



INTERVIEW

NAVIGATING UNCERTAINTY WHILE FOCUSING ON HUMAN- CENTRIC LEADERSHIP

ANA BER, Managing Partner Pendl&Piswanger Romania, a member of InterSearch and SeniorManagementWorldwide

1. The global economy seems to experience challenges we have not seen in decades: very high inflation, the prospects of synchronized recession, even war. In this context, what do you see in the labor market and especially in the field of executive search?

Macro-environment factors have always had an impact, to some degree, for better and worse, on the jobs market, and in turn, the executive search industry. We're expecting some slowdown in the executive search market but, due to expected investments in infrastructure and renewables as well as continuing industrial investments (manufacturing) where we are well positioned, 2023 may be a good year for us too, especially in the second half of 2023.

However, even though it is not exactly our business, the hiring environment will get worse in 2023 especially because of all these reasons stated by you above, especially for knowledge workers. At the same time the biggest challenge will be that recruiting budgets will shrink which will put even more pressure on Talent Acquisition experts.

Even though borders seem not to be a barrier, in executive search we will see more need of localizing

executives especially because of external factors which might affect mobility.

2. What was the new normal for headhunters in 2022 in such an environment? What are you looking for? What companies are looking for?

Even at the level we are recruiting, neither in 2022 employers were not in the driving seat because it remained a candidate-driven market. Because passive hiring remained at high levels, our expertise was required because, organizations needed to reach the candidates and not the other way around. What we continued and seems to become the new normal is to focus on consultative approach, act more as a business consultant than a pure headhunter; support clients in finding the right fits for their needs, tackling into cultural fit rather than on pure functional one. Our clients come to us when they need a sounding opinion and want to really think through with us the types of candidate profiles that make the most sense, how to think creatively about potential candidates who might not come from more traditional geographies or industries for a given role, how to look from different perspectives at a certain role or structure,

*“The leader is the person who brings a little magic to the moment.”
Denise Morrison (ex President & CEO, Campbell Soup)*

how not to overlook the cultural alignment and increase diversity.

Surprisingly, we saw more opportunistic hiring. Especially in the second half of 2022 (and it will continue in 2023) it seemed to become a greater time for our clients to continue to be active in the market because there are opportunities to pursue and attract candidates who they might not have had the chance to recruit 12 months ago because equities were through the roof, and everything was up and to the right.

For executives, there are increasing opportunities to be very intentional about what they want beyond simply accepting the highest offer – an organization that is mission-driven, that is impacting global warming for the better, an organization where they can do their life’s work. The companies taking it seriously will be better equipped to compete for top talent because raising compensation alone is not the right answer.

3. A new concept developed in 2022: quiet quitting, in simple terms employees just want to meet their jobs descriptions without taking any extra duty. Is quiet quitting real? If yes, how would you describe the managers role in combating quiet quitting and what are you looking for when you are headhunting such a manager? Do you see such a move for executives as well?

It’s not even a new concept in my opinion, actually it’s an old one renamed from disengagement but it’s not surprising that it became a hot topic, considering the power of social media today. Shortly put, it is a new name for an old behavior. If we look at Gallup’s engagement trends of the last 20 years we will notice that there is not too much change. However, we notice a slight increase in disengagement in the last 2 years.

Yes, managers roles are important in increasing engagement, but they alone can’t do all. However, as leader you have to ask and find out what is important for the individuals in your team and for those in the teams of your team, what are their aspirations and, most important, is the organization ready to support those aspirations? If not, ask

yourself if your recruitment process focuses on what is important and if you, as organization, don’t rely too much on strictly functional technical fit per role and neglect completely the cultural fit.

As a total organization, I think that is better to have reachable goals related to workforce – just think about: Is it realistic to expect all your population to be super engaged and go extra miles?

Another issue to take into consideration is the workload of the people in your organization. Especially in the last 2 years many roles were hard to fill and the demand was higher than the offer so existing employees had to cover also for the missing ones, though putting extra work and hours with little reward or none. In this context, quiet quitting – and the conscious disengagement from additional work beyond what is required – appears to be more of a correction to a working culture that didn’t recognize or remunerated people than an outright rejection of the work itself.

4. Have we witnessed a drop in engagements for managers as well? Like a rise in job resignations for executive? In other words – have we seen this trend in Romania and, consequently, prospects for much more business for Romanian executive search companies?

No, not really. At least not with the clients we are working with. However, what we’ve noticed is the need of companies to have managers who can contribute in reengaging people because while wellbeing policies and higher pay will help employees feel more appreciated, a recent Harvard Business Review study found that the decision of whether an employee quietly quits often rests on the quality of their relationship with their manager.

5. Are your clients looking for new skills for their wannabe executives? What skills do executive need to win in the new hybrid environment?

Let’s be honest, it is much easier to lead when everyone is remote or onsite. The challenges of hybrid leadership remain a tall order for some organizational leaders because they need a new set of skills to keep their teams engaged and

performing. The lack of constant visibility to everyone makes it difficult to determine who might be struggling, who is thriving, and who is ready for a new assignment.

What a leader needs to prone in the new hybrid environment is awareness on bias given to on-site employees and avoid the price paid by employees (and organizations) for the flexibility to work remotely partially or totally because the result of this bias is threatening productivity, engagement, and retention.

In a hybrid environment a leader also need to accept the need of their subordinates for hybrid working and avoid the trap of mistrust, learning how to better monitor results from afar. It is well known that some of the leaders struggle with the association between empty desk and lack of work. What we all need is a culture of trust and flexibility. Putting all these struggles and challenges in short, the fundamentals of leadership remain the same, only the tools and methods change to increase leadership effectiveness. Open communication remains the key and leaders should not forget that even when on a remote basis people need small talk because more joy = higher productivity

6. From the services you are highly skilled in, like leadership development, HR consulting, management consulting, executive coaching, or others, which one had the most surprising evolution in 2022 and why?

Besides executive search services we had an increase on Executive Onboarding Services and exponentially on Interim Management (especially in industrial sector and Services).

In case of Interim Management, companies no longer have the time or the same organization as before and, as a recruitment process is sometimes time-consuming, yet the need to act fast to exploit opportunities; and a decline in the conventional talent pool cause companies to react in many ways, one of them is turning towards support of companies like us, providing interim management solution. In addition with the acceleration of the speed of execution of projects in companies, combined with digitalization, have made the need for skills relatively varied and faced with these problems, the interim manager appears to be an ideal solution for companies because it brings several benefits such:

- Interim Managers can start immediately;
- Usually they are overqualified for the roles they

are asked to fulfill and as a result they can get off to a brisk and successful start;

- Being outsiders of the organization they are non-political individuals who look for the root causes to problems rather than getting caught up in office politics or silo protectionist mentality;

- Because they have experienced a broad bandwidth of best practice through their various previous assignments they can therefore advise and implement the various actions required to achieve the assignment objectives;

- Looking from the cost perspective, in case of Interim Management companies pay only for the work provided and there is no redundancy or exit cost to an interim assignment.

7. From your experience in 2022 and anticipating what might happen in 2023 which jobs in which industries are and will be the hardest to fill and why?

At intermediary level we think that pressure will remain on placement of operational, functional or project managers who are able to fill a position (human resources, digital, marketing, IT sales, operations, finance, etc.) and to drive forward organization and cross-functional projects. An increase will be most probably in highly technical roles to support the digitalization projects and industry 4.0 capabilities.

At senior executive levels we anticipate the engagement of highly experienced senior managers capable of driving large-scale transformations such as post-merger integrations, development of new activities, international expansion, turnarounds, corporate restructuring and exits from crisis will continue to stay high.

8. What are your prospects for 2023? What will be the face of executive search in 2023? Do you think that skills in restructuring, treasury, strategy, or other business transformation skills will have a bigger/smaller/the same role? And why?

As said before, we see as a main trait in 2023 the human-to-human dynamic in the workplace which will push leaders to display even more people-centric leadership. Tipping on this point in executive search assignments we will focus even more on identifying these traits defined as leading with authenticity, empathy and adaptivity. If before these traits were a nice to have it become imperious necessary to transform them as a must-have. Walk the talk is what counts most. Leaders need to instill

the sense of security in their people because this is what many of them are looking for in a job, according to one of Gallup's surveys.

In Romania we already notice that the economy is slowing down as the market accommodates higher energy costs and shrinking private consumption. Though, M&As are expected to remain high but decreasing most probably due to global repositioning and reorganizations as well as ESG and energy prices. Focus on digitalization will remain priority and we see lot of opportunities coming from the future 5G-network implementation, the renewable energy developments, or the undergoing gas exploitation of the Black Sea resources which will most likely make from the energy and IT&C sectors the fuel of potential future business opportunities in Romania.

9. What is your main message to your clients/partners in terms of challenges and opportunities for the short and medium term?

Challenging times will come and 2023 will bring

most probably the need for leaders to take tough decisions. The key to success will be to find a balance between short-term and medium to long term consequences and think of the sustainability of their decision not only on their immediate results.

Another key to success is the evolving role of middle management whose profile is slightly changing from a pure manager overseeing the performance of his / her team towards more of a coach, mentor and very important, empathetic leader. Having the most performant Boards in place is not enough for businesses to thrive and have success on long-term.

As a closing, what I suggest leaders to consider is that even though on short-term run the global economy is slowing down and most businesses will feel 2023 as recession, beyond 2023 the global economy will likely turn to a slow growing trend. So, leaders should keep their eyes on supply chain, cashflow and people.