What defines the spirit and functionality of any organization? The people. And that’s exactly where the global pandemic seems to have hit the hardest.

It’s been more than 100 days since COVID-19 created havoc – economically, financially, psychologically, and emotionally – for everyone. Firms that did not have remote work policies in place changed their tactics overnight by setting up home offices and adopting virtual platforms like Zoom, Webex, Google Meet as new forms of communication. Other organizations, particularly in the retail and hospitality industry, found themselves implementing salary reductions and employee lay-offs in addition to furloughs or leaves of absence.

As a global executive search firm, we’ve been reaching out to our networks worldwide to understand, evaluate, and share insights with you on how organizations are combating COVID-19. To date, we published our thought leadership pieces focusing on:

- **The APAC region**—addressing how businesses in India are motivating their talent
- **The United States**—covering contingency plans that firms are implementing to stay afloat and how they are looking for opportunities to come out strong on the other side.

With our recent global expansion into Madrid adding more value to the already prominent presence we have in the Latin American region, we reached out to our Spanish and Portuguese networks to understand the trends in HR technology and determine the way forward. Here are the insights we have gathered on how firms, particularly in Latin America, are adopting human resources strategies to see themselves to the other side safely.
Recently, we ran a global survey on how firms are managing their people as they adjust to new work schedules, redefine work-life balance, and get used to the rhythm of a virtual workplace. From the approximately 1000 senior executives we surveyed in Latin America, 38% of the firms have more than 81% of their employees working remotely. Nearly 70% of the respondents also stated that productivity has suffered very little – below 25% - as a result of remote work, including 25% who said that working from home had no impact at all on their overall efficiency.

Firms are doing everything they can to keep their employees motivated, engaged, and efficient during these trying times. When news of the disease first started emerging around the world at the beginning of 2020, many Latin American General Counsels (GCs), alongside their c-suite executives, formed COVID-19 crisis committees. These are interdisciplinary teams whose primary focus is to develop a company strategy on how to tackle the effects of COVID-19 on the business and disseminate messages regarding the pandemic across the company. Energy companies formed an internal team of doctors who were brought in to advise them on medical matters alongside the members of procurement, supply chain, finance, and the legal department. The focus of these daily discussions was on data privacy, safety, and the health of their employees.

Additionally, many companies in Latin America are leveraging this time at home to direct attention to training. According to our survey, 37% of firms are investing in training and development. This is approximately 8% higher than what firms in the US are investing in training and development. Companies whose sales and workload have been impacted by this pandemic, the people leaders are introducing virtual training programs like those on time management to assist employees in their ongoing professional development.

COVID-19 and the respective quarantine measures have impacted the way companies operate. Moving from handling business in person to hosting every meeting virtually, to ensuring daily leadership interactions for
motivation, firms are learning that efficiency can be maintained as you telework. These changes, however, also highlight some of the gaps which lie in areas of IT, change management, and the talent required to support it. With 78% of meetings conducted by video and 72% of the firms rolling out regular communications from their leadership, what we see now is a new phase of forced digitization. The effectiveness of a remote world is revolutionary, as highlighted by Sergio Rial, CEO of Santander Brazil. We realize that those who work remotely don’t work less... I have said that the coronavirus ends the industrial age, because all the processes that can be automated will be from now on.”

This rising adaptation of technology and IT is resulting in a proportionate effect on the number of e-commerce users. According to a report by Evalueserve, e-commerce sales have been increasing ~20% annually, driven by a digital consumer base. Consumers in the region are showing a greater willingness to use digital tools resulting in maximum respondents investing in entertainment and IT products, food, clothing, beauty and personal care – in that order. The highest numbers were seen in the regions of Brazil, followed by Mexico, and Columbia. Such opportunities give rise to delivery networks that require salespeople, distribution and logistics’ employees, and excellent communicators who are technically equipped to deal with problems that may arise on the front and back end of the eCommerce website.

The forced digitization that Latin America is currently going through is resulting in numerous talent training options, which may lead us towards the next step in HR 4.0.

Startups based in the US are turning towards the Central American region with their services. The vocational skills training platform Aprende Institute recently raised a substantial

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People and Technology

Latin America has outpaced the world with its social media presence so much so that reports have also stated it as the ‘fastest way to reach them directly.’ With the recent explosion of connectivity and smartphone adoption, Latin America is positioned to make the transition to a more connected workplace. 70% of the region’s population has access to the internet, and it is the second fastest-growing mobile phone market in the world. However, there has been cultural resistance to new technologies that enable more efficient work, government processes and even education.

The current forced digitization, though ideal for many, may be the reality of few considering the digital gaps in the region. This, however, may not be the truth for too long as firms are increasingly investing in startups to help them acclimatize to this new digitized normal.
seed round of funding to fill the gap between high-cost, high-commitment vocation institutes and free tutorials on YouTube and Google to help people make money in fields they are passionate about including gastronomy, business and entrepreneurship, wellness, trade skills, and fashion and beauty.\textsuperscript{4}

With an average of four in ten firms in Latin America claiming it is challenging to find the right candidate, startups in the region have taken it upon themselves to upskill and reskill the talent available. These flexible, remote, innovative learning programs are equipping employees with the means to revamp their skillset and match the growing need for technical communicators.

Peru-based startup Crehana, for example, designed an innovative learning model that allows people from any socioeconomic segment to learn relevant skills for the creative and digital industries through free or affordable courses. To date, Crehana has trained more than 650,000 students in more than 20 countries, including Peru, Mexico, Colombia, Argentina, and Ecuador – most of these being women. With 76% of the roughly 30 million unemployed people being women, training modules like these are helping them develop technical skills currently filling more than 450,000 open tech jobs in Latin America.

Startups focused on developing digital literacy for women, like Laboratoria and Google’s WomenWill, are also another step forward toward eradicating the unemployment rate among women which is 29% higher than that of men. Such innovative approaches may just alter the regular way of conducting business in South America. How?

\begin{itemize}
  \item By giving rise to several entrepreneurship opportunities, therefore increasing the demand for relevant technical and design talent.
  \item With the increasing trust in digital media, one will see an accelerated rate in digital transactions and online shopping thereby increasing the reliability in the convenience of digital.
  \item By reducing the ‘cash is king’ status, as social distancing introduces more ‘no touch services’ with no contact solutions.
\end{itemize}

With training programs like those mentioned above and the snowballing demand for socially distant solutions and talent, the role of the CHRO is becoming increasingly extensive. The human resource function is looking at new, innovative methods to retain and engage their employees while also motivating them and keeping their efficiency engaged. According to our survey, when it comes to addressing the welfare of their employees, 31% of the respondents are focusing on the emotional mental state of their employees and 24% are strengthening and updating their wellness services, including distance care, individual counseling etc. With 65% of the respondents ensuring investment in the welfare and retention of their workforce, the demand for mental health services seems to have skyrocketed, paving the way for a new, specialized touchpoint.
Latin American startups in the segment – particularly in Brazil – like PsyAlive (Psicologia Viva), Vittude, Zenklub, and Telavita are perfect examples of these ‘touchpoints.’

The remuneration of key talent

Vittude Corporate is offering consultations with social values to democratize access to therapy for companies. "We had an increase in demand from all stakeholders: an increase in the demand for psychologists (wanting to work with) a safe platform; a surge of people seeking therapy; and also an increase in the number of companies wanting to develop corporate mental health projects for this moment to welcome their teams," says Tatiana Pimenta, CEO of Vittude.5

Our survey stated that while 72% of the firms are committed to retaining employee salaries, 40% of them are still undecided when it comes to the bonus structure for 2020. 24% of the organizations are also looking at potentially laying-off up to 30% of their workforce while 25% and 28% are looking at salary cuts and temporary suspension, respectively. Add to that, the fear of contagion, juggling work-life balance while working remotely, increased work hours, anxiety around possible lay-offs and salary cuts, and an increased need to ensure technology does not overpower human contact are what demand the language of compassion from the employers. These corporate mental health plans address this gap.

Take your CISO/CIO/CTOs, for example. Even before COVID-19, senior technology executives, including CISOs, CIOs and CTOs were overwhelmed and felt an increasing lack of ballast in their lives. Some went so far as to agree to a hypothetical and meaningful compensation cut in exchange for more control over their jobs, and some semblance of work-life balance. Others felt as though they were never able to satisfy internal stakeholders and were most often the first party blamed and held accountable for any technical glitch, including those that take place in the cloud.6

Such scenarios highlight the need for medical professionals. The healthcare industry has seen an increase in demand for mental health experts who are adept at assisting employees suffering from anguish and stress due to the high workload and the general fear of an endless tomorrow. PsyAlive co-founder and CEO, Bráulio Bonoto, says that the growth registered by the company in March was "extraordinary." Before the COVID-19 quarantine, the company had approximately 3 million people covered by the service. Today, there are more than 6.5 million beneficiaries, of which 75% are from corporate customers including companies and healthcare operators.5
With firms investing in the mental and emotional health of their employees, such spectrum shifts are redefining the role of the CHRO from that of human resources to a more ‘people’ oriented one. With multinational firms looking for chief people officers in addition to chief human resource officers, the corporate setup is setting itself up for a new ‘post-COVID’ approach to cater to their employees’ more holistic requirements.

Over the last few weeks, we’ve hosted a series of virtual panel discussions with global thought leaders focusing on this topic and others related to the impact of COVID-19 on HR strategies and business practices. We’ve made these insights available for you - our clients, candidates, employees, and network - to see you to the other side safely.