
■ Promote risk management	■ Offer strategic guidance
■ Supervise CEO and Management Team	■ Evaluate resource allocation
	■ Serve as a thought partner for the Management Team
	■ Actively drive succession planning for the Board and CEO

THE VALUE OF WELL-RUN BOARDS

Boards that function effectively bring diverse perspectives and accountability, significantly boosting profitability, resilience, and operational efficiency across organisations.

WELL-RUN BOARDS ADD SIGNIFICANT VALUE TO THE ORGANISATION

RATE OF FINANCIAL OUTPERFORMANCE*, % OF RESPONDENTS

	Board has long-term (3-5 years) succession plan for itself	New directors receive sufficient induction training to be effective in their roles	Board members' collective skills and backgrounds are appropriate for organisation's needs	There is an explicit agreement between board and management team on their respective roles	Board's membership is sufficiently diverse to ensure that all relevant perspectives are represented in decision-making
Do not have practice	45	45	40	43	44
Have practice	61	58	54	54	53
Difference	16	13	14	11	9

RESPONDENTS WHO SAY THEIR BOARDS DO NOT HAVE PRACTICE IN PLACE

RESPONDENTS WHO SAY THEIR BOARDS HAVE PRACTICE IN PLACE

*Respondents who say their organisations have higher or much higher performance on average than industry peers over the past 3 years across 3 measures: profitability, organic revenue growth and growth in market share

Source: *A Time for Boards to Act,* McKinsey Survey 2018

THE BENEFITS OF GOOD GOVERNANCE PRACTICES

ORGANISATIONS WITH CONSISTENT GOOD GOVERNANCE PRACTICES:

29% — Are 29% **more efficient in generating profits,** for the same amount of financial resources allocated

43% — Are 43% **more efficient in manufacturing and selling products/services**

3.4x — Generate 3.4 times **more cash flow** for identical levels of operations

2x — Are twice as **resilient to incidents or operational failures**

2x — Generate twice the **return for shareholders**

25% — Have 25% **more liquidity** and are therefore better able to pay off debts in the short term

Source: *Corporate governance and company performance,* Grant Thornton Research Findings 2019

FUTURE-FOCUSED BOARD CHALLENGES:

Boards must balance oversight responsibilities with dedicating time to their own effectiveness and focusing on emerging topics.

POTENTIAL CHALLENGES TO CONSIDER

How can you balance your oversight duties against your role as a strategic advisor, especially in times of stress?

1

How can you embed ESG and digitalisation in your strategy, management and decision making?

2

How can you ensure that you get the right information to enable you to ask the right questions?

3

How can you allocate enough time for discussing and evaluating board effectiveness, dynamics, and resiliency?

4

How can you ensure that board expertise, diversity in thinking, and competencies will be aligned with future business trends?

5

INSTITUTIONAL INVESTOR INFLUENCE

Institutional investors are giving growing attention to governance matters as well. In the last ten years, around 70% of activist-investor requests were focused on governance.

INVESTORS CARE...

Demands by type and outcome since 2009, thousand*

SETTLEMENT
UNRESOLVED
ONGOING
DEMAND WITHDRAWN

RESOLUTION REJECTED

RESOLUTION ADOPTED OR PARTIALLY ADOPTED

NON-GOVERNANCE CAMPAIGNS
GOVERNANCE CAMPAIGNS
ALL PUBLIC CAMPAIGNS
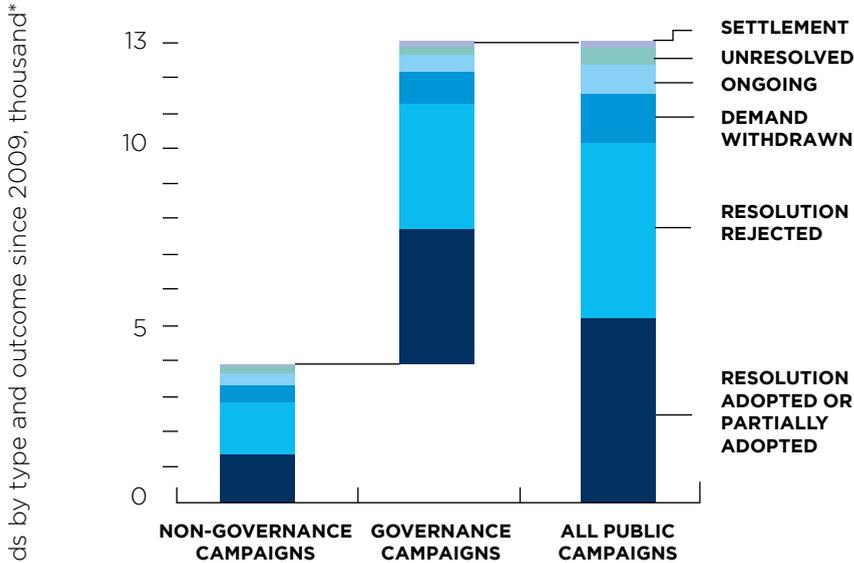
*Activist Insight, Proxy Insight

CONSEQUENCES OF BOARD FAILURES

Ineffective governance can lead to costly mistakes, underscoring the need for capable and proactive board members.

INSTITUTIONAL INVESTORS ARE BECOMING MORE VOCAL

ELEMENTS OF EFFECTIVE BOARDS

Odgers Berndtson's five pillars of board effectiveness offer a roadmap for boards aiming to enhance their strategic impact and governance.

Our method is built around eight core elements for good board work, that translates in the 5 Pillars of Odgers Berndtson's Board Effectiveness Framework.

1

Purpose and Mandate
Clarifying the value the Board brings to the organisation, with success indicators that reflect this contribution.

3

People and Skills
A well-rounded, diverse mix of experience and skills necessary to meet the organisation's challenges and goals.

2

Governance Model – Structure and Processes
Clear structures and workflows that support effective decision-making and strategic alignment.

4

Board Dynamics
Productive, complementary interactions among Board members, with each individual committed to fulfilling the mandate.

5

Role of the Chair

Guiding the Board's agenda and ensuring alignment with organisational goals, while fostering collaboration and effective engagement with key stakeholders.

Lastly, we have the "roof," representing the **Ownership Structure**, which influences everything (though it's not part of the formal assessment).

OWNERSHIP STRUCTURE			
5 CHAIR'S LEADERSHIP		CHAIR-CEO RELATIONSHIP	
3 SKILLS AND COMPETENCIES	DIVERSITY	TEAM DYNAMICS	INDIVIDUAL CONTRIBUTION **4**
2 GOVERNANCE MODEL – STRUCTURE AND PROCESSES			
1 MISSION, VALUES, STRATEGY	FINANCIAL PERFORMANCE & RISK MANAGEMENT		CORPORATE GOVERNANCE & COMPLIANCE
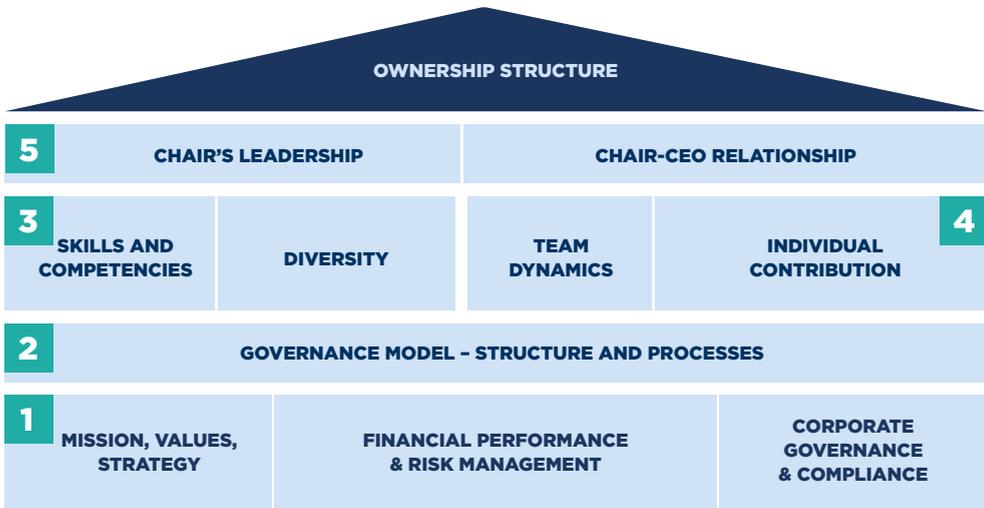
THE 5 PILLARS OF THE ODGERS BERNDTSON BOARD EFFECTIVENESS FRAMEWORK

Purpose and mandate, structure and processes, people and skills, board dynamics, and chair role are critical areas for driving board performance and accountability.

OUR BOARD
EFFECTIVENESS MODEL
IDENTIFIES 5 PILLARS
OF A HIGH-PERFORMING
BOARD

1
Purpose and Mandate

2
Structure and Processes

3
People and Skills

4
Board Dynamics

5
Chair Role

BOARD EFFECTIVENESS
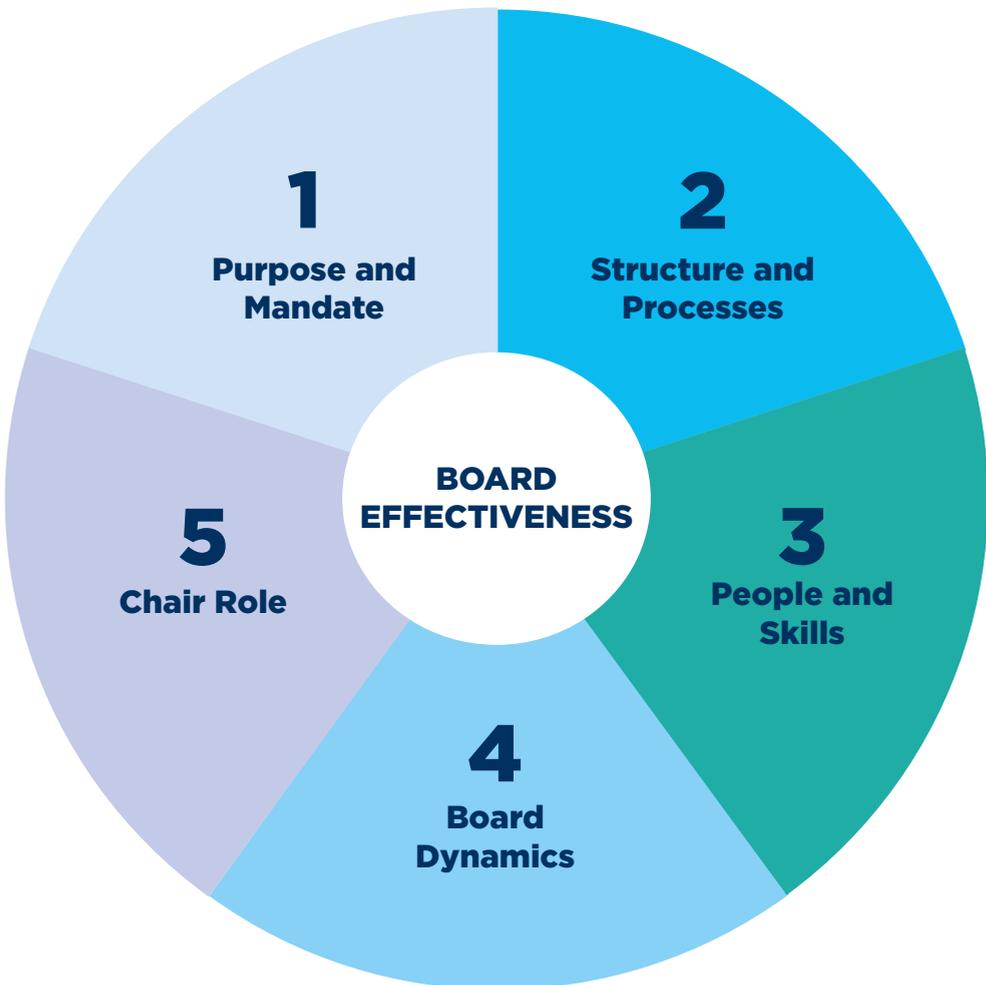
1 Purpose and Mandate

- Purpose and Values
- Compliance and fiduciary responsibilities
- Performance Management
- Strategic Direction
- Risk Management
- Corporate Governance
- Challenger's role

2 Structure and Processes

- Structure and Decision Model
- Information Architecture
- Monitoring and Control
- Onboarding
- Compensation Model

3 People and Skills

- Size and independence
- Skills' diversity and balance
- Focus and dedication
- Board composition for the future
- Succession Planning
- Recruitment Priorities and Effectiveness

4 Board Dynamics

- Meeting's duration and frequency
- Decision-making capacity
- Innovation and Continuous Improvement
- Dynamics amongst Board Members
- Relationship between Board and Management Team

5 Chair Role

- Leadership and Direction
- Meeting management
- CEO & Chair relationship
- Balance Ownership, Board, and Management
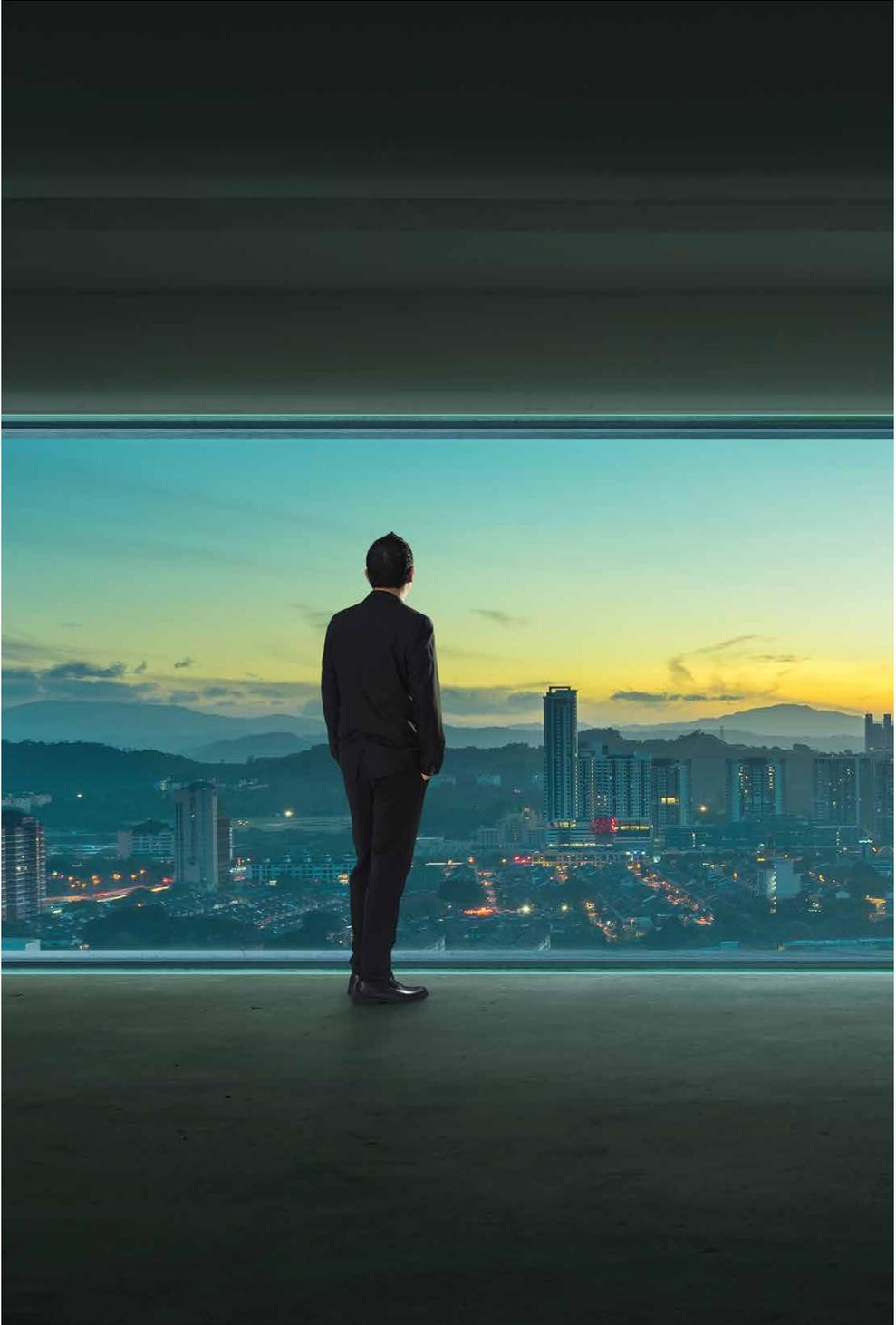
BOARD SURVEY OVERVIEW

The study aims to assess the Effectiveness
of the Boards of Directors in Portugal
by putting together the perspectives of
Executive and Non-Executive directors.

12+
SECTORS

65%
EXECUTIVE

35%
NON-EXECUTIVE

117
BOARD
MEMBERS
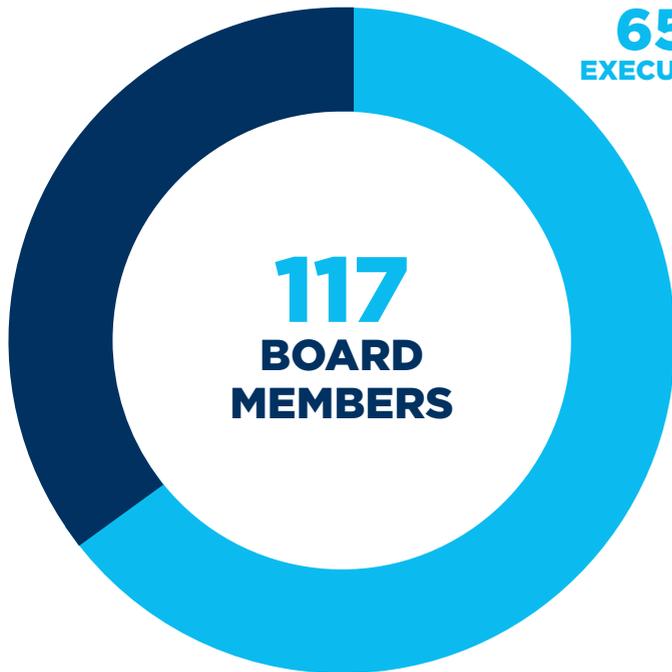
FROM PRIVATE COMPANIES TO PORTUGUESE STOCK INDEX COMPANIES

COMPANIES' ANNUAL REVENUE:

- 14% 250M - 500M€
- 14% 500M – 1000M€
- 43% > 1000M€
- 29% < 250M€
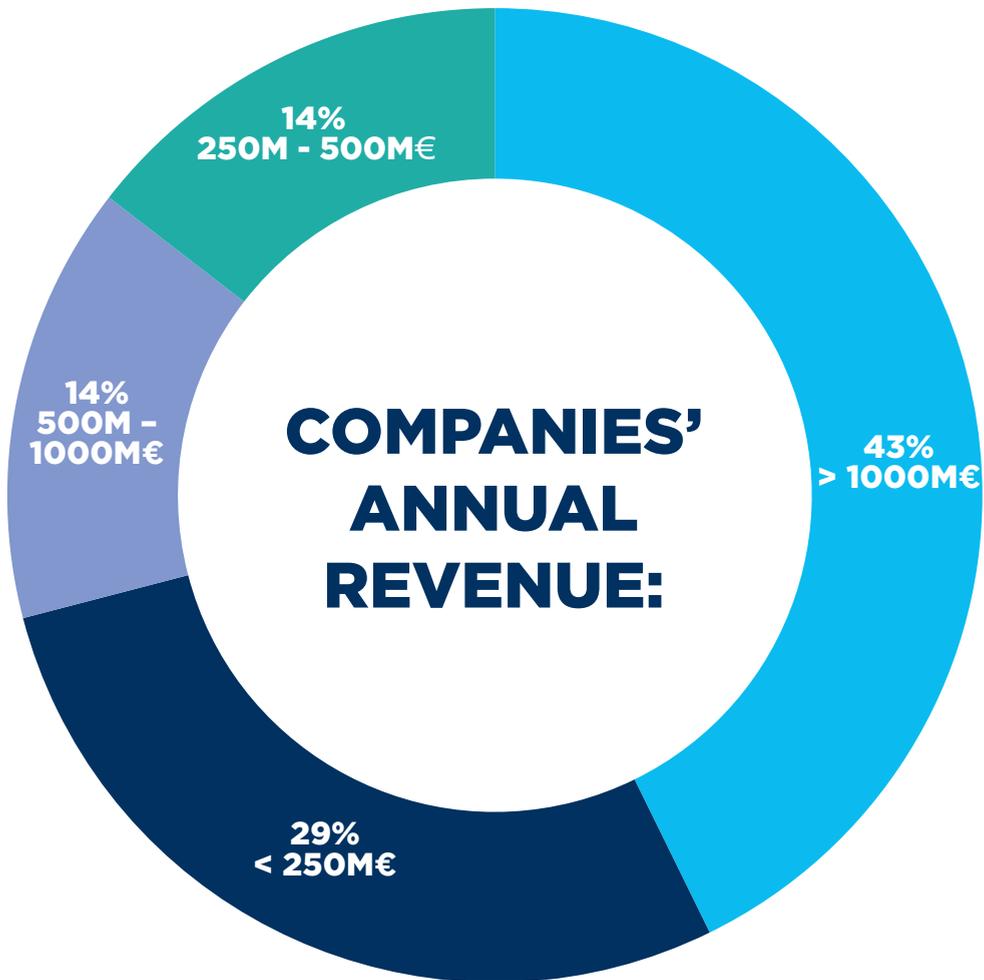
KEY INSIGHTS AND CONCLUSIONS

A call to action for boards to adopt best practices that prepare them for future challenges and drive organisational growth.

MAIN CONCLUSIONS

Board Effectiveness is an important topic and is getting even more relevant given the future challenges arising. However, **only 19% of Boards are working at their best (9-10).**

Board Effectiveness is directly linked to Organisational Performance, **with high-performance organisations reporting a 41% higher Board Effectiveness** than below-average organisations.

Boards are increasingly **becoming more invested** in people-related topics (evaluation, search, assessment, governance), however **51% still don't have formal evaluation processes.**
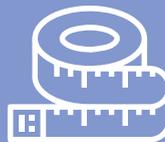
There is **not a one-size-fits-all solution to Board Effectiveness**: examples of good practices exist across multiple sectors, company sizes and ownership structures.

ASSESSING BOARD EFFECTIVENESS

Despite the wide dispersion of Board Effectiveness, there are "Best in Class" Boards in all segments.

THERE IS WIDE DISPERSION OF BOARD EFFECTIVENESS

BOARD EFFECTIVENESS
GLOBAL RESULT

71

1%	2%	2%	5%	4%	13%	27%	27%	15%	4%
1	2	3	4	5	6	7	8	9	10

LOW PERFORMERS — SOLID PERFORMERS — BEST IN CLASS
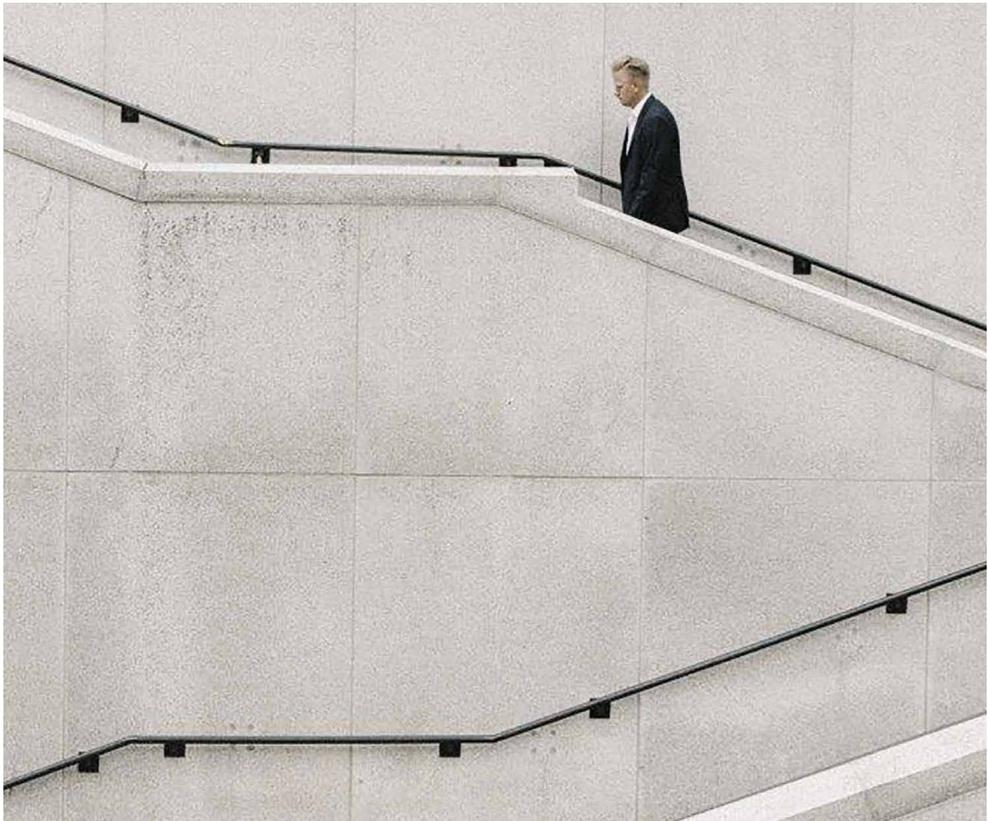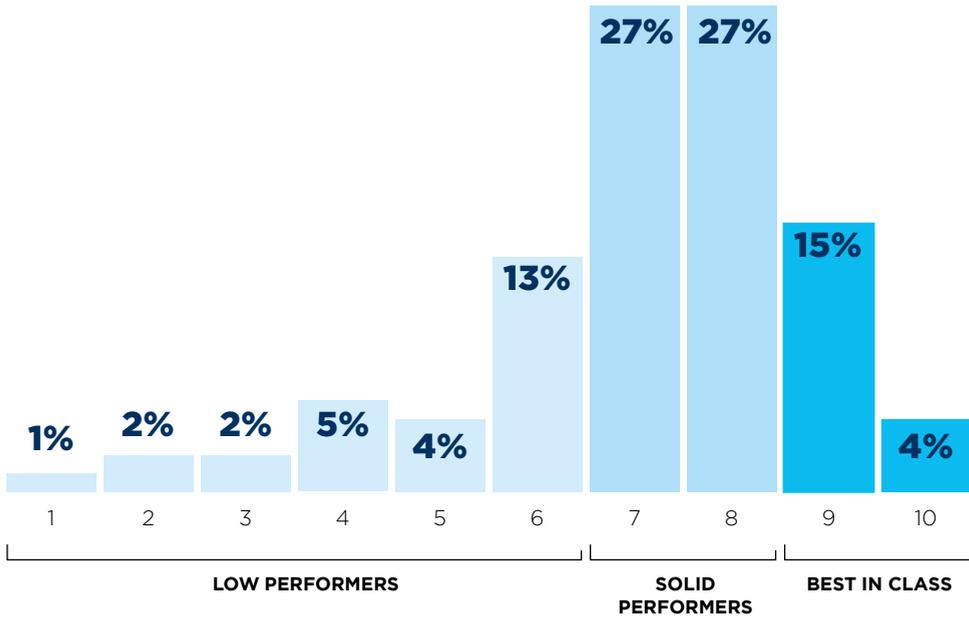
BOARD EFFECTIVENESS INCREASES WITH THE NEED FOR TRANSPARENCY REQUIRED BY DIFFERENT CAPITAL STATUS

80

75

69

MULTINATIONAL SUBSIDIARY

PUBLICITY TRADED

PRIVATE NON-LISTED
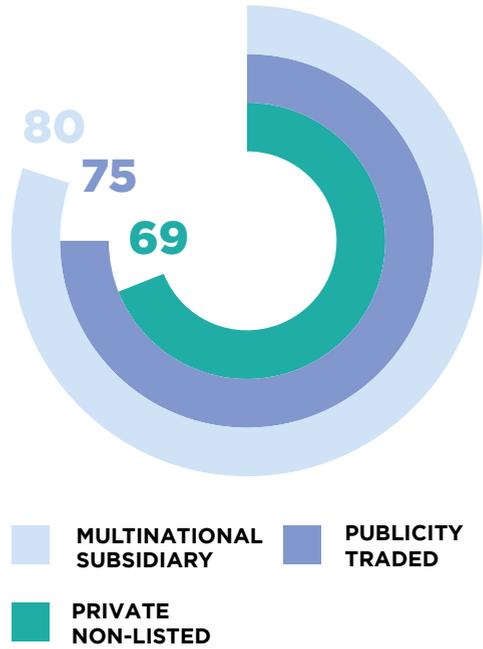
THERE IS ALSO A DIRECT CORRELATION BETWEEN THE ORGANISATION'S REVENUE DIMENSION AND THE EFFECTIVENESS OF ITS BOARDS

76

73

69

63

> 1000M€

500-1000M€

250-500M€

< 250M€
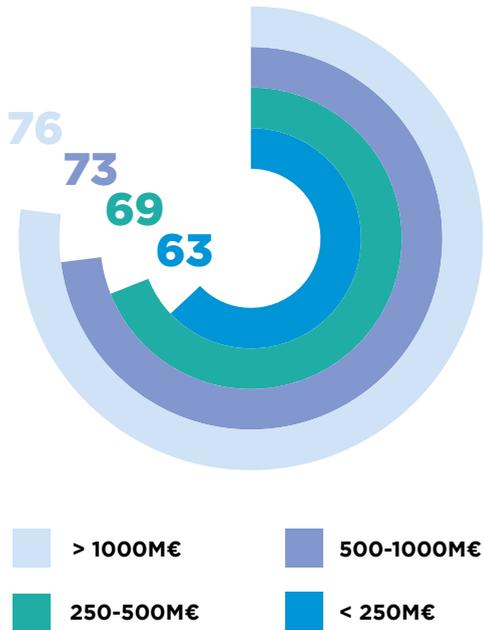
HOWEVER, THERE ARE *BEST IN CLASS* BOARDS IN ALL SEGMENTS

	Low Performers	Solid Performers	Best in Class
Listed	31%	53%	16%
Non-Listed	19%	57%	24%

	Low Performers	Solid Performers	Best in Class
<250M€	36%	52%	12%
250-500M€	29%	59%	12%
500-1000M€	17%	71%	12%
>1000M€	22%	50%	28%

LOW PERFORMERS **SOLID PERFORMERS** **BEST IN CLASS**
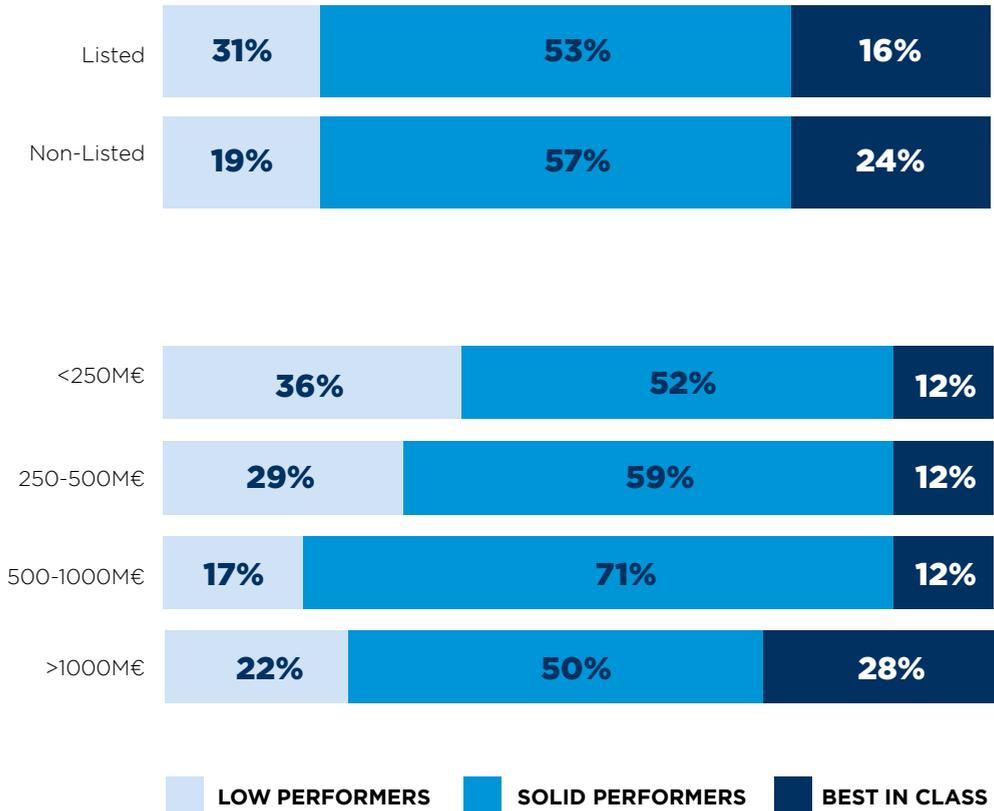
BOARD EFFECTIVENESS AND READINESS TO MEET FUTURE CHALLENGES

High-performance Organisations have more effective Boards and are better prepared for future challenges.

BOARD EFFECTIVENESS

56%

79%

NEEDS IMPROVEMENT   EXCEEDS EXPECTATIONS

ORGANISATIONAL PERFORMANCE IN THE PAST 2 YEARS

BOARD'S READINESS TO MEET FUTURE CHALLENGES

60%	**83%**
NEEDS IMPROVEMENT	EXCEEDS EXPECTATIONS

ORGANISATIONAL PERFORMANCE IN THE PAST 2 YEARS
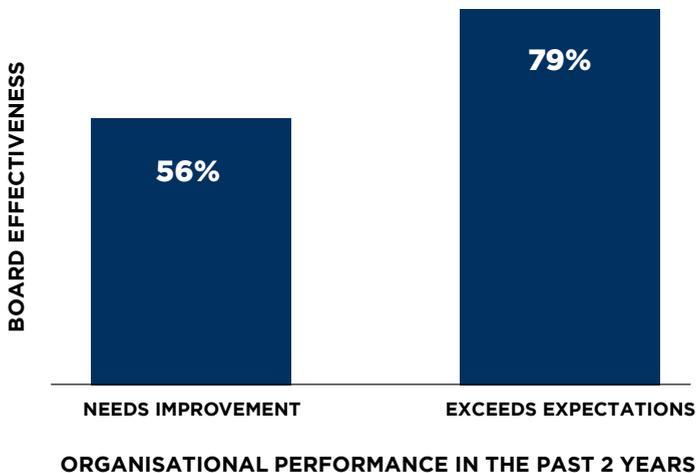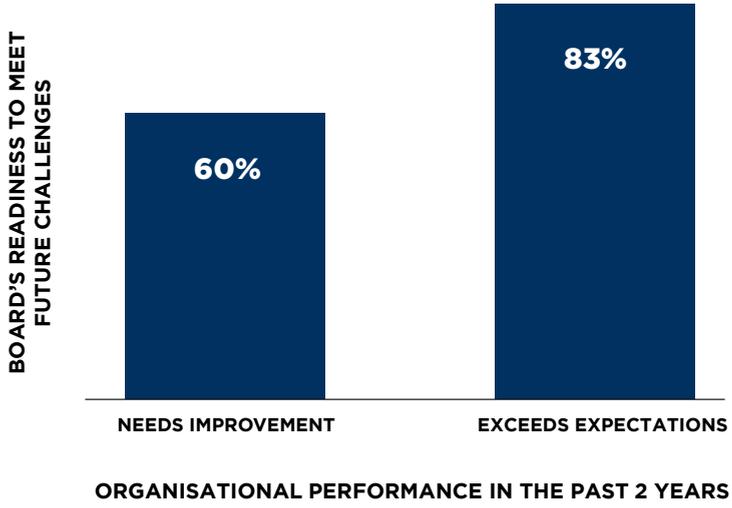
AN OVERVIEW OF PORTUGUESE BOARDS ACCORDING TO ODGERS BERNDTSON'S 5 PILLARS

The 5 Dimensions of Board Effectiveness have an impact on the organisational performance, however, the Portuguese Boards are less prepared when it comes to People & Skills and Structure & Processes.

OUR BOARD EFFECTIVENESS MODEL IDENTIFIES 5 PILLARS OF A HIGH-PERFORMANCE BOARD

1
Purpose and Mandate

78

2
Structure and Processes

71

3
People and Skills

64

4
Board Dynamics

75

5
Chair Role

81

	1 Purpose and Mandate	2 Structure and Processes	3 People and Skills	4 Board Dynamics	5 Chair Role
Best in Class	20%	13%	5%	16%	38%
Solid Performers	58%	52%	39%	56%	42%
Low Performers	22%	35%	56%	28%	20%
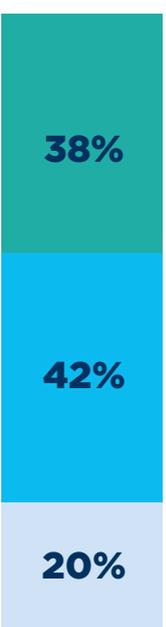
LOW PERFORMERS   SOLID PERFORMERS   BEST IN CLASS

THE 5 DIMENSIONS OF BOARD EFFECTIVENESS HAVE AN IMPACT ON THE ORGANISATIONAL PERFORMANCE

Purpose and Mandate
- 70
- 78
- 84

Structure and Processes
- 64
- 72
- 76

People and Skills
- 60
- 64
- 68

Board Dynamics
- 69
- 76
- 78

Chair Role
- 77
- 80
- 84
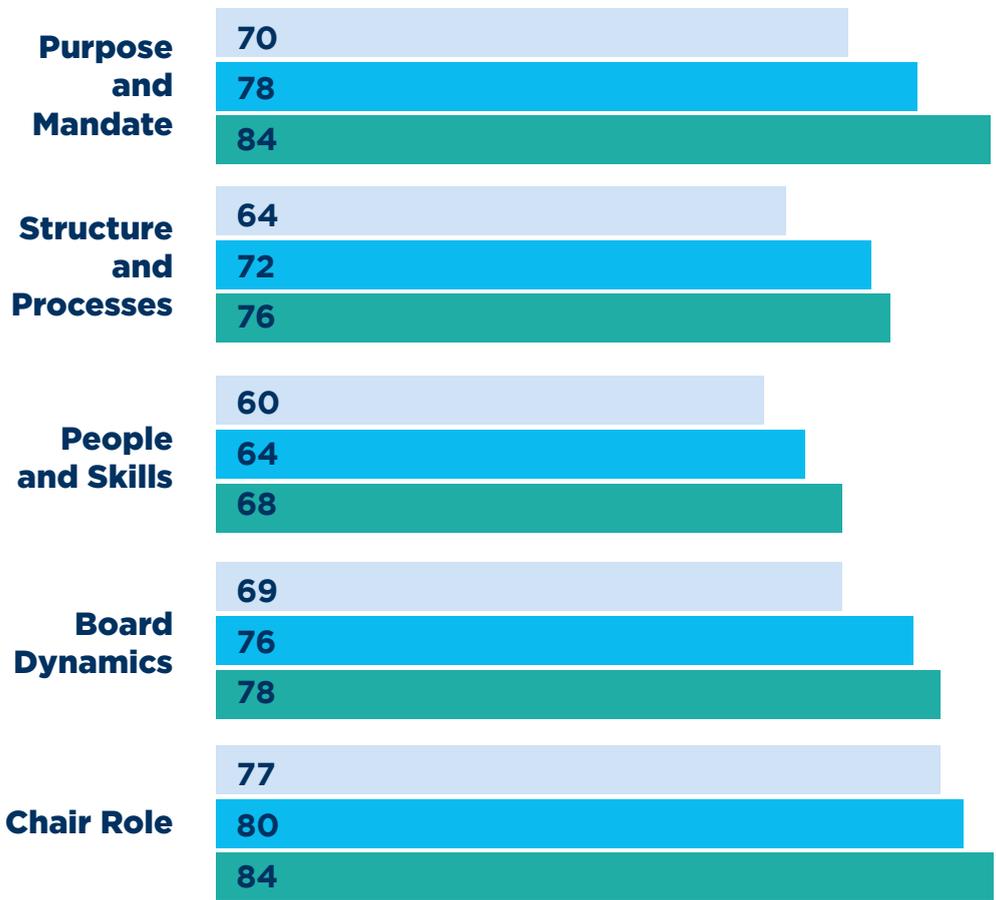
PERFORMANCE IN THE LAST 2 YEARS OF THE PARTICIPATING COMPANIES*

NEEDS IMPROVEMENT   MEETS EXPECTATIONS   EXCEEDS EXPECTATIONS

* Based on the self-evaluation of the study participants
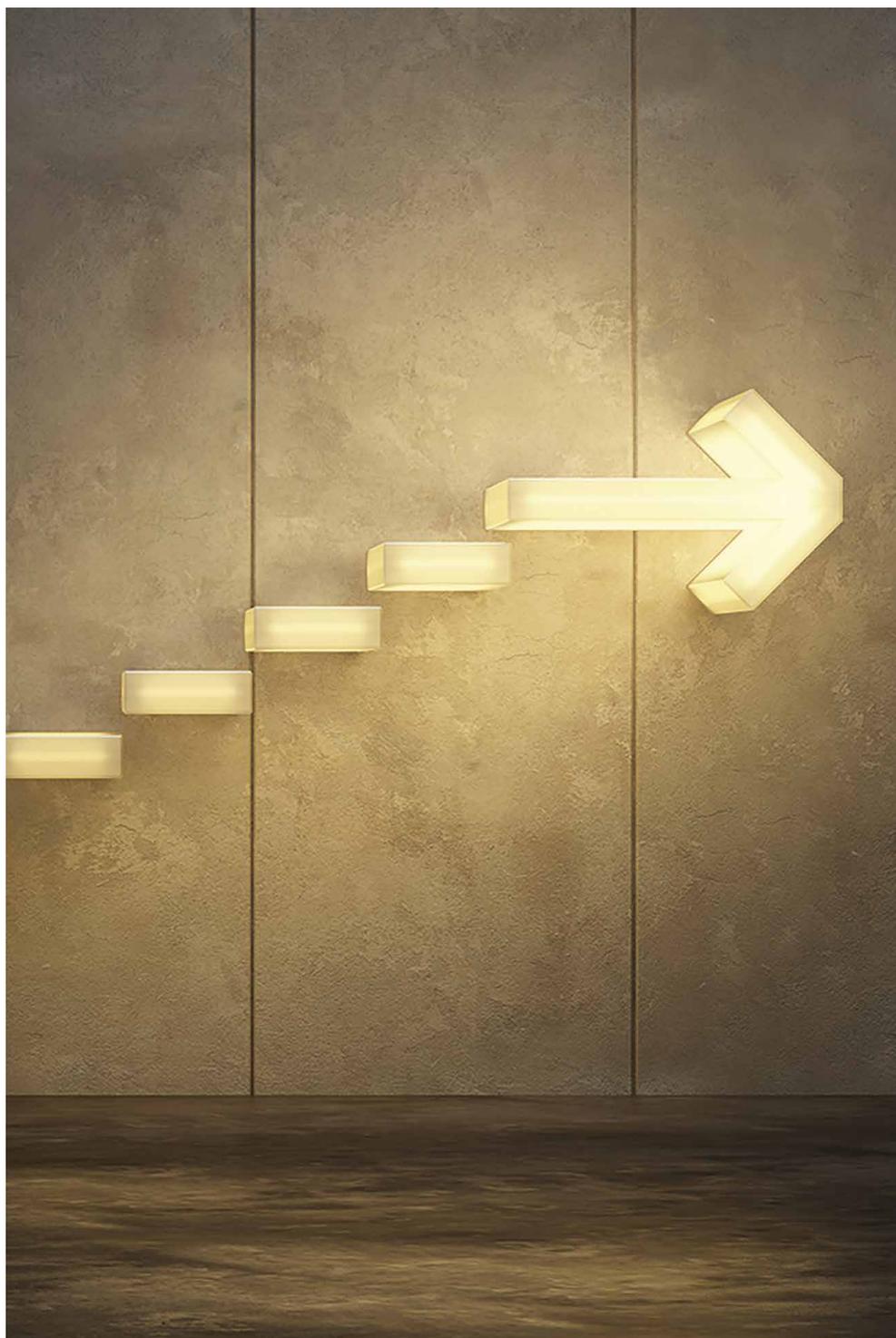
DEEP DIVE ON PORTUGUESE BOARDS' STRENGTHS AND DEVELOPMENT OPPORTUNITIES

Chair Role has the highest number of behaviours in the top 5, while People and Skills occupy the majority of the bottom 5.

Top 5 - Top Rated Behaviours | Average

Chair Role	The relationship between the CEO and Chairperson is characterised by trust, respect and cooperation.	87
Board Dynamics	All Board members are available on an as-needed basis.	84
Purpose and Mandate	The Board has a clear vision of its purpose and values.	83
Structure and Processes	The Board has a clear structure and decision model, where members know what is expected of them.	80
Chair Role	The Chairperson provides leadership and direction to the team.	79

Bottom 5 - Worst Rated Behaviours | Average

People and Skills	The Board has a clear plan for Board/CEO Succession to ensure alignment of its competencies with the organisation's strategy.	57
People and Skills	The Board reviews its composition on a regular basis to ensure that it reflects the current and future requirements of the organisation.	62
People and Skills	How do you assess the Board's effectiveness in recruiting the best Non-Executive Directors in the market?	63
Structure and Processes	The Non-Executive Board has a compensation model aligned with the market and with the performance demonstrated by the organisation.	63
People and Skills	The Board has the ideal diversity in the demographic profile of its members.	66

KEY DEVELOPMENT PRIORITIES FOR BOARD EFFECTIVENESS

Reviewing strengths, setting a future strategic agenda, ensuring the right people and skills, and optimising processes for governance success.

1 **BOARD REVIEW**

What are the Board's strengths and development needs?

2 **NEW STRATEGIC AGENDA**

How can we keep up with the new challenges arising in the future?

3 **RIGHT PEOPLE & SUCCESSION**

How can we have the right people with the right skills and diversity of profiles?

4 **PROCESSES**

Do we have the right processes to deliver on our mandate?

ENHANCING BOARD ASSESSMENT

Structure and Processes

Overall, organisations still don't have a way to formally evaluate their Board's strengths and development needs, however, as size and complexity increases, there is higher adoption of formal evaluation processes.

DESPITE THE BOARDS' STATED ABILITY TO ADOPT THE BEST CORPORATE GOVERNANCE PRACTICES...

78
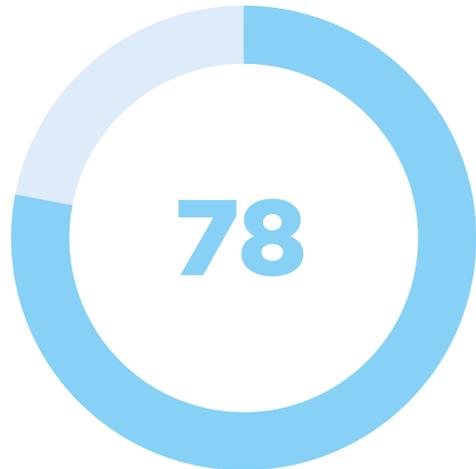
... AND TO ENSURE THAT RISKS ARE MANAGED EFFECTIVELY AND ANTICIPATED...

75
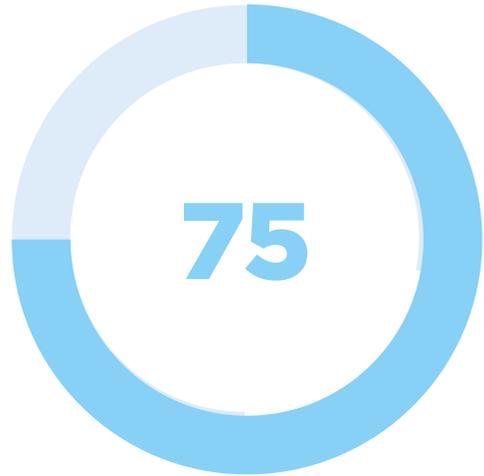
...Only **52%** of organisations has a formal evaluation process that allows them to identify its strengths and development needs.
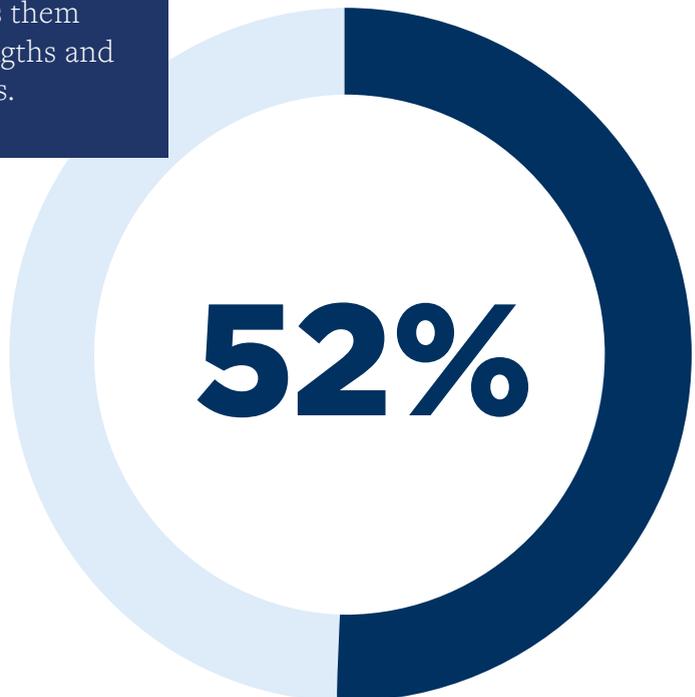
52%

AS SIZE AND COMPLEXITY INCREASES, THERE IS HIGHER ADOPTION OF FORMAL EVALUATION PROCESSES

BY CAPITAL STATUS

67%

44%

- LISTED
- NON-LISTED

BY ANNUAL REVENUE

66%

59%

47%

30%

- < 250M€
- 250-500M€
- 500-1000M€
- > 1000M€
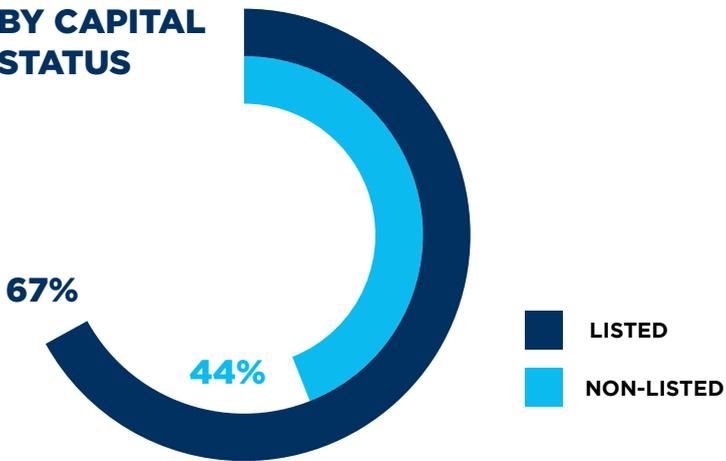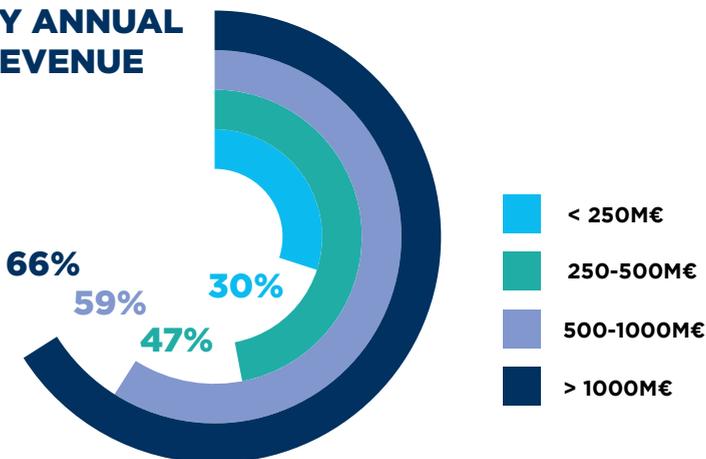
NEW STRATEGIC AGENDA

Purpose and Mandate

In addition to conventional financial oversight, risk management, and executive committee supervision, boards today must deal with issues such as Sustainability, Digitalisation, Cultural Transformation, Cybersecurity, and Disruptive Business Models.

The increasingly complex market environment demands more active and effective boards. Board responsibilities are expanding beyond their traditional roles.

TOP 10 MOST RELEVANT ISSUES IN THE BOARD'S AGENDA FOR THE FUTURE:

Issue	%
SUSTAINABILITY	12%
DIGITALISATION	10%
CULTURE TRANSFORMATION	10%
CYBERSECURITY	7%
DISRUPTIVE BUSINESS MODELS	7%
SUCESSION PLANNING	6%
FINANCIAL/LIQUIDITY RISKS	6%
GEOPOLITICAL RISKS	5%
REGULATORY CHANGES	5%
CHANGING CUSTOMER BEHAVIOUR EXPERIENCES	5%
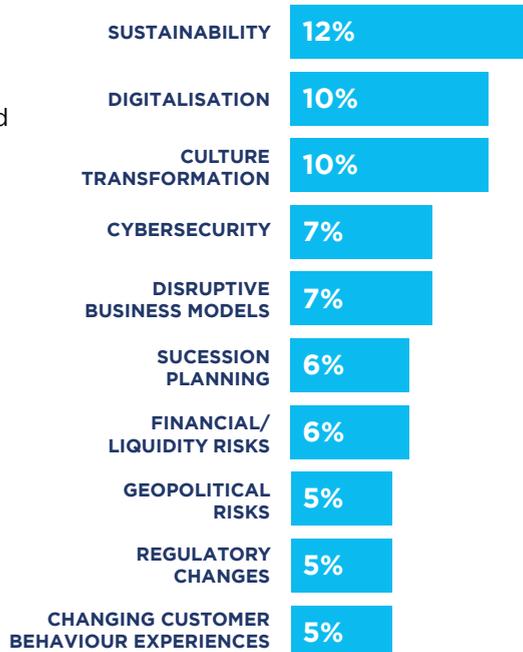
RIGHT PEOPLE: BOARD COMPOSITION AND DIVERSITY

People and Skills

There's margin to improve the diversity and composition of the boards, especially as new competencies arise as key priorities for the challenges of the future – and the majority of the boards are not reviewing their composition on a regular basis to ensure that they reflect the current and future requirements of the organisation.

EVEN THOUGH 67% OF THE PARTICIPANTS BELIEVE THAT THE BOARD HAS THE RIGHT SIZE, THERE IS STILL MARGIN TO IMPROVE THE INDEPENDENCE AND THE DIVERSITY IN THE BOARD

3%

15% *

15%

67%
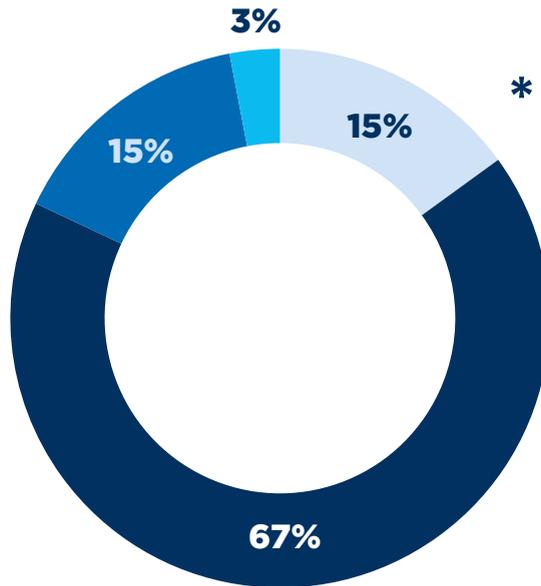
SMALLER THAN DESIRED

RIGHT SIZE

LARGER THAN DESIRED

SIGNIFICANTLY LARGER THAN DESIRED

*How do you rate the suitability of the Board's size for successfully fulfilling its mission and meeting the challenges of the future?

The Board has the appropriate **level of independence**

29%	36%	35%	72

The Board has the ideal **diversity in the demographic profile** of its members

44%	32%	24%	66

The Board **reviews its composition on a regular basis** to ensure that it reflects the current and future requirements of the organisation

| 50%	32%	18%	62

LOW PERFORMERS   BEST IN CLASS

SOLID PERFORMERS   AVERAGE

BOARDS OF LISTED COMPANIES - MORE STRUCTURED, BUT WIDE DISPERSION

The Board has the appropriate **level of independence**
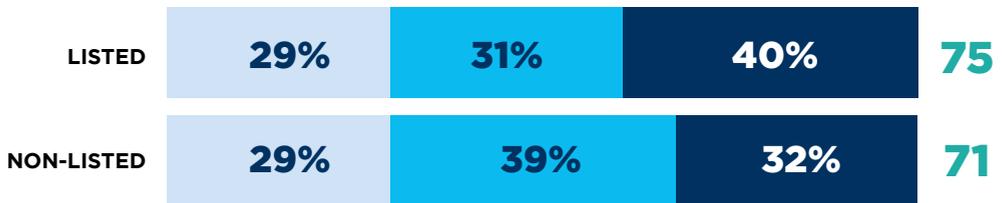
	LOW PERFORMERS	SOLID PERFORMERS	BEST IN CLASS	AVERAGE
LISTED	29%	31%	40%	75
NON-LISTED	29%	39%	32%	71

The Board has the ideal **diversity in the demographic profile** of its members

	LOW PERFORMERS	SOLID PERFORMERS	BEST IN CLASS	AVERAGE
LISTED	33%	36%	31%	66
NON-LISTED	49%	31%	20%	63

The Board **reviews its composition on a regular basis** to ensure that it reflects the current and future requirements of the organisation

	LOW PERFORMERS	SOLID PERFORMERS	BEST IN CLASS	AVERAGE
LISTED	38%	36%	26%	68
NON-LISTED	56%	31%	13%	58

LOW PERFORMERS BEST IN CLASS
SOLID PERFORMERS AVERAGE
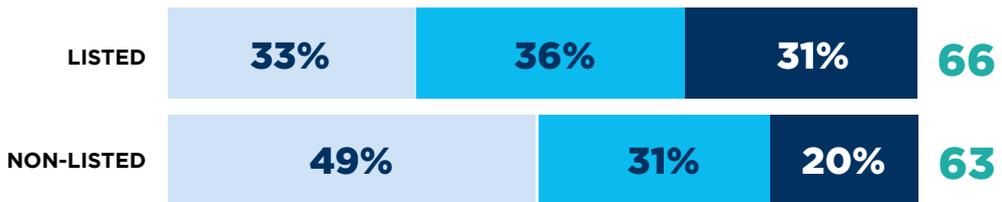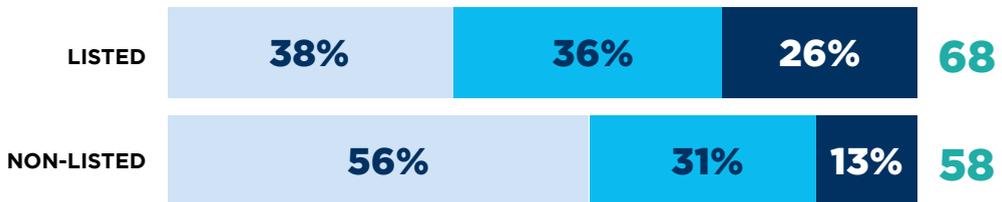
NEW COMPETENCES ARISE AS KEY PRIORITIES FOR THE CHALLENGES OF THE FUTURE

However, only **18%** of the Boards consider themselves excellent in reviewing its composition on a regular basis to ensure that it reflects the current and future requirements of the organisation.

TOP 10 COMPETENCES THAT SHOULD BE STRENGTHENED TO FACE THE FUTURE CHALLENGES:

Competence	%
STRATEGIC THINKING	17%
INSPIRATIONAL LEADERSHIP	11%
DIGITAL SAVVY	9%
STAKEHOLDER MANAGEMENT	9%
RESILIENCE	8%
EMOTIONAL INTELLIGENCE	8%
TEAM MANAGEMENT	8%
COMMUNICATION	6%
IMPACT & INFLUENCE	6%
INTEGRITY	6%

*No relevant difference identified between Executives and Non-Executives

DIFFERENT INDUSTRIES, AND CONSEQUENTLY DIFFERENT CHALLENGES, REQUIRE DISTINCTIVE COMPETENCES

	Top 1 Competency	Top 2 Competency	Top 3 Competency
RETAIL	Digital Savvy	Strategic Thinking	Courage
PROFESSIONAL SERVICES	Strategic Thinking	Team Management	Inspirational Leadership
MEDIA/ TELECOMMUNICATIONS	Strategic Thinking	Emotional Intelligence	Impact & Influence
INDUSTRIAL	Strategic Thinking	Team Management	Inspirational Leadership
HEALTHCARE	Inspirational Leadership	Strategic Thinking	Digital Savvy
FINANCIAL SERVICES	Strategic Thinking	Digital Savvy	Inspirational Leadership
ENERGY	Strategic Thinking	Stakeholder Management	Integrity

RIGHT PEOPLE: PEOPLE ATTRACTION AND MANAGEMENT

People and Skills

Despite Boards for larger organisations implementing more formally defined processes for attracting and managing people, there are still opportunities for improvement when it comes to onboarding, recruiting, succession planning, search, assessment and training.

THERE ARE OPPORTUNITIES FOR IMPROVEMENT IN THE BOARDS' PEOPLE ATTRACTION AND MANAGEMENT PROCESSES

The **onboarding process** for new Board members is effective.

The Board has a clear plan for **Board/ CEO Succession** to ensure alignment of its competencies with the organisation's strategy.

How do you assess the Board's effectiveness **in recruiting the best Non-Executive Directors** in the market?

67

63

57

15%
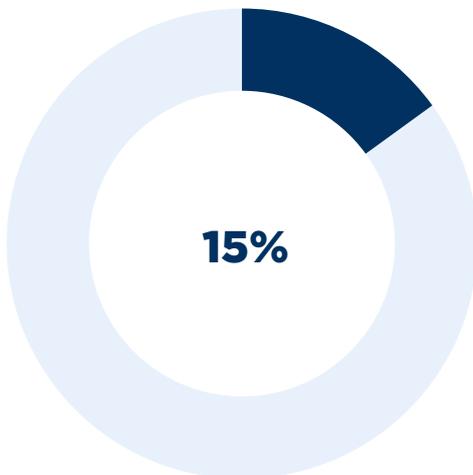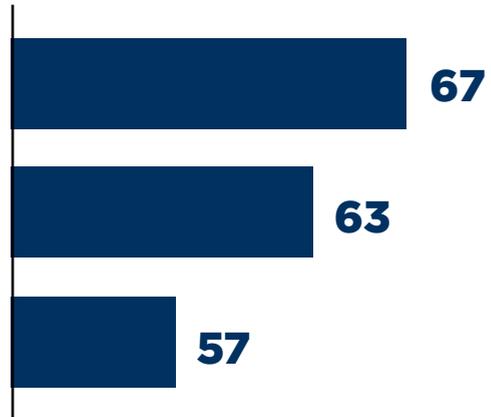
Only 15% of the organisations have a formal budget for the Non-Executive Directors' search, assessment and training.

LARGER ORGANISATIONS IMPLEMENT MORE FORMALLY DEFINED PROCESSES FOR ATTRACTING AND MANAGING PEOPLE

Plan for **Board/CEO Succession**

< 250M€	64%	33%	3%	52
>1000M€	46%	38%	16%	64

Effectiveness in **recruiting the best Non-Executive Directors**

< 250M€	64%	30%	6%	58
>1000M€	42 %	40%	18%	67
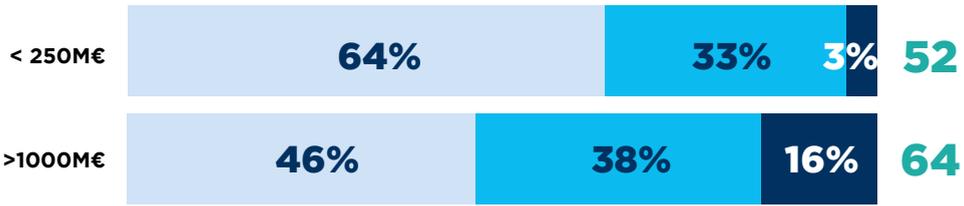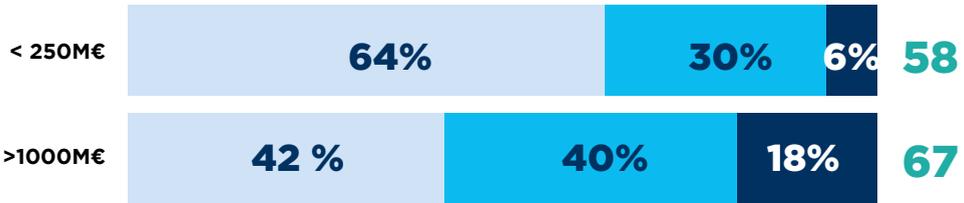
Effectiveness in the **onboarding process**

< 250M€	61%	30%	9%	58
>1000M€	44%	28%	28%	72

LOW PERFORMERS   **BEST IN CLASS**

SOLID PERFORMERS
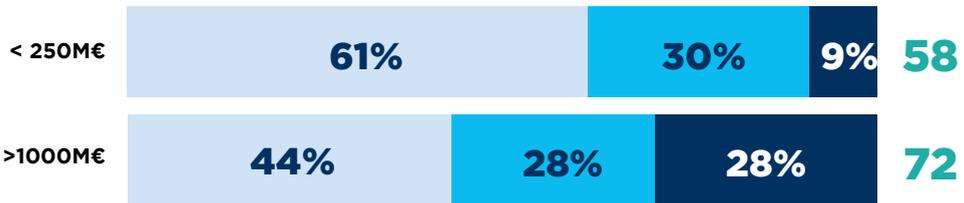
Formal budget for NED's **search, assessment and training**

+8%

20%

12%

■ < 250M€   ■ >1000M€
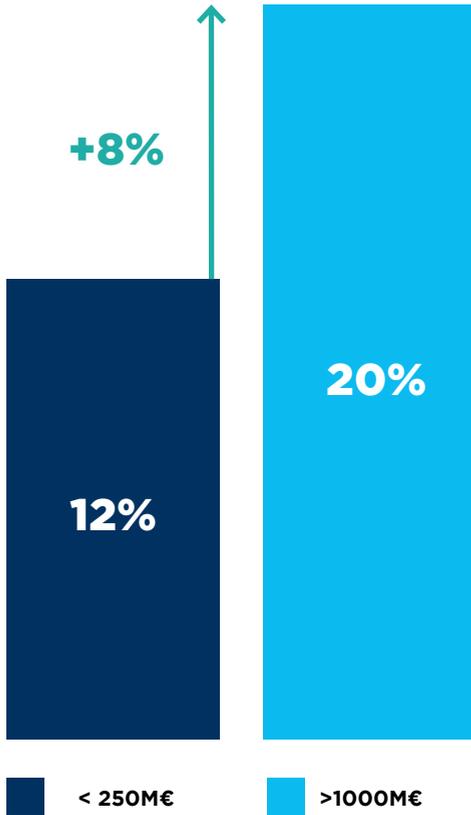
BOARD COMPENSATION MODELS

Structure and Processes

The majority of the Boards still have room for improvement when it comes to Non-Executive compensation models with 47% being considered Low Performers.

The **Executive Board** has a compensation model aligned with the market and with the performance demonstrated by the organisation.

74

37%

38%

25%

LOW PERFORMERS   SOLID PERFORMERS   BEST IN CLASS

20%

33%

47%

The **Non-Executive Board** has a compensation model aligned with the market and with the performance demonstrated by the organisation.

63
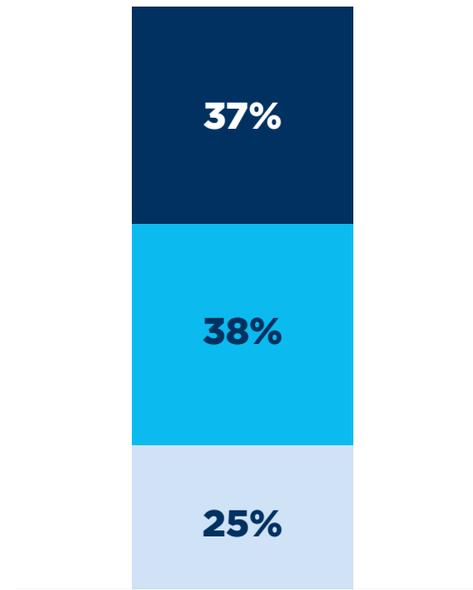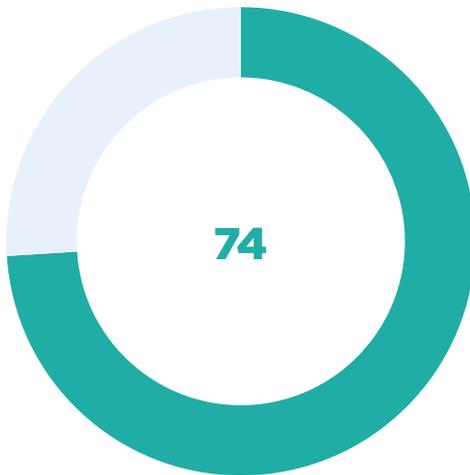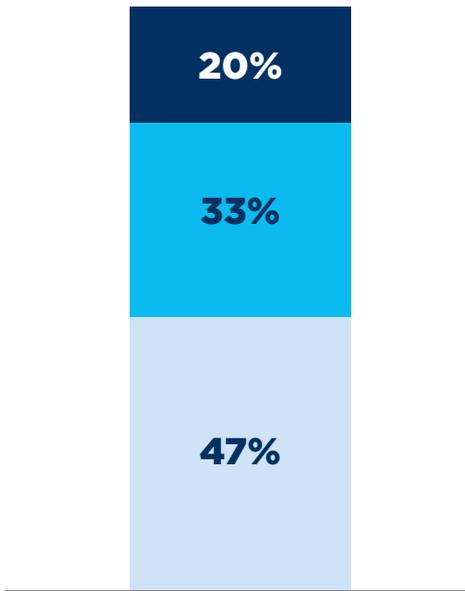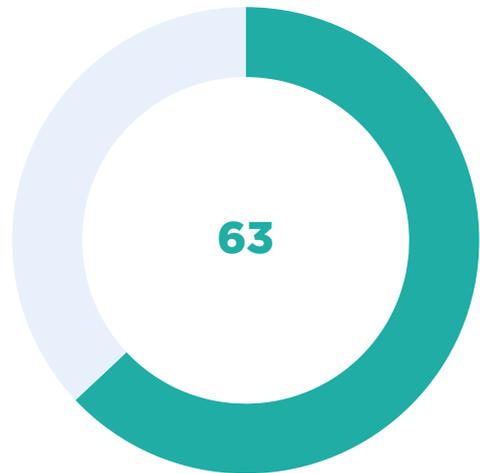
LOW PERFORMERS

SOLID PERFORMERS

BEST IN CLASS

THE GROWING IMPORTANCE OF BOARD ROLES

Boards are increasingly critical to guiding organisations through complex strategic challenges and market shifts.

BOARDS WILL BECOME INCREASINGLY IMPORTANT IN THE FUTURE

HOW DO YOU RATE THE BOARD'S RELEVANCE TO THE ORGANISATION'S FUTURE STRATEGIC CHALLENGES?

82%
More relevant than today

84%
81%

BY FUNCTION

EXECUTIVES

NON-EXECUTIVES

86%
81%

BY ANNUAL REVENUE

>1000M€

< 250M€
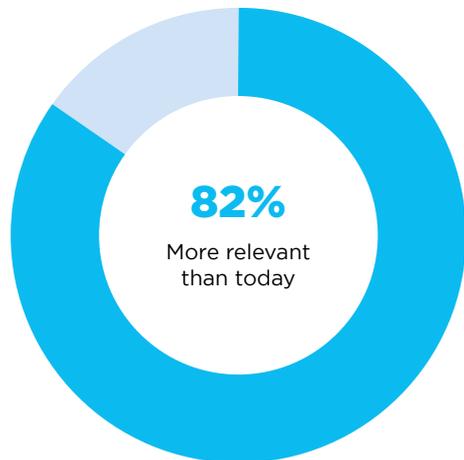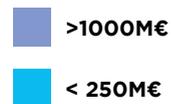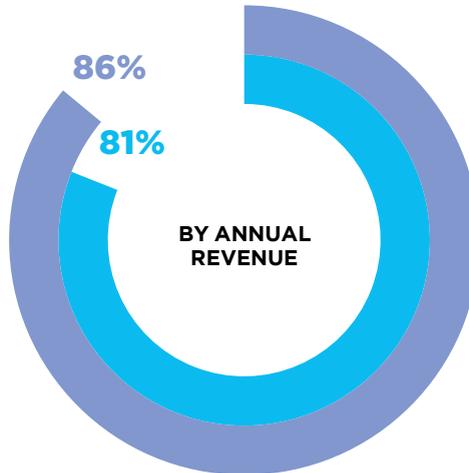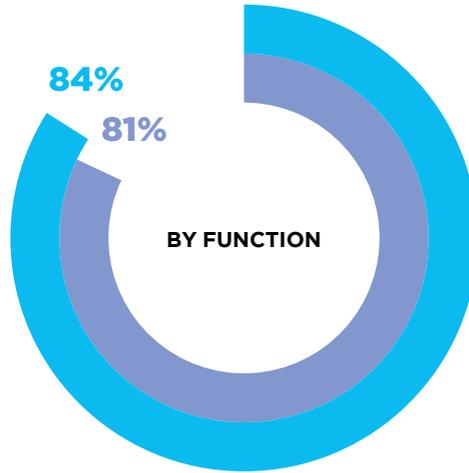
CALL TO ACTION: STRENGTHENING BOARD EFFECTIVENESS

Boards play a crucial role in driving organisational success, yet many lack the formal processes to support their aspirations. To prepare for future challenges, boards must prioritise enhancing competencies, diversity, and strategic focus, while adopting best practices across various industries.

7 KEY MESSAGES

01

82% of participants believe **Boards will be more relevant than today for organisational success**. Investors are increasingly vigilant too.

02

Board Effectiveness is an important topic and is getting even more relevant given the future challenges arising. However, **only 19% of Boards are working at their best**.

03

Board effectiveness is **linked with organisational performance and future readiness.** High-performance organisations report **41% higher Board Effectiveness**.

04

Wide agreement on board's role and purpose. But many organisations **do not have the formal processes** to support those aspirations. The most critical issues that come out are people related: professional processes and search, diversity, succession planning, and compensation.

05

The top issues for the future vary by industry. But most agree on a need for **new competencies to address future challenges**.

06

As size and complexity increases, so **does the need for an effective board**.

07

There is **not a one-size-fits-all solution** to Board Effectiveness: examples of good practices exist across multiple sectors.

ODGERS BERNDTSON GROUP PORTUGAL

Odgers Berndtson stands as a global leader in integrated Leadership and Talent solutions, ranking second in Europe and among the top three in Portugal. This position reflects the trust our clients place in our ability to identify and deliver the right talent tailored to their specific needs.

In Portugal, we support over 200 national and multinational companies, including 60% of the Portuguese Stock Index in the past five years, addressing their most critical leadership and organisational challenges. Our extensive global footprint spans 32 countries, enabling us to combine deep local expertise with world-class methodologies. With a client satisfaction and loyalty rate exceeding 95%, we are at the forefront of global leadership practices.

Our integrated approach focuses on five core areas:

• **Executive Search:** Sourcing and selecting top leadership talent to meet current and future challenges.

• **Leadership Development:** Enhancing leadership potential to anticipate, inspire, and deliver results.

• **Organisational & Talent Consulting:** Designing organisational models and talent strategies to optimise performance and address strategic business challenges.

• **Board Solutions:** Building effective boards to strengthen governance and drive long-term value creation.

• **RAY.BBDM:** Recruiting and developing future-ready leaders for critical roles.

At Odgers Berndtson, we believe leadership drives change. By equipping organisations with the right talent and strategic guidance, we empower them to lead transformational initiatives. Our mission is clear: to help build better leaders, stronger organisations, and a more resilient society.

If your organisation is ready to tackle its most pressing leadership challenges and unlock its full potential, we invite you to connect with us. Together, we'll craft the leadership solutions that will define your future success.

ODGERS BERNDTSON

Top 3
in Portugal

No. 2
in Europe

No. 6
worldwide

Partnership with
+60% of
Portuguese Stock
Index companies

+90% of
customer
satisfaction

+90%
success rate

TRUSTED ADVISOR ON LEADERSHIP

ODGERS BERNDTSON
Executive Search

• CEO & Executive Search
• Succession Management
• Talent Mapping

ODGERS BERNDTSON
Leadership Development

• Leadership Assessment
• Leadership Programmes
• Team Effectiveness
• Executive Coaching

ODGERS BERNDTSON
Organizational & Talent Consulting

• Organisational Design
• Talent Strategy
• Culture Transformation
• Diversity, Equity & Inclusion

ODGERS BERNDTSON
Board Solutions

• Board Assessment
• Board Search & Succession Planning
• Board Consulting
• Advisory Boards

RAY. BBDM
TALENT ADVISORS

• Talent Acquisition
• Talent Assessment
• Young Talent
• HR Tech

OUR TEAM

Meet the Odgers Berndtson Portugal Team: Trusted Advisors for Leadership Excellence.

At Odgers Berndtson Portugal, we are dedicated to empowering organisations through world-class leadership and talent solutions. Our team of seasoned advisors combines deep industry knowledge with a commitment to delivering measurable impact. We partner with leading companies to navigate their most critical challenges, from executive search to leadership development and organisational transformation.

Each member of our team brings a unique perspective, grounded in extensive experience across diverse sectors and geographies. Together, we offer insights and strategies that help our clients anticipate change, inspire their teams, and drive sustainable growth.

We pride ourselves on being more than consultants — we are trusted advisors, guiding organisations to achieve their leadership potential and long-term success.

LET'S BUILD THE FUTURE OF YOUR LEADERSHIP TOGETHER

MANAGEMENT TEAM

Team of Partners with extensive experience in Organisational Consulting, Business Management and Human Resources.

Luís Sítima

MANAGING PARTNER ODGERS
BERNDTSON GROUP PORTUGAL

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Luís is a recognised authority
in executive search and advisory,
leadership development,
organisational transformation and
strategic HR. With a proven track
record, he partners with organisations
to build high-impact leadership teams
and strategies, driving transformation
and sustainable growth.

He has held senior leadership roles as
a worldwide shareholder at Hay Group
and Senior Partner at Korn Ferry,
serving on the Executive Committee
for Southern Europe. Luís has also
taught at Porto Business School and
Católica Business School and authored
influential books on leadership and
change management.

Expertise: Executive Search,
Leadership Strategy, Organisational
Transformation, Corporate
Governance, and Strategic HR.

Education: Management
(Universidade Católica Portuguesa),
MBA (ISCTE).

Maria João Gomes
MANAGING PARTNER
LEADERSHIP AND TALENT
CONSULTING
maria.gomes@odgersberndtson.com

Maria João combines deep expertise in people management and leadership development with a passion for shaping high-performing organisations. She collaborates with leaders to design forward-thinking talent strategies, organisational structures, and leadership development programmes that drive business excellence.

Her global HR leadership experience spans Europe, the USA, Latin America, and Africa, including roles at Sonae Modelo Continente and Sonae Investment Management. As co-founder of Umanism Activism, she championed innovation in organisational culture. Earlier, she honed her expertise in HR consulting at Korn Ferry/Hay Group.

Expertise: Talent Strategy, Organisational Development, Leadership Transformation, Executive Coaching, and Advisory.

Education: Management (Universidade Católica Portuguesa).

Pedro Mêda
MANAGING PARTNER
EXECUTIVE SEARCH

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Pedro leverages his deep experience in strategic consulting, executive search, and business management to help organisations build high-performing executive teams that meet the evolving demands of modern business. His strategic guidance helps organisations unlock their full potential in dynamic markets.

Previously, he led the Healthcare Services unit at Sonae and was a member of Stemlab's Executive Committee. His consulting experience includes serving as a trusted advisor at McKinsey & Company, advising clients in Portugal and the US on high-stakes challenges.

Expertise: Executive Search, Strategic Consulting, Business and Organisational Transformation, and Leadership Advisory.

Education: Management (NOVA SBE), MBA (Kellogg School of Management).

Nuno Fernandes
MANAGING PARTNER
BOARD SOLUTIONS

nuno.fernandes@odgersberndtson.com

Nuno brings unparalleled expertise in corporate governance, financial strategy, and sustainability. A sought-after advisor, he helps boards and C-suites navigate complex challenges and enhance their organisational impact.

His distinguished career includes roles as Chairman of the Board of Auditors at the Portuguese Central Bank, Dean of Católica-Lisbon, and Professor at IMD and IESE. Currently, he also serves as Chairman of the Audit Committee at the European Investment Bank and is a Research Associate at the European Corporate Governance Institute.

Expertise: Governance, Financial Strategy, Sustainability, Board Effectiveness, and Board Search.

Education: PhD in Management (Finance) (IESE Business School), Economics (Universidade Católica Portuguesa).

Bruno Braz
MANAGING PARTNER
RAY.BBDM

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Bruno is an expert in talent acquisition and leadership assessment, specialising in behavioural evaluation and skills development. He partners with organisations to identify and nurture leadership potential, ensuring they are future-ready.

As Co-founder of BBDM, now RAY.BBDM, Bruno has helped numerous organisations strengthen their talent pipelines and drive business success.

Expertise: Recruitment, Talent Assessment, and Behavioural Development.

Education: Psychology (Lusófona University of Humanities and Technologies).

OUR GLOBAL REACH IN 32 COUNTRIES

NORTH AMERICA

Canada
Calgary
Montreal
Ottawa
Toronto
Vancouver
United States
Atlanta
Boston
Houston
Minneapolis
New York
Washington D.C.

LATIN AMERICA

Argentina
Buenos Aires
**Brazil**
São Paulo
Chile
Puerto Montt
Santiago

Mexico
Mexico City
Monterrey
Peru
Lima
Uruguay
Montevideo

EUROPE

Austria
Vienna
Belgium
Brussels
Czech Republic
Prague
Denmark
Copenhagen
Finland
Helsinki
France
Paris
Germany
Frankfurt
Munich
Ireland
Dublin
Luxembourg
Luxembourg City
Netherlands
Amsterdam
Portugal
Lisbon

Spain
Madrid
Barcelona
Sweden
Stockholm
Switzerland
Zürich
Turkey
Istanbul
Ukraine
Kyiv
United Kingdom
London
Cardiff
Birmingham
Manchester
Leeds
Glasgow
Aberdeen
Edinburgh

MIDDLE EAST & AFRICA

South Africa
Cape Town
Johannesburg
United Arab Emirates
Dubai

ASIA PACIFIC

Australia
Brisbane
Melbourne
Sydney
China
Hong Kong
Shanghai

India
Bangalore
Gurgaon Haryana
Mumbai
Japan
Tokyo
Singapore
Singapore

ODGERS BERNDTSON

Odgers Berndtson is a global leader in integrated Leadership and Talent solutions, partnering with the most recognised large and mid-size organisations across 32 countries. Ranked second in Europe and top three in Portugal, we deliver cutting-edge expertise in five core areas: Executive Search, Leadership Development, Organisational & Talent Consulting, Board Solutions, and Recruitment. Our clients trust us to align their leadership needs with world-class talent, driving sustained organisational success.

In a world where change is the only constant, visionary and resilient leadership is no longer optional — it is essential. This book is a strategic guide for executives seeking to navigate the complexities of a rapidly evolving market. Drawing on Odgers Berndtson's latest thought leadership, it offers actionable insights across key areas: from leading disruption during a crisis to building trust in leadership, from driving organisational excellence to reimagining the role of HR as a strategic partner and optimising board effectiveness for long-term value creation.

Each chapter provides not only valuable perspectives but also practical frameworks to help leaders make informed, future-ready decisions. For those seeking to elevate their leadership journey, this book offers a pathway to long-term success.

If you're ready to lead with purpose and drive impactful change, Odgers Berndtson is here to help. Connect with us today, and together we'll build the leadership that shapes tomorrow's success.