

EXECUTIVE TALENT



*Dedicated to
Strengthening
Leadership Worldwide*

Volume Seventeen

EMERGING AFRICA:

A Growing
Talent Market
Rich in
Opportunities

Crime and Security
in the Digital Age

Leading with Purpose:
The New
Organizational
Advantage

The Future of
Executive Search
and Leadership
Consulting





Welcome to Volume 17

from Karen Greenbaum, AESC President & CEO

In this issue of *Executive Talent*, we conclude our year-long celebration of AESC's 60th anniversary. In our last issue, we looked at the global expansion of the executive search profession. In this issue, the AESC Global Board of Directors reflects on **The Future of Executive Search and Leadership Consulting** and how we will work as trusted advisors to businesses worldwide into the next decade. We also delve into:

- **Leading with Purpose**—What do purpose-driven companies have over the competition? Increasingly, a lot. We take a look at how leading with purpose is a key competitive advantage for organizations today and how that impacts their ability to attract and retain top talent.
- **Crime and Security in the Digital Age**—Chief Information Security Officers from AESC member firms share with us the current state of cybersecurity. We take a look at the many different types of risk, how common breaches happen and what your business can do to avoid them.
- **Emerging Africa**—The talent market in Africa is driven by qualities that reflect the character of the continent:

a desire to compete, optimism, local development and diversity. We spoke with AESC members on the ground in Africa to learn about the demand for top talent and what's driving it.

- **What Would the Great Economists Do?**— Professor and economist Linda Yueh has consulted some of the world's most impactful organizations including The World Bank, the EU, the World Economic Forum and the Asia Development Bank. We take a look at her new book *The Great Economists: How Their Ideas Can Help Us Today*.
- Plus, we hear from AESC partners on **Trusted Partnerships: The Key for Search Firms and Their Vendors** by The Cluen Corporation, **The Growing Risk of Diploma Mills** by Mintz Group, and **Digital Transformation Trends Signal Radical Changes in Executive Search** by Invenias by Bullhorn.

Thank you to the many individuals and firms who participated in the interviews and contributed to the research for this issue of *Executive Talent*. As always, I welcome your feedback on all matters relating to global executive talent.

Congratulations to AESC Award Recipients, honored in September.
Thank you for your commitment to excellence in our profession.



AESC Lifetime Achievement Award

Jo Fisher

Founder and Managing Director
Fisher Leadership – Melbourne



AESC Commitment to the Community

Paul Rush

Partner
Odgers Berndtson – Sydney

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The Global Magazine from AESC

Volume Seventeen

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In our last issue of *Executive Talent*, we looked at the global expansion of the executive search and leadership consulting profession. In this issue we look at its future.



The Future of Executive Search and Leadership Consulting

1. Future Growth

A ESC research published in *State of the Executive Search and Leadership Consulting Profession* reveals “2018 brought the best growth for the profession since the Global Recession. Executive search experienced 12% growth by year’s end and leadership consulting grew by 12.8%. We estimate that global revenues for the executive search and leadership consulting profession, across all lines of business, has now climbed to \$15.6B USD.”

Is that growth sustainable? What will drive continued growth in the profession, and how will the changing needs of clients shape the services offered and even the profiles of search and leadership consultants themselves?

Members of the AESC Global Board of Directors representing 13 firms from nine countries consider the future of the profession, its drivers and its impact.

It’s the economy

Rodrigo Forte, Managing Partner EXEC/Panorama Search, Brazil says, “When you see the economy growing, you will see our profession growing. It’s the same everywhere.” In both developed and

emerging markets, the profession trends closely to the state of the economy. For this reason, executive search activity can be an early economic indicator, a valuable gauge beyond the profession itself.

The state of the world

Ineke Arts, Partner at Hoffman & Associates/ IIC Partners, Belgium suggests that growth in the profession may also be impacted by broader global events. “The growth and the stability of executive search and leadership consulting depends so much on the geopolitical situation. The growth forecast for the coming years is not as positive as everyone has expected, and that is, of course, due to different political situations, including Brexit and the trade wars,” she says. “Nevertheless we feel there is stability in the profession of executive search and in leadership consulting. That is positive. I feel that this will continue over the years if nothing dramatic happens. If we talk about Brexit, I feel this has not had a huge impact on our situation here in Brussels, in the region. We have even clients who have decided to establish themselves in Brussels and not in London because of Brexit. So, it can have a positive impact for the local market as well.”

According to Alicia Hasell, Managing Partner of Boyden, Houston, “There’s

always a need for a different type of talent, and that can be affected by global economic forces, administration changes and/or the rise of new industries. So a lot of factors weigh in on that externally, and I think those are going to be the things that drive change and growth going forward. Internally, I think what will drive growth is the consolidation of firms in our profession, the fact that new firms are emerging and trying to reinvent the wheel or disrupt the industry.”

Expanding markets

Growth in the profession may trace the arc of global economic development. For Richard Boggis-Rolfe, OBE, Chair of Odgers Berndtson, “Over time the world is getting richer and despite all the uncertainties in the world, one way or another the global economy is continuing to develop.”

The profession is gaining traction with more economies and more sectors adopting search and leadership consulting services. Forte sees potential, “especially in countries where executive search is not so mature, like the countries in the Latin American region. Brazil has been the most mature market in Latin America, but we still have lots of space for improvement compared to the US and Europe, for example.” That logic applies to growing markets worldwide.



"As disruption continues to hit with increasing speed and impact, business leaders more than ever look to trusted advisors for a competitive advantage in the markets in which they operate. It is imperative that AESC and its global members continue to operate at the height of the profession and be at the forefront of talent consulting on behalf of their clients."

-Paul Benson, AESC Global Chair and Regional Market Leader for Europe, Middle East & Africa, Korn Ferry

Meeting evolving demands

Disruption is the norm, and the pace of change is accelerating at a punishing rate. Organizational leaders simply must be able to adapt.

Julian Ha, Partner at Heidrick & Struggles says, "We're seeing more opportunities to advise clients on not just talent, but also broader human capital solutions. Given that the problems we've tried to address are even more complex than ever, we think we're in a very good position to help them navigate those challenges, today."

"It's always been the case that leaders have had to face a lot of critical decisions across many areas in terms of trying to figure out how to accelerate their performance, create a better, stronger, more robust culture for innovation, therefore we're also seeing now the very appropriate emphasis on diversity and inclusion," says Ha. Leaders today really need, and want to understand how, to make their teams able to deliver on that, on how to both be agile, and to be able to embed that mindset of continuous innovation into the DNA and the culture of their organizations. We're certainly helping our clients with that."

Martin Schubert, Partner, Eric Salmon & Partners, describes organizations "in technology, in industry, in financial services, even in consumer goods and life sciences,

experiencing a change in their business models that are much more global, much more virtual, with diminishing hierarchies that require different leadership types. And this drives both leadership advisory and executive search."

2. Growth in Retained Executive Search

The executive search industry has an enormous growth opportunity going forward," according to Morten Nielsen, Senior Partner at Witt Keiffer in the US. "We've been through five, six, seven years of almost unprecedented growth, and I think there's much more to come. A lot of it lies in our ability to continue to become better trusted business partners to our clients."

Growing pressure on clients' ability to adapt may drive growth. "With increased disruption across all sectors, executive mandates change rapidly." Dorota Czarnota is Country Manager for Poland at Russell Reynolds Associates and leads the firm's activities in Central and Eastern Europe. She says, "What a company needs from its senior team may change significantly in the space of just three to five years. New mandates can mean turnover; they can also mean the

creation of new positions to oversee new initiatives. As a result, organizations that are trying to keep pace with external changes will continue to need help finding new leaders to make them successful."

Growing acceptance

Organizations may seek help in areas where they never used a search consultant before. "More and more jobs are being filled by search, which would never have been filled by search before," according to Boggis-Rolfe.

For example, "We in the UK have a very substantial sports practice and recruit people to run sporting organizations like Manchester United. This was never done by search in the past and now it is." He adds, "There's almost no type of organization that doesn't use executive search. Government does, charities do, education, healthcare, sport, even niche sectors like gaming all use search, whereas they didn't before."

Evolution of roles

Growth is also driven by the need to find talent to take on new organizational roles. It isn't possible to hire a person with 20 years experience in a role that has only existed for a few years. Search consultants will increasingly address that growing challenge.

Sonal Agrawal, Managing Partner for Accord Group India/ AltoPartners explains, "Our value lies in being able to translate the business challenge into some sort of proxies or solutions in terms of the talent available out there: to be able to come back to clients and give them a sense of the landscape, to be able to pick and choose from the overall skill sets that candidates might have, to be able to extrapolate those experiences, and pull it together and make some sense of it for clients to think outside of the box."

The opportunity for growth lies in organizations needing experienced professionals "to think outside of the standard job description, or the role, or position description, to find things that will actually work," Agrawal says, "rather than just qualifications and criteria."

Nobi Kaneko is President, Kaneko & Associates in Tokyo and Los Angeles. He says, "For our executive search industry, the growth is likely to be felt in those positions, directly related to Business 4.0. Across all industry sectors, we'll see more opportunities in such positions as cybersecurity, data analytics and AI-related positions, regardless of industries."



The hallmarks of agility and deep industry knowledge within the profession allow clients to fill new roles with the right skill sets. Kate Bullis is Managing Partner SEBA International. “I think about roles like customer success in the technology world. The customer success role didn’t exist 10 years ago. Chief revenue officer didn’t exist. What does that look like? The go to market officer or the chief customer officer is sometimes a combination of marketing, sales, and customer success. How do we define what these positions should look like and what the profile of the right person should be in these newly created roles? That’s one area where we will have plenty of opportunity,” she says.

Boggis-Rolfe suggests, “There is immense opportunity for search because it’s easy for organizations to recruit cookie cutter people. It’s much more difficult for organizations to recruit people who don’t match clearly

defined, existing career profiles. When there’s a challenge, when it’s difficult to recruit somebody, that’s when the client wants to use search. If it’s easy, they might not need it.”

3. Growth in Leadership Advisory

Clients’ needs are nuanced and fluid, and in the area of talent, those needs are exponentially more complex. AESC recently surveyed business leaders worldwide to better understand their top business challenges today and by 2025. The resulting study, *Executive Talent 2025*, reveals a clear trend—business leaders have identified an increased openness to working with their executive search consulting firm on a broad range of leadership advisory services. In five years, business leaders identified

succession planning, leadership effectiveness and organizational effectiveness as their top three areas for using an outside advisor. Business leaders are showing an increased openness to using an executive search and leadership firm for these important services.

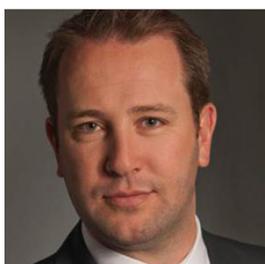
As organizations focus on actualizing their digital transformation across the enterprise, C-Suite leaders are increasingly turning to external trusted advisors to help them deliver and develop the digital talent they need. As a result, ‘digital leadership’ was ranked as the fastest growing business advisory service for 2019.

Board assessment and advisory services are expected to grow as organizations seek to ensure relevancy, diversity and digital fluency in the boardroom. As the Baby Boom generation continues to exit the workforce, organizations are realizing the need to fast track high potential but less experienced talent. Leadership development and preparing for succession are both top issues for today’s businesses and as a result, both are also growing advisory services.

“The industry will grow by virtue of our clients looking for more from us.” Cathy Logue is Managing Director at Stanton Chase. “They’re looking to us increasingly as strategic advisors that can help them not only today but as they plan for the future, because it’s just constantly changing, and the pace of change is accelerating. So the growth of the profession will be not only in executive search, but also in these other services that go with that: psychometric assessment, leadership coaching, leadership development, succession planning and more.”

New tools

For Hasell, growth in leadership advisory is going to continue to evolve in part due to new services and technological advancements. “We’ve seen the onslaught of coaching as a new industry in the last decade or so that



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Emanuela Aureli
Consultant, Technology,
Media & Telecommunications
Practice and Data & Analytics
Practice, Spencer Stuart -
London

has attached itself to leadership and executive search. Interviews styles are changing, and we've gone from a traditional 'tell me about yourself' interview to behavioral questions and assessment-based questions in an interview. All of those will impact leadership and advisory services as a sector."

Design and development

For Nielsen, the structure and function of organizations and leadership teams is a key growth area. "Leadership solutions have obviously been growing for quite some time, and that's one part of our profession that will become increasingly important to our clients, including effectiveness in the boardroom and on the leadership team. The composition of these teams is a very important part of the governance and leadership. The development of leadership talent internally is an area where we've seen a lot more interest." For example, "working with our clients on the forefront of organizational design for the future, helping them understand the organizational strategies they could deploy and how those could be effective. That deals with the leadership solutions part of our profession."

Culture building

As culture becomes ever more important in attracting and retaining top talent, the profession has a growing opportunity to help clients shape culture. Czarnota explains, "Our clients recognize that it's not just what someone does that is important, it's how and why they do it. Helping clients understand what motivates a candidate and how well that executive will be able to match and build a desirable culture has become an integral part of our work. We expect it to grow as more organizations seek to gain deeper insight into each team member and then use that knowledge to optimize team collaboration and performance."

Governance

Opportunities for leadership advisory grow as organizations professionalize worldwide. "I see high potential for growing leadership advisory in Latin America, because Brazil and Latin America are full of family companies that need to be professionalized,"

Forte says. "We are investing a lot in these services, not only recruiting the executive council members but also helping clients with how to develop, how to implement, and how to evaluate the governance models for these companies."

Family-owned businesses represent significant market share in Asia, Africa, South America and parts of Europe. The process to professionalize can be lengthy, complex, and high-stakes. Forte explains "We learned through many years that in the family companies, we first suggest that the owners have a consultative board of counselors, for the owner to understand professionalization. We prefer to keep the owner as the head of the business, who can listen to very experienced people, before replacing him or her as executive. Implementing a board of counselors and a new kind of governance is the best start for professionalization. We have lots of space to do this in Brazil, and we have been growing this practice here at my firm."

He adds, "There is a lot of space for these kinds of services, not only in Brazil but in other less mature markets in Latin America, in Asia. The US and Europe are mature economies, but in other regions, I think there is opportunity."

Opportunity in innovation

Kaneko sees innovations in the profession also driving growth. "I observe increasing numbers of corporations in establishing People Analytics, which are not what I consider part of traditional HR or IT, but rather a separate entity, especially among Fortune 500 companies and other major entities." Such innovations, he says, "are likely to have a huge impact across industries and among corporations. If we take advantage of these unique collaborative efforts between leadership consulting and the utilization of people analytics, I think there will be a tremendous opportunity for remarkable growth."

According to Emanuela Aureli, a London-based consultant with Spencer Stuart, "Talent and leadership are key to any success for any organization across any geography and any sector. And what it takes to be a successful leader is shifting and changing constantly, given how frequently things around us are moving. We live in a world of



Martin Schubert
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ambiguity, in a world of innovation. And all of this will have an impact on how leaders will lead, how business will grow, and therefore for we, in executive search and talent leadership, how we will support the companies to continue to be successful.”

4. Next Gen Consultants

The profession has been known for gray hair and wisdom, but that is changing. Clichés such as ‘the old boys network’ no longer apply, but neither has the profession completely earned a reputation for agility and disruptive thinking. Yet.

“We can’t hope to be valuable to our clients if we don’t personally represent modern business thinking. So not only do we need to represent modern ideas for business so that we can be a sounding board and proper advisor to our clients, we need to know who all the modern talent is. If we don’t know, we’re not worth our salt.” Bullis describes the requirement for the profession to not only mirror clients, but mirror and connect with leaders who represent clients’ future needs. That means a profession that is forward-thinking, innovative, agile and more.

“The reality is that to best serve clients, we need to attract consultants who have deep networks in all of these areas—and it is hard for someone to have a deep network if they’ve never been an insider,” Czarnota says. “I expect we will continue to expand our

own recruiting to include and support more consultants who have first-hand experience with diversity, digital transformation and the many issues surrounding the next gen workforce.”

Kaneko offers a practical explanation for why the profession has been traditionally older. “Historically our industry has been made up of those professionals who consider executive search as a second career, those who are established in other sectors, industries, and professions, who chose to enter the profession later in their careers. That will make our industry inevitably somewhat of a more senior profession. We clearly need to establish a clear path for younger generations to see our industry as exciting and meaningful.”

For Hasell, the challenge is attracting a younger demographic to the profession. “There’s a lot of value and wisdom from experience or wisdom from a certain vintage, if you will. But I think there is an equal amount of wisdom that comes with youth and hands-on experience and application. We absolutely should ensure that diversity, digital transformation, and next gen talent helps change the demographics of our profession. There’s no doubt both gray hair and wisdom *and* next gen wisdom have a place in every industry. Our industry is no different.”

The profession saw the demand for next gen talent coming. Arts says, “Many executive search and leadership advisory firms have anticipated the demand and have tried to attract the people more in line with the demands of clients regarding

“Our clients recognize that it’s not just what someone does that is important, it’s how and why they do it. Helping clients understand what motivates a candidate and how well that executive will be able to match and build a desirable culture has become an integral part of our work.”

—Dorota Czarnota,
Russell Reynolds Associates

digital transformation and next generation talent. You can only really collaborate with clients on these issues if you present these skills in your own firm. So, many firms try to attract the younger profiles, the technology consultants who understand these key issues, but this is an ongoing process, and this is a battle actually for many executive search firms.”

According to Nielsen, a focus on next gen executive search and leadership consulting talent “will get us better aligned with what the newer and emerging needs of our clients are, and I don’t think that the move away from the traditional gray hair and wisdom means that there’s going to be less wisdom. I think there’s going to be different wisdom, and I think the new demographics of professionals in this business will come with a wisdom that doesn’t necessarily depend on years of service or number of years in the profession. I think they will be better aligned with the digital orientation, better aligned with the multiculturalism that our clients are driving. So I welcome that change. I think it’s good for the profession and I certainly think it’s good for our clients.”

5. Future Trend: The Employer Brand

A client’s employer brand and value proposition represent the value a candidate perceives in working for that client. It answers questions around the employee experience, development opportunities, and the

impact that employment will have on a candidate's overall quality of life and future prospects. And in a tight market for talent, employer brand and value proposition can determine whether a top candidate says "yes."

Is there a role for executive search and leadership consulting? Absolutely.

Messaging

"A fundamental part of what we always do is to promote the employer brand on behalf of our clients," Aureli says. "Which means that the better we know the client, the better we can do that. The challenge comes when the client's brand is not at all recognized. How do we help those brands in getting traction? We do it really by associating ourselves as a quality-driven executive search firm with the client's brand. We are a seal of quality, as all members of AESC are."

As brand ambassadors to the talent market, retained search and leadership consultants represent their clients through their own professionalism and how they present opportunities to candidates.

"Let's face it, a great executive search consultant is a master storyteller. It is a person who can represent the situation and the story on behalf of their client as well, if not better, than their client can," Bullis explains. "No executive candidate wants to hear roles and responsibilities. An executive who's on the receiving end of an outreach by me wants to understand what the situation is in the company that I represent, and whether or not that situation is compelling to him or her."

Talent builds the brand

The profession's influence on the employer brand is a natural result of building and developing a client's leadership team. According to Ha, "What we've tried to do is really focus on delivering data-driven insights around leadership assessment across both our search and consulting businesses that are going to enable our clients, the CEOs, the boards, the C-suites, the regional managers to be able to make better talent decisions, so that they can continue to burnish their employer brand and be able to continue to

attract the best talent, and retain the best talent." He says, "I firmly believe that's what differentiates a company from being good to being great."

Hasell says, "Anytime you add or change someone at the C-suite or board level, you are in essence changing the dynamic and impacting the brand and the culture. Even though we talk about recruiting someone strategic, we also talk about recruiting someone who will fit into the culture. But, as the saying goes, culture eats strategy for breakfast. So, I think that the employer brand and that value proposition is very closely interwoven with culture. It's always been there, we just have a new name for it and that is employer brand."

Dedicated role

The issue of employer brand and value proposition is becoming so important, some organizations are creating job descriptions that include that specific function. "It's actually being carved out in some companies as a role: employer brand," Bullis says. "Sometimes it's in marketing,

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—Emanuela Aureli,
Spencer Stuart



and sometimes it's in HR. Having that position put in marketing really emphasizes how important it is. It's just a given that the number one differentiator for a business is its people."

The truth hurts—and helps

For Agrawal, "The second role that we play in this is being able to play back candidly to clients what candidates are saying about them. And we do that quite a lot. If we've had negative comments, or if you've had a particular question or an issue coming up more than once or twice, we take it back to the company and say, 'Well this is what people are saying. What's your take on it? What's really happening? And how do you want us to respond? And of course we have to be convinced of the accuracy of that response. But we make sure that we are playing off the same script, and reinforcing the image of the client that we believe in.'"

Czarnota explains, "We often have to have difficult conversations with clients about the likely perceptions of their choices around leadership and talent. While each client ultimately has to shape its own brand, search consultants can provide a crucial perspective on how small details—including which competencies to pinpoint in a search, or how to structure a role—can have an outsized impact on how current and future employees perceive their choices."

Sometimes those challenging conversations are more pragmatic.

Agrawal describes her experience with diversity-based board searches after a regulatory directive in India. "Everyone's like, 'Just get me a woman.' And I'm saying, 'Is your board ready for a woman? What are they looking for? Is there a female toilet near your boardroom? Do some of your older board members have inhibitions, or constraints in terms of being able to speak openly? Are you *ready* for this?' In some cases those conversations were quite comfortable, and people were quite receptive to hearing them. In some cases they became uncomfortable quite quickly, but that says something. Anyway, it's a journey that people have to go through. And I think part of our responsibility is to nudge them along to get there."

In the effort to represent clients to the market, AESC members do not lose sight of their ethics and values. Logue explains, "There's a difference between attracting and retaining, and if an advisor helps a client do better at their interface with a candidate to be more attractive, or to at least not turn a candidate off, that's one thing. But in terms of retaining, if that's not actually their truthful employer brand, it's not really who they are, then that curtain's going to drop and the candidate's going to be disappointed."

Competitive advantage

Talented leaders have choices, and they are increasingly motivated by more than financial gains. Kaneko describes,

"candidates whom I consider truly senior executives who are highly comped, strongly educated: they are looking for not only tangible outcomes and potential, they're also looking for non-tangible benefits. Many of the truly C-level and other executive level professionals would like to make themselves socially impactful leaders."

For example, Ha says, "I think employer brands have become even more relevant, more top-of-mind for top talent. So, talent who maybe 10 years ago wouldn't have thought of serving at the head of a not-for-profit, or running a cultural institution, educational institution, trade association, professional society, things like that, I think are much more drawn to the mission, and that dovetails into the brand of that organization."

Not just attracting, retaining

Onboarding services continue to expand and the longevity and effectiveness of executive placements are a critical measure of success. Employer brand and value proposition contribute to that success. "I think the instruments that are really effective on retention are changing," Nielsen says. "Money is still an important instrument of retention, but I also think that the next gen—many of the people who are in their twenties and maybe early thirties today—appreciate a number of other things relative to monetary incentives. A diverse work environment, an environment that

values their input and participation, an environment where they feel important, empowered, engaged and rewarded, not just financially, is very often as important if not more important than a retention bonus.”

The flip side

A great employer brand also makes for a great launch pad. For Boggis-Rolfe, “Employer brand is a huge factor, and of course it attracts people. One of the other things it does is to make it easy for people to leave, perversely. For example, if you’ve joined McKinsey because you’re attracted by the employer brand and you remain with McKinsey because you’re attracted by its employer brand, you might well choose to leave McKinsey because you know that if you’ve been with McKinsey for a period and done well, you’ll have no difficulty in getting the next job. So employer brand helps to directly impact candidate brand.”

“An employee’s brand is impacted either positively or negatively by the organizations that they’ve worked for,” Boggis-Rolfe explains. “Employer brand is a well-named concept. Candidate brand is something one might want to think more about.”

Earning our influence

It’s unlikely that any consultant can truly affect an employer brand for a client they don’t understand well. Arts explains, “You can only have influence and impact on the employer brands if you have a long lasting relationship with the clients, if you are the trusted advisor, because then you can develop with the clients their own brands. You can advise them in placing the right diverse talents. But it takes time. It’s not an easy exercise, but it is key if you want to have this long lasting relationship.”

Challenging that long-term relationship are “clients who get tempted to work with different types of suppliers because they want to have results relatively fast and they think by changing now and then they could get this.” Ultimately Arts sees these same clients “coming back to working with retained firms because they see the added value they need in building up their employer’s brand. Clients get tempted to try out other forms of talent acquisition, and they have every right

to do so, but if you talk about reshaping employer brand, you need a long-term relationship with the client to have real impact, and that comes with a quality executive search firm.”

Close relationships are vital for clients with particular challenges. For example, Schubert explains, “Germany has these hidden champions, these smaller, family-owned businesses of 500 million revenues, 1 billion in revenues, 2 billion in revenues, and they sometimes are global leaders but in a niche market. And they have of course, more challenges to really be the preferred employer brand because they don’t have the means to do it very widely. Are they turning to leadership advisory to help? Sometimes they are and we are most happy to support there and do that.”

The bigger picture

In the chain of influence from organizations to people to the communities in which they live, the profession makes a mark. Kaneko says, “This is obviously a large macro statement, but as executive search professionals we have an opportunity to create an environment in which well-being for all citizens is considered. We must become good shareholders of business fairness, social collaboration, and community involvement.”

6. Tech Transformation

Leaders across industries and geographies are laser-focused on digital transformation and disruption for good reason. Automation, advanced data capture and analytics, machine learning and quantum computing present both threats and opportunities beyond imagination for every enterprise, including executive search and leadership consulting.

So, will technology disrupt the profession? The consensus among AESC board members is, it already has.

Bullis describes three waves of technological transformation in the industry. “The first wave in my lifetime was just the invention of software for the industry: databases, creating platforms that enabled us to capture information, use it to communicate information better; the Cluens and the Invenias platforms of the world, those things changed everything.”

Another advancement is the internet itself. Bullis says, “The access to information, our ability to learn about an industry, our speed, our depth. The internet changed everything, and obviously continues to do so.”

Bullis says, “The third would be LinkedIn. LinkedIn obviously is now essential. Nobody can do business without it. Nobody. Game changers, right? So I absolutely expect that to continue, and I look forward to it. All of this, if you embrace it, every one of those things is a good thing. So bring on the next.”

For example, Schubert says, “Ten years ago, we were very proud to say we have a database of something like one million candidates. Now we have a 95% completely transparent market of potential candidates, and this will ever increase. And that is due to the technology.”

With technology already changing the way consultants interact with clients, candidates, and colleagues, Aureli says, “Think of the ubiquity of mobile, and the fact that search consultants are part of the ‘always on’ culture. We are available around the clock to deal with our client’s needs; we are able to access cloud-based applications and that allows us to be connected with clients and colleagues around the world in real time. You know, we are using data in very exciting new ways which have improved our productivity, our effectiveness. Definitely data will play, and is playing, a growing role in the way we assess leaders.”

Driving technological innovation

The profession is also actively driving digital transformation. Ha describes an internal lab that works on creating new data-driven tools. “We are incorporating those elements into our processes. We view technology, ultimately, as an enabler to the process that can help us increase, and enhance the work that we do. It’s a complement that allows us to do what we do faster, better, more insightfully for our clients. We still think the human element is going to be the most important factor. We want to innovate, and offer our clients insights with our tools and our platforms, so that they can continue to improve their employer brands, and attract the best talent, and feel that the candidates and talent that

"They're looking to us increasingly as strategic advisors that can help them not only today but as they plan for the future, because it's just constantly changing, and the pace of change is accelerating. So the growth of the profession will be not only in executive search, but also in these other services that go with that: psychometric assessment, leadership coaching, leadership development, succession planning, and more."

—Cathy Logue,
Stanton Chase



they're meeting are being assessed in the best possible way."

Technology may be able to mitigate human bias, according to Nielsen. "Technology is blind; we are not, and no matter how hard we try in being unbiased when we make these assessments on candidates relative to client needs and cultures, there's always going to be an element of unconscious bias, and I think if AI can eliminate it, it could help us minimize the effect it has on our decisions."

Hasell identifies specific technological developments that address serious client concerns. For example, "Technology helps provide clients the confidence that their search partners are addressing GDPR compliance. For global firms, that is a requirement. Client portals provide clients quick, real time access to what we're doing. So all of that is just helping what we do, but it will never replace what we do in terms of high touch and in-person evaluation."

What is the future relationship between tech and consulting?

According to Agrawal, "The opportunity is to partner with it, not to try and compete with it." She observes, "For all of the LinkedIn searches, at the end of the

day in our firm about 60, 70% of searches still get filled by using the phones and scouring the networks. So it still comes back to intuition, instinct, experience and deep access to candidates, and being able to know what you're really looking for."

And that is what clients value. Schubert says, "I think it is the advice we give, the search strategy, our recommendation of what direction to take according to the strategy of the client. And then the final match: is this the person in the end who will add massively to the value of the company? That is something that will still be of value to the client."

Logue agrees. "It's all about leveraging technology. It's not going to make our roles go away, it's going to enable us to identify better profiles, and maybe get there faster, which is one thing that clients are asking for: global access to talent, faster. But at the end of the day, we're in the people business, so humans are hiring humans, and there are things that technology will not replace, and that's the interpersonal assessments and dynamics of leadership teams and boards and having an ability to understand the company and the business and the market, and all of the dynamics that technology will not be able to replace. You can't replace the emotional side."

It's personal

There is an inestimable value in insight, judgment, discernment and appreciation of nuance that an algorithm cannot replace.

Czarnota says, "From resume screening to background research, technology can provide a huge boost. When it comes to helping the client choose the best option from those great candidates, however, technology reaches its limits. Even with incredible improvements in AI, I don't see robots replacing search consultants in nuanced discussions about how a given candidate would fit into a client's organization, or how to weigh one against another."

For Ha, "At the end of the day, I just can't see a board of directors saying, 'Let's hit a button,' and have the right answer be spit out. I just think there are too many things that will require a human to be in that process. Only until such a time when the board consists of just machines, then maybe that's when they won't need any of us."

He adds, "But until that time, I think the human element is still going to prevail, because of the relationships that we have. We're going to use that data, we're going to use those tools, to continue to help our clients shape their teams."

7. Consultative vs. Transactional

Digitization plus client pressure on fees and speed fuels concern that the services executive search and leadership firms provide could become commoditized; that technology and transparency will turn the profession's offerings from painstaking, data-rich but human-forged insights into not much more than an app. Is this an existential threat, or just an imaginary monster in the closet?

From Agrawal's perspective, "Clearly the middle in recruitment is getting more transactional. As recruiters have easier access to many candidates, candidates themselves are becoming a little bit more transactional. Those firms that stay relevant will truly play the role of the trusted advisor and focus much more on the holistic C-suite issues of a business than just on one immediate search."

"While jobs with standard requirements may be easy to fill with minimal discussion," Czarnota says, "the custom nature of most leadership assignments means we need to build relationships with clients to understand both their spoken and unspoken needs. As the value of good leadership becomes more and more apparent, we see clients continuing to give it the time and energy it deserves."

Forte adds, "I don't see CEOs submitting their resumes through LinkedIn. It's not so simple, because they don't want to be exposed in this way. Most of the positions are confidential, so it's not easy for an in-house recruiter to call competitors, to approach competitors, et cetera. When dealing with people, analyzing people, attracting people, negotiating with people, the personal approach is irreplaceable, especially in top management."

While lower and mid-level placements can more readily be met by in-house or contingent recruiters, the profession is not, and never has been, about filling an order. Logue says, "Companies are not engaging us just to put a body in a chair. They're thinking about things on a much bigger, broader scale, and it's much more strategic. Clients need to know how this person will fit into their leadership team; what that means for internal succession

planning; what will position them for success in the future."

Making the transition to being a trusted advisor requires trust, time, and even training. Nielsen says, "Related to this is AESC's commitment to offering educational events, seminars and programs to the staff of member firms. A lot of that is directed toward being better partners, moving away from being transactional to becoming trusted advisors to our clients; from researcher forums to the famed relationship that AESC has with Cornell University, offering an advanced certificate in executive search and leadership consulting. A number of people who have attended that are raving about not just the program in itself, but how that has helped them become better practitioners of our profession."

8. Diversity in the Profession

It seems as if the conversation about diversity in the profession has been going on forever. Looking to the next five years, is that conversation going to change?

The cultural context

"I think in five years, we are going to show a lot of progress because it's been proved that diversity brings results," Forte says. However, he puts the diversity conversation in an important cultural context. "In Brazil, for example, it's difficult to talk about diversity because we have a very deep and complex social problem. The more educated people, the people that have opportunities are white Brazilians, for example. In Brazil, other people don't have the same chances as white Brazilians to be in the best schools and the best universities."

Therefore, Forte explains, "To have real diversification in companies in Brazil will take much more time because first, we need to solve a social problem. I think in the US, it's far from perfect, but it's much better. So, the answer is different, country by country, society by society. But I would say I am optimistic because most countries, most societies, are much more concerned nowadays about this issue than before."

Logue recognizes an evolution, too. "We've been talking about diversity in the profession for years, as we've gone from acknowledgement to action. I think for the next generation of leaders, the whole issue of diversity is less of a mental adjustment for them. So, over time, the reality of diversity and inclusion will just become a little bit more innate."

For example, she says, "Ten years ago or so, the diversity conversation in leadership was primarily about women, and now it's a lot more recognition of the different types of diversity including ethnicity, age, diversity of thought, industry experience, functional experience, all of those things. To be responsive to the needs of our clients, our advisory profession has to reflect the nature of our clients."

"I'm an optimist," she says. "It's going to continue to improve."

Reaching new markets

Diversity in the profession, for Kaneko, is a requirement for the profession's growth in emerging markets. "When we look at world economies, Asia Pacific (and maybe to some extent the Middle East and Africa), these regions are going to have a tremendous economic impact. That said, our typical leadership perspective comes mainly from traditional constituencies in developed and mature countries such as the US or the UK." He explains, "In order to actualize expanding opportunities outside of our traditional markets, if we are to pursue emerging markets, we need to seriously think about how we diversify our own constituency in order to be sensitized and be aware of the changing world economy."

Reflecting the client, the talent, and the universe

According to Agrawal, "Inside the profession is really going to be a reflection of what's outside in the clients that we serve. And as companies embrace diversity more holistically, we have no option but to do so ourselves." Ha sees this in practice. "More and more clients are demanding that we bring diverse teams to work for them, recognizing that a more diverse workforce will always bring a variety of benefits."

Logue predicts, "Clients absolutely will be looking for advisors in executive search and in succession planning

"If you are not capably representing the universe, and the universe as we know is diverse, then I think you're really limited to how you can add value to an external organization, be it as a partner within a search firm or a search partner to a client. Diversity has to remain on the agenda until you can look around the room and see a balanced, diverse platform."

—Alicia Hasell,
Boyden



and assessment who understand the demographics of the talent. This is where I think it's critical that we assemble the best teams of consultants to serve our clients, and there's diversity in that. So absolutely, clients will be demanding diverse teams of advisors to be able to advise them, and also then, from there, attract that diverse talent."

Speaking for Russell Reynolds Associates, Czarnota says, "Diversity in our business is a requirement to serving clients well, and it is a top priority for us. My hope is that our understanding of diversity will continue to grow and expand, so that it's not just about achieving equal representation for women and ethnic groups—these should be table stakes—but also about bringing into the conversation people who might feel marginalized for less obvious reasons. Our strength lies in hearing from all voices, not just some."

Hasell adds, "If you are not capably representing the universe, and the universe as we know is diverse, then I think you're really limited to how you can add value to an external organization, be it as a partner within a search firm or a search partner to a client. Diversity has to remain on the agenda until you can look around the room and see a balanced, diverse platform."

Wishful thinking, or inevitable?

Bullis says, "I don't think diversity is going to be less of a conversation in five years, but in 15, probably. At least in the US, we're going to see an increasingly diverse population of leaders, simply because the population itself is more diverse, and more equal. And that's going to be because of societal changes for the better," she says.

"It would be great if diversity just became baked into the DNA of every company, every client, every search firm, and every candidate slate to the point where it would become an irrelevant topic," Hasell says. "But I think that's years away. So I hope that there's a continued commitment to apply pressure from investors and owners for search firms and the clients they serve to see the benefit of diversity and the benefit of it to the bottom line and the top line, and of course the culture."

Getting it right

Filling quotas, diversity without inclusion, a superficial definition of "diverse," and failing to encourage diversity of thought are some of the pitfalls consultants help their clients avoid.

For Arts, "A big challenge over the coming years will really be to have broader discussions in terms of diversity. Many

corporates are not yet sensitive to diversity in its broader sense. It remains very often related to gender. You have to have a broader conversation, and that is our responsibility. In order to have diversity, it demands so much discipline from the client's point of view but also discipline from us as a whole in our profession."

Agrawal cautions that superficial diversity hires do not provide much value. For example, she says, "There is no point hiring somebody who's Indian, but who has spent all of their life and work experience restricted to say, the Midwest in the US, and who doesn't really have an appreciation for the issues on the ground here in India. You have to go much deeper."

For example, she describes a recent board search specifically seeking diverse candidates. "It's a global technology company, and maybe 60%, 70% of their workforce is in India and Asia. I asked, 'How many Indians do you have on your board?' And the client answered, 'I have one Asian, but he's Chinese-American.'" And I thought, how is this working if you do not have somebody at board level who understands the issues in the region? So that's a different kind of diversity."

These lessons apply to diversifying any profession, including executive search and leadership consulting.

Within the profession, Nielsen says, “My hope is that in five years from now, although we’ll still be talking about diversity, we will have a more holistic and more mature discussion about it, where we look more broadly at diversity in terms of diversity of experiences, diversity of cultural backgrounds, rather than more single-eyed looking at how diversity is defined at this point in time. But unfortunately, I think it’s going to take not just this profession, but I think it’s going to take the world much more than five years to get to a point where diversity is something that we no longer need to address in many of our conversations.”

Closing the sale

It’s a rewarding profession, according to Hasell. “There is a great opportunity in our profession to effect change in the way businesses are run and managed, and ultimately, the return they provide.” She says, “No one comes out of the womb saying ‘I want to be an executive recruiter!’ and what we need to do is reach a broader and more diverse audience, and convince them of the gratification of being a recruiter and having that impact on a corporation as it changes and grows.”

From Aureli’s perspective, “It is on us to encourage people from diverse social backgrounds, ethnicities, and of course gender diverse people to enter our profession.”

Kaneko plots the trajectory for the discussion of diversity: “In the future I hope diversity is such where we don’t think about it. It’s just simply going to be the air we breathe. Diversity is not ‘the agenda’ we hope to solve. Rather, diversity is a driving growth for our industry in this changing economic world.”

9. Vision of the Future

Considering the panoply of qualities that a professional services consultant must have, in the future Forte says, “We need to continue being consultative to our clients. We must understand their businesses. We need to understand people: how to evaluate people, how to advise people. We need to understand what’s going on with technology, with the digital world.” He

As brand ambassadors to the talent market, retained search and leadership consultants represent their clients through their own professionalism and how they present opportunities to candidates.

adds, “The most important thing is to be prepared for the future. This is the value that we can bring to our clients.”

What might that future hold?

Arts says, “I think we ask this question ourselves often. What is the future with all the changes going on? When you see that AESC, for example, exists now for 60 years, you think, ‘My God, the profession still is there, 60 years on.’ And the core where clients need advice and need expertise and need quality leadership advisory skills, this will remain. I honestly think this will remain for quite a long time.”

For Schubert, the future is about increasing the profession’s value to clients. “We will go into even deeper, closer relationships with our clients; we will have even stronger long-term advisor relationships with the C-level. That is the main thing which I see on the long term: getting closer to the client, meeting more leadership advisory needs and providing even more advisory support within executive search projects.”

Ha envisions more growth to come. “My sense is that in some markets, particularly China or India which are of course huge, the offering of a retained search process is still in its infancy, and I’m hoping that over time, whether it’s three years, five years, or more, there is going to be an increasing recognition by clients there that there is a difference in terms of a retained model, in terms of what you get, and the quality, and the caliber, and even the speed.”

Change is coming

What are the consequences of change for the profession? Logue says, “Every industry has been disrupted by technology, and those who can

adapt will survive. That applies to our profession, too. The whole business world is changing, so executive search needs to adapt to support that change.”

“In the Chinese language, crisis and opportunity utilize the same Chinese characters,” Kaneko says. “So how do we look at it? How do we look at the next five to ten years for our industry? Do we look at this as a crisis due to digital transformation, geopolitical risk, changing world economy, reduction of a total historical workforce? Do we look at that as a crisis? Or do we look at that as an opportunity?”

Kaneko asks, “Are we in a position to shape our industry, or are we going to be shaped by the coming transformation? I think we are the ones who need to define our industry, ourselves, in the future.”

Boggis-Rolfe observes, “It would be very odd if it didn’t change over the long haul. One of the definitions of life is change. When things don’t change, they’re dead. So of course the profession will change, and I think that the underlying requirement for search and the existence of the search profession isn’t in any doubt at all.”

Why so optimistic? For Bullis, “The science feeds the art. It’s not one versus the other. Those who succeed in executive search will be those who harness science in order to make the art all the better and more powerful. But it will be because ultimately, from the client’s perspective, the art is absolutely fabulous.”

Ha’s hope for the future “is that the idea of a retained search process will continue to take hold and grow, so that in the end, the quality of placements, and talent will also reflect that. I think that’s how hopefully society improves, and things get better.”

It’s urgent

Boggis-Rolfe is convinced. “The most important thing that any organization does is recruiting, hiring, retaining, and developing their key people. Because what determines whether an organization is successful or not is whether it’s got the right people in the key jobs,” he says.

“Few if any organizations can survive bad leadership for long.”



CRIME AND SECURITY IN THE DIGITAL AGE

Any good security program starts with the right leadership.

How hard is it for cyber criminals to wreak havoc? Not very. United Nations experts investigating multiple cyberattacks including one that compromised the SWIFT interbank financial system “stressed that implementing these increasingly sophisticated attacks ‘is low risk and high yield’, often requiring just a laptop computer and access to the internet.” (Edith Lederer, “UN probing 30 North Korean cyberattacks in 17 countries.” *AP* August 14, 2019)

It’s a big and growing problem. According to Symantec’s 2019 Internet Security Threat Report (Vol. 24, February 2019):

- One in ten URLs are malicious
- Web attacks are up 56%
- An average 800 websites are compromised with formjacking code each month
- Mobile ransomware is up 33%
- Supply chain attacks are up 78%

The Culprits

Cyber attackers generally fall into one of three categories: nation-states, usually engaged in espionage or manipulation and motivated by geopolitical gain; non-state

organizations, often focused on intellectual property, business information and disruption, and monetizing stolen data; and independent, rogue attackers who typically want to create disruption and make some money.

Michael Miora, Vice President and Chief Information Security Officer at Korn Ferry explains, “The nation-states generally are out to get information they can use to advance their own agenda. For example, the Chinese stealth fighter looks exactly like the US stealth fighter because they compromised aerospace defense firms and got the plans.”

Another state-sponsored attack according to the Center for Strategic & International Studies is WannaCry, a ransomware worm believed to be the work of North Korea. Using stolen and publicly released National Security Agency hacking tools, WannaCry encrypted computers in 150 countries, and disrupted thousands of operations including the UK’s National Health Service.

In the summer of 2019 state-sponsored hackers from China conducted campaigns against major US utility companies, several German industrial firms, and government agencies across East Asia. (“Significant

Cyber Incidents,” CSIS, Washington, D.C.)

The Stuxnet worm is considered to be the world’s first cyber weapon. Believed to have been created by the US and Israeli intelligence services, Stuxnet was able to sabotage centrifuges in Iran’s nuclear enrichment program by manipulating computer-controlled mechanisms.

Organized, non-state attackers are more likely to profit from attacks. According to Miora, “These highly organized and well-funded organizations try to compromise information in such a way that they have a regular pipeline into an organization. If they gain a foothold, they can, on an ongoing basis, steal funds, redirect funds and get sensitive information. The attacker is similar to the nation state, but the goal is different. The goal is profit.”

Miora adds, “When you read about these major breaches, for example Equifax, usually that information is harvested so that they can try to do further damage as well as sell it on the open black market. Buyers of that data use it to compromise identities, open up credit accounts, and make a profit on it.”

The eBay breach of 2014 exposed the credentials of 145 million users including user names and passwords. An attack on



UK company Dixons Carphone affected 10 million customers and employees. Attacks of this nature happen with increasing regularity worldwide. It is likely that the data collected has been sold to other cyber criminals who will use it to compromise other accounts and/or engage in ransomware attacks, identity theft, and other profitable endeavors.

Rogue attackers in general are out for a quick profit. Miora explains, “They tend to release ransomware to organizations so that they can profit by selling the decryption key. Many companies pay for it because it’s easier to pay than it is to try to recover their data. Another example is rogue groups that try to compromise email systems and then find invoices that were sent, and then follow up with a ‘correction’ with different banking information so that the client then pays them instead of the company who sent the invoice. That is a very successful attack vector.”

John Iatonna, Chief Information Security Officer at Spencer Stuart adds, “Cyber activism is another issue, in which an attacker’s goal is to disrupt. You’re attacked and the intention isn’t to steal information or extract money, but it’s simply an effort to knock your systems offline. That could be cyber activism.”

Attackers come from many directions, with many motivations. Iatonna says, “It could be credit card information being stolen by organized crime. It could be an insider threat looking to take competitive advantage. It could just be run of the mill hackers that are encrypting your machines and demanding a ransom.”

Attack Vectors

Attackers have an evolving range of weapons at their disposal.

PHISHING AND SPEAR PHISHING



Probably the most widely used attack vector is phishing, which is a malicious attempt to lure individuals into revealing confidential information. Phishing emails are disguised as legitimate messages, and some are very convincing.

Nischal Sahrawat is Chief Information Security Officer at Heidrick & Struggles. He says, “The threat applies to everyone, whether you are a two-person shop or a 30,000 person enterprise. Many times these phishing emails come from legitimate email addresses, but they are compromised addresses of people who either belong to a small organization or business where they

probably don’t know that an email has been compromised.”

The hacked email system of a small business can have massive consequences. The Target breach that compromised the credit card information of 110 million shoppers came through an HVAC vendor who clicked on a phishing email.

Spear phishing is a highly targeted phishing attack. For example, Sahrawat says, “I could get a *phishing* email which would say, ‘hey, your UPS package is sitting here and to collect it, click this link.’ But if the email came from somebody pretending to be my boss and it said, ‘hey, I got you this package and it’s sitting in the UPS pickup place and here’s the link, go click it,’ because it’s coming from somebody I know, and it’s very targeted to my context, that’s *spear phishing*.”

Spear phishing is so successful “because it takes away a layer of skepticism,” Sahrawat says.

Unfortunately, “spear phishing is very easy to do in today’s world.” For example, Sahrawat says, “Anyone can go to LinkedIn, pick up any organization, find out who the CFO is, go do a search for everyone who works in finance in that organization and then create an email from one of the compromised email accounts and pretend

to be the CFO. All the attacker has to do is send it to somebody who works under his or her organization and create a sense of urgency. Somebody in that organization is likely to follow through because it looks like it's coming from their boss or their boss's boss. Those types of spear phishing attacks are actually very effective."

MALICIOUS WEBSITES



Malicious websites are another vector, and one does not have to visit porn sites at work to compromise an employer's network. According to the 2019 *Webroot Threat Report* "40% of malicious URLs were found on good domains." Malicious code hidden on even familiar and seemingly safe sites can capture a user's credentials or attempt to install malware. And a person who visits a malicious site does not have to download a file to compromise their computer and their network.

A drive-by download is the installation of malware without a user knowing anything is being downloaded. It can happen by browsing a website, or clicking on a pop-up window, for example a false error message.

SOCIAL MEDIA



Social media is a growing vector. Malware can be delivered through plugins and ads, even shares. Social media is also a great place for reconnaissance, where cyber criminals can learn important dates or the names of children or pets, that people often use in their passwords or password reset questions. And a compromised profile could be used to undermine a brand or attack another user.

SOCIAL ENGINEERING



Has anyone with a phone not received a bogus (and urgent) call about their credit card security? This is social engineering—an attempt to trick targets into giving away passwords and more. As social engineering becomes more sophisticated, workplaces are also becoming vulnerable. Miora explains, "When you get a phone call like 'hey, this is IT support, and we need you to go to this website and update your software,' and they give you a URL, you'll go there if you think it really is your own IT help desk; you'll give your credentials and you'll be compromised."

He adds, "That actually works, if the attackers are calling from an internal number, which is fairly easy to spoof."

Attackers can spoof internal phone numbers. "You can get a free piece of software on the internet and you'll make a phone call from your windows machine. You tell us what number should show up on the caller ID. So if you know the company's number, you can make it look like it's coming from that company, and people think it's an internal call."

EAVESDROPPING



Eavesdropping is more than a nosey neighbor. Eavesdroppers collect login credentials, payment information, and more. A man-in-the-middle (MitM) attack is a type of eavesdropping where hackers insert themselves in between two parties, for example the user in a café and their bank website. Transactions over unsecured WiFi are particularly vulnerable to this type of attack.

Like other attacks, eavesdropping is used to collect credentials, divert funds, and capture information for advantage, disruption or sale.

DISTRIBUTED DENIAL OF SERVICE (DDOS)



A DDoS attack is a large, coordinated onslaught of traffic that can disable a network or system. Ellen DeGeneres famously posted a selfie with other celebrity attendees at the 2014 Oscars that briefly brought down Twitter. That was an organic DDoS attack—the selfie taken on national television generated so many retweets, the system was temporarily overwhelmed.

In 2016 a DDoS attack on Dyn, a company that controls much of the domain name system, disrupted sites in the US and Europe including BBC and CNN, Amazon, Spotify, Airbnb, and others. The Dyn attack came from a botnet—tens of millions of hacked internet connections and devices infected with a virus that triggered the coordinated attack. How could someone build a botnet? IoT is a soft entry point. Routers and connected cameras are often used for DDoS attacks because these devices are ubiquitous, and rarely secure. According to Symantec's 2019 Internet Security Threat Report, "Although routers and connected cameras make up 90 percent of infected devices, almost every IoT device

is vulnerable, from smart light bulbs to voice assistants." (ISTR Volume 24, February 2019)

Botnets threaten more than movie streaming or our newsfeed. In 2017 a massive botnet attack disrupted Sweden's transportation grid.

MALWARE



Short for malicious software, malware is the code that allows cyber criminals to spy, steal, and sabotage targeted systems. Viruses, worms, adware, spyware, and ransomware are some of the varieties hitting victims every day. Ransomware is a significant threat, in which a computer (or entire networks of computers) are encrypted until victims pay for a decryption key. Victims of the NotPetya ransomware received the malware disguised as an update. The current damage is estimated at \$10 billion, and security experts determined that this particular encryption can't be decrypted, even by the threat actors. They don't have the key, so don't pay the ransom.

Miara reports that "this year and last year are known as the years of Office 365 attacks because attackers have gone after the Exchange online platform to compromise email, get the email, modify the email, send emails as if they are from the compromised accounts, and they can make a quick profit. And once they're caught and the gate is closed, they move on to another company. In fact, they do multiple companies at one time."

Malware approaches are limited only by the criminal's imagination. Formjacking uses malicious code to steal credit card details from payment forms on web pages; spyware steals data; key loggers monitor everything a user types, including passwords; adware typically earns money for the attackers for each click; cryptomining uses the target's unused CPUs to mine digital currency; Remote Administration Tools (RAT) can execute commands on the target's computer.

SECURITY IN THE CLOUD



Cloud storage allows us to access our documents from anywhere, improves collaboration, protects files from a compromised hard drive, and it feels secure. However, as users typically share files via an emailed link, those files in the cloud are only as secure as the email that carries the link. Cybersecurity company McAfee reports

“92% of companies have cloud credentials for sale on the Dark Web.” (McAfee Cloud Adoption and Risk Report, 2019)

And mobile is a new vector: According to Symantec, “One in 36 mobile devices had high risk apps installed.”

THE ROLE OF AI



“AI is the next frontier in all of this, where you’ve got attackers and defenders using machine learning to either facilitate intrusion or to defend against it,” latonna says. “There’s simply too much data out there for anyone to be able to ingest it, interpret it, and respond to it. Machine learning and artificial intelligence, we hope, is going to be the thing that makes it easier for people who do what I do for a living.”

“These are not comforting times,” latonna says, “Especially on the infrastructure front, we’re entering really dangerous territory. Consider the presumed Russian intrusion to the Georgian power grid. There was a very deep-level compromise of the power grid in the Ukraine, and they knocked out power to half the country. Those are very alarming

and very real world scenarios. But, that’s the world we live in.”

Defenses

According to Global Market Insights, the cybersecurity market may be worth over \$300 billion by 2024. But security products are only part of the solution to the proliferation of cyber attacks.

TOOLS

“Security is like an onion,” Sahrawat says.



“There are layers and layers of controls, which in conjunction with each other lead to a mitigation of risk against these attacks.”

A large part of protection is detection. “If you can’t detect when something that is being executed shouldn’t be, then you’re going to be breached,” Miora says. “So there are tools out there. The sophisticated ones are called EDR, endpoint detection and response. So that’s a protection that is deployed in place and can stop a second vector.”

In addition to security software tools, Sahrawat recommends leveraging the right

people, “whether it’s people that you hire or services that you’ve outsourced.”

latonna agrees. “I am a much firmer believer in investing in talent as opposed to tech, if only because a strong engineer is very versatile and can help you solve some of the security risks very creatively. Sometimes that is the acquisition of technology and sometimes that’s a changing process. Sometimes that is a newer, creative way of looking at a problem.”

Sahrawat stresses the importance of “processes which help you on an ongoing basis to detect vulnerabilities, such as patching your systems, and making sure that those vulnerabilities are fixed.” He says, “If you’re not patching your systems on a regular basis as soon as patches come out from software vendors or hardware vendors, then you are providing a mechanism for somebody to exploit that vulnerability.

For example, the global WannaCry ransomware attack depended on weaknesses in Microsoft’s operating systems. Microsoft had released patches to its operating systems weeks before the attack, but organizations that were slow to install the patch remained vulnerable.

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Many people are using facial recognition and fingerprint scans for added security, but there is inherent risk in the increasing use of biometric data.

“So patch your systems, everyone,” Sahrawat says. “It’s a no-brainer, but it can get lost in the day to day operations, especially in very small shops where they may not have dedicated resources who are implementing these type of processes.”

WHAT ABOUT PASSWORDS?

 Hackers have impressive password-breaking methods: phishing scams that trick users into revealing their passwords, credential-stuffing programs that run stolen user names and passwords on thousands of sites to see what hits, WiFi traffic monitoring that captures usernames and passwords from unsecured connections, key logging which is a malicious program that tracks users’ keystrokes, and even “brute force,” tools that enter trial and error passwords over and over until the password is cracked.

Fun fact: According to internet security firm SplashData the most popular password in North America and Western Europe in 2019 was 123456. That password has ranked in the number one spot for six years.

A large scale research analysis conducted at Virginia Tech in 2018 found that 52% of users will reuse or predictably modify their existing passwords. So a hacker with one password has the key to many doors.

For Miora, the solution lies in two-factor authentication. “Anybody who doesn’t have two-factor authentication is going to have their emails breached. No question.”

Miora recommends generating separate passwords and two-factor authentication for every site, and using software to remember all your passwords. “So you have one massive, auto-generated, crazy 12 digit nonsensical password to remember and everything else is stored with strong encryption. That way, if one site is compromised, you only

lose what’s there. And where ever possible, activate multifactor authentication so even if your password is compromised, they still can’t get in.”

Many people are using facial recognition and fingerprint scans for added security, but there is inherent risk in the increasing use of biometric data. According to Madhumita Murgia, European technology correspondent with the *Financial Times*, “Despite biometrics being hailed as a smarter, more secure alternative to passwords, the risks of misuse and hacking are enormous. This type of data is near-impossible to change because it is encoded in your biology. Once collected, it points to you and you alone; once lost or stolen, it is open to permanent abuse. You can always rethink a password but you can’t rewrite your DNA.” (“The insidious threat of biometrics” *Financial Times* Aug 21, 2019)

There may be no safer alternative than multifactor authentication. Miora explains, “I have approximately 10,000 users. If I am a genius (and I’m not) and if I was extraordinarily successful in teaching people not to click on phishing attacks (and I’m pretty good) and let’s say I achieved 99% success (which is impossible) that means 1% of my population would still click on phishing emails and provide credentials. 1% of 10,000 users is still a hundred users whose email will be compromised. So however well you train your people, it’s not enough. You need something else. Multifactor authentication is the best second step.”

DECLINE THE FREE PUBLIC WIFI

 On public WiFi networks, hackers can eavesdrop on your activity, capture any login credentials or passwords you used on the network, even distribute malware.

Miora says, “When I travel, I never connect to a WiFi unless that WiFi is secure. If it’s not, then your information is being transmitted in what we call clear text, meaning un-encrypted. Anybody can listen in, capture your password and hijack your session. For a search consultant that is a violation of the AESC Code of Professional Practice.”

“We tell our search clients that they should never connect to WiFi unless they’re using our VPN,” Miora adds. “Our VPN is strongly encrypted and requires two-factor authentication. So even if they’re using an insecure WiFi spot, if they are using our VPN into our infrastructure, then the connection is secure.”

CYBER INSURANCE

 “If you don’t have it, you’re crazy,” latonna says.

In the event of a successful attack, cyber insurance can mitigate the financial damage by covering related costs. latonna recommends working closely with both the executive team and the insurer to secure the right coverage. He says, “We’re not just talking about the amount that you’re covered for, but for certain types of expenses that you might expect to see in a breach. So that is the obvious stuff like attorney’s fees or forensic firm fees or credit monitoring. You can also insure for your loss of revenue.”

From a search and consulting business perspective, Sahrawat says, “Our key risks are reputation and compliance. So reputation is something that cannot be insured. Compliance risk is the one where most organizations focus on mitigating.”

He explains, “For example, if company A has a million records exposed inappropriately, they have to go and notify those million people and potentially provide them credit

monitoring services, hire lawyers, bring in forensic experts, and before you know it, company A has a \$3 million dollar bill. That is the type of scenario where cyber insurance can come in handy. But if you're looking to mitigate a reputational risk, insurance is not going to help. So it does have some value, but it's limited."

In addition, Miora warns, "Cyber insurance is a risky business. There was one company recently who was attacked and when they filed a claim, the insurer declined payment saying that since it was another country that attacked you. That claim then fell under the 'Act of War' exclusion." He adds "Insurance is good to have, but it's not a panacea."

Companies that fall under the General Data Protection Regulation (GDPR) should pay special attention to how insurers are addressing the potentially enormous GDPR fines, or whether regulatory fines are insurable in specific member states.

Bearing all the costs of a cyber security incursion can crush a business. The breach of American Medical Collection Agency, a massive healthcare-related debt collector, exposed the private information of almost 20 million patients. In June of 2019, its parent company Retrieval-Masters Creditors Bureau Inc., filed for bankruptcy as a result of costs associated with the breach.

Mitigating risk begins with prevention. "Any good security program starts with the right leadership," latonna says. "It starts with good leadership understanding what the risks are inherent to the business and then being able to map out a good strategy. That's a combination of talent and budget and the technology to align to that strategy."

AESC Code of Professional Practice

To understand why cybersecurity is of paramount importance in executive search and leadership consulting, consider the AESC Code of Professional Practice and the rigorous demands it places on member firms.

"The obvious correlation between what I do and the AESC Code of Professional Practice is around confidentiality," latonna explains. "In more than a lot of industries, there is a very high expectation of trust from both the companies as well as the candidates who we work with day to day. If I were to consider the other aspects of our code of conduct, I would tell you that we strive for excellence and being great at what we do, to make sure that we're supporting the business."

For Miora, knowing that AESC member firms are a huge target for attackers only reinforces the importance of protecting clients' and candidates' information. "Attackers know we and our competitors hold very sensitive data about top executives around the globe. We're a huge target, and our code of conduct requires us to protect that information. So we have to put in place as many protections as reasonable for the level of data that we've got. The more sensitive the data is, the better it should be protected. So we should put in place things like encryption at rest, encryption in transit, and multifactor authentication. We have to make sure everybody who works for us and with whom we work has signed a code of conduct that includes acknowledgement of the confidentiality of the information we're sharing."

In the practice of executive search and leadership consulting, it doesn't take a massive breach to do damage. Sahrawat says, "A firm's reputation could be harmed by a single email getting exposed inappropriately. You don't need to lose 500,000 resumes or details of people's work history. It could be one highly confidential search, which is nonpublic information. That's what puts your reputation on the line. AESC's Code of Professional Practice and values align with our firm's values: always acting with integrity, having the highest levels of ethics and integrity in everything that we do, and being worthy of our client's trust. It's so paramount in this business. Everything flows around that."

Conclusion

The profession's commitment to protecting the sensitive information of clients and candidates is unshakable, and the threats against it will only increase in sophistication and intensity.

Considering assaults from nation states, organized groups and rogue attackers, Miora says, "Everyone is subject to an attack by at least one of those three groups. If you're an organization like us, you're being attacked by all three."

The ability to defend against these and the next generation of threats comes in part from the profession's area of expertise. "The best investment you can make for your security program is talent," latonna says. "There's such a shortage of talent, and yet, we talk about whole swaths of the population that aren't trained for the workforce of tomorrow. I'm sitting here with two, three, sometimes four job openings I simply can't fill. Training has to start a lot sooner in the food chain than simply sending some people to classes. I think we need to invest in it much, much earlier in our education systems."

Developing talent for the future is essential, yet the threats we face are immediate, and the vulnerability of each and every organization is sobering. "It's a constant battle that every organization is fighting and has to continue to fight," Sahrawat says. "Literally the last protection that every organization has to have is aware and skeptical people."

Ultimately the last bastion is not made of code. It's made of people.

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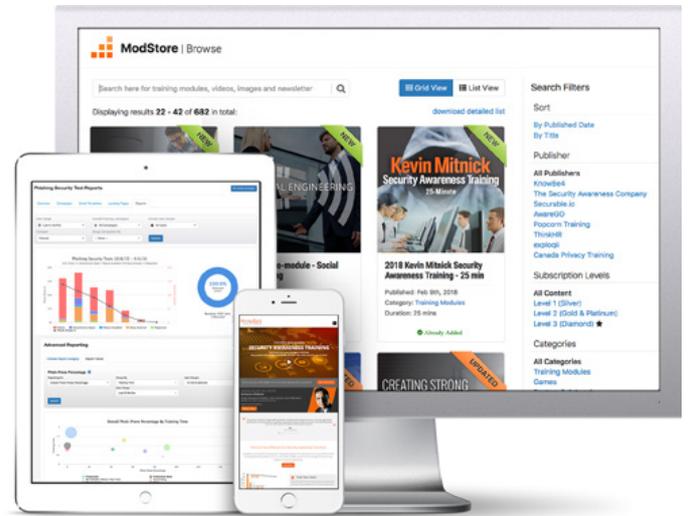
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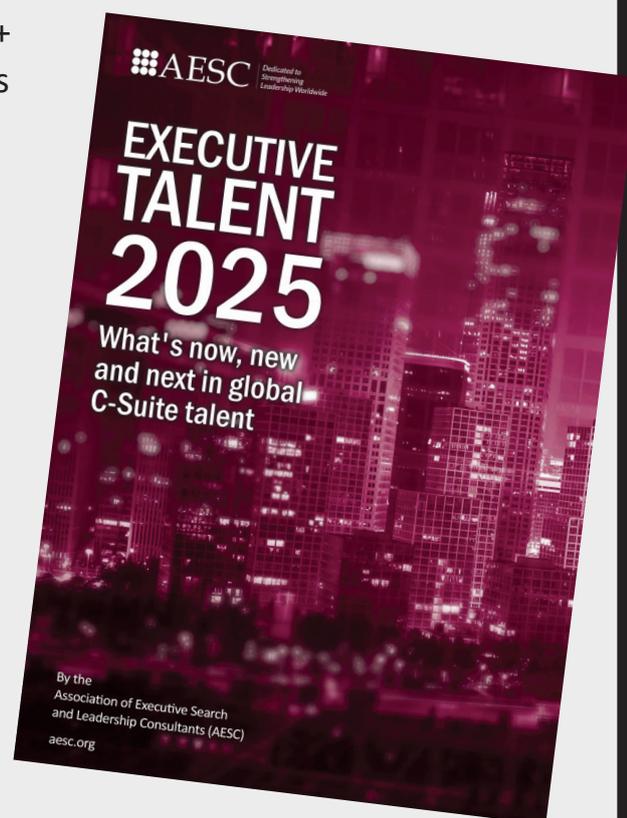
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Larry Fink, Chairman and CEO, Blackrock Investments
2019 Letter to CEOs

Ynzo van Zanten is Chief Evangelist at Tony's Chocolonely, a company founded and focused on a single purpose: making all chocolate 100% slave-free, worldwide. That purpose has fueled tremendous growth and the fierce loyalty of employees, customers and the supply chain. Van Zanten explains, "For a company like ours, having such a clear mission—making sure that all chocolate worldwide is 100% slave free—is so clear cut that people look up to that. It is such a clear mission, which is so positive; actually enabling people to make a change in the world. That is why our employer brand is so strong."

And the impact on employee retention for Tony's? "In the early years, it was around 100%," van Zanten says.

A report on a *Harvard Business Review* Analytic Services' global survey, "The Business Case for Purpose," found that purpose-driven organizations had a better ability to drive innovation, transformation and revenue growth. "Purpose-driven companies make more money, have more engaged employees and more loyal customers, and are even better at innovation and transformational change. It seems to be easier to win the game when you

LEADING WITH PURPOSE:

The New Organizational Advantage

care about the game.” (“The Business Case for Purpose,” *Harvard Business Review*, 2015)

When it comes to top talent, John Ryan, US Regional Vice President for TRANSEARCH International says, “Talent will make choices that reflect their values.”

Impact of a strong employer brand

The competition for talent is fierce. According to Ryan, “In some regional markets and in some industries, unemployment isn’t 3%. It’s 2%. It’s that tight. So there is a war for talent, and talent cares where it works and it cares about how it’s treated.”

In his work with clients and executive candidates, Ryan sees a pattern. “Individuals who make a career transition care quite a bit about an employer’s brand. Some of the things that people look for include paternity leave, work hour flexibility, the ability to work remotely or work around children’s sporting and school events.” He says, “People will ask us whether the company promotes all individuals, regardless of gender, ethnicity and so forth.”

A good employer brand is a powerful advantage in the competition for top talent. Van Zanten says of Tony’s, “I don’t think we are ‘competing’ for anything. When we have a job opportunity, we only need to put it on our social media, and we have hundreds of applicants immediately, which are good applicants. And we also use our network of the employees that already work at Tony’s.”

What makes Tony’s an employer of choice? “We are a company with a very, very clear mission which has done its best in the last 15 years to make it easy for people in a fun way to indulge themselves while still doing something good for the world,” van Zanten says. In short, “People want to feel like what they do has meaning.”

Ryan adds, “I do a lot of recruiting in renewable energy. There are a lot of companies, for example, Google, that are really driving a clean energy, carbon neutral energy strategy, and it comes from the top. The people who run Google actually care about sustainability. It’s not an economic decision, but an ethical and

authentic decision to try to be carbon neutral.” As for an employer’s brand driving recruiting, Ryan says, “It’s Google, and who doesn’t want to work at Google? But that’s the kind of thing that makes a company like Google an employer of choice, if somebody has options.” And top talent always has options.

What talent wants: the evolution of expectations

Top talent is choosy. Job security and benefits packages with decent healthcare, matching retirement contributions and accrued annual leave are important, but they are not everything. Candidates want to know about the employee experience, whether they’ll be supported in their career development, and if they’ll feel proud to be associated with the company they join.

“Executives look very carefully and very intently at the employer brand of the company,” Ryan says. “If the company has a brand for treating its employees well, adding in special amenities like onsite daycare, flex hours, working from home, paternity leave, and some other things that are family friendly, these things really do become part of the brand

“We show that you can be financially successful and still take responsibility for your moral obligation to do something right for society and the people in the world around you.”

—Ynzo van Zanten,
Tony’s Chocolonely

of the company. And that might separate a company like Patagonia or Nike from a Merrill Lynch or GE.” He adds, “With successively younger generations, there is also a rising demand with respect to social responsibility.”

Talent is also looking for authenticity. According to researchers Robert E. Quinn and Anjan V. Thakor, “we have come to see that when an authentic purpose permeates business strategy and decision making, the personal good and the collective

good become one. Positive peer pressure kicks in, and employees are reenergized. Collaboration increases, learning accelerates, and performance climbs. (*Harvard Business Review*, July-August 2018)

Ryan warns, “It’s also easier now to leave a toxic culture or a brand people don’t believe in.” He says, “It’s harder to hold onto really talented people. If you’re not treating them well, and if there are hypocritical elements in your culture that they can’t stomach, people will just leave.”

Candidates no longer have to trust what a company says about itself to identify a company’s culture and values. The proliferation of online reviews and the internet itself provide copious, accessible information.

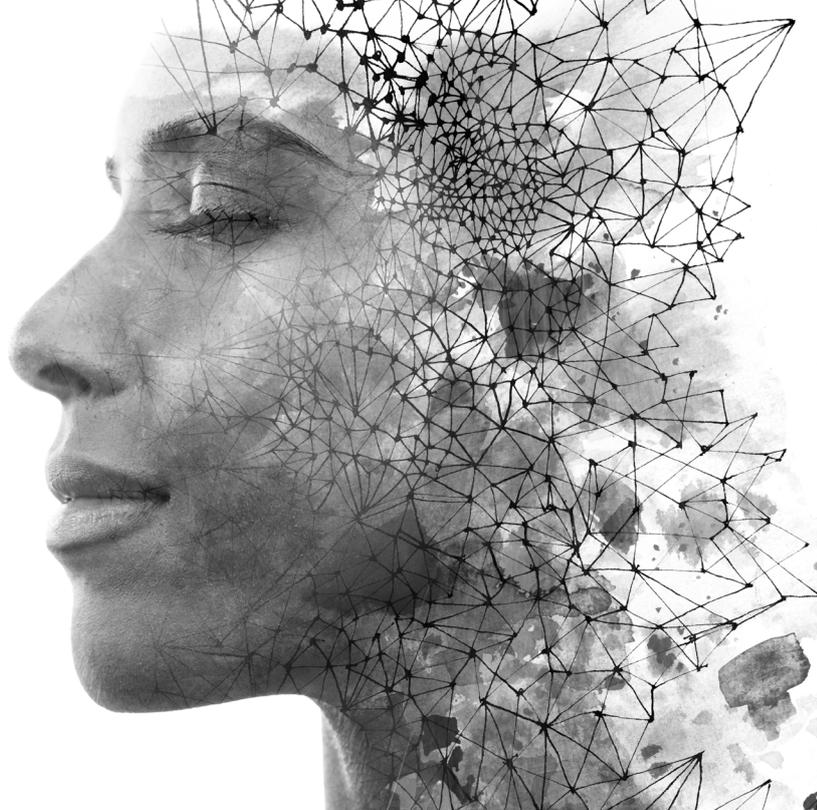
Anthony Abbatiello leads the leadership and succession practice at Russell Reynolds Associates. “In the age of increased transparency and accessibility of information (think Glassdoor, LinkedIn, Yelp), jobseekers and employees are more empowered than ever to question not only what a company does, but more so, what it stands for. It’s critical for talent to map how a company’s values relate to their own set of value drivers. And because of this shift, we’re seeing companies focus quite substantially on their culture and how senior leaders embody a core set of values that ultimately shape the employer brand value proposition.”

Change is upon us

In many cases, enterprises are tilting away from a focus on profit alone.

In his 2019 letter to CEOs, Larry Fink, chairman of investment firm Blackrock wrote, “As wealth shifts and investing preferences change, environmental, social, and governance issues will be increasingly material to corporate valuations.”

The Business Roundtable, nearly 200 CEOs of some of the world’s strongest brands, recently issued a statement on “the purpose of a corporation,” redefining their decades-old definition and arguing that companies should no longer advance only the interests of shareholders, but also invest in their employees, protect the environment, deal fairly and ethically with their suppliers and contribute positively to their communities.



The pace of change, greatly driven by technology and globalization, continues to accelerate and organizations are beginning to realize that not only must they shift with societal changes, but they can also be a driver of positive change.

A *Harvard Business Review* study in partnership with Spencer Stuart, "The Leader's Guide to Corporate Culture," finds that a purpose driven culture "is exemplified by idealism and altruism. Work environments are tolerant, compassionate places where people try to do good for the long-term future of the world. Employees are united by a focus on sustainability and global communities; leaders emphasize shared ideals and contributing to a greater cause."

For van Zanten, "If you simply sit back and watch evolution go by, we can see that companies that put only their shareholders first and financial success first, I am convinced, they will die out in the next generation."

It may be the next generation that kills them.

In *The New Wave: Next Generation Executive Talent*, an AESC study and survey of more than 850 business leaders worldwide, 'building a mission-driven culture' ranked in the top three ways organizations can attract and retain next generation executive talent. According to the study, the next generation of executive talent "will be looking for a reflection of their values and having that mirrored in a way that speaks to them

authentically, and part of that authenticity is both 'getting' and responsibly contributing to the world they live in. Next Generation talent will see through any masquerading and will shun organizations that just focus on their bottom line without any focused thought or strategy on how they impact society."

Mercado Libre, Latin America's most popular e-commerce site, is fast becoming known as an employer of choice by young talent across Argentina, Brazil, Chile, Colombia, Mexico and Uruguay. The company ranked in the top ten in last year's "World's Best Places to Work 2018." So, what's the recipe for an effective culture at an organization like Mercado Libre? According to the report:

"Continuous growth, development, and curiosity is part of the Mercado Libre (MELI) culture and self-directed learning is a clear reflection of its entrepreneurial DNA. Aligned to the ever-changing evolution of the tech industry, MELI encourages disruptive learning. Learning isn't the only focus area at MELI; they are also committed to creating and supporting sustainability programs. Its programs fall into three categories: planet, social development, and education and entrepreneurship. It is taking actions to become a carbon-neutral organization and it partners with more than 600 NGOs, including those that provide education to underprivileged youth to those that support community development. MELI supports work-life balance by providing many

"A company's greatest asset is its talent, but a company's greatest meaning is to make a difference. And the greatest talent nowadays wants to feel that meaning in their day to day job."

—Ynzo van Zanten,
Tony's Chocologne

programs for new mothers and fathers, including parental leave, nursery rooms, flexible work arrangements without pay reduction, and childcare programs."

Companies are changing, and next generation talent wants something more.

What can companies do?

Abbatiello explains, "At the organization level, it begins with formulating a clear vision and culture that defines your employment brand. Nowadays, employees want to feel like they are part of something bigger than themselves. Organizational values or mission statements shouldn't just exist on coffee mugs and employee handbooks—they should drive the 'what' and 'how' for a business's commercial operations and societal impact."

When asked what advice he'd give companies today, van Zanten says, "There is a diplomatic answer, and there is an activist answer."

"If you look at the changes around us about the impact humanity has on the world, the impact that commerce has had on the world in the last two generations, there is an unstoppable change coming where I think that purposeful companies are the only companies that actually have a reason to be, now or within the next generation. So that's my faithfully activist answer. And my diplomatic, economic answer will be, look at the success of the purposeful companies in the last decade compared to companies that lack any form of purpose. I think you also see the economic success and financial success of those companies."

An insights piece by Russell Reynolds Associates, "Social Purpose: Lessons from Leaders," states:

"Social purpose is strategy. But finding

a collective spirit is probably the most significant single factor in embedding it in the heart of business. Social purpose must be the will of the CEO—yet it cannot only be the will of the CEO. It needs dedicated resources—yet it can lose steam if tucked into a technocratic sustainability team. To that end, executives at leading companies encourage collaboration on the specifics of the strategy, rather than a top-down edict.”

Employee engagement is key. Take Mars’ climate action initiative campaign #PledgeForPlanet which includes concrete measures to engage Mars’ staff, along with suppliers and consumers, with climate action. In addition to the public campaign, Mars’ staff not only helped set the strategy, but will also be active participants, using a digital tool, modelled after the UN’s ActNow Climate “bot”, which teaches them about lifestyle choices to minimize their carbon footprint.

Purpose or Profit: A false choice

Organizations do not have to choose between doing good and doing well. Consider Unilever, whose most sustainable brands grew 69% faster than the rest of the

business and delivered 75% of its turnover growth in 2018.

“Even if you don’t give a damn about the world falling apart beneath our feet, there is a very viable economic ground of becoming successful on the basis of doing something good for the world,” van Zanten insists. Tony’s Chocolonely is a prime example, he says. “We are commercial as hell, but we use commercial forces to do something right in the world. We have shareholders that probably profit immensely from this. But we also profit in a sense from our chocolate; we have people in the supply chain that become more happy than they were.”

“We show that you can be financially successful and still take responsibility for your moral obligation to do something right for society and the people in the world around you,” van Zanten says.

An organizational imperative

Companies can’t afford to ignore the importance of their employer brand. The impact that organizations have on their stakeholders and communities is in full view. Customers, employees, even investors are exercising their right to choose what

brands and organizations they want to be associated with.

“Companies with less-than-ideal brands, frankly, are going to have trouble attracting and also retaining top talent. If a company is getting a lot of low scores for employee development, general culture, working conditions, flexibility and things like that, it’s going to miss out on some great people,” Ryan says. “Employers might be surprised at how much due diligence candidates are conducting when evaluating a company. Many have mentioned reading reviews on Glassdoor, and bad ones steering them away from a potential opportunity.

Van Zanten says, “A company’s greatest asset is its talent, but a company’s greatest meaning is to make a difference. And the greatest talent nowadays wants to feel that meaning in their day to day job.”

According to Abbatiello, “It is the responsibility of senior leaders to embody these values, become culture carriers, and hold people accountable for making the organization a great place to work...and this has a clear trickledown effect on how prospective employees come to a view companies.” ■

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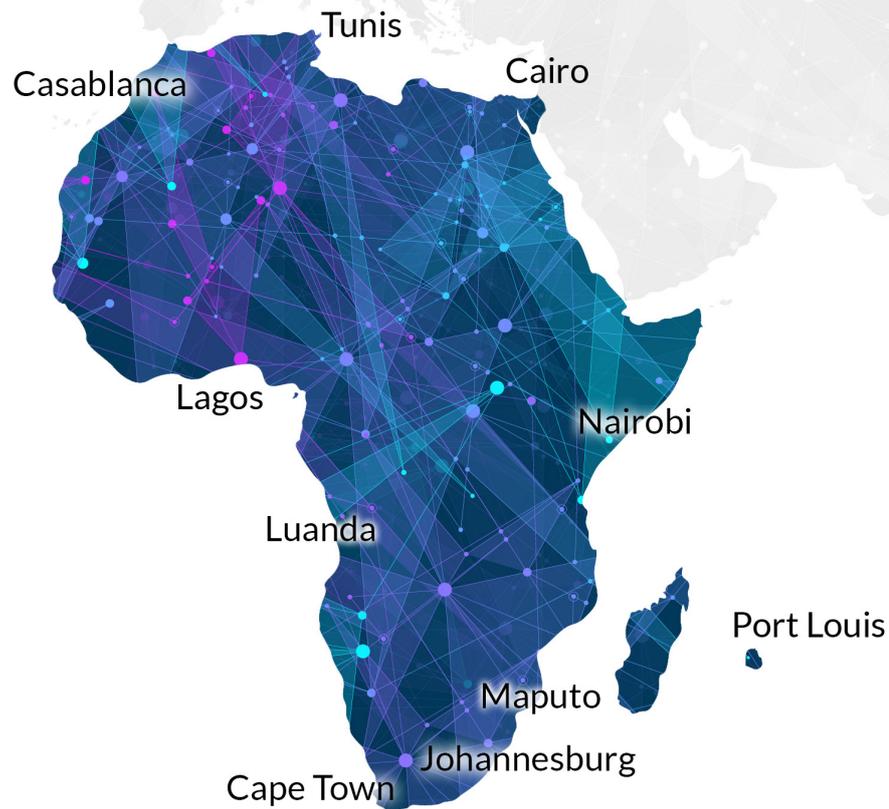
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Opportunities

"Africa possesses...a young and entrepreneurial population, territories that are transforming quickly with growing regions and rapid urbanization, considerable natural resources, dynamic economies, rich ecosystems and supportive diaspora."

*"From "Africa's Development Dynamics: Growth, Jobs and Inequalities"
by the African Union Commission and OECD, 2018*



AESC in Africa

The Association of Executive Search and Leadership Consultants (AESC) is represented across the African continent in nine countries, including Angola, Egypt, Kenya, Mauritius, Morocco, Mozambique, Nigeria, South Africa and Tunisia. We spoke to 13 AESC member executive search consultants in Africa to tap into the pulse of African economies, the business climate across the continent and Africa's demand for talent.

Africa in Context

Discussing Africa as one market for executive search and leadership consulting requires a broad appreciation for the continent's complexities. Annelize van Rensburg is a Founding Member of Talent Africa, now Signium Africa. "A lot of people think Africa is one place, one country, but every region is unique. West Africa cannot be compared to East Africa, cannot be compared to Southern Africa. Within those subregions, within East Africa for example, you cannot compare Tanzania with Kenya. You cannot compare it with Uganda. Each country is unique. I think that's what a lot of

people don't understand about Africa—the uniqueness of each country, the different dynamics in each country."

Take in for a moment that the African continent encompasses over 30 million square kilometers (11.73 million square miles) and is comprised of 1.324 billion people speaking an estimated 1500-2000 languages in 54 countries.

Fay Voysey-Smit is Managing Partner, South Africa at Boyden Executive Search. She describes "a very interesting map that I've seen, where China, India, Europe, the US and Japan actually fit into the African map because it's so enormous. It's also enormous in the diversity of people, culture, languages, trends, legislation, and tax laws."

Additionally, it is not possible to neatly define how different regions or different individual countries on the African continent take to corporate working structures. Simpson Nondo, Managing Director at Stanton Chase South Africa, refers to the "pervasive colonial legacies which had impact and implications on how a lot of the continent is structured." European colonialism, in particular, has

had a lasting impact on Africa today, with respect to cultural and administrative influences. Notable colonizers included Britain, Portugal, France, Belgium, Germany and Spain.

For example, Nondo says, "You'll probably find that people from predominantly French-speaking African countries are emanating a typical French or Belgian influence, and so, too, are those who come from predominantly Anglophone countries probably reflecting a lot of English-based culture and/or tendencies toward how they work."

Today, corporatization and globalization are transforming the continent. Malcolm Pannell is South Africa Country Chair at Korn Ferry. He explains, "There is an evolving picture of professionalization and increasing sophistication taking place."

A significant factor in that shift is the ability to move goods and services. He says, "Logistics specifically is a very strong force in globalization and it has meant that markets such as those in Africa have been forced to compete with foreigners, simply because it is quite possible to move goods around the world in a far more efficient



meet the complex needs of domestic and multinational organizations across the continent's multiple countries and cultures.

SOUTH AFRICA'S ESTABLISHED SEARCH MARKET

Anneke Ferreira, Managing Partner of Ferreira & Associates International Executive Search believes "better infrastructure and easier access make South Africa the gateway to the rest of Africa." Executive search has been an important part of the management consulting suite of services in the country since the 1970s, but it's only more recently begun to grow in the rest of Africa.

According to Auguste 'Gusti' Coetzer, a founding member and shareholder of Talent Africa, now Signium Africa, "Except for South Africa, the executive search industry is still very new here. It's only in the last, I would say, 5 to 10 years that it has developed as a profession across most of the continent. But in South Africa executive search is established. It has a 50-year track record, but the profession is young in the rest of Africa."

In South Africa, demand for the profession escalated during the country's post-apartheid economic rise, which according to Goldman Sachs saw GDP nearly triple over two decades.

"South Africa is considered to be a young democracy having just celebrated 25 years of freedom, following the fall of apartheid. The country was very isolated from the rest of the world and when we were welcomed back into the international community, much changed. Odgers Berndtson Sub-Saharan Africa has been a part of this transition since 2004 when we opened up our offices and have had to navigate the changing political and economic landscape while offering the right advice and solutions to our clients to become a trusted executive search partner," says Lauren van Halderen, joint Managing Director at Odgers Berndtson, Sub-Saharan Africa.

BEYOND SOUTH AFRICA: THE GROWTH OF SEARCH ACROSS THE AFRICAN CONTINENT

As executive search spread across the African continent, the profession became especially agile, learning to adapt to the various markets. According to Coetzer, "Each country has its own idiosyncrasies. A search in Nigeria could be quite different in

the way you tackle it than a search in a more formal economy like South Africa."

She adds, "Designing recruitment or talent acquisition practices for the whole of Africa is not going to work. There are too many local variances. You have to customize more than you would in Western Europe for that matter."

With a wide range of maturity among African markets and the need to navigate complex cultures and systems, executive search and leadership consulting in Africa now reflects the continent itself: resilient, resourceful, agile, and growing.

Mpho Nkeli is Director at Search Partners International (SPI) Executive Search, South Africa's first executive search and leadership consulting firm, and a member of AltoPartners. She says, "Nigeria may be Africa's biggest economy, however South Africa is the second largest economy and has a better infrastructure and financial services sector, which makes it quite attractive."

She adds, "The nature of our market is an interesting mixture of first world and a third world in one—with some economic constraints, but we enjoy growth in a variety of sectors."

The demand for professional services in Sub-Saharan Africa is likely to be met from one of three main 'economic' hubs in the region. Nondo explains, "While the market for retained executive search may exist sporadically in other African countries, most executive search firms operate from a few major cities on the continent—Johannesburg, Lagos, Nairobi." He says, "There's just not the kind of critical mass of sustainable business opportunity when it comes to the corporate environment here. Each of these hubs would probably service neighboring countries from a search perspective, i.e. South Africa might service its neighboring South and Central African countries, Kenya its neighboring East African countries as well as Nigeria servicing its neighboring West African countries."

Consider companies headquartered in South Africa with operations elsewhere. For example, van Halderen says, "If a mining company had the need to find a particular

manner than perhaps was the case 30 years ago. This represents a long-term trend."

Speaking of both the executive search profession and the whole of Africa, Voysey-Smit is optimistic. "Every country is different and it's very complex. But the trend that I see is many global organizations are starting to really see Africa as strategic to their businesses and putting attention and investment into the continent."

That level of interest and investment could be transformative for the continent. Helmi Brinis, Managing Partner of ALSpective Tunisia identifies the "huge need for economic development in Tunisia and all African countries," and views the executive search and leadership consulting profession as supporting economic development. He says, "I think the challenge for Tunisia and Africa on the whole is how to bring success in our economy by developing leadership in organizations, for the benefit of the companies, the countries and the people."

The Evolution of Executive Search in Africa

From the arrival of executive search in Africa, the profession has adapted to



South Africa at a Glance
Population: 57,725,600
Largest City: Johannesburg
GDP: \$813.100 billion USD
Currency: South African rand (ZAR)



Auguste 'Gusti' Coetzer
Signium Africa
- South Africa



Tamer El Naggar
Boyden
- Egypt



Anneke Ferreira
Ferreira & Associates
International Executive
Search/ Panorama Search
- South Africa



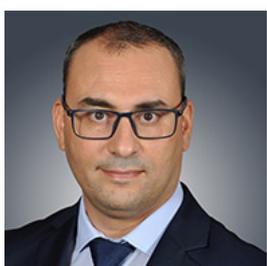
Mpho Nkeli
SPI Executive Search/
AltoPartners - South Africa



Simpson Nondo
Stanton Chase
- South Africa



José Caetano da Silva
Talent Search/ AltoPartners -
Angola & Mozambique



Helmi Brinis
ALSpective/ Panorama Search
- Tunisia



Enife Atobiloye
TRANSEARCH - Nigeria

skill for one of their operations in Ghana, we would be contracted through the South African headquarters; similarly, if we were to conduct work for a bank in another territory or another African country. Sometimes it's more often the case that you would be contracted through the parent company in South Africa. However, what sets us apart, is our local knowledge and understanding of other territories on the continent. We would take into consideration the cultural norms or nuances, not only from a country perspective, but also from the company perspective too. So, while having the right skill sets are necessary, we also need to take care to look at the candidate, and ensure they are the right fit for the client."

Nkeli says, "We work 80% in South Africa and 20% on the continent. We are working in about 21 African countries on the continent, driven largely by South African multinationals wanting to grow, wanting leadership skills on the continent, and sometimes European or American multinationals who are headquartered in South Africa and looking to grow in different African countries."

Those multinationals are driving local companies to compete, and to do so requires professionalization. Pannell says, "What you see is more dynamic change in both East and West Africa. I guess one could say they are catching up, but the fact of the matter is they're growing faster. And they're seeking to professionalize quite rapidly. They are very hungry to develop talent and capability. Local organizations have to increasingly compete with multinationals."

Businesses are increasingly turning towards local executive search firms to source talent. Tamer El Naggar is Managing Partner for Egypt at Boyden Executive Search. He says, "It is now becoming more common for a company hiring

senior talent in North Africa, like Morocco or Egypt, to look for search firms in North Africa who have cultural understanding of the local environment, as opposed to going to a few global firms in New York, Paris and London. As much as there's globalization, there is also a very strong cultural layer that needs to be integrated into the executive search process."

Businesses in Francophone countries in Africa are also adopting the principles of retained executive search and leveraging local expertise. Brinis says, "There are a lot of Anglo companies opening in French speaking countries, and they bring with them practices including executive search. Those companies will need to recruit with executive search firms that can provide both international reach and local expertise."

Brinis adds, "The advantage of AESC membership is that we carry the high standards of AESC that bring trust to candidates and client companies. To be a member of AESC is a guarantee for the client that we are meeting the highest standards of executive search."

Executive search, especially as its advisory services expand to meet the changing needs of clients, has a solid foothold in Africa, and has an opportunity to facilitate the evolution of organizations in Africa while the profession grows.

Growth in African Markets

For example, Brinis says, "The economic environment is growing and the French speaking markets like Tunisia or Mauritius are receptive to executive search." Increasing exposure to retained executive search is helping the profession gain traction in those African countries experiencing growth.

Expanding services is also a primary growth driver in the profession, worldwide. Many client relationships evolve: from one assignment to many, from one service to others. The market grows as executive search clients evolve into leadership advisory clients.

For Farah Samanani, Managing Partner, East Africa for Boyden Executive Search, "Our service is very niche, and we're still educating the market." She finds that one way to help



Mozambique at a Glance

Population: 28,829,476

Largest City: Maputo

GDP: \$41.473 billion USD

Currency: Mozambican metical (MZN)



Malcolm Pannell
Korn Ferry
- South Africa



Farah Samanani
Boyden
- Kenya



Lauren van Halderen
Odgers Berndtson
- South Africa



Annelize van Rensburg
Signium Africa
- South Africa



Fay Voysey-Smit
Boyden
- South Africa

educate clients and grow the profession is to establish the relationship first. “We don’t only go in pitching executive search; we service clients with other leadership offerings, and that often leads to executive search.”

For example, Ferreira describes “one of our international clients that had country managers in various countries. The company had grown to such an extent that they needed to put a more formal layer of C-level executives in those businesses that had grown large enough to require a CEO. So, that client would ask us to interview all of the country managers and assess their potential to move into a next layer, a more corporate-oriented, strategic, CEO type of role.”

The talent market in Africa is also driven by qualities that reflect the character of the continent: a desire to compete, optimism, local development, and diversity.

BRING ON THE COMPETITION

Much like the global investors eyeing opportunity in Africa, José Caetano da Silva, Founding Partner of Talent Search and a member of AltoPartners, sees opportunity in the profession. He says, “I believe that in the profession, there is a lot of room to grow, to create new markets.” Speaking of the profession in Mozambique and Angola, for example, he says, “We are typically boutique firms here. That means that if I work with two banks in the market, I should have some competitors working with other big banks.” Caetano da Silva believes that as the profession educates businesses in the region, more competition will enter the market, and he welcomes it.

LOOKING ON THE BRIGHT SIDE

Many AESC members see the bright side of what might otherwise be considered barriers to growth. For example, while the state of the profession often mirrors the state of the economy, a struggling economy may signal the need for businesses to invest

in top search advisory services. Halderen explains, “Many countries in Africa, including South Africa, are today facing economic and political headwinds. But if anything, this is the time when organizations need to be absolutely certain that a thorough, independent process is being followed when either considering new board members or executive leadership to lead these businesses. Organizations need a credible, trusted partner who has considered every aspect of due diligence around de-risking an executive-level appointment.”

In markets with a lot of contingency work, Caetano da Silva sees an opening for retained executive search. “We need to educate the clients, help them understand they need someone to work for them, not the candidates. Unlike contingent recruiters, we are corporate consultants, we are not working for candidates to find jobs,” he says. “We need to spread the word and help more and more corporations here understand that we address the talent market with corporate criteria and not career management criteria.”

THE LOCAL MOVEMENT

The expansion of retained executive search business is fueled by the rising interest from domestic clients. El Naggar explains, “While our clients are primarily international companies, interestingly there is a fast-growing segment of large, local corporations, regional corporations and companies, and family-owned businesses. This makes the story quite exciting because these markets have a lot of large, historically family-owned businesses that now are realizing the value of becoming corporatized with access to finance and access to international markets.”

El Naggar adds, “These large, family-owned companies are increasingly keen to look into aspects of governance, professional management and

bringing people from outside the family to lead the organization. This is another driver for the profession in African markets.”

DIVERSITY IS DRIVING GROWTH

South Africa is determined to diversify the leadership ranks of publicly traded companies. Nkeli says, “We have seen an increase in board searches and what’s driving this is the push for diversity of skills, thought, experience, race and ethnicity, and gender on boards. Listed entities are required to develop and have a board gender transformation plan—which has led to a growth of the NED practice.”

GENERATIONAL CHANGE

“At this point in time, worldwide there is a big churn of baby boomers, and generation X replacing baby boomers in the C-suite,” Ferreira says. “We have a lot of assignments due to the retirement of C-suite individuals who need replacements.” Ferreira does not see the generational turnover as a challenge. “It’s actually a benefit. It stimulates a new generation, new energy in the C-suite.”

Meeting growing demand for executive search services requires developing talent within the profession. From El Naggar’s perspective, “We are seeing considerable growth from a humble base when it comes to these markets within Africa. In a very broad sense, it’s a positive story. Concurrent with growing the profession and educating clients, there’s also growing attention toward developing talent within executive search, so internally there’s more training, market exposure, acquiring best practices



Kenya at a Glance

Population: 49,364,325
Largest City: Nairobi
GDP: \$190.182 billion USD
Currency: Kenyan shilling (KES)



“The fact of the matter is most African economies are really small, and if somebody has significant ambition, chances are they might need to work in other markets in order to realize that ambition.”

—Malcolm Pannell,
Korn Ferry

A key challenge according to Samanani is “finding talent with the right skill sets.” One scarce skill set, she says, is “leadership talent who can make decisions without data.” She explains, “Kenyan education systems aren’t geared toward analytical thinkers or problem solvers. The system is not developing a lot of people with transferable skill sets who can also navigate the African context. Employers value Kenyans in the diaspora as they are more likely to have developed the analytical, critical thinking skills, plus the know-how to operate in Kenya. They also bring established networks and relationships versus expats.”

The talent shortage is magnified by the drive, especially in South Africa, to attract diverse candidates. For van Rensburg, “We in South Africa also are very unique, because we have what is known as the Broad Based Black Economic Empowerment Act, which means that there is an element of equaling the playing field with previously disadvantaged individuals over those who were privileged in the past. Therefore, there is a high demand for qualified black professionals, so in our case, diversity includes not just gender, but also race and ethnicity.”

Ferreira points to “the pool of top talented people having a very large emigration rate.” She says, “We’re hopeful that things will be turned around, but right now the economy is struggling, so, top talent is leaving due to the economic situation that the country is currently experiencing.” In addition, Ferreira says, “The new generation does not only want to live and work in one country. So, part of the talent loss is the departure of younger talent who want international experience.”

The Nigerian talent pool is facing a similar dilemma—keeping talent in the country. Enife Atobiloye, Managing Partner at

from more developed markets into the region and obviously trying to develop local expertise.”

To provide some sense of scale, El Nagggar explains, “If you look at the big business markets like Egypt, 100 million plus in terms of population, if you look at the executive search profession, you’re probably looking at a maximum of maybe 40, 50 professionals, if not less. So it remains a very small market, but with growth potential.”

According to Pannell, “We sit in a bit of a dichotomy in a way, that we have very high levels of unemployment but skill scarcity at the same time. So the need for executive search, has, I think, been on a growth trend. And I think that that’s going to continue for some time as these economies mature.”

Acha Leke and Landry Signé wrote for The Brookings Institution (“Spotlighting opportunities for business in Africa and strategies to succeed in the world’s next big growth market”, January 11, 2019), “Consider one question: How many companies in Africa earn annual revenues of \$1 billion or more? Most global executives and academics we speak with guess there are fewer than a

hundred. Many answer “zero.” The reality? More than 400 such companies exist—and they are, on average, both faster growing and more profitable than their global peers.”

These numbers may confirm the sense of AESC members, that the African market is rich in opportunities.

Challenges

AESC research confirms year after year that CEOs and CHROs are deeply concerned about their ability to attract and retain top talent. And worldwide, organizational leaders recognize the shortage of skills available in the talent market. Africa is no different.

THE SKILLS SHORTAGE

Voysey-Smit says, “Across the region there is definitely a skills shortage at the executive level, and the skill shortage is quite often more around leadership capabilities and real strategic capabilities rather than technical competencies, so that kind of higher order of skill, the person who is able to be learning agile, is able to embrace being flexible, is able to really accommodate a number of different aspects coming into a role and to be able to really lead a team—and lead a team of highly professional individuals. So that is where the main challenge is, and that is what our industry needs to address.”



Nigeria at a Glance

Population: 200,962,417
Largest City: Lagos
GDP: \$1.221 trillion USD
Currency: Naira (₦) (NGN)

TRANSEARCH Lagos comments, "We are dealing with about 200 million people here. Within the Nigerian population you will find two distinct groups—highly educated and accomplished professionals as well as massive untapped potential. What the two groups have in common is, that whether tapped or untapped, Nigerians are predominately talented people. Unfortunately, some of our best talent is fast migrating to other countries, like the US and other highly developed markets, because of the current state of the Nigerian economy. While Nigerians are consistently featured in studies as among the most educated ethnic groups in the US, for example, this hasn't yet converted to a willingness to jump back to the opportunities opening up back home."

GO GLOBAL TO SHOP LOCAL

"There are very interesting and peculiar aspects about African intellectual capital in itself," Nondo observes. "It's usually everywhere except where it's meant to be."

He says, "Sometimes, to find a Kenyan executive for the Kenyan market, you have to have the capacity and capability not

just to search in-market but also on a pan-African and or global level. And such talent invariably would only be keen to return on a quasi-expat basis, because that's what they're used to and that's the offer they would prefer to consider. For the candidate, it's the best of both worlds: returning to work at home, but on an expat basis."

The desire for local talent is a growing trend, van Rensburg explains. "It's an issue across sub-Saharan Africa. We did work for an international NGO that is headquartered in Kenya and the request was to first find a Kenyan, and if not a Kenyan, an East African. If that is not possible, they said they would open up to the rest of Africa, but very much they would like to have the position filled by an individual born on the continent."

Do opportunities at home attract talent from abroad? Nondo sees "a lot of talent out there in the African diaspora who, given the right opportunity, would jump at the opportunity to come back home, where they would prefer to become a big fish in a smaller pond."

Coetzer adds, "The myth that most diaspora, Africans who study abroad, are

coming back to Africa, is not true. They often hold very good positions overseas, and normally if you speak to them, they will only return to their home country if they are paid an expatriate package."

INSTABILITY

Serious challenges exist where markets are going through conflict or a political change. For example, El Nagggar says, "Algeria, for instance, is a country that enjoys a high income per capita, but we've seen a change of political leadership earlier in the year. And it will become more and more stagnant until there is more stability on the political leadership level. So, that is honestly affecting some markets."

"In Nigeria, households and organizations on average have about 35 hours of uninterrupted power supply per week," shares Atobiloye. "This reality tends to bear even more heavily on certain sectors, like manufacturing, which must power factories. Besides the implication on costs, this is a major challenge for businesses because of the obvious need for seamless operations."

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Egypt at a Glance

Population: 94,798,827

Largest City: Cairo

GDP: \$1.391 trillion USD

Currency: Egyptian pound (££) (EGP)

Atobiloye adds, "Doing business in Nigeria requires resilience to deal with different issues that require rolling up one's sleeves. Organizations considering success in the Nigerian market must appreciate the fact that all infrastructures and systems are not in place. Businesses must be ready to take on a DIY approach to what may be a given elsewhere."

EMPLOYER BRAND

Clients of search expect executive search professionals to de-risk executive and board placements. What about the risk to executives placed in a precarious employment situation? "Good companies still attract top talent," Nkeli says. But some employers "have reputational issues with the market, particularly now because there's a huge effort to cleanse corruption out of government." She explains, "Some companies stand to lose credibility because of their underhanded dealings. These companies may struggle to attract and retain top talent."

While helping a client survive a reputational hit is not something a search firm can do, Nkeli says, "Let me give you an example of what we have done. There's a company facing reputational challenges because of unbecoming historic business transactions. They appointed an excellent new CEO to turn around the business and restore it to its former glory. The CEO has brought credibility to the business, is turning around the company and engaged us to support him to enhance his board. This presented a challenging and interesting opportunity for senior non-executive directors with good turnaround experience—willing to jump into the fire, join the business and turn it around."

Nkeli adds, "Finding board members for this company was very difficult. However, we successfully placed credible and senior business leaders who wanted the challenge, who admired the new CEO and wanted to be part of the leadership to turn the business around."

CULTURAL BARRIERS

El Naggar references Egyptian Vision 2030, and the mandate to increase women

representation on boards in Egyptian listed companies. He says, "There's an ambitious target that the state has set for corporations. That sort of push needs the right professional services firms, and Boyden is trying to do its part by building alliances and trying to promote more women on boards, more inclusiveness, more diversity and to make sure that there's a conversation at a senior level in organizations."

The challenge, according to El Naggar, is more of a cultural issue. He identifies "the old school type of organizations or industries where there is the misperception that in a blue collar, technical, industrial type of sector, a woman on the board would not be relevant. We're trying to dispel that, and we're trying to help bring the realization to companies here that having diversity improves the quality of conversations, brings a different perspective, improves governance, improves leadership, improves strategy development, and develops sustainable growth for the organization."

CANDIDATE MOBILITY

According to Nondo, talent mobility is a consistently growing phenomenon: Talent is increasingly able to move not just in-country or just across African markets. It's moving internationally, where good talent may be looking for bigger, more advanced or more developed environments to go and develop professionally. And that's forever going to remain a real challenge for African markets."

And in the competition for top talent, Pannell says, "Anyone worth their salt is probably subject to being approached for new opportunities multiple times in any year. It's just the nature of the market, and that means that organizations have constantly got to be paying attention to their succession and their retention."

An important part of retention, according to Samanani is "understanding the candidate's motivation." She says, "Getting great Kenyans to stay with a company is hard. They are constantly being poached by competing organizations. Kenyan talent is often motivated by cash more than opportunity or development. So retention is hard. You have to make sure the compensation is competitive."

Candidate attitudes toward mobility sometimes necessitate the exclusion

of otherwise qualified candidates. For example, Caetano da Silva says, "We don't select candidates who keep moving among companies just because of salary. We keep searching."

"When an executive is in a role for nine months and the recruiter is asking 'why are you not moving? We can offer more!' This is terrible," he says. "What I need is colleagues on the ground in African markets giving in each interview this feedback: I'm not short listing you because you need to deliver to your company. You need to pay back your salary."

Caetano da Silva considers three elements in creating a short list of candidates: "One is background; that means experience. The other is soft-skills and personal characteristics; that means good leadership. And the other vector that is vital in the countries I'm addressing in Africa is the motivation for change; that means the reason to leave and the reason to come. We need to go deeper on this. In the near future, will he or will she move again? We need to be very, very strong in our filter and not go forward with this candidate."

According to Pannell, "The fact of the matter is most African economies are really small, and if somebody has significant ambition, chances are they might need to work in other markets in order to realize that ambition."

RETAINING TALENT

In our environment today, retention is certainly a worrying topic for most leaders of business. According to van Halderen, "It is a very fluid and dynamic marketplace in South Africa. It's very competitive, and talent is being offered a lot of money and significant upside to move in a relatively short period of time from one company to another. So, there is a bit of a revolving door in certain functions and certain industries. This is a challenge many of our clients currently face and it has forced us to have to think differently in terms of how we can work with them to better manage disruptions in leadership. Succession planning, for example is becoming more and more necessary, especially in South Africa, where we need to consider how we are growing the next generation of leaders and developing more inclusive and diverse talent."

Sometimes, clients need to understand that from a compensation perspective, one



The African continent encompasses over **30 million** square kilometers and is comprised of **1.324 billion** people speaking an estimated **1500-2000 languages** in **54 countries**.

size does not fit all. Van Rensburg shares, “Often there are only so many people who fit specific qualifications in South Africa, so to get those, they come at a premium. But of course, a multinational doesn’t always understand that, because they have a global benchmark of people at a certain level within an organization getting paid a certain amount, so they’re looking at employing a person within that compensation band. But because there’s a shortage of very specific skills within South Africa, within specific diversity groups, etc., they’re shocked when you tell them, ‘That package will not attract people; you’ve got to come up with a bigger package.’”

For El Naggar, “I think another challenge is the difference in pay for talent in the North African region or in Egypt to be specific, versus adjacent markets like the Arabian Gulf, Saudi Arabia, and UAE. It is a bit of a challenge to try to pull talent regionally into North Africa away from higher pay in the Arabian Gulf or the better standard of living in Europe. So that becomes quite a challenge.”

GROWING TALENT

Caetano da Silva says, “There is a shortage of talent here but we should address it, not just live with it.” One answer to the deepening skills gap is to develop talent within. Coetzer identifies, “The increasing need for companies to develop local talent and not rely on expatriates. Or if they

bring in an expatriate, one of the first key performance areas for the expat is to recruit and develop locals.”

Pannell says, “One of the real difficulties is how to develop local talent, to get them to the level that will take your business forward. Education is a bit of an issue here. In some African countries, education systems aren’t necessarily conducive to developing high flying talent, and that means you are forced to source people who have at least been educated outside of the country. Developing a talent pipeline of executives and keeping that fully stocked and well managed I think is a very big challenge.”

Filling the talent pipeline across Africa can’t start at home until education and training meet the future needs of business. Despite the benefits of a young population, Van Rensburg observes, “What we do have, unfortunately, is a lot of wrongly skilled people, and that does not speak to the needs of the economies of Africa. Unfortunately, that’s one area where a lot of countries in Africa need an overhaul if we are going to compete in the global space for talent.”

For example, van Rensburg says, “We have good universities, we have good private schools, but public school education is deteriorating. It’s a major concern for our economies. We’re going to have a lot of young people who finish their 12 years of schooling, who are

practically unemployable. That is one of the challenges of our economies, of our continent: the amount of young people who are not suitably qualified or educated to fill the jobs that are needed to be filled.”

Coetzer says, “There might be brilliant people in Africa, but only a handful who go to globally competitive schools and universities. I read a statistic the other day, that by 2040 there will be a 1.1 billion potential labor force in Africa. Now, that sounds like a lot, but it’s the skills that are mismatched. On the African continent, some university degrees are really questionable in terms of competitive global standards. That’s why your best talent in Africa often goes to study abroad.”

AN OPPORTUNITY FOR EXECUTIVE SEARCH AND LEADERSHIP CONSULTING

A search firm can help clients meet some of these challenges in part by helping them understand market differences. Nondo observes, “In one African market, for example, cash component of a remuneration package might be a preferable aspect of a salary structure, whereas in other markets it could be the (non-monetary) benefits offered. In other African countries it could be about lifestyle. That which might fit the American context because it’s an American company might not be an optimal structure for a country such as South Africa, for example. “There must be flexibility to be able to tweak and adjust for local preferences.”

In a particularly complex region like Africa, executive search and leadership consulting



Morocco at a Glance

Population: 35,740,000

Largest City: Casablanca

GDP: \$332.358 billion USD

Currency: Moroccan dirham (MAD)



"Every country is different and it's very complex. But the trend that I see is many global organizations are starting to really see Africa as strategic to their businesses and putting attention and investment into the continent."

—Fay Voysey-Smit,
Boyden Executive Search

firms who know the local cultures, understand what motivates candidates and build deep relationships with their clients are uniquely positioned to address the full range of challenges in the market for talent. Doing so often requires the profession to exercise its agility and resourcefulness.

Leadership Advisory

Are search firms operating in Africa innovating to address client challenges in their markets? Brinis says, "From the beginning, I have not yet provided the exact same services twice."

Brinis's experience serving the unique needs of each client demonstrates the everyday innovation in the profession. "There is no single service we provide," Brinis says. "We go to clients, we ask about their problems and we make a unique proposal on how to deal with their specific issues." For example, he says, "Right now I'm working on how to create the organizational structure of a client company. It's so exciting, as we deal with many companies' cultures, sizes, and problems. What we are bringing is our experience and expertise, and we are customizing our services for each client."

Caetano da Silva finds innovation in the profession helps clients attract and retain top talent. "Supporting clients' leadership development efforts is an appropriate role for the profession. We do this with leadership services when we conduct management appraisals and propose a personal development program. We have some projects in this area, with good results. It's definitely gaining traction, and this will be an important part of our business in the future."

For van Rensburg, the profession is innovating "by offering a wider service than just search, including board strategy facilitation, to help boards to act in a more appropriate way." She also identifies "the coaching that we're offering under our leadership consulting side, where if a client can't bring skills from the outside, then upskill from inside."

Specifically, van Rensburg describes how, "A lot of our executive search firms are providing a gap analysis and upskilling, or looking at climate surveys to see where's your organization, where do you want to be, and what can we do to help you get there with your current workforce. There are a lot of other things that we're suddenly realizing have become a necessity, and we're adapting to that."

Executive Search has also had to adapt to the shift towards offering other services to clients, and this innovation often requires finding partners. Van

Halderen notes, "Most of the big firms have now either acquired or grown practices that focus on leadership development, organizational development, understanding culture, and delivering programs and interventions around team effectiveness. We're seeing that executive search firms and leadership practice groups are partnering with respected business schools, as an example, to develop and offer executive education programs that can be delivered in conjunction with the search and placement services. But innovation also needs to be built internally which is why we developed our global LeaderFit® model. Our LeaderFit assessment suite was designed with a single objective of helping organizations evaluate their leaders' capabilities and identify future growth opportunities."

Voysey-Smit sees innovation in the de-risking of placements. "I think when you talk about innovation in our profession, what is very important is these value-added services around leadership assessment, leadership development, coaching, and mentoring. We know that you can do the best search in the world, you can put the best candidates into an organization, but if they're not supported through the first three to 12 months in the organization, the risk is high. Our business really is about managing risk at the executive level and bringing in the people our clients need to ensure the success of their businesses."

TECHNOLOGY

Nondo observes the innovative role search plays in market intelligence. "We're seeing a lot more clients looking to us to map the talent market, for example. That's largely because there's a realization that we



Tunisia at a Glance

Population: 11,434,994
Largest City: Tunis
GDP: \$151.566 billion USD
Currency: Tunisian dinar (TND)

are a good source of market intelligence; in most African countries, relevant, useable secondary data is not often readily available in the market.”

Ferreira has been investigating artificial intelligence technologies, “that could probably assist us in our business, speeding up processes. I think every business is probably doing this in the background, because the fourth industrial revolution is here.” However, she says, “There are still a lot of questions for me regarding transparency in artificial intelligence talent acquisition software.”

Voysey-Smit cautions, “One has to be very careful around how far you innovate and how much you can leverage technology. Human resources is about people and people need to be held carefully and valued. There needs to be a balance between how much we innovate around using technology solutions and how much it’s still a hands-on, people business.”

International Alliances

Alliances are essential to business in Africa, and most often predicated on either

the legacy of colonialism or longstanding trade relationships.

“Indeed, colonial influences are still evident and remain of significance,” Nondo says. For example, according to Caetano da Silva, “In Angola and Mozambique we have a very strong relationship with Portugal. We are former colonies, we have the Portuguese schools, and the system is very much similar. In terms of business, every company in Portugal whether they do consumer goods, whether they do exports, have always had Angola and Mozambique on their radar and that’s good for us.”

In Tunisia, for instance, much of their international recruiting is from Europe. Brinis says, “As we are a Francophone country, it is easy for us to recruit from France, Switzerland, and the countries that speak French, where there is a natural alignment of culture and language.”

“This is what you have with alliances worldwide,” Brinis explains. “And after that we have some local and regional deals; we are linked with economic chambers of



Mauritius at a Glance

Population: 1,265,577

Largest City: Port Louis

GDP: \$31.705 billion USD

Currency: Mauritian rupee (MUR)

many countries, linked with government authorities for employment, and some embassies.”

In North Africa, El Naggar says, “The sources of foreign direct investment coming into North Africa by definition imply that agencies in the different receiving markets and source markets would cooperate and leverage that understanding.” He says, for example, “I may talk with my colleagues in the Middle East or Europe who work with Middle Eastern or European investors coming into Egypt, and the synergy of understanding between the client HQ and local market understanding adds lots of value to the search process. And that becomes instrumental for us to hire somebody in Egypt or in North Africa, people who would be able to integrate within that culture and deliver.”

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Tunisia

ALSpective/ Panorama Search

Nkeli describes the influence of culture and language. "South Africa is a diverse country, for example, we have the largest Indian diaspora in the world and an attractive expat destination from European countries. We have easier relations with English speaking African countries than French or Portuguese speaking countries."

Pannell says, "If you look at the history of the continent, you'll understand why there are English, French, German, and to an extent, Italian connections in different countries."

Kenya has a strong connection to the UK, Samanani says. "A lot of Kenyans will go to the UK for university. There is a strong connection there, but it is getting less important as an alliance. We are seeing more influence from the US and China, and a lot more Kenyans wanting to be better connected with the US or Chinese markets."

New alliances are gaining traction. "Certainly, American influence has come today, not into specific countries in the same way as perhaps those other alliances have developed, but somewhat more broadly, and to some extent the Japanese around motor manufacture," Pannell says.

He adds, "The Chinese have been very active, particularly in the African resources sector. So there are strong alliances. Some alliances are quite well established, but I think the growing one is most probably China, because of China's appetite for resources."

Looking Forward

"Outsiders have noticed that the continent is important and becoming more so, not least because of its growing share of the global population (by 2025 the UN predicts that there will be more Africans than Chinese people). Governments and businesses from all around the world are rushing to strengthen diplomatic, strategic and commercial ties. This creates vast opportunities. If Africa handles the new scramble wisely, the main winners will be Africans themselves."

From "The New Scramble for Africa,"
The Economist, March 7, 2019

Voysey-Smit understands the ascendancy of Africa. "A trend that we are seeing now

is that many global organizations are seeing Africa as having greater strategic importance for their businesses than it might have had previously. So Africa is seen as a growth region. We've got quite a burgeoning middle class, we've got burgeoning urbanization across the region, and that is impacting how global organizations see the region and see what they need to be doing in the region."

Africa's dependence on those global organizations may soon decline. Much like the drive to hire and develop Africans to meet the demand for executive leaders, African productivity will soon be poised to better meet the growing population's domestic needs. According to Bloomberg, "We calculate that African industries have the opportunity to double production to nearly \$1 trillion within a decade. Three-quarters of that growth is likely to come from manufacturing to substitute imports and meet burgeoning local demand."

The future of Africa will also be more diverse and inclusive. According to El Naggar, "Organizations in Africa are becoming more likely to have conversations around diversity, around empowering women, empowering young leaders, and around sustainability. It is becoming less uncommon that we hear those conversations in the boardrooms when we're meeting with companies in North Africa. And I think it's also the responsibility of executive search firms to support that agenda and support that evolution."

NEW AFRICAN EXPATS

What could happen when the population of much of the world is in decline? "The prediction is that Africa will surpass Asia with population, so we will then have more people living in Africa than anywhere else in the world," van Rensburg says. "That population will also be the youngest population, even the working population will be younger than anywhere else in the world. When you consider the population decline in Europe where there will not be enough people to uphold the economy, I think at that stage, we might have to become the exporter of people."

The leadership talent of that young population has the potential to be extraordinary.

"African people are naturally adapted to a VUCA environment: Volatile, Uncertain, Complex, and Ambiguous," Coetzer says. So, if you can find African talent you've



“The advantage of AESC membership is that we carry the high standards of AESC that bring trust to candidates and client companies. To be a member of AESC is a guarantee for the client that we are meeting the highest standards of executive search.”

—Helmi Brinis,
ALSpective

probably got a high success rate in terms of their ability to naturally adapt to volatility, uncertainty, complex situations, and ambiguous situations. You’ll find that companies recruit in South Africa and the rest of Africa for exactly this reason.”

Coupled with that, the profession should certainly be looking at how we can encourage business and political leadership to invest more in education, both in primary and basic education as well as tertiary. “We should be spending more time investigating how to solve some very immediate, very real problems right now, and we’ve also got to be thinking about how we solve for 20, 30, 40 years-time when we’ve got, hopefully, a very educated population of people with the resources to grow a truly competitive and powerful economy,” says van Halderen

Pannell, too, sees the potential. “The economies in Africa are really quite small, however they’re fast growing, and if one can find a way to operate across the 54 countries and this massive landmass in an efficient way, then Africa represents an attractive market.”

“Africa can play quite a vital contributory role in the overall global picture,” he says.

Realizing Africa’s rich potential requires leadership. Overall, we believe, there is a need for the work that we do, now

more than ever. As, van Halderen says, “Organizations need to involve experts who have very global reach, who have developed networks, who have the ability to de-risk appointments, and identify people who are able to thrive and lead businesses in this time of uncertainty. Executive search firms have a role to play, not only in identifying external talent, but helping organizations diagnose internal team dynamics and effect success in existing teams who need coaching and support and external advice, as well as deliver world-class selection and search.”

In addition, she says, “Executive search firms have a role to play, not only in identifying external talent, but helping organizations diagnose internal team dynamics and effect success in existing teams who need coaching and support and external advice, as well as deliver world-class selection and search.”

RISK AND REWARD

For Samanani, the outlook in Kenya “is still uncertain. There is a lot of potential and many opportunities where people can do well in the entrepreneurial setting. More often, when companies start here they have huge, wide-eyed aspirations,

then they realize how difficult it is to work here. It comes down to public policy. If they can make it easier, there is a lot more potential for growth.”

According to van Rensburg, “Africa has major problems, but we also have major advantages, for example Africa can be the bread basket. If we can just get rid of corruption, we can provide food security for the world. We have people that are really amazing, that can help drive this. I think there’s just so much that can go right, but unfortunately as much that can go wrong if we don’t focus on the right things.”

The AESC search consultants who contributed to “Emerging Africa” while noting the many challenges facing this large and complex continent, share a common view: that the future of Africa is bright. As Nkeli says, “We have an abundance of sunshine.”





Angola at a Glance
 Population: 25,789,024
 Largest City: Luanda
 GDP: \$208.034 billion USD
 Currency: Kwanza (AOA)

TRUSTED PARTNERSHIPS

The Key for Search Firms and Their Vendors

By Andrew Shapiro
Principal & Co-Founder
The Cluen Corporation

Retained search firms achieve long-term success with the support of their many trusted partners. Whether lawyers, brokers, technology providers, accountants, or the professional association, there are outsiders that play a critical role in supporting the business of executive search.

Search firms need not only world-class experts in specialties beyond their own staff, but need them to be committed, trusted partners with a proven track record and experience working with similar organizations. Part of AESC's great success is the implicit nature of these qualities (of course its staff understands retained search and they're committed to its success—it's the whole point). But when making critical decisions about other potential partners, how can search firms know that they will be aligned with their business and will remain aligned over time?

As the longest-standing AESC partner, technology innovator, and expert in delivering data systems to thousands of search professionals over decades, Cluen's team has a great opportunity to see the trends (and the impacts) of different models of engagement. When

a search firm chooses a technology provider, there are many considerations (some enumerated below), but it usually boils down to a choice between a trusted partner relationship with a proven expert working towards the firm's long-term business goals or a quick 'transaction' in hopes to solve an immediate need.

A quick transaction can sometimes feel inevitable, but can be avoided by making any technology project about a partnership engaged to get a business result, where a trusted partner (like Cluen) is dedicated to the success of its customers. Like a game-changing candidate, the goal with a new technology investment for a search firm or their client is to typically facilitate transformation in the business. A quick transaction will not provide this result. This type of change requires a much deeper understanding of the business, its culture and short and long-term goals. Instead, when entering into a new relationship with a technology vendor, look for transformation over transaction. It is critical that the vendor understands the transformation you are trying to achieve, that one size does not fit all, and that they are committed to the long-term success of *your* business as much as the success of their own.

“If you want to go fast, go alone; but if you want to go far, go together.”

—African Proverb

'New' without a long-term plan is not better for the future. Technology must constantly evolve. New 'shiny' widgets are continually introduced. It is clear that a new productivity tool may satisfy some short-term desires, but the value a firm builds in their technology strategy must be grown over time. In time, any competing technology providers that are truly aligned to their clients' needs will deploy equal if-not-shinier toys. Ending up with the 'one hit wonder' or well-meaning upstart who doesn't yet have critical mass and hasn't proven the willingness or ability to stay committed to executive search over time (especially in the slow times), is a risky bet.

In today's environment, many people don't expect much more than



a near-term transaction from their technology partners. But for executive search firms, like the best relationship with their client, engaging to have a real partnership is critical. Many search firms struggle with getting the most value from their technology tools, and sometimes a short-term fix to get users excited is helpful. However, in over 85% of Cluen's new projects we find that the previous technology failed because the firm was unable to build an "information culture" around it even with a vendor that sticks around. This shows that the most successful database projects rely on the entire staff understanding the value of collaboration and participating in a shared system. That requires a different level of engagement to bring not only 'shiny' new tools, but also a proven method to build a data asset and information culture over time.

These same principals apply to any vendor/advisor partnerships a firm may pursue. Even selecting an accountant or a graphic designer can either be a quick transaction or a partnership working towards some longer-range goals. Trust is paramount, but beyond that, what specific questions can executive search firms ask to guide their vendor choices? These are a few that in our experience tend to be

helpful (for the full list and whitepaper email info@cluen.com):

- When was the vendor organization founded?
- Founded by whom, and with what mission?
- What percentage of the vendor's (or parent organization's) clients are retained executive search firms?
- How did the last economic downturn impact the vendor?
- What long-range business results can be expected from an engagement with the vendor?
- Can the vendor show how they have made long-term business impact for their clients?
- How will the firm know that the vendor will remain aligned with their needs in the years to come?

It does take a little more thoughtfulness to build a trusted partner relationship. However, budget-wise it's probably not that different from a short-term fix. (And, into the future, laying the right foundation is much more cost-effective than doing it over and over again).

"Going together" is much more powerful,

but search firms need the right fellowship if they are to benefit from others on the journey with them. Executive search firms must select carefully when preparing for the journey and should *challenge* their advisors/vendors to be real partners, together building a future vision aligned to the destination.

Andrew Shapiro is principal and co-founder at The Cluen Corporation, AESC Global Technology Partners and trusted partners to retained search professionals around the world since 1990; 'challenge' him at AndyS@cluen.com.



About Cluen

Cluen has been working with Executive Search firms for nearly 30 years developing executive search and talent management software. Our next-generation executive search platform, Encore Max, was redesigned from the ground up for both power-users and new users. Encore Max leverages artificial intelligence, automatic data capture, self-learning technologies and more making it the most simple and advanced executive search software you will ever have. Learn more at info@cluen.com. ■

What Would the Great Economists Do?

How Their Ideas Can Help Us Today

By Linda Yueh

In *The Great Economists: How Their Ideas Can Help Us Today*, Yueh looks at current economic questions through the lens of some of the most influential thinkers in history: Adam Smith, John Maynard Keynes, Milton Friedman, Karl Marx, Joseph Schumpeter and other greats. After first putting the economists and their theories into the historical context of their respective times, Yueh then applies their thinking to some of the pressing questions of our time. How might Joan Robinson explain sluggish wage growth, today? How would Alfred Marshall view growing income inequality? What can we learn from the global financial crisis through the eyes of Friedrich Hayak? And finally, what would the great economists make of the backlash against globalization?

Blending history, economic theory and current affairs Professor Yueh makes the historical arguments around economics and public policy both accessible and timely.

Professor Linda Yueh holds senior academic positions at London Business School, Oxford University, and the London School of Economics. She is TV and radio broadcast journalist and has served as an anchor and correspondent for Bloomberg TV and BBC news.

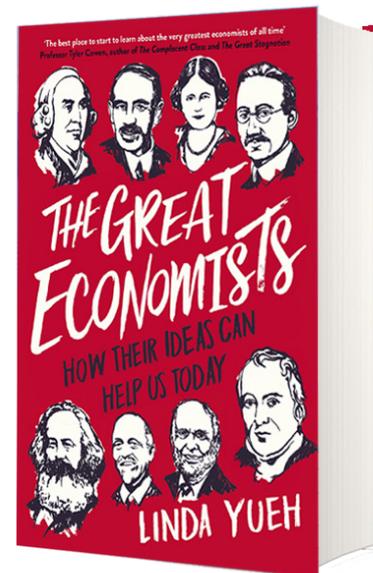
Dr. Yueh has consulted some of the world's most impactful organizations including The World Bank, the EU, the World Economic Forum and the Asia Development Bank. *The Great Economists: How Their Ideas Can Help Us Today* was selected as The Times' Best Business Books of 2018 and as Newsweek's Best Fiction and Non-Fiction of 2018. It was published in the US as *What Would the Great Economists Do? How Twelve Brilliant Minds Would Solve Today's Biggest Problems*. ■

Excerpt from *The Great Economists: How Their Ideas Can Help Us Today* —from the chapter “Robert Solow: Do We Face a Slow-Growth Future”

Economic growth across major economies is slower today than before the 2008 global financial crisis, but not just as a result of the crash. Economies such as the United States, the Euro Zone, Japan and the UK had been experiencing a marked slowdown in productivity growth since the mid 2000s.

Some economists are warning about permanently slower growth in advanced economies, in part because their ageing populations will be less productive. Could these economies be facing what the former US Treasury secretary and Harvard professor Lawrence Summers describes as ‘secular stagnation’? If so, then those countries face a worrying economic future. Fewer workers require fewer office buildings and less equipment, which also depresses investment and therefore the economic outlook. That point seems to be approaching: US labour force growth slowed to just 0.2 per cent in 2015, down from 2.1 per cent from the 1960s to 1980s; for the UK, the annual average rate of labour force growth is somewhat better, but it is still down to around 0.6 per cent.

An overwhelming concern is that the situation in Japan in the early 1990s will be repeated in the West. When the real estate bubble burst, the ensuing economic collapse revealed an underlying stagnation that had been masked by the crisis. Japan's problems have been compounded by a population that has been shrinking since 2010. A smaller workforce makes it harder to improve productivity and raise output growth. Slow productivity growth in particular is an issue for Britain, which is facing its weakest recovery in modern memory. This is a lesson to heed, since the national output has recovered to pre-crisis levels, but productivity continues to lag behind.



So, the new normal growth rate may be lower than before. Or, worse, be stagnant. How worried should we be about a slow-growth economic future?

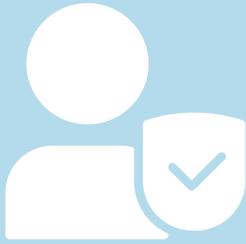
The author of the workhorse of economic growth models, Robert Solow, might provide some answers. The Solow model shows that economic growth arises when workers and capital are added to the economy, but that it is sustained only when there is also technological progress. Better technology improves labour productivity, which increases capital accumulation by slowing down the diminishing returns to capital. Diminishing returns happen when a worker is given more than, say, two computers; that worker won't produce as much with the third computer as compared with the first two unless there is better software that allows computing to be done without the person using it all the time. Technological progress allows the existing inputs of workers and capital to be used more efficiently. An increase in output due to technology is referred to as total factor productivity (TFP) in economic growth models. Physical capital as well as human capital—the skills and education of workers—are central to this model. It's especially pressing for rich countries, where the working-age population is ageing or even shrinking and having better skilled workers is even more important. How to raise productivity lies at the heart of whether or not we're doomed to a stagnant future.

What would Robert Solow, the Great Economist whose pioneering work has helped us to understand what generates economic growth, make of the prospect of low productivity and a slow-growth future for major economies? ■

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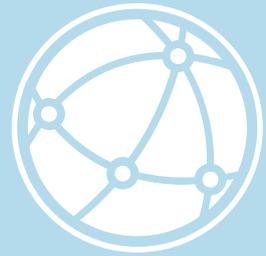
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Open almost any book about the science of success and you will quickly encounter stories of genetically gifted Olympians, hardheaded CEOs and risk-taking entrepreneurs. My research into the Apollo Moon landings presents a radically different perspective on the topic. It's based around a group of

Just seven years before, President John F. Kennedy had appeared in front of Congress and famously declared that before the decade was out, America would put a man on the Moon. Looking back, it's hard to fully appreciate the enormity of the goal.

When the President made his historic announcement, America had

spectacular success, and provided the world with an unparalleled sense of optimism and hope.

For most of us, mention of the Apollo landings conjures up images of white-suited astronauts carefully making their way across the lunar surface. While these brave and heroic individuals are obviously essential to the success of

THE POWER OF PASSION

young and surprisingly ordinary people. Their inspirational story is little known and yet they played a central role in humanity's greatest achievement. Perhaps most important of all, once you understand how they did what they did, I believe that almost anyone can follow in their footsteps and achieve the extraordinary.

As a psychologist, I have spent much of my career examining why some people and organizations are especially successful. A few years ago, I became interested in the Moon landings, and was astonished to discover that although the technology used during the missions has been extremely well documented, very little has been written about the psychology that lies behind this remarkable achievement. As I started to dig deeper, I encountered several other big surprises.

On 21 July 1969, Apollo astronaut Neil Armstrong gently set foot on the powdery surface of the Moon. Live images of this historic event were beamed back to the Earth, where over 500 million people watched in wonder.

only managed to send one astronaut on a fifteen-minute, 'up-and-down' suborbital flight. Kennedy's bold vision required several astronauts to journey over 380,000 kilometers across space, land on a distant and hostile world and safely make their way back home. Even modern-day space travel pales in comparison, with the Space Shuttle and International Space Station only travelling around 400 kilometers above the surface of the Earth. Moreover, Kennedy's goal had to be achieved within a few years, and at a time when the latest cutting-edge technology consisted of slide-rules and mainframe computers with less processing power than a modern-day smart-phone.

To many, Kennedy's dream appeared to be truly impossible. Nevertheless, hundreds of thousands of people came together and attempted to transform that dream into reality. They invented new forms of technology, overcame setbacks and tragedies, and built spacecraft containing millions of bespoke parts. Against astonishing odds, the Moon landings were a

Apollo, they are far from the full story. Watch any documentary about the Moon landings and you will soon see images of Mission Control – a huge room packed with consoles, giant screens and people wearing headsets. This impressive set-up lay at the heart of the space programme. The mission controllers never donned a spacesuit or travelled to a distant world. Instead, they wore everyday clothes, kept their feet firmly on the ground and often hid away from the public gaze. Nevertheless, they were central to the success of the entire enterprise.

Imagine that you are living in the early 1960s and have been charged with putting a person on the Moon by the end of the decade. The whole world will be watching and the nation's reputation is on the line. What sort of people would you recruit for Mission Control? Maybe you would go for highly experienced scientists and engineers. Or people who have graduated from the country's most prestigious universities and colleges. Amazingly, hardly anyone in Mission Control had any of these attributes.

Instead, most of the controllers came from modest backgrounds, and were often the first in their families to go to college. Perhaps most surprising of all, they were astonishingly young. In fact, when Neil Armstrong set foot on the Moon, the average age of the mission controllers was just twenty-eight years old. The group had few of the attributes that we commonly associate with success and yet, somehow, they managed to accomplish the seemingly impossible.

I wanted to discover why, from a psychological perspective, Mission Control was such a hotbed of success, and I was fortunate enough to be given the opportunity to interview several key controllers.

Now in their seventies and eighties, they were all remarkably generous with their time and thoughts. My interviewees had seen history in the making and had fascinating stories to tell. They were also a great deal of fun. During one interview, for instance, I asked a controller whether it was true that the group was trained to communicate using the fewest number of words possible. After a brief pause, he replied, 'Yes'.

I eventually discovered that their breath-taking achievement was due to a unique mindset. Combining the interviews with mission archives and academic research, I identified the eight principles that I believe make-up this remarkable and highly effective approach to life.

One of the most important involved passion. Kennedy's idea of going to the Moon energized millions of people across America. Some of them had spent their childhoods reading about the adventures of Flash Gordon and Buck Rogers and loved the idea of exploring space. Others wanted to head to the Moon because it was such

a difficult, novel and daring challenge. Then there were those that were driven by a strong of purpose. Like Kennedy, they believed that heading into the heavens would promote freedom and democracy, and so help create a better world for future generations. Finally, some enjoyed the sense of competition created by the space race and were eager to cross the finishing line ahead of the Soviets.

The same sense of passion motivated many of the scientists and engineers who would eventually transform Kennedy's vision into a reality, it and was essential to their eventual success. It transformed work into play and helped those working to cope with the long hours and tough deadlines. Bill Tindall Jr. was one of the most senior engineers involved in the Apollo programme. Several years after the Moon landings, Tindall was asked what had motivated so many people to work so hard to make it all happen. Tindall replied 'I never thought we were working at all.....it was just so much fun.' The same applies to many of those in Mission Control. When Flight Director Glynn Lunney was asked about how he felt about being part of the team that eventually put Neil Armstrong on the Moon, he responded: 'We loved it. We loved the work, we loved the comradeship, we loved the competition, we loved the sense of doing something that was important to our fellow Americans.' And when Mission Control Flight Director Gerry Griffin was asked whether he would be prepared to face the high workloads and incredible stress again, he instantly replied: 'Of course. I am just sad that it ever had to end.'

Includes new stories
and interviews from
the team behind
the Apollo 11 mission



Shoot for the Moon

How the Moon Landings Taught us the 8 Secrets of Success

RICHARD WISEMAN

INTERNATIONAL BESTSELLING AUTHOR OF *59 Seconds*

The controllers' comments are supported by a wealth of scientific evidence. Robert Vallerand, from the University of Quebec, has produced hundreds of academic papers on the psychology of passion. After studying the lives and minds of thousands of passionate people, Vallerand has discovered that this often-overlooked factor is one of the main secrets of success. When people do what they love, their work feels more like play and they are especially likely to keep going when the going gets tough. As a result, they end up being especially productive and successful.

In the same way that Kennedy energized an entire nation by announcing his intent to go to the Moon, passion has the power to propel people to incredible heights in both their personal and professional lives. Whether you want to start a business venture, change careers, find your perfect partner, raise a loving family, get promoted, gain a new qualification, passion will help you to reach your own Moon. ■

Extracted from

Shoot For The Moon: Achieve the Impossible with the Apollo Mindset, by Richard Wiseman



THE GROWING RISK OF DIPLOMA MILLS

by Peter Lagomarsino
Managing Partner
Mintz Group

Fake degrees created by diploma mills—those scam schools that exist only on a computer server somewhere—are proliferating throughout the business world, according to professional organizations involved in academic credential evaluation. That fits with Mintz Group's observations as a background-screening company. We and our executive search firm clients need to remain alert to signs of this academic fraud.

The risks of employing someone with a sham degree grow as more candidates cross borders to get jobs, and as the software needed to make authentic-looking school documents is disseminated more widely. The creators of the fake schools, who might be based anywhere from Pakistan to Peoria, create websites showing photos of beaming students and ivy-covered campus buildings from stock photo banks. They also create other sham companies that act like college accreditation services and, of course, tell people that the school is on the level.

The good news for employers and the search consultants who assist them is that more jurisdictions are digitizing and consolidating degree checks into a single

source like the US's National Student Clearinghouse. China has done this with its CHESSIC service, as has France with Verifdiploma, Higher Education Degree Datacheck (HEDD) in the UK, and AuraData in Canada. Indian universities are working to build databases to distinguish the genuine from the fake, which is very exciting, as South Asia is one of the centers of degree fraud.

"Fly-by-night colleges on the rise" was the headline of a recent article in an Indian newspaper, the *Deccan Chronicle*. It identified Bangalore, home to scores of legitimate colleges, as "a hub for dubious firms offering fake degree certificates." The growth of India's middle class has prompted an explosion in the number of legitimate schools of higher learning. Indian criminal groups that set up chains of diploma mills are hiding within this educational turbulence, as well as the upsurge in Indian students' use of distance learning, the newspaper said. The criminals have orchestrated "a sharp increase in fake universities and fake degrees."

In January 2019, a group of academic credential evaluators published a report that addressed what has been called the world's largest diploma mill, in Pakistan, which is still in business despite several government crackdowns. Though based in Pakistan, the diploma mill targets the US (and, as a result, the resumes of executives who were educated in the US). The network has set up 700 to 900 fake schools—most of them supposedly in southern California—plus a number of phony "accreditation mills" to vouch for the colleges, according to the Academic Credentials Evaluation Institute, or AECI. "Since their fake schools are touted as being 'American,' [the network has] created about 20-35 US-type accreditors which show the American Flag [and] US Capitol." The Pakistani operation has been updating its sham school websites and adding the "edu" domain name to many of their web addresses.

The AECI report was written by retired FBI official Allen Ezell, who spent decades investigating degree mills and degree counterfeiters. When the offices of the Pakistani network were raided by Pakistani federal authorities in 2015, agents seized 2.2 million blank diplomas, transcripts, accreditation letterheads, and the like, plus information on "millions and millions of fake diplomas and transcripts" sold to individuals

going back to 1997, Ezell said in his report. Most of the operation's customers live in the Persian Gulf region, with the United States accounting for about 34% of its sales, Ezell wrote. About 75,000 of its diplomas and transcripts have been sold in the US. "Just think how long these fraudulent credentials will haunt the academic and business world in the future," he added.

The growth of degree mills is not limited to India and Pakistan. In August 2019, the American Association of Collegiate Registrars and Admissions Officers published a report on the same problem that was addressed by Ezell. The report noted that "this worldwide, multibillion-dollar industry is growing annually." While employers verifying that candidates have their professed academic degrees is an obvious best practice, it is equally important to confirm that the school is accredited by a legitimate organization, and was accredited when the candidate received the degree. In the US, there are regional and national accrediting agencies which are overseen by the US Department of Education, and we at the Mintz Group have our own lists of diploma mills from scam degrees we caught in the past.

In November 2017, the website of a group focused on eliminating fraudulent college diplomas, the Association for International Credential Evaluation Professionals, published an essay about fake credentials. "There are several warning signs that can help you detect if a document could be fraudulent," the group said. "Things to look out for include: too many fonts appearing on the document, several spelling errors, unusual signatures or stamps, age or biographical discrepancies, and evidence of white out/erasure. Unfortunately, advanced technology that is readily available online has made it increasingly easy for people to either obtain or produce fraudulent documents." At the Mintz Group, we have run across a number of diplomas that gave themselves away because of a single typo.

When reviewing resumes, especially when reading dozens or hundreds per day, we encourage our clients to beware of universities with names that are very similar to the names of leading, prominent schools, or that try to create an aura of authenticity by including the name of a city, state or region. This is why it isn't enough to ask a candidate to send you a copy of his or her diploma—you still need to confirm the degree with the

school, and possibly confirm accreditation if the school is unknown to you.

The BBC reported in 2018 that the Pakistani network described above had sold fake degrees to 3,000 UK-based buyers in two years alone. They called the scale of the fraud "staggering," while also citing a UK verification service as saying that only 20% of UK employers verified the academic degrees of candidates.

It's best practice for search firms to verify the degrees of every finalist, or if possible, every candidate presented to a client. But the prominence of diploma mills requires firms to be even more vigilant when vetting the scores of resumes they encounter.

MINTZ GROUP

Clarity in a complex world

About Mintz Group

Mintz Group is the exclusive due diligence partner of the Association of Executive Search and Leadership Consultants. Founded in 1994, they have a team of more than 250 investigators, including former investigative reporters, federal investigators, prosecutors, anti-corruption investigators and former intelligence officers, with offices in 15 cities in North America, Latin America, Asia, Africa and Europe. Having vetted many thousands of executives for search firms and their clients over the years, they are recognized as a global thought leader on executive background checking. ■



Peter Lagomarsino
Managing Partner
Mintz Group



By Jen Anderson,
Director of Experience Marketing,
Invenias by Bullhorn

Digital transformation has become a ubiquitous concept in today's business landscape. This is especially true in the executive search profession, where a new digital era means disruptive initiatives and profound changes in the way leadership talent is found. Yet despite digital transformation's pivotal role, many struggle to implement formal plans within their organizations. In fact, there still exists a debate and confusion among many on how to even define digital transformation. With so many options and limited guidance, it can be a daunting task to know where to start.

We recently surveyed over 300 executive search professionals on the topic of digital transformation. The culmination of that data yielded some interesting findings regarding the perception of digital transformation among executive search professionals, the ways in which firms are prioritizing and investing in technology, and the information search firms need to create their own plan to transform their business.

Digital Transformation Remains an Elusive Concept

Of our respondents, only 25 percent reported having a deep understanding of digital transformation. The remaining 75 percent replied that they possessed

either limited or no understanding of digital transformation. While the majority of respondents realized that digital transformation is an emerging trend that could have material impacts on their business, many struggled to define what it looks like in practical application.

Digital transformation is the integration of technology into all areas of business in order to improve operations and deliver value to customers. This could mean many things to many recruitment professionals, from process automation to machine learning and AI. For those on the cutting edge, digital transformation is baked into the entire recruitment lifecycle from front to back.

Many Companies Need a Plan, but Few Have One

In response to our survey, only 25 percent of executive search firms have a digital transformation strategy. Navigating digital transformation can be inherently disorderly: the impulse to chase the next exciting breakthrough in technology can often lead teams on a never-ending wild goose chase. In order to combat this, stakeholders must reach a consensus of priorities and develop a well-defined plan that serves as the company's roadmap to achieving its goals.

Additionally, executive search firms that have experienced success with digital transformation recognize that it's not only a matter of the right technology, but the right culture. Digital transformation necessitates a willingness and an acceptance to this change. As with any transformative process, progress will quickly stall without alignment and buy-in throughout the organization.

Change Starts from the Top

It's clear that CEOs lead digital transformation—nearly 43 percent of respondents reported that CEOs, presidents, and managing directors are the chief sponsors of their company's digital transformation process. CIOs comprised 22 percent of firms' digital transformation trailblazers, and 15 percent weren't sure who was owning that process within their organization. One explanation for the lower percentage of CIOs and CTOs owning this process is that some of the firms who responded did not have a CIO or CTO role. For most companies, a top-down approach makes the most sense when approaching digital transformation. Although change may originate at the top, in order to embrace and fully realize the potential digital transformation has to offer, every role within a company has a part to play.

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Digital Transformation Trends Signal Radical Changes in Executive Search

Digital fluency, technological savviness, and the ability to translate data in order to inform decisions will be key attributes every member of the firm's team must possess.

For Executive Search Professionals, Digital Transformation is Synonymous with Automation

More than 40 percent said they think of automation when they think of the term "digital transformation." Another 22 percent stated digital transformation equated to cloud-based software. However, the industry as a whole has a ways to go in terms of investing in cloud-based solutions to power their business: only one-fifth of respondents say all of the software solutions they use are cloud-based. The overwhelming majority of people said that only a portion of their company's solutions reside in the cloud.

Of the people we surveyed, applicant tracking is the primary focus for executive search firms looking to embrace digital transformation: 50 percent of respondents replied that the area of their business most impacted by digital transformation is "applicant tracking and management." Additionally, nearly 40 percent of respondents have automated sourcing, 35 percent have automated calendaring, 34 percent have automated reporting and analytics, and over

30 percent have automated background checks. Surprisingly, a fifth of respondents said they do not automate any recruitment processes whatsoever.

Automation serves as an accessible jumping-off point for those interested in taking their first foray into digital transformation. Automating repetitive, manual tasks frees up the firm's team to impact their business in a more meaningful way, such as developing relationships or extrapolating findings from data into actionable plans.

The Big Picture

Now more than ever, search firms will need to be digital at their core—powered by data and run on cloud-based solutions—in order to remain competitive within the executive search landscape. With a strategic plan in place and the right technology, executive search firms are poised to take advantage of the huge opportunity digital transformation presents.

Ironically, digital transformation cannot occur successfully without significant team investment, planning, and human involvement up-front. Technology and humanity rely on one another for optimization and success, and it's crucial for executive search staffing professionals to think creatively about the needs of

their business and how technology and digital transformation can address those needs. Change is inexorable, and executive search firms must invest in the solutions, innovations, and culture required now to be successful in the future.

Interested in learning more about digital transformation and other trends? Visit the Global Recruitment Insights and Data, or GRID, at grid.bullhorn.com.

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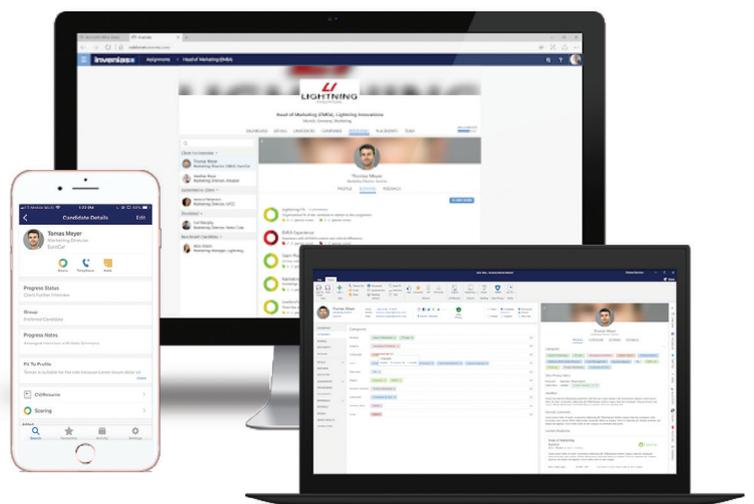
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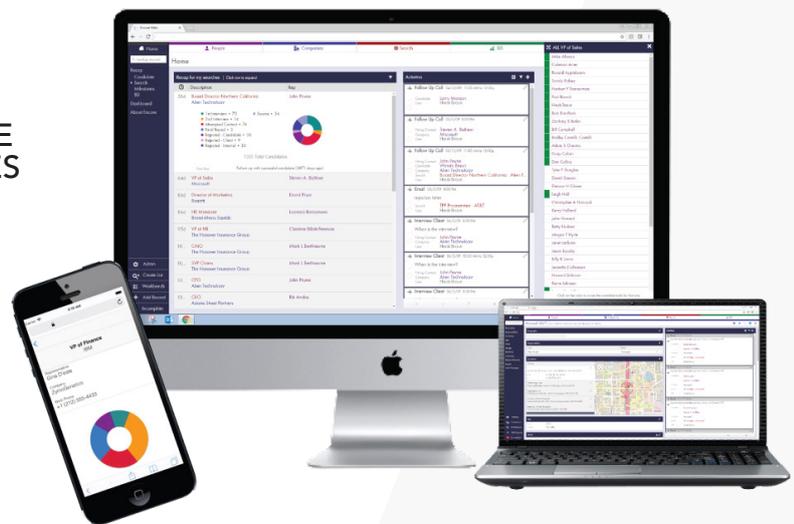
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