Millennial (Generation Y) Innovation survey
Research information

Research approach

**When?**
All countries except Brazil: 6 – 9 March, 2013
Brazil: 26 November – 3 December, 2012

**Who?**
Generation-Yers – born January 1982 onwards
Degree educated
In full-time employment

**What?**
15 minute quantitative questionnaire conducted online
Approximately 300 interviews per market

**Where?**
Six markets across Latin America: Argentina, Brazil, Chile, Colombia, Mexico and Peru
Results shown for individual countries with comparison to six country regional average and 16 countries global survey completed in December 2012

Research scope

<table>
<thead>
<tr>
<th>Market</th>
<th>Interviews achieved</th>
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</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>331</td>
</tr>
<tr>
<td>Brazil</td>
<td>303</td>
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<tr>
<td>Chile</td>
<td>316</td>
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<tr>
<td>Colombia</td>
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<td>Mexico</td>
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<tr>
<td>Peru</td>
<td>324</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>1,918</strong></td>
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</table>
Summary of global findings

75% (78%)* of Generation-Yers believe that innovation is essential for business growth and 84% (87%) believe the success of a business should be measured by more than just financial performance.

The main non-financial measure of business performance is regarded as the “Contribution to local communities” (57%) whereas in the Global results this was “Employee satisfaction and retention”; 32% (44%) say that business success should be measured in terms of “how innovative they are”.

Driving innovation is most likely to be considered the main ‘purpose’ of business, and is considered to be more important than generating profit.

The top challenges facing society over the next 20 years are considered to be resource scarcity (48%), consequences of natural disasters (32%) and climate change (30%). In the global data natural disasters and climate change came further down the priority list (inflation was 2nd) which indicates a different global outlook within Latin America.

Generation-Yers (41% vs. 45%) believe that business (more so than other organizations) drive the innovations that have the most positive impact on society; universities receive more mentions in Latin America (24% vs. 17%).

96% (95%) say it is acceptable for business to make a profit from an innovation that ‘benefits society’.

The sectors considered to be most in need of innovations are TMT, Consumer goods and Manufacturing.

Nine in ten (69%) of Latin American Generation-Yers say innovation is a key ingredient in making an organization an employer of choice and 62% (60%) believe that they work for an innovative business.

Seven in ten (69%) (67%) of Latin American Generation-Yers work in organizations that actively encourage / reward its people for innovative ideas.

The top factors an organization is considered to need if it is to ‘be innovative’ are: “Demonstrates commitment to the continual development or improvement of internal processes” (50%) (40%), “Clear vision for the future” (43%) (41%), “Demonstrates commitment to the continual development or improvement of products or services” (40%) (36%), “Encourage and reward idea generation and creativity” (40%) (39%) and “Commitment to successfully advancing innovative ideas” (40%) (39%).

Only 18% (20%) believe that their own organization’s leadership encourages and rewards idea generation and creativity.

71% (62%) of Latin American Generation-Yers would describe themselves as innovative.

Academic/intellectual ability (69%) is most often regarded as the characteristic that will mark out future innovators, followed by Being entrepreneurial & creating business opportunities, Creativity & design and Technical skills (globally creativity was #1).
73% feel their company’s activities benefit society in some way...

"Its activities benefit society in some way"

- Brazil: 83%
- Colombia: 78%
- Mexico: 76%
- Regional: 73%
- Chile: 70%
- Argentina: 66%
- Global: 65%
- Peru: 65%

33% "It tends to focus on its own agenda"
18% "I can’t see how my organisation can benefit society"

Q. To what extent, if at all, do the following describe the organization you work for? % totally / to a large extent. Global base: 4,982; Regional: 1,918

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Innovations from business directly…

- **85%** HELP TO IMPROVE SOCIETY (LATAM)

- **14%** HAVE A NEGATIVE IMPACT ON SOCIETY (LATAM + GLOBAL)

- **8%** HAVE NO IMPACT or NO OPINION

Generation-Yers in Peru (92%), Colombia (91%) and Brazil (90%) are most upbeat about the positive role of business innovation.

Q. Which of the following is closest to your own view about the relationship between business innovation and positive changes to society? Base: All 1,918

5 Millennial (Generation Y) Innovation survey – Summary of Latin America findings
**Top challenges facing society in the next 20 years**

Q8: What are the challenges facing society that you think most demand the focused attention of businesses and others to find new solutions? [Open question]

**Societal challenges**

Top regional mention: Peru, Brazil

Top regional mentions: Argentina

Top regional mentions: Chile, Colombia

Top regional mentions: Colombia, Brazil

Top regional mentions: Argentina

**Latin America Region**

- Resource scarcity (oil, gas, water, etc.)
- Consequences of natural disasters
- Climate change
- Social unrest
- Inflation
- Inequality incomes/wealth
- Unemployment
- Political instability
- Ageing populations / demographic shift
- Terrorism
- Eurozone break-up / stability of national economies

**Global**

- Eurozone break-up / stability of national economies
Q. What are the challenges facing society that you think most demand the focused attention of businesses and others to find new solutions?

[Open question] Base: Regional= 1,918 respondents
Societal challenges: The voice of Generation-Yers

“A society should be prepared to embrace development and innovation. Change is often difficult to embrace, it is inconvenient, but as things progress, society should adapt to these changes more quickly, otherwise it will fall behind” **Peru**

“The biggest challenges in Brazil at the moment, is to improve the life of its inhabitants. In order: education, at all levels, mainly basic education—not only teaching, but mainly the training of more dedicated teachers; raising the awareness of its citizens with regard to knowledge of their obligations and mainly of their rights, this is only possible with a high quality education; and finally, improving quality of life with a better distribution of income and a more effective health service” **Brazil**

“Being able to generate renewable energy and resources. Deliver flexible solutions to improve the quality of life of your employees and customers. Take on social responsibilities and contribute to care plans” **Chile**

“One of the challenges is contributing to society, in the environmental sector, as well as creating employment, because that culture doesn’t exist in Mexico” **Mexico**

“Beyond the innovation in products or services that companies offer, the innovation challenge is really in sustainable development, in social responsibility and Risk Management. This has an impact on society in the long term and on a huge scale” **Argentina**

“Companies should think more about sustainable development given the notable decline in the environment and natural resources everyday” **Colombia**

“One would be innovation or focussing on a cure for illnesses that are increasing significantly, in society, such as: cancer, HIV, etc., Illnesses for which there is no cure. Another one would be major innovation regarding natural resources so that they can be completely sustainable, and not be permanently depleted. And finally, innovation in education, since that’s where future innovators, able to solve the challenges, will be coming from” **Mexico**

Q. What are the challenges facing society that you think most demand the focused attention of businesses and others to find new solutions? [Open question]
The purpose of business is to...

Q. Which of the following words and phrases match your own belief as to what business is for? [Select up to three] Global base:4,982; Regional: 1,918

- Drive innovation: 37% Latin America, 33% Global
- Improve society: 36% Latin America, 36% Global
- Enable progress: 31% Latin America, 25% Global
- Generate profit: 29% Latin America, 35% Global
- Produce goods & services: 21% Latin America, 29% Global
- Enhance livelihoods: 21% Latin America, 27% Global
- Drive efficiency: 21% Latin America, 25% Global
- Exchange goods & services: 15% Latin America, 20% Global
- Create wealth: 13% Latin America, 15% Global
Measuring business success

What else should companies be measured against?

84% “Success of a business should be measured in terms of more than just its financial performance” (Global average: 87%)

Mentions of regional innovation are highest in Brazil (53%) and Colombia (41%); lowest in Argentina (22%) and Chile (28%)

Q. Do you think the success of a business should be measured in terms of more than just its financial performance? Base: Regional= 1,918 respondents, Global= 4,982
Q. What else do you think companies should be measured against in order to judge whether they are successful? Base: All saying companies should be measured against more than profits Global= 4,338, Regional=1,618
62% of Generation-Yers say they work for an innovative company

“**I work for an innovative company**”

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Brazil</td>
<td>73%</td>
</tr>
<tr>
<td>Peru</td>
<td>69%</td>
</tr>
<tr>
<td>Colombia</td>
<td>66%</td>
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<tr>
<td>Mexico</td>
<td>63%</td>
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<tr>
<td>Regional</td>
<td>62%</td>
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<tr>
<td>Global</td>
<td>60%</td>
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<tr>
<td>Argentina</td>
<td>53%</td>
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<tr>
<td>Chile</td>
<td>49%</td>
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</table>

Q. Please indicate the extent to which you agree or disagree with the following statements. Base: Global 4,982; Regional: 1,918
54% feel innovation gives their company a competitive advantage

“My company is more successful than others because of the priority it places on innovation”

- Brazil: 65%
- Peru: 64%
- Mexico: 57%
- Colombia: 56%
- Regional: 54%
- Global: 52%
- Argentina: 46%
- Chile: 38%

- Above regional average
- Regional average
- Below regional average

Q. Please indicate the extent to which you agree or disagree with the following statements. Global Base: 4,982; Regional Base: 1,918

12  Millennial (Generation Y) Innovation survey – Summary of Latin America findings
63% feel the importance of innovation is clearly demonstrated in their organizations

“It is clear from the way it operates that innovation is very important in my organisation”

<table>
<thead>
<tr>
<th>Country</th>
<th>Above regional average</th>
<th>Regional average</th>
<th>Below regional average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peru</td>
<td>76%</td>
<td></td>
<td></td>
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<tr>
<td>Brazil</td>
<td>73%</td>
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<tr>
<td>Colombia</td>
<td>65%</td>
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<tr>
<td>Regional</td>
<td>63%</td>
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<tr>
<td>Mexico</td>
<td>63%</td>
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<tr>
<td>Global</td>
<td>61%</td>
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<tr>
<td>Argentina</td>
<td>55%</td>
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<tr>
<td>Chile</td>
<td>49%</td>
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<td></td>
</tr>
</tbody>
</table>

Q5. Please indicate the extent to which you agree or disagree with the following statements. Global base: 4,98; Regional base: 1,918
75% feel innovation is essential for business growth

Q. Please indicate the extent to which you agree or disagree with the following statements. Global base: 4,982; Regional base: 1,918
52% believe their workplace environment helps them to be innovative

“Overall I feel my workplace environment helps me to be innovative”

Q. Please indicate the extent to which you agree or disagree with the following statements. Global base: 4,982; Regional base: 1,918
Who drives innovation?

**BUSINESSES**
- Top regional mentions: Peru, Brazil, Mexico
- Latin America Region: 41%
- Global: 24%

**UNIVERSITIES & OTHER ACADEMIC BODIES**
- Top regional mentions: Colombia
- Latin America Region: 17%
- Global: 18%

**LOCAL COMMUNITIES**
- Latin America Region: 13%
- Global: 6%

**NGOs & CHARITABLE ORGs**
- Top regional mentions: Argentina, Peru
- Latin America Region: 18%
- Global: 9%

**POLITICAL PARTIES**
- Latin America Region: 2%
- Global: 1%

**RELIGIOUS INSTITUTIONS**
- Latin America Region: 1%
- Global: 1%

Q. Which one of the following do you believe drive the innovations that have the most important positive impact on society? Global base: 4,982; Regional base: 1,918

16  Millennial (Generation Y) Innovation survey – Summary of Latin America findings
**Generation-Yers consider the technology and media sector to be the most innovative**

<table>
<thead>
<tr>
<th>Sectors</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Technology and Media (TMT)</td>
<td>59%</td>
</tr>
<tr>
<td>Consumer Business</td>
<td>50%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>27%</td>
</tr>
<tr>
<td>Energy &amp; Resources</td>
<td>18%</td>
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<tr>
<td>Financial Services</td>
<td>18%</td>
</tr>
<tr>
<td>Public Sector</td>
<td>17%</td>
</tr>
<tr>
<td>Healthcare &amp; Life Sciences</td>
<td>13%</td>
</tr>
</tbody>
</table>

Top regional mentions: Colombia and Peru

*Based on 784 saying businesses drive the innovations that have the most important positive impact on society.

Q. Which sectors would you say are responsible for the most innovations? Base: All saying businesses drive innovation 784
Generation-Yers consider the technology and media sector to be the most innovative

Sectors most in need of innovation

- **58% PUBLIC SECTOR**
- **37% ENERGY & RESOURCES**
- **34% CONSUMER BUSINESS**
- **29% TMT**
- **27% HEALTHCARE & LIFE SCIENCES**
- **16% FINANCIAL SERVICES**
- **15% MANUFACTURING**

Top regional mentions: Chile, Peru

Q. Which one of the sectors and activities listed below do you think are in most need of innovation? Base: All 1,918

* Education 45%
** Electric power 20%
Generation-Yers tell us they are innovative people

71% “I would describe myself as an innovative person”  
*Global average: 62%

62% “I work for an innovative company”  
*Global average: 60%

64% “I contribute to my company’s innovation efforts”  
*Global average: 58%

61% “Friends or colleagues would describe me as innovative”  
*Global average: 56%
Innovative people are to be found in...

- **Peru**: 83%
- **Brazil**: 77%
- **Regional**: 71%
- **Colombia**: 71%
- **Mexico**: 71%
- **Chile**: 66%
- **Global**: 62%
- **Argentina**: 59%

Q. Please indicate the extent to which you agree or disagree with the following statements - I would describe myself as an innovative person. Global base: 4,982; Regional base: 1,918.
Creativity is considered the hallmark of an innovate person

- “The characteristics that make me innovative.”
- “Tomorrow’s innovators will be characterised by…”

Q. What are the skills or characteristics that you think make you an innovative person? [Open Question] Base: All saying they are an innovative 1,433

Q. Which of the following characteristics or skills do you think will mark out the individuals who will be innovators in the future? Base: All 1,918
Tomorrow’s innovators: The voice of Generation Yers

Q. What are the skills or characteristics that you think make you an innovative person? [Open Question]

Argentina

“I’m a self-taught industrial engineer, I keep on studying so as to keep myself up to date professionally. I’m interested in technological and organizational changes that make it possible to do things better. I’m committed to continuous improvement”

Mexico

“There’ll always be 1000 ways to develop a project, conveying or putting into practice the same idea. What is different is the investment and, to a degree, the impact it creates. By this what I mean is that I consider myself to be: creative; a leader. What’s more, innovation is about getting your team to acquire new skills through team building”

Colombia

“To be creative and to always think of the best way to do things, to look at what is going on in the market and to propose ideas so that the company moves with times, to want to progress and not stay in the comfort zone”

Chile

“The desire to learn. The constant desire to improve. Adaptability. Perseverance. The skill to resolve problems. The ability to find different solutions”

Peru

“The constant learn. The idea to improve. Adaptability. Perseverance. The skill to resolve problems. The ability to find different solutions”

Brazil

“A person who looks to the future, seeking improvements within their professional and personal environments”

“Vision for implementing new processes that might allow for better functionality and better handling of areas of the business”

Argentina

“Continuous search for change, trying to improve and save time on everyday processes, I come up with good ideas that would really bear fruit with a bit of a push from the executives and a bit of a good word, or more willingness to implement them or at least try to develop them…”

Chile

“What would identify me as an innovative person is the ability to see and always look for what others don’t, and in particular, to have new ideas that can help the company to become sustainable, and become a leader in the market in which it operates. However, this company unfortunately doesn’t allow me to develop all my intellectual ability and my acquired knowledge during my years of service and the studies I have undertaken”

“An innovative person comes up with ideas, is always inspired to improve both the company and their incomes. An innovative person is qualified in an employment sense, they are a positive and analytical person, both in terms of ideas and items that can help to concrete their visions”

Mexico

“There’ll always be 1000 ways to develop a project, conveying or putting into practice the same idea. What is different is the investment and, to a degree, the impact it creates. By this what I mean is that I consider myself to be: creative; a leader. What’s more, innovation is about getting your team to acquire new skills through team building”

Argentina

“I’m a self-taught industrial engineer, I keep on studying so as to keep myself up to date professionally. I’m interested in technological and organizational changes that make it possible to do things better. I’m committed to continuous improvement”
Barriers are ‘financial and organizational’

Perceived barriers to innovation

- Lack of money / investment / financial pressure: 15%
- External: Environment e.g. regulations, bureaucracy: 12%
- Poor leadership / management / lack of vision: 11%
- Internal culture: 10%
- Stuck in ways / inertia: 9%
- Skill shortages: 6%
- Lack of creativity & innovative attitudes: 6%
- Time / general pressure: 6%
- Lack of direct incentives: 5%
- Poor working practices / lack of teamwork: 5%

4% say there are “No Barriers”

Very few point to a lack of investment in technology (2%) or company structure (3%)

Q. What do you consider to be the single biggest barrier to innovation in your organization? [Open Question] Base: All 1,918
Barriers to innovation: The voice of Generation-Yers

Q. What do you consider to be the single biggest barrier to innovation in your organization? [Open Question]

“Leadership. Although the company has a lot of resources available for its employees to do innovative work, there is still a lack of support from the leaders. A lot of them are still attached to old methods, they feel threatened sometimes and end up hindering their subordinates who are looking for new solutions (but even so, they get paid by results)” Brazil

“The board of directors are not interested in the employees’ well-being. As long as the balance is healthy and there’s liquidity to misspend, they’re not interested in whether employees are efficient and innovative. There are many employees with more than 30 years’ service and no interest in growth or improvement; they’re just holding out for as long as possible before retiring, while they occupy senior posts or headships of different departments. So the ideas that us new employees, who want to grow, become professionals, compete amongst ourselves and innovate, have are not taken into consideration” Argentina

“The margins we have to work within make it impossible to innovate, and if you do manage to do something innovative they don’t listen to you because there’s no budget” Chile

“The increased workload, which leads to routine, sometimes conformity, and having to meet deadlines, which means that many prefer to continue doing what they know than trying out new things” Peru

“The fact that the majority of people only think about their own gain, and the fact that there are still businesses that don’t have women in positions of authority. There is still inequality and communication is the obstacle. I think that it is necessary for them to incentivise their workers in order to innovate processes or tasks in their workplace” Mexico

“The habit. Believing that what has been done for years doesn’t need to be changed. Fear of doing things differently, and that you will be told off or told it is wrong” Peru

“The economy and the constantly changing markets in favour of supply and demand that the consumer generates, given that society itself calls out for innovative and lifestyle changing products on a daily basis” Colombia

“1. Financing. In times of crisis, the main cutback hits the “most creative” side, which I think is a mistake. 2. Excessive and individualistic competition between employees. The professionals tend to think only of their own benefit Teamwork usually gives better results for the company but poorer “individual” results. A lot of emphasis is too often placed on “individual rewards” and this is a strategic error as it goes against getting results achieved by the staff [as a whole] (it’s better to encourage teamwork)” Argentina

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Requirement and provision of innovative conditions
(Percentage ratings)

Q. Which of the following describe your own organization? Base: All 1,918

Q. And which are important for an organization to have if it wants to create the conditions that foster innovation? Base: All 1,918

25  Millennial (Generation Y) Innovation survey – Summary of Latin America findings
Requirement and provision of innovative conditions (Delivery Gap)

Q. Which of the following describe your own organization? Global base: 4,982; Regional base: 1,918

Q. And which are important for an organization to have if it wants to create the conditions that foster innovation? Global base: 4,982; Regional base: 1,918

26  Millennial (Generation Y) Innovation survey – Summary of Latin America findings
Where are the biggest innovation ‘Delivery gaps’?

“Encourage and reward idea generation and creativity”

<table>
<thead>
<tr>
<th>Average gap</th>
<th>-22 (-19)</th>
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<tbody>
<tr>
<td>Chile</td>
<td>-29</td>
</tr>
<tr>
<td>Colombia</td>
<td>-28</td>
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<tr>
<td>Peru</td>
<td>-27</td>
</tr>
<tr>
<td>Healthcare &amp; Life Sciences</td>
<td>-29</td>
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<tr>
<td>Public sector</td>
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“Provide employees with ‘free’ time that they can dedicate to learning… investigation of new ideas”

<table>
<thead>
<tr>
<th>Average gap</th>
<th>-18 (-17)</th>
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</thead>
<tbody>
<tr>
<td>Chile</td>
<td>-26</td>
</tr>
<tr>
<td>Colombia</td>
<td>-24</td>
</tr>
<tr>
<td>Peru</td>
<td>-18</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>-27</td>
</tr>
<tr>
<td>Consumer business</td>
<td>-20</td>
</tr>
<tr>
<td>Healthcare &amp; Life Sciences</td>
<td>-20</td>
</tr>
</tbody>
</table>

“Commitment to successfully advancing innovative ideas”

<table>
<thead>
<tr>
<th>Average gap</th>
<th>-17 (-14)</th>
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</thead>
<tbody>
<tr>
<td>Chile</td>
<td>-26</td>
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<tr>
<td>Peru</td>
<td>-23</td>
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<tr>
<td>Colombia</td>
<td>-20</td>
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<tr>
<td>Mexico</td>
<td>-19</td>
</tr>
<tr>
<td>Energy resources</td>
<td>-20</td>
</tr>
<tr>
<td>Healthcare &amp; Life Sciences</td>
<td>-18</td>
</tr>
</tbody>
</table>

Largest gaps seen where Generation-Yers do not believe their current employer benefits society:
(Encouragement -43)
(Free Time -27)
(Advancing ideas -34)
Structural and cultural barriers

Q15. Please indicate the extent to which you agree or disagree with the following statements? Base: All 1,918

Age and size of business are perceived barriers to innovation. Leaders inspire innovation but need to encourage growth.

- **New businesses more able to innovate than those existing a long time**: 46% agree, 28% disagree
- **Easier to be innovative if you work for yourself than large business**: 45% agree, 28% disagree
- **My company is too large to innovate**: 30% agree, 30% disagree
- **Inspired by company’s leaders to be innovative**: 50% agree, 27% disagree
- **Company’s leaders practice that preach on innovation**: 49% agree, 27% disagree
- **Business leaders need to do more to encourage growth**: 73% agree, 14% disagree

In LTAM opinion equally divided among those in large (1,000+) organisations (36% agree vs. 40% disagree).
Business’s route to social innovation

Q. If businesses are to address some of society’s challenges, which of the following is likely to create the most innovative solutions? *Base: All 1,918

**COMPETITION ‘MOST FAVEROURED’**
- Argentina (25%), Brazil (20%),
- Energy and resources (19%),
- Sales and marketing (29%),
- Strategic function (20%)

**COMPETITION ‘LEAST FAVEROURED’**
- Colombia (9%), Peru (10%)
- Healthcare & Life Sciences (11%)
- HR functions (8%)

* % innovative solutions will come from businesses working in competition

ONLY

BELIEVE DIRECT COMPETITION IS LIKELY TO CREATE THE MOST INNOVATIVE SOLUTIONS TO SOCIETY’S CHALLENGES – INTER-BUSINESS COLLABORATION OR WITH ACADEMIA ‘MOST LIKELY’ TO SUCCEED (IN LATIN AMERICA)
Generation-Yers feel it is acceptable to profit from social innovation

Q. If a business comes up with an innovation that will potentially have a positive impact on society; do you think it is acceptable for it to make a profit from this idea, product or service? Base: All 1,918
Innovative organizations will be better positioned to attract talent

**LATIN AMERICA REGION**
62% AGREE TO SOME EXTENT

**GLOBAL**
66% AGREE TO SOME EXTENT

**INNOVATION GREATER DRAW FOR EMPLOYEES**
- Brazil (81%), Public sector (66%), Financial services (66%)

**INNOVATION WEAKER DRAW FOR EMPLOYEES**
- Argentina (51%), Chile (56%), Life sciences and healthcare (55%)

* % Agree

Q. Please indicate the extent to which you agree or disagree with the following statements: Innovation is a key ingredient in making an organization an employer of choice. Base: All 1,918
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