How Multilatinas Develop Leadership Competencies

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Abstract

This article contributes to the advancement on leadership development research in the context and challenges of the Multilatina enterprise. The two main findings are: (1) Leadership development practices target individuals who are or will be a manager or supervisor and who are also expected to have leadership competencies; (2) Leadership development practices seem to be well aligned with organizational and individual needs for development, and they appear to strengthen the managerial careers of leaders. The evidence shows that these practices have a local orientation and this suggests that such practices support a transitional international growth stage of the company.

Multilatinas, large international Latin American companies, are emerging as an important economic actor in the global arena. They are expanding rapidly in diverse world regions, and on average, the 100 largest Multilatinas operate in 16 different countries (*AmericaEconomía*, 2015). Research on the competitive advantage of Multilatinas highlights the valuable accumulation of local knowledge on the political, economic, and social evolution of emerging markets in Latin America (Casanova, 2009; Grosse, 2016). However, leadership likely translates this valuable knowledge into a sustainable competitive advantage (Hitt & Duane, 2002; Ireland & Hitt, 1999). Scholars distinguish leadership as a key feature in the successful expansion of Multilatinas because their leaders have been able to replicate their leadership style over time (Casanova, 2009). Many Multilatinas evolved from state-owned companies or continue to be family-owned companies since the period of privatization in the Latin American region in the 1990s when they started their international expansion. This particular evolutionary path might have fostered the development of their negotiating skills, specifically in complex and difficult contracts with other multinational enterprises (MNEs) (Casanova, 2009). The corporate governance structure of state-owned or family-owned companies also tends to influence their long-term decision making, which helps in times of uncertainty and benefits the development of a coherent strategic planning (Casanova, 2009). Moreover, a recent study attributes the successful international growth of large Latin American companies to the availability and retention of top executives who are qualified to lead international expansion and operations as the first key factor (Deloitte, 2014).

Although research highlights Multilatinas' leadership as a source of their competitive advantage, little research attention has been devoted to how they are investing in its development. Leadership development emphasizes the creation of social capital within organizations that goes beyond the development of human capital or the improvement of individual leadership skills (Day, 2001). In other words, leadership development collectively builds the capacity of organizational

members to effectively engage in leadership roles and processes that will allow them to adapt to unexpected situations and unforeseen future challenges regarding organizational development (Day, 2001). Leadership development in MNEs has also received scant research attention, and extant research on this topic mainly focuses on the roles and processes for building social capital structures for knowledge sharing among organizational units such as networks (e.g., Espedal, Gooderham, & Stensaker, 2013).

Multilatinas face an array of challenges and opportunities in leadership development because of their internationalization in various markets, and how Multilatinas develop their members' leadership competencies for organizational development requires further analysis. Thus, through a systematic analysis of leadership development practices reported in the sustainability reports of 30 Multilatinas, this article aims to contribute to the advancement of leadership development research in the context and challenges that MNEs face. In particular, this article focuses on two objectives in this regard: (1) the target population for which Multilatinas aim to develop leadership competencies and (2) the practices that Multilatinas report in their leadership development efforts. This study is exploratory by nature, but with the knowledge gleaned here, organizations may be able to identify who to focus on in developing leadership competencies and how to develop leadership competencies with the purpose of supporting their internationalization.

This article is structured as follows. The first part reviews the frameworks on leadership and leadership development in organizations. The second part introduces the background and profile of Multilatinas and identifies the related challenges for leadership development. The third part presents and discusses the findings of the study and the implications for management in the context of Multilatinas and other emerging market multinational enterprises (EMMEs).

Leadership and Leadership Development Frameworks

The need for leadership development in organizations is based on the impact of leadership as a predictor of the effective adaptation of groups and organizations to dynamic environments and organizational outcomes (DeRue & Myers, 2014; Hiller, DeChurch, Murase & Doty, 2011). Moreover, organizations continue to invest in leadership development because leadership is considered a source of competitive advantage (Hitt & Duane, 2002; Ireland & Hitt, 1999). Despite the general consensus that leadership is a vital element for organizations' success, there is also a common complaint about the lack of leadership talent that meets organizations' needs (DeRue & Myers, 2014).

Leadership development is highly linked to the definition of leadership. That is, leadership needs to be defined to understand how it can be developed. Although there have been many theoretical and empirical studies on leadership over the past century and although the concept continues to attract research attention because of the challenges of the 21st Century, it is crucial to understand the difficulties on defining leadership. Moreover, the process of the developing of

leadership is not necessarily easy once organizations decide on the appropriate leadership model (Day, Fleenor, Atwater, Sturm & McKee, 2014). For example, early research on leadership focused on the individual as a leader, and studies evolved around leaders' personality and attributes. When the leader is placed in the organizational context, studies turned to examining the symbolic and meaning dimensions of the leader and to focusing on leaders' behaviors with the purpose of influencing others' behaviors (Bass & Bass, 2008).

Presently, scholars propose a social view of leadership that results from an interaction among the leader and his or her followers within a structure toward a collective goal (see Bass & Bass, 2008 for a comprehensive review of numerous studies on leadership). However, given the many views of leadership, it is understandable that organizations face difficulties in defining the appropriate leadership model to develop. This complication is even more pronounced within recent views of leadership, because the concept involves many actors, not just the one that is in a position of authority. In this regard, organizations confront a duality of logics with respect to leadership because distinguishing the leader from the department head or manager is confusing. A broad difference between the department head or manager and the leader is that the former plans, organizes and structures the department to control activities by exercising formal authority, whereas the latter develops a vision, seeks ways to improve members' performance through development, and empowers members to make decisions (Bass & Bass, 2008). The leadership role comes with and without formal authority (Day, 2001). Then, based on the behavioral and follower-centric approach to leadership, research turned to identifying typologies of leadership behaviors by translating them into leadership styles such as transactional and transformational styles (Bass, 1985; Burns, 1978). There is also a vast literature on how leaders exercise their authority along a democratic-autocratic continuum (Bass & Bass, 2008). Moreover, owing to continuous CEOs scandals, from the Enron case back in 2001 to the Volkswagen case in 2015, a sound and evident concern for a new type of genuine and values-based leadership with strong ethical foundations has motivated researchers to explore additional leadership styles such as authentic leadership (Avolio & Gardner, 2005), servant leadership (Parris & Peachey, 2013), and responsible leadership (Maak & Pless, 2006; Pless & Maak, 2011).

Although the perspective on leaders as individuals has enriched leadership theories, it also constitutes the main inhibitor of the advancement of leadership development (Day et al., 2014). This criticism is based on the argument that when leadership is associated with the personality of the individual, pursuing a change is questionable, and when leadership is defined as behavior, it tends to be based on training rather than on longer-term development initiatives (Day et al., 2014). Thus, contemporary leadership development frameworks have been built more on developmental processes than on only leadership theories. By adopting a developmental view of leadership, organizations will be able to involve individuals, groups, teams and the entire organization in the long run and not just individuals in a position of authority.

Scholars, consultants, and international institutions call for innovative strategies of leadership development; otherwise, organizations will fall into a leadership talent crisis because the needs and demands for leadership increase faster than the development of leadership talent (DeRue & Myers, 2014). Because of these needs and demands, the opportunity for research on leadership development has expanded the study of leadership from a different angle: to the understanding of the sources, processes and outcomes of leadership development. As scholars argue, organizations need to know what to develop, how to develop it, where and when it should be developed, and who is ready (or not ready) for development (DeRue & Myers, 2014).

There are diverse theoretical frameworks in the literature on leadership development. Paralleling leadership theories, one stream of the literature focuses on leader development and the ways in which individual leaders develop their competencies. This stream takes an intrapersonal approach to the individual with respect to his/her development and usually seeks to identify sources or predictors of leadership development. Based on experiential learning theories, this steam proposes that lived experiences in the context of organizations that require change are significant sources of leadership development (DeRue & Myers, 2014). Elements such previous work experience and learning reflection on those experiences tend to facilitate leadership development. Although not all leaders learn in the same way, evidence based on action learning theories shows that some leaders learn when the work to perform involves challenging and complex problems, when there is an opportunity to lead a team, and when there is a need to use knowledge to improve team communication and performance (Day et al., 2014).

An extension of the stream of research on the development of individual leaders focuses on the outcomes associated with leadership development, such as individuals' leadership knowledge, skills, abilities, motivations, and identities (DeRue & Myers, 2014). Studies in this line of research identify categories of skills according to several elements, such as the level of the individual in the organizational hierarchy or the stage of his/her career. Research proposes that skill development is something that occurs over a long period of time, that it is progressive and that it moves from simple aspects of development to more complex, integrated components (Day et al., 2014). In addition, the literature identifies research gaps that are important to address given the popularity of leadership development among practitioners (see Jones, 2016 for a special report on executive education and the participation of McKinsey in leadership development programs). One gap is the leader's personality, and the other one is the leader's approach to self-development and its impact on his/her development (Day et al., 2014).

Despite the diverse approaches in leadership development research, the extant literature mainly focuses on the individual as a leader. This might occur because of the hierarchical view in the exercise of leadership in organizations. In this regard, scholars identify the need to also understand the leader-follower structure and the relationships that emerge

because of the continuous interactions between both individuals (Day et al., 2014; DeRue & Myers, 2014). Under this view, it is essential to study how leadership, as a shared activity or process, evolves. Thus, another stream of research focuses on leadership development as a process that involves leaders and followers or peers in a self-managed work team (Day et al., 2014). This stream of research identifies how certain socio-psychological processes related to the leader, such as his/her interpersonal or communication skills, and organizational components, such as culture, influence the quality of leader-follower relationships (Day et al., 2014). In this regard, leadership development practices have been key for the development of social capital in organizations, as they build the connections and interactions among individuals and the relationships that are significant for certain outcomes, such as innovation (e.g., Rosing, Frese & Bausch, 2011).

This stream of the literature advances the understanding of, for example, the development of authentic leadership because it is conceptualized as a complex process. To develop authentic leadership, leaders and followers need to mutually engage in a process aimed at the establishment of open, transparent, trusting and genuine relationships (Day et al., 2014). Some organizational practices that are involved in the process of leadership development are mentoring and coaching, 360-degree feedback, leadership training, job assignments, action learning, and outdoor challenges, among others (Day, 2001; Day et al., 2014). These practices require the leader and followers to engage in conversations and activities to learn from each other by reflecting on past experiences, to establish individual and organizational performance agreements for development, and to enrich decision making. Scholars advise that it is important to disassociate the evaluation of leadership development from job performance, as job performance is affected by many other factors; and, development is a more appropriate measure (Day et al., 2014). By integrating both streams of research, leadership development refers to the collective capacity of organizational members to effectively engage in leadership roles and processes and to adapt to unexpected situations and unforeseen future challenges regarding organizational development (Day, 2001).

After presenting a brief review on the main conceptual and theoretical approaches to leadership and leadership development, in the next section of the article, I turn to the context of the study: Multilatinas and their challenges regarding leadership development.

Multilatinas: Background and Current Profile

EMMEs tend to present highly heterogeneous characteristics that it is hard to categorize them as traditional MNEs (Grosse, 2016). However, Multilatinas might be distinguished from the rest of EMNEs because of their more homogeneous profiles that help us to identify the common challenges that they face with respect to leadership development. Multilatinas evolved from local, family-owned, large business groups, or state-owned companies with leading positions in their domestic markets. Business groups are generally defined as a collection of firms that are held together through interlocking

directorates, holding companies, and cross-financing and that have a high percentage of family ownership (Granovetter, 2005). Business groups nevertheless responded well to the globalization movement through international expansion, which transformed them into Multilatina enterprises.

The main economic sectors of Multilatinas are in primary industries such as natural resource exploitation, mass consumption manufacturing (e.g., processed food or personal care), and services (e.g., airlines or retail). Multilatinas started their internationalization process with a strong regional orientation mostly through acquisitions of competitors in their neighborhood countries in order to gain market share and very rarely through green field investments (Schneider, 2009; UNCTAD, 2006). Further, research suggests that there are variations in firms' behaviors and that the dimensions that better explain the internationalization pattern of Multilatinas are cultural and development distance (Cuervo-Cazurra, 2008). That is, depending on the risk related to transferring resources and knowledge, the companies might invest in certain countries that are either culturally or developmentally distant (Cuervo-Cazurra, 2008).

However, the regional orientation of the early international expansion of these companies granted them several sources of competitive advantages, as they operated in countries with low manufacturing costs and as the language of operation was mainly Spanish (Grosse, 2016). It was only until recently that Multilatinas started to invest in regions that are geographically and culturally distant, such as Eastern Europe, China, and Southern Asia (UNCTAD, 2016). Although Multilatinas are considered new players in the international arena, analysts suggest that very few have expanded to be considered global players—e.g., *CEMEX, NEMAK* and *Grupo Industrial Bimbo* (Mexico). Analysis shows that many Multilatinas need to be technologically integrated into global value chains in order to benefit from the flow of knowledge and the transfer of best organizational practices. Multilatinas still belong to industries that are more traditional, more mature or less internationalized or that are more oriented toward local markets, such as services (UNCTAD, 2016). In addition to the analysis of the internationalization strategies of Multilatinas, there is a need to analyze the governmental policies that promoted or constrained them. Historically, Multilatinas evolved from a business group strategy and structure and adapted to diverse government-imposed restrictions (Schneider, 2009). Thus, Multilatinas can be better understood through this institutional arrangement than through independent economic and political paradigms.

Their managerial competencies developed to respond to the local consumer and community demands. Moreover, the literature on large family firms in Mexico shows that a group of top managers have both a high level of education and successful professional careers, indicating that they have both formally obtained managerial knowledge and managerial skills accumulated through experience (Hoshino, 2005). In this regard, scholars argue that one of the factors for the advancement of Latin American firms is associated with the appointment of professional managers that have well-developed business careers in a wide range of top managerial positions, even though the control of management rests with owner

families (Hoshino, 2005). Next, I use the above description of the evolution of Multilatinas to identify the key challenges related to leadership development.

Multilatinas' Challenges Related to Leadership Development

It is evident that leadership plays a central role in the advancement and internationalization of Multilatinas. Four main challenges related to leadership development in these international firms can be identified. First, there is the concept of business groups. Because Multilatinas evolved from a business group structure, leadership development programs should include the challenges of operating in a non-related diversified group of firms that are also international. Determining how to develop a common vision or how to build interunit teams and empower organizational members for decision making in diverse and non-related economic sectors requires specific leadership competencies. Second, the economic and political context in which these firms grew developed the organizational capability for re-structuring and adapting to diverse government-imposed restrictions and economic shocking cycles. Thus, the challenge for leadership development concerns how to operate within such constraints and still obtaining advantages for sustainable and international growth. Here, the focus is on leadership for organizational development. Third, the industries in which Multilatinas mainly operate depend on the dynamics of the global economy (i.e., natural resources, manufactures and services). Thus, the global perspective and mindset accordingly create challenges for leadership development because those industries differ substantially from the domestic markets in which Multilatinas tend to operate. This challenge includes the multiculturalism or cross-cultural knowledge and competencies that organizational members need to operate internationally.

The fourth challenge relates to managerial careers in the family-owned context of Latin America in which culture and traditions still dictate many management styles and therefore leadership styles (Davila & Elvira, 2012). One proposal for developing leadership competencies in Latin American organizations is to first identify which factors inhibit executives' managerial careers (Stawiski et al., 2015). Once organizations and individuals are aware of these factors, leadership development can focus on those skills that can avoid obstacles to success. In this vein, the three main factors that obstruct managerial leadership careers in Latin American organizations are: a) Latin American managers tend to focus on their specific role and to neglect the broad view of the organization. b) When assessing the factors that affect their managerial careers, Latin American managers tend to be negatively rated by their superiors, colleagues and subordinates in their interpersonal relationships and in their accomplishment of business objectives. In contrast, managers rate themselves positively in their change or adaption capabilities, ability to build teams, and perspectives of organizational functions. c) There is a perception gap between managers and superiors' interpretation, and colleagues and subordinates' interpretation about their managerial careers, resulting in a lack of self-awareness about their managerial role (Stawiski et al., 2015).

Therefore, identification of the factors that inhibit managerial careers in Latin American organizations provides important inputs for inclusion in leadership development programs. For example, such programs could focus on how to obtain a comprehensive view of the organization or how to connect with other functional areas. It is also central to any leadership development program to include how to activate communication channels in order to reduce the perception gap on leadership competencies, such as receiving and giving continuous feedback (Stawiski et al., 2015).

Next, I present the study and discuss the findings of leadership development practices as reported by Multilatinas.

Patterns of Leadership Development Practices in Multilatina Enterprises

Although organizational leadership in Latin America has been widely studied, the practices that companies use for leadership development have been overlooked in the literature. This is surprising because most of the business schools in the region emphasize the development of leadership competencies in their students and report a well-integrated infrastructure for that purpose. For example, some business schools highlight their career centers and the services that they provide for graduate students to develop their leadership competencies; other business schools offer additional activities to their students in parallel with their MBAs programs, such as workshops or opportunities to gain leadership experience (E&N, 2016). Moreover, practitioners are constantly demanding the development of leadership competencies and seeking a closer relationship with academia to develop them (Ramírez, 2013).

In the past, it was difficult to gain access to information on the practices or programs that companies in Latin America use for leadership development. Today, there is plenty of access to information on companies through their official webpages, press releases, specialized business press, social media, and annual financial/market performance and sustainability reports. This article builds on the systematic analysis of the sustainability reports of 30 Multilatinas enterprises. Most of the sustainability reports reviewed for this article follow the Global Reporting Initiative (GRI) guidelines that require companies to report on their practices, training programs, and social performance metrics among a set of various social issues. Moreover, some of these reports informed external validation of the information reported (see table 1 for the inventory of the reports).

Table 1 about here

Data from the sustainability reports were analyzed according to the target population, practice, and purpose/content of the practice as reported by the companies. From the 30 companies analyzed, only 23 companies report specific actions on

leadership development practices. In general, Multilatinas invest important resources in the development of their employees' leadership competencies.

In terms of the target population of the leadership development practices, the analysis shows that Multilatinas differentiate their employees according to specific criteria. Some Multilatinas clearly identify the employees who will be involved or who will participate in leadership development practices, whereas for others, it was difficult to identify the target employees of such practices. In those cases, I generated the category of 'employees in general' to classify the available data. Table 2 presents the main categories for which I identified the companies that classify their employees as targets of their leadership development practices, the definition of the target population by the companies and the companies that report actions for that specific group of employees.

Table 2 about here

The evidence suggests that Multilatinas target a wide range of employees of their leadership development programs or practices, although more companies target employees according to the stage of their career, such as young professionals, middle managers and professionals. For example, as TERNIUM (Argentina – Steel) reports: "During the year, TERNIUM launched the first stage of a new training program for leaders, aimed at strengthening the performance of *middle management* in their communication with and their identification of the growth potential of their personnel." (p. 23) [Emphasis added.] Another important group of companies are also concerned with developing leadership competencies in employees that have supervisory roles, mainly in manufacturing or operational areas. For example, as JBS-FRIBOI (Brazil – Food) reports: "Participants have the opportunity to develop their career in industrial production, *supervision*, coordination and management in addition to working for one month abroad." (p. 59)

Then, fewer companies report that they target the development of members of the top management team (TMT). Further, fewer companies report having leadership development programs or practices that cover employees at all levels of the company or employees that are not in charge of personnel. Moreover, fewer companies highlight the development practices of members in certain international subsidiaries; rather, they only target those employees. Finally, others still devote special attention to future leaders by emphasizing their potential leadership role in the company.

One interpretation of these data is that Multilatinas tend to focus on the development of the leadership competencies of employees that already have a management or supervisory position. It could be that employees are first

promoted to a managerial or supervisory position and then trained on leadership competencies. Another interpretation could be that only junior employees or employees to be trained on leadership competencies are promoted to a managerial or supervisory position in the future. These interpretations might indicate that Multilatinas link leadership development efforts to a target population with a managerial or supervisory position or career and not at the organizational level as it is suggested in the literature (Day, 2001; Day et al., 2014). Although the evidence shows that there are leadership practices that target employees in general, in such cases, the statements tend to be broad, informing the importance of leadership training for all employees in the company. For example, as CEMEX (Mexico – Cement) reports: "Over the course of the year, approximately 31,000 employees spent an average of 21 hours in instructor-led programs […]. The well-attended training sessions were those related to health and safety, leadership training and building commercial capabilities." (p. 56) Thus, I identify the following pattern:

Pattern I. The target population of leadership development practices focus on individuals who are or will be a manager or supervisor and who are also expected to have leadership competencies.

Regarding leadership development practices, the identified categories include a wide variety of practices that research suggests are effective (see Cumberland, Herd, Alagaraja, & Kerrick, 2016; Day, 2001; Day et al., 2014). See table 3 for the categories of the adopted practices, their descriptions and the companies that report using them.

Table 3 about here

In general, Multilatinas understand what it takes to develop leadership competencies, and most of the companies report using a combination of various practices. For example, ALFA (Mexico – Chemicals) reports having a program for leaders (young professionals) at the same time as having a mentoring training system. The categories of practices could be further analyzed according to the impact of their content. That is, there are practices that are defined by the companies in terms of their contribution to the development of the organization, such as a leadership center, leadership development program, leadership model, and assessment process. It is important to highlight that few companies reported having a leadership model that guides leadership development practices in line with organizational development needs. Although those companies do not describe the model or report about a certain leadership style, they use the model as a benchmark of

which leadership competencies should be developed. Moreover, the companies that report having assessment programs for their leadership competencies take a developmental approach as the main criteria for assessing leaders' competencies, not organizational performance.

There are other practices that are defined in terms of the development of individuals' skills, such as programs for leaders, leadership courses, corporate universities, discussion forums, mentoring, and coaching. Another set of practices focus more on managerial development than leadership development, such as training programs, succession planning, and organizational-wide programs. Finally, a few organizations report using real-life projects as part of their leadership competencies programs, and depending the content of these programs, they might affect both leadership and management development. This evidence leads to the following pattern:

> *Pattern II.* Leadership development practices in Multilatina enterprises are aligned with organizational
>
> and individual needs for development, particularly strengthening the managerial careers of leaders.

However, the evidence shows that such practices have a local view. This might be due to the local nature of human resource (HR) policies for employees. For example, ODEBRECHT (Brazil – Construction) notes that as an HR policy, the company will ensure and increase the number of local members holding leadership positions in the countries where it operates. Thus, the absence of information on the leadership development efforts related to the building of inter-organizational teams or networks across international units is understandable. Only two companies make their international orientation on leadership development explicit: CEMEX (Mexico – Cement) introduced the LEGACY initiative that includes health and safety leadership training programs designed to equip managers at all levels with the tools, skills, and leadership behaviors to develop a culture of health and safety across its worldwide operations; WEG (Brazil – Manufacturing) reports the criteria of multiculturalism for the assessment of its leaders' competencies. Another explanation could be that many leadership development practices target managers or supervisors for the development in their current positions. Thus, it is likely that the energy is concentrated in the development of local organizations and individuals.

The local approach to reporting about leadership development practices could be interpreted as a transitional international growth stage. That is, these companies that evolved from operating in local markets are in the process to operate as MNEs. Thus, through leadership, the company will share resources and knowledge, and it will identify commonalities across international subsidiaries. These findings highlight important future challenges for Multilatinas, other EMNEs and their leadership development programs. Given that EMNEs are currently continuing their international expansion, leadership development practices should accompany company growth and accordingly utilize an assessment

process. Thus, there is a need to understand how issues associated with the current internationalization strategy of companies regarding leadership development practices, such as those identified above in the Multilatinas section, can be translated into practice. Moreover, it is important to identify the role of HR policies in leadership development programs during the internationalization process of EMNEs.

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Table 1. Inventory of the Reports

Company	Country of Origin	Main Economic Sector	Year	Type of Report	Employees	GRI	External Validation
ALFA	Mexico	Chemicals	2011	Sustainability	57,000	√	√
ALICORP	Peru	Food	2011-2012	Sustainability	3,143	√	NA
AMERICA MOVIL	Mexico	Telecom	2012	Sustainability	158,719	√	NA
ANTO-FAGASTA	Chile	Mining	2013	Sustainability	4,228	√	√
ARAUCO	Chile	Forest	2013	Sustainability	40,395	√	NA
ARCOR	Argentina	Food and Confectionery	2013	Sustainability	19.959	√	NA
ARGOS	Colombia	Cement	2013	Integrated	14,868	√	√
AVIANCA	Colombia	Airline	2013	Sustainability	19,127	√	√
CEMEX	Mexico	Cement	2013	Annual	43,000	NA[1]	NA
CENCOSUD	Chile	Retail	2013	CSR	155,000	NA	NA
EMBRAER	Brazil	Aerospace	2013	Annual	19,278	√	NA
FIBRIA	Brazil	Forest	2013	Sustainability and Annual	17,082	√	√
GRUMA	Mexico	Food	2013	Annual	19,000	√	√
IMPSA	Argentina	Energy	2010-2012	Sustainability	6,156	√	NA
JBS-FRIBOI	Brazil	Food	2012	Sustainability	142,142	√	NA
LATAM	Chile	Airline	2013	Sustainability	52,000	√	NA
MARFRIG	Brazil	Processed Food	2013	Annual	43,000	√	√[2]
MASISA	Chile	Forest	2013	Annual	8,623	√	NA
MEXICHEM	Mexico	Petro-Chemicals	2013	Sustainability	17,345	√	NA
MODELO	Mexico	Forest	2011	Sustainability	37,307	√	NA
NUTRESA	Colombia	Food	2013	Sustainability and Annual	36,726	√	√
ODEBRECHT	Brazil	Construction	2013	Annual	175,031	NA	NA
RECALCINE	Chile	Pharmaceutical	2013	Annual	7,163	NA	√
SIGDO KOPPERS	Chile	Construction	2013	Annual	18.474	NA[3]	NA
SQM	Chile	Chemicals	2013	Sustainability	4,743	√	NA
SUD-AMERICANA DE VAPORES	Chile	Shipping	2013	Annual	4,109	NA	√
TERNIUM	Argentina	Steel	2013	Annual	16,800	NA	√
VALE	Brazil	Mining	2013	Sustainability	212,400	√	√
VOTO-RANTIM	Brazil	Cement	2013	Annual	91,960	√	√
WEG	Brazil	Manufacturing	2012	Sustainability	22.323	√	NA

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[1] NA: Not available
[2] Only Economic Performance
[3] Report that follows the ISO 26000 norm.

Table 2. Target Population of Leadership Development Programs and Initiatives

Categories of the Target Population	Definition of the Company (as informed in the report)	Companies Reporting in this Category
Stage of the career	- Young professionals - Middle level managers - Employees at different stage of their careers - Professionals	ALFA, ARAUCO, AVIANCA, CEMEX, GRUMA, GRUPO JBS, MARFRIG GLOBAL FOODS, MASISA, TERNIUM, VALE, VOTORANTIM, WEG
Supervisory responsibilities	- Leaders in charge of personnel and equipment - Operational leaders - Employees in leadership positions - Department heads	ARAUCO, ANTOFAGASTA MINNERALS, CENCOSUD, MARFRIG GLOBAL FOODS, SIGDO KOPPERS, SQM, WEG
Top management team	- Top-tier managers - Managers and executives - Leader figures - Newly appointed directors - Directors and general managers - Senior executive leaders - Business leaders	ARAUCO, CENCOSUD, CEMEX, EMBRAER, FIBRIA, MASISA, VOTORANTIM
Employees in general	- All levels of the company - Employees without personnel in charge	AMERICA MOVIL, CENCOSUD, EMBRAER, GRUPO NUTRESA, MARFRIG GLOBAL FOODS, SIGDO KOPPERS, TERNIUM
Potential leaders	- Future leaders	ARAUCO, ANTOFAGASTA MINNERALS, CEMEX, CENCOSUD
Location of the employees	- Employees from the headquarters - Employees in North America - Employees in Ireland	ALFA, ARAUCO, MARFRIG GLOBAL FOODS

Table 3. Leadership Development Practices

Categories of Practices	Purpose/Content of the Practice (as informed in the report)	Companies Reporting in this Category
Leadership center	- Promote leadership development for supporting organizational development	VOTORANTIM
Leadership development program	- Improve skills and the acquisition of tools for team management - Develop managers - Promote discussion and learning about leadership within the organization - Train employees in the company's principles - Learn, practice, and apply specific new tools and frameworks in both a leadership and business	ARAUCO, AVIANCA, CEMEX, FIBRIA, MARFRIG GLOBAL FOODS, WEG

	- context - Foster employees' growth - Develop a culture of… - Promote decision making, personal development and leadership - Promote self-improvement and development - Improve managerial skills	
Program for leaders	- Develop young professionals - Develop a trainee program - Develop operational leaders - Foster the accountability of leaders - Develop e-learning - Develop competencies - Develop a virtual community of leaders	ALFA, ANTOFAGASTA MINNERALS, ARAUCO, CENCOSUD, GRUPO JBS, SIGDO KOPPERS, VALE
Training programs	- Develop supervisory competencies and knowledge - Promote skills-enabling development and training to assume production supervisory role - Promote managerial competencies and development - Promote self-development through self-knowledge and self-awareness	ANTOFAGASTA MINNERALS, GRUPO JBS, GRUPO NUTRESA, MARFRIG GLOBAL FOODS
Leadership courses	- Develop skills - Develop tools for human resource management, communication, feedback and conflict resolution - Strengthen the performance of middle managers in their communication with and their identification with the growth potential of their personnel - Develop leadership, performance management and technical knowledge - Develop online training courses - Develop basic competencies: teamwork, leadership and communication - Develop talks and workshops to motivate to apply leadership concepts	AMERICA MOVIL, ARAUCO, CEMEX, GRUMA, LATAM, SQM, TERNIUM
Corporate university	- Develop online training courses on leadership	LATAM
Discussion forums	- Develop online community of leaders - Share and learn from best practices - Promote development cycles to exercise management skills - Provide a space for reflection and practice to facilitate the conscious use of essential skills and behaviors of the leader	VALE, VOTORANTIM, WEG

	- Incorporate a sustainability culture	
Leadership model	- Form high performance work teams - Develop periodical performance dialogs between managers and operators - Manage training and education processes - Develop a management tool to reach the organization's vision - Develop culture of indicators - Develop a survey of competencies and values - Develop measures for leaders - Develop leadership competencies	ARAUCO, ANTOFAGASTA MINERALS, GRUPO NUTRESA, MARFRIG GLOBAL FOODS, MASISA
Mentoring	- Improve essential abilities to reach professional growth	ALFA
Coaching	- Complement leadership development programs	ARAUCO
Assessment process	- Assess future leaders - Assess leadership competencies in job positions that require them - Assess managerial skills: people management by superiors, peers and subordinates - Review managers plan for self-development in each evaluation process - Implement annual leadership cycle performance evaluations - Implement competency assessment	ARAUCO, EMBRAER, WEG
Succession planning	- Foster career plans - Ensure retention and skills development - Create a seamless line of leadership succession - Fulfill key positions - Assure a leadership succession pipeline	CEMEX, ANTOFAGASTA MINERALS, MARFRIG GLOBAL FOODS
Real-life projects	- Enhance personal and professional growth - Facilitate the exchange of best practices - Strengthen corporate culture - Award a Sustainability Talent Award on the company's projects - Strengthen managers' leadership, self-control, team work, connect with others, best practices and business processes	CEMEX, MASISA, VOTORANTIM
Organizational-wide programs	- Provide brief suggestions via email on HRM issues (performance assessment, recognition, effective meetings and safety) - Provide performance evaluation management - Lead the development of the community – volunteer employees	ARAUCO, GRUPO NUTRESA, SIGDO KOPPERS