

EXECUTIVE TALENT



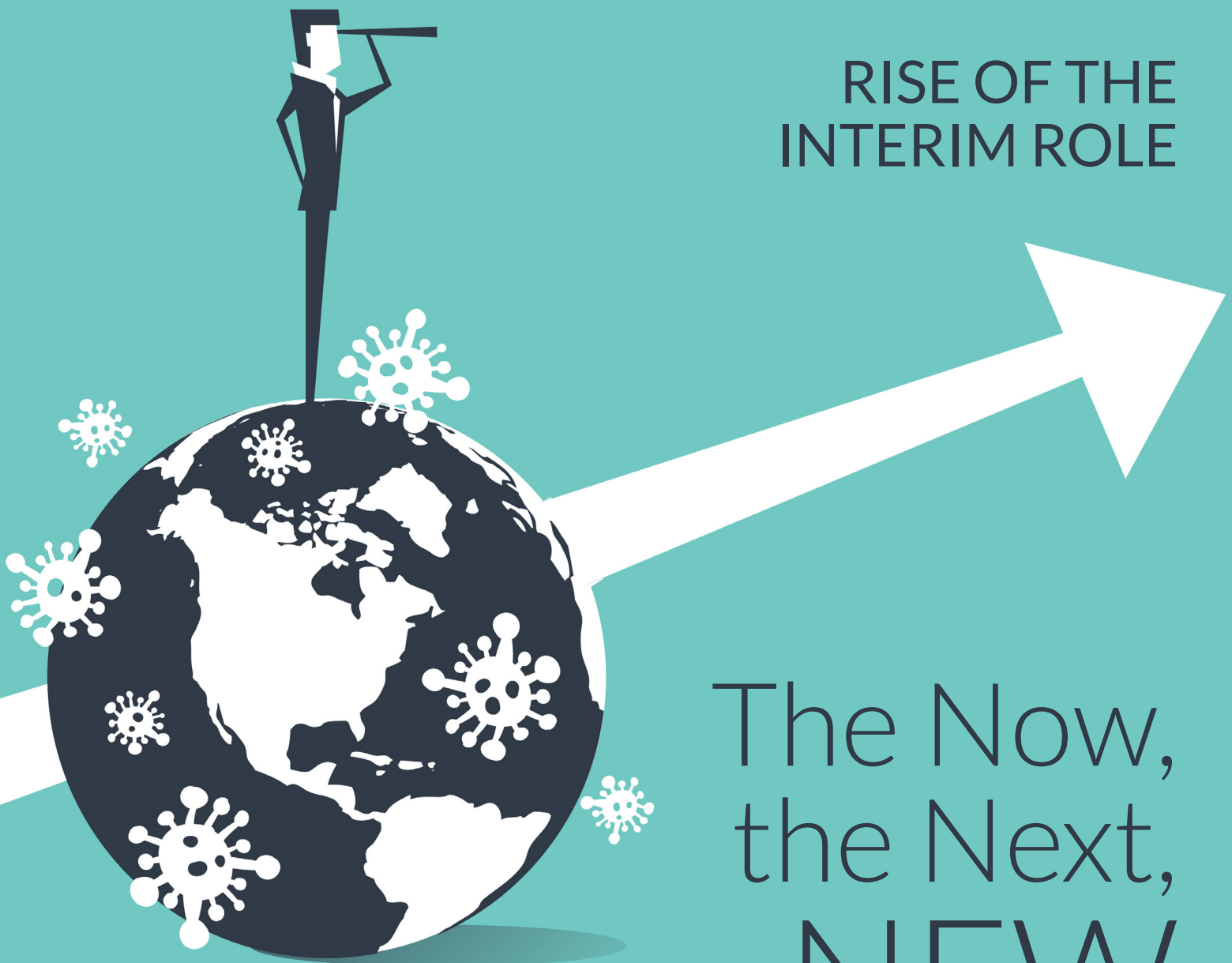
AESC

*Dedicated to
Strengthening
Leadership Worldwide*

Volume Nineteen

IN THIS ISSUE:
TAPPING CHINA'S
TALENT MARKET

RISE OF THE
INTERIM ROLE



The Now,
the Next,
and the **NEW**
NORMAL

Welcome to Volume 19

As we find ourselves still very much in the middle of a global pandemic with uncertainty the only certainty, where do we go from here?

We spoke with AESC Members and other expert advisors to better understand how the business

landscape has changed during the COVID-19 pandemic, how organizations and their leaders are adapting, what is the impact on senior talent, and what's to come? In this issue of *Executive Talent*, we delve into:

■ PURPOSE AND PROGRESS

The Business Roundtable startled many in August 2019 when it redefined the purpose of the corporation, moving away from shareholder primacy and toward promoting an economy that serves all stakeholders. Is this aspirational vision truly the future of corporations, and does it stick in our COVID era? The data suggests it may be more critical than ever.

■ TECH IN TROUBLED TIMES

How to sustain organizational culture in a one-hundred percent virtual environment is a question many business leaders are now asking? What is the role of technology and what lessons have we learned so far? We spoke with Chief Information Officers from AESC member firms to find out.

■ THE RISE OF THE INTERIM ROLE

The rise of the interim leader is good news for organizations, for search firms, and the executives themselves. We look at increased demand for Interim Executive services—amplified by the pandemic—and what organizations should look for in an Interim executive and when they should consider one.

■ TAPPING CHINA'S TALENT MARKET

China accounted for 28% of all growth worldwide in the five years from 2013 to 2018, more than twice the share of the United States. Even in the context of a global pandemic, China is on fast-forward. We look at where China is headed, what it means for the rest of the world, and how it impacts talent.

■ THE NOW, THE NEXT, AND THE NEW NORMAL

Economies, organizations, leaders and ordinary people are in uncharted territory. Organizations have adapted to survive; they have changed. And going forward they will need to rely on lessons learned, and perhaps a changed profile in leadership to move successfully into whatever comes next.

■ THE INTREPID INTERIM

We spoke with leaders from AESC's BlueSteps career service to find out what it takes to be an interim leader today and resources for candidates seeking interim roles.

■ BACKGROUND CHECKS: BEYOND THE PUBLIC DOMAIN

While the intelligent search and analysis of public information is the foundation of background checking, AESC partner Mintz Group shares the importance of interviews in a background check.



We hope this issue brings you valuable leadership insight in challenging times. 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. We wish the continued safety and well-being for all our readers around the world.

A handwritten signature in black ink, appearing to read 'Karen Greenbaum'.

Karen Greenbaum
AESC
President & CEO

EXECUTIVE TALENT

The Global Magazine from AESC

Volume Nineteen

Board of Directors

Morten Nielsen, Chair of the Board

Senior Partner, Life Sciences Practice, Witt/Kieffer - Cleveland

Emanuela Aureli, Vice Chair

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

Ineke Arts, Secretary/Treasurer

Partner, Hoffman & Associates / IIC Partners - Brussels

Sonal Agrawal, Board Member

Managing Partner, Accord | India / AltoPartners - Mumbai

Richard Boggis-Rolfe, Board Member

Chair, Odgers Berndtson - London

Kate Bullis, Board Member

Co-Founder & Managing Partner, SEBA International -
San Francisco

Dorota Czarnota, Board Member

Country Manager, Russell Reynolds Associates - Warsaw

Rodrigo Foz Forte, Board Member

Managing Partner,
EXEC – Executive Performance | Panorama - São Paulo

Karen Greenbaum, Board Member

President and Chief Executive Officer, AESC - New York

Julian Ha, Board Member

Partner, Heidrick & Struggles - Washington, DC

Alicia Hasell, Board Member

Managing Partner, Boyden - Houston

Nobi Kaneko, Board Member

President, Kaneko & Associates - Tokyo

Cathy Logue, Board Member

Managing Director, Global Leader CFO and Financial Executives
Practice Group Managing Director, Stanton Chase - Toronto

Martin Schubert, Board Member

Partner, Eric Salmon & Partners - Frankfurt

Stefan Spang, Board Member

Senior Partner, McKinsey & Company - Düsseldorf

Roxanne Taylor, Board Member

CMO at Memorial Sloan Kettering Cancer Center - New York

Louisa Wong, Board Member

Executive Chair, Global Sage - Hong Kong

Dedicated to Strengthening Leadership Worldwide

Editorial Team

President & CEO
Karen Greenbaum

Writer & Editor
Martha Clement
Rochford

Chief Marketing Officer
Joe Chappell

Senior Designer
Don Hailer



*Dedicated to
Strengthening
Leadership Worldwide*

Contents



4 Purpose and Progress

It is an understatement to call this a time of uncertainty! Is this any time to be talking about purpose? Purpose may be a luxury we cannot afford during a global crisis. Or it may be exactly what we need.

10 Tech in Troubled Times

How can organizations sustain their cultures while social distancing, and where do we go from here? AESC spoke with Chief Information Officers from AESC member firms to find out how organizations are using technology to adapt, and maintain their cultures, in uncertain times.

16 The Rise of the Interim Role

Executive search and leadership consulting firms register growing interest in interim executive leadership from their clients and from candidates. We spoke with AESC members and career advisors to learn what's driving the demand.

22 Tapping China's Talent Market

Exploring the executive search and talent market in the world's most populous nation is a bold undertaking, especially at a time when the only business constant is change. And even in the context of a global pandemic, China is on fast-forward.

34 The Now, the Next, and the New Normal

How do leaders begin to prepare for a post-COVID world when we are very much still in the middle of the pandemic and nothing is certain but uncertainty? AESC members shed light on where we've been, where we are now, and considerations leaders must make as we move forward.

46 The Interpid Interim

Glenda Brown and Kathy Simmons of AESC's BlueSteps career service advise candidates interested in becoming interim C-level executives. We spoke with them to find out what it takes to be an interim leader today and resources for candidates seeking interim roles.

50 Background Checks: Beyond the Public Domain

Of all the information that speaks to a candidate's character, reputation and suitability, only some can be found on the public record. AESC partner Mintz Group shares the importance of interviewing in background checks.



PURPOSE AND PROFITS

In the second quarter of 2020, we have seen a global pandemic, historic rise in unemployment, and protests that began in the US have spread around the world. It is an understatement to call this a time of uncertainty! Is this any time to be talking about purpose? Purpose may be a luxury we cannot afford during a global crisis. Or it may be exactly what we need.

STOCKHOLDER TO STAKEHOLDER

The Business Roundtable startled many in August 2019 when it redefined the purpose of the corporation, moving away from shareholder primacy and toward promoting an economy that serves all stakeholders. Is this aspirational vision truly the future of corporations? For Eren Rosenfeld, Chief Human Capital Officer at Russell Reynolds and former Global Head of Talent Development at BlackRock, “I think the answer is yes. We’re seeing more and more companies turning toward this vision of sustainability. But there is a ‘rhetoric-reality’ gap. Over 90 percent of CEOs think their future success will be defined in some measure by how sustainable they are, but less than half are actually acting on it. Our [new research with the UN Global Compact](#) lays out exactly what it means to be a sustainable leader – what their key qualities are and how businesses can embed sustainability into their DNA”

Linda Hyman, Executive Vice President of Global Human Resources at Korn Ferry

observes, “We’re heading in that direction, although I don’t know if it’s a shift away from serving shareholders. I think it is a shift toward including more stakeholders. It’s appealing to the broader constituency.”

David Wongso, Managing Partner, TRANSEARCH Indonesia says, “Indonesia is predicted to become the world’s 5th largest economy in term of GDP with the largest e-commerce and number of unicorns in ASEAN. Indonesia has 56% social media users out of 265 million citizens in 2019, and the number keeps growing.”

He says, “This workforce are mainly millennials, a generation who is purpose-driven, looking for meaning and social impact in work. Thus, it is very important for CEOs in Indonesia to lead not only maximizing shareholder value but also caring for the community, making a positive social impact, and being a good corporate citizen.”

Over time, shareholder primacy has led to corporations maximizing profit, sometimes at the expense of the health of the company or the interests of employees, communities, and other stakeholders. Dharma Chandran is a Partner at Boyden Executive Search and draws upon his experience in the C-Suite and as a board member. Speaking of the shift, he says, “I think it reflects the dawning of a realization that if we continue running corporations the way we are, with a very short-term, quarterly earnings kind of focus—and even less than quarterly earnings given the way

the market and computerized algorithms react to short-term news and short-term movements—it’s not sustainable.”

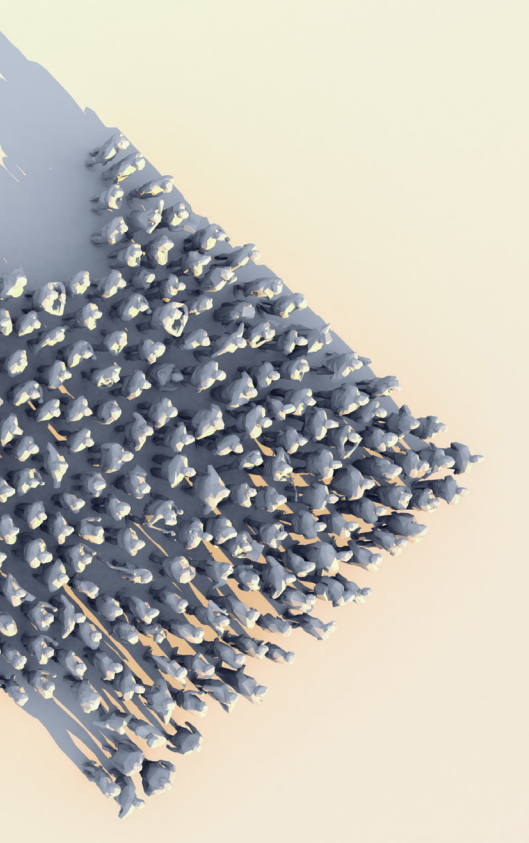
Chandran views the Business Roundtable statement and the movement it inspires as organizations “trying to find some way to express how companies should be run for all parts of the ecosystem. And in particular, more broadly than shareholders.”

AESC research shows that nearly 89% of clients globally agree with the Business Roundtable sentiment on “the essential role corporations can play in improving our society when CEOs are truly committed to meeting the needs of all stakeholders.”

FROM THE PURPOSE OF A CORPORATION TO PURPOSE IN A CORPORATION

Social norms are changing. Customers, employees, even investors are looking for companies whose values align with their own, and purpose is the ultimate expression of values. It is the “why” of an organization. It can drive engagement, productivity, innovation, and collaboration. It can be the glue that holds teams together and cements the loyalty of customers, clients and communities.

Leading with purpose often necessitates leading change. For example, a company that has traditionally been short-term profit oriented cannot shift to a more stakeholder focused, long-term purpose with words alone. Chandran explains, “Corporate



culture is still aligned to a short-term profit purpose in almost every company. So, if you just come up with a really snappy-sounding purpose, that does galvanize and motivate people to say, 'Hey, this is a great company!' But then you have to change the culture. Purpose is taking over organizations today, but I think in the majority of them there's a misconception, not malicious, just a misconception that once you've addressed your 'purpose' the job is done. And my view is the purpose is the tip of the iceberg. Once you address purpose, you need to address culture. Because culture is what will help you fulfill your purpose."

The organizations which successfully make that transition are reaping the benefits. A November 2019 survey of executives conducted by Korn Ferry found "the vast majority of the respondents we interviewed, over 95%, agree that there is a long-term benefit to companies that make a strong commitment to purpose-driven leadership," according to Hyman. "That result signals that more and more executives are thinking about the role that purpose can play in driving the organization's long-term performance." She describes "about 390 responses to an online executive survey in which we asked a number of questions about understanding and embracing mission and purpose; does it increase productivity? Is there a long-term financial benefit? What's the main reason you would choose to work for one

organization over another? And clearly, the responses indicated that to a great extent purpose and purpose-driven leadership helps drive performance."

From Chandran's perspective, "As society has gotten wealthier and more comfortable, we've started to look at whether this is all sustainable, and that's what's driving purpose." He says implementing changes to a culture that was pursuing a short-term, profit-oriented purpose to something that's more holistic "can still have profit as one of its core tenets, but has other elements as well, which helps that profitability to be perhaps a little lower in the short term, but more sustainable across a longer-term horizon."

Who can do that? "Very exceptional human beings," Chandran says. "There's not too many of them around."

FROM COMMAND & CONTROL TO PURPOSE-DRIVEN LEADERSHIP

Hyman recalls the impact of purpose-driven leadership in the wake of the global financial crisis from 2009-10. "We probably lost half our revenue in 15 days. It was a terrible time. I remember our CEO came into those senior leadership meetings, every single one during that time period, and never once opened with our financials, which was extraordinary. Everybody else was opening with financials, every client, every organization. And instead, our CEO talked about our purpose, what we were trying to achieve, how we were trying to help other organizations get through what they were going through, how we were trying to help them redesign their organization structures or improve their results in a very difficult time. That made such a difference in that team and how we banded together. Everybody took pay cuts, everybody put their shoulder to the wheel to drive forward what our organization became. Our CEO always talked about accelerating out of the curve, so that when this was over, we were going to come out of it even better than we went into it."

Purpose-driven leaders, according to Rosenfeld, have a unique leadership profile that differentiates them from other CEOs. "One quality we've found is important is this idea of multi-level systems thinking. It's about an ecosystem orientation that accounts for the larger business, societal and environmental systems around them—

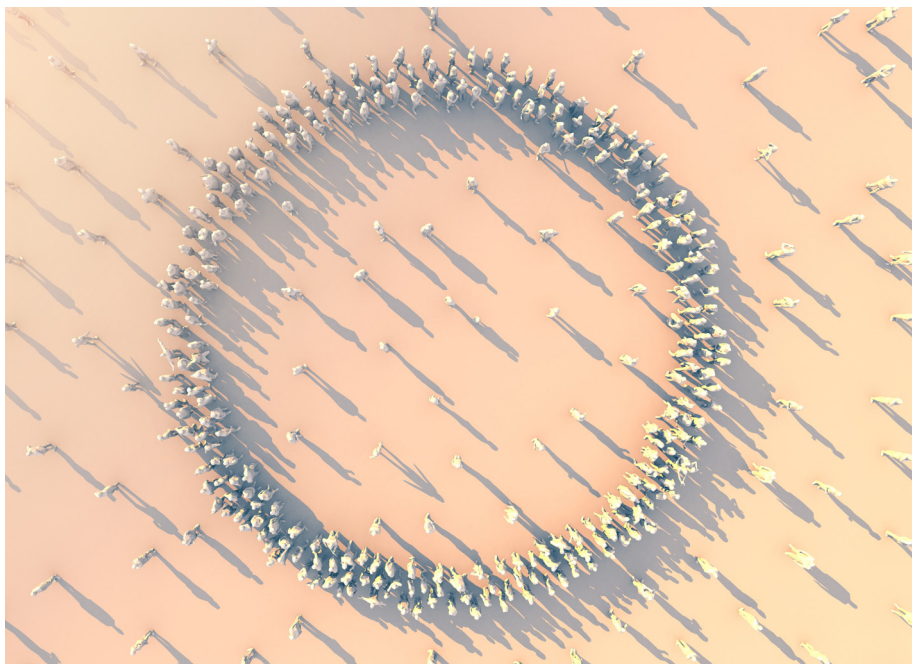
and includes a wide range of stakeholders in decision making," she says. "They also use a long-term horizon, so they're thinking about long-term value creation. It's not the quarter-to-quarter mindset, which is probably what we saw in the past. When others think of profitable growth, they're the kind of people who are thinking about their legacy. They're thinking about brand and reputation, and that means they're either creating a new market or they're using disruptive innovation to revolutionize an existing one. They tend to be practical and develop laser-like focus to separate the signal from the noise."

In addition, Rosenfeld says, "Purpose-driven leaders are also very inclusive. Think about where innovation comes from. It's a diverse and inclusive culture where people feel safe, where they can share."

In AESC's recent research, clients globally rank 'more innovative' as the second top element they wish they could change in their organizations. Yet, they are likely not prioritizing diversity and inclusion enough, which is a top ingredient for innovative organizations.

Consider that the typical experience profile for a CEO is to have run another division with a P&L, or to have served as the CFO. Chandran says, "There are exceptions, people who come up through marketing or technology, especially if it's a technology company, but by and large the primary routes are being a CFO or running a business unit." Chandran says, "They tend to be mainly men, the people from which to recruit, and traditionally they have had one mindset, which is make more money. And the average CEO tenure is somewhat around four and a half years, which means you have people who focus on a short-term horizon. It's not hard to figure out how we got to where we are."

"I think we've known for a while that leaders who score high on self-awareness actually tend to drive greater performance in their organizations," Hyman says. "So now when you expand that self-awareness to their own purpose and values, they communicate with much more authenticity, and that gets people committed to what they ask of their constituents. So greater self-awareness, authenticity, the ability to communicate to broader and more diverse audiences all come into play because they're trying to make sure that everyone in their universe understands the message



"This workforce are mainly millennials, a generation who is purpose-driven, looking for meaning and social impact in work. Thus, it is very important for CEOs in Indonesia to lead not only maximizing shareholder value but also caring for the community, making a positive social impact, and being a good corporate citizen."

—David Wongso, Managing Partner,
TRANSEARCH

and what they're trying to accomplish, which tends to rally people."

Purpose-driven leadership is not the exclusive purview of the CEO and the C-Suite —Boards have a role in ensuring that companies reward the behavior they want to see. To illustrate what Boards can do to reinforce purpose and culture, Chandran describes an Australian company. "They give the CEO a higher than market salary. Obviously if he doesn't perform, he loses his job. He's giving up a highly paid salary. That's one motivation, but it's a base salary. So he earns it for turning up. And then he's got long-term incentives that are quite long-term in duration, such that his total reward can be more than competitors who pay a short-term and long-term incentive." The incentives, he says, are "truly long-term, with a high proportion of stock. So the combination of equity-based and long-term incentives make that CEO aligned to, say, a Vanguard shareholder."

Chandran adds, "How many companies in the ASX Hundred are doing that? I think maybe two or three, max. But how many companies have a purpose on their placard? Probably 80 out of a hundred. Because everybody is asking them at the investor conference, 'Hey, what's your purpose?' Everybody has a purpose. Until you align the culture to that purpose, then how will you be able to achieve your purpose?"

FROM DEPLOYMENT TO ENGAGEMENT

Before flat organizational structures and open offices gained traction, companies

moved through more than 100 years of evolving org charts with various matrixes of reporting relationships. Historically, employees were widely perceived as resources to be deployed. Rosenfeld explains the evolution in employer-employee relationships as moving from "To," to "For," to "With." Beginning with what most Baby Boomer and Gen X workers experienced, Rosenfeld says, "We grew up as cogs in the machine of the organization—having things done to us. When I started work in the early nineties, they said jump. I said, how high? I didn't ask why. I didn't ask how long I'd be jumping, should I be jumping? I wanted to make sure I was jumping the way they wanted me to jump, and I jumped as much as I could. And I trusted that that was going to lead to something. Nobody asked me if I wanted to jump, how I like jumping. Then, in the late nineties and the aughts, we started talking about doing things for people: servant leadership, where I am in service of the team. We are now living in the *with* era. And "with" is tricky. "With" means I don't do things to you or for you, I do them with you. I don't assume what motivates you, I ask you what motivates you. So today, engagement starts with inquiry and empathy."

Rosenfeld says engagement is complicated. "A fundamental part of building strong engagement is helping people find the glass slipper that fits them, specifically. It takes a lot more time up front. But it's necessary to create a space where we're driving strategy efficiently, without friction."

What is engagement, after all? Hyman explains, "Historically we've thought of engagement as people feeling satisfied or happy at work, but it really means people are so engaged by the purpose of what they're doing that they're willing to go above and beyond; they're putting discretionary energy into what they do. We talk a lot about exceeding potential. And it's interesting because people ask, how can you exceed potential? But so often people don't know their potential. There's an old saying, argue for your limitations and they'll be yours. People can go well beyond their potential when something really lights them up and excites them and engages them. Purpose is how you release that; that's the magic."

How can organizations make that kind of magic? For Chandran, "Engagement comes down to how you recruit people, how you develop people, how you motivate them, how you manage and measure their performance over what horizons, and how you reward them. How do you engage with them? Is it top down, control-oriented or is it more collaborative? Do you make employees compete with each other in your performance management system or do you reward team performance? It's all those elements."

Wongso, says. "A strong and inspiring purpose motivates employees to stay, to persevere, to go the extra mile. It becomes the "why of work" that attracts *and* retains because they are engaged with the vision, programs, social impact or the kind of ecosystem the business is in. They are proud of the product or

service, and that makes them stay.”

“Proud talent likes to share their working life, their products and workplace with their friends on social media. But, he warns, “When they are unhappy, the story can go viral.”

Rosenfeld illustrates the shift from top-down thinking to collaboration. “We used to do training where the expertise was in the front of the room. That hadn’t changed from Aristotle until now; but those days are over. We’re starting to see there is tons of wisdom in the room, and the sum is much greater than each of the parts. That’s impacting how we have discussions, how we motivate, and how we engage with employees.”

Engagement is deeply personal, and still it can be measured. “Many companies take engagement surveys to understand at any point in time how their employees are perceiving their strategy, their environment, their resources,” Hyman says. “There are lots of different ways that companies are measuring engagement.” She adds, “We did a series of pulse surveys a few years ago. And in our relatively small organization, at the time about 7,500 people, we had over 17,000 comments. It was fabulous to hear from people around the world and some in their native languages about ideas, support, and suggestions. Hearing from your organization real time about what they value is just irreplaceable.”

The sense of purpose that drives engagement may come more easily to those who save lives or build world-changing innovations. What about everyone else? Hyman says, “It comes down to understanding who you are ultimately serving and how.” For example,

she says, “You may be on the factory floor putting together car parts, but somebody is going to drive that car, and if your part fails and something happens, there’s an end game. It’s having a line of sight, no matter what your role is in the organization.”

Hyman describes, “People-pulling powers” identified in the 2019 Korn Ferry survey of executives. “Respondents agreed that purpose attracts talent, but it engages employees. And it especially engages the younger generation who are very much driven by purpose.” Hyman says, “almost a hundred percent of respondents said that purpose engages and retains talent; it’s a way of attracting talent, and it really does retain top talent. The newer demographics to the working world are much more inclined to change employers if they don’t find what they’re looking for or they don’t feel motivated, if they don’t feel engaged, or they don’t feel listened to. And trying to make sure that you can retain the best people clearly makes financial sense.”

COMPETITION TO COLLABORATION

Purpose is changing the way people relate to each other in the workplace. From breaking down silos and working in teams, the way we work together is evolving. For examples of two disparate models, Chandran looks to ancient Greece. “There were two dominant societies: Athens and Sparta. Sparta held to a competition mindset. A young man, when he came of age, had to go out into the wilderness for a winter and survive on his own. If he made it back alive, then he would be accepted.

The Athenians, also a very powerful society, represented a collaborative mindset, where everybody had a vote.” He says, “There are many ways to succeed.”

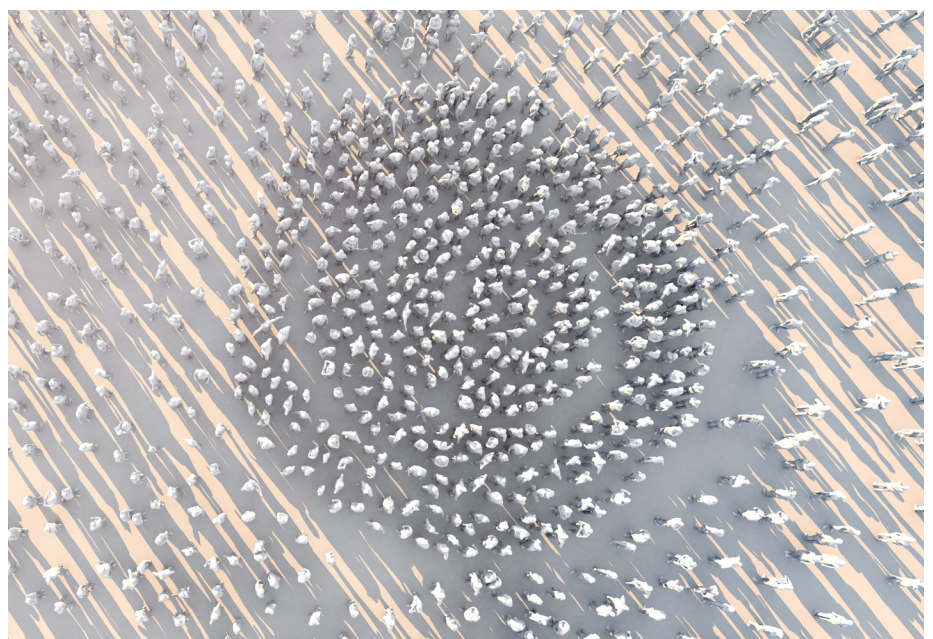
Competition versus collaboration is illustrated by how organizations evaluate employees. “Performance ratings come from a competition mindset,” Chandran says. “No one was a better hero of this than Jack Welch at GE because he culled the bottom 10% every year. He actually ranked people and caused them to compete with each other. That is one model, and it worked.”

Purpose and a collaborative culture speak to the sustainability of leaders in an organization, according to Rosenfeld. “The people on my team all have strengths that are complementary, and we all know the roles we’re playing. And when we align around purpose, we move from being a marching band to a jazz quartet—where we’re comfortable flexing our creative muscles and making innovative decisions. When I think about what it means for an organization to lead with purpose, it’s about alignment, empowerment, and then retooling our managers and leaders to have that long-term mindset, make decisions based on the multi-level ecosystem and incorporating all stakeholders, and disruptive innovation.”

Many companies aspire to be more collaborative. According to AESC research, “clients globally rank ‘collaboration’ as the top ingredient they wish they could change in their organizations.” Rosenfeld says, “I have no interest in playing poker, and I don’t want a team playing poker.” Because

“Purpose-driven leaders are also very inclusive. Think about where innovation comes from. It’s a diverse and inclusive culture where people feel safe, where they can share.”

—Eren Rosenfeld, Chief Human Capital Officer, Russell Reynolds





“Historically we’ve thought of engagement as people feeling satisfied or happy at work, but it really means people are so engaged by the purpose of what they’re doing that they’re willing to go above and beyond; they’re putting discretionary energy into what they do.”

—Linda Hyman, Executive Vice President of Global Human Resources, Korn Ferry

collaborative teams don’t hide their cards from each other.

For Rosenfeld, “everyone’s cards on the table means each team member is contributing fully. And to do that, you have to have an abundance mentality. You have to have a sense of belonging. You have to trust that if we throw all our cards on the table, we will have a royal flush. It used to be the boss collected everybody’s cards and told you where the flush was.”

For Hyman, “If teams can unleash their collective intelligence, that gets you into the whole concept of conscious inclusion. It’s pretty clear that when you have diverse teams who come together and share their knowledge, their insights, and their creativity, they achieve way more than those that don’t. And when you’re focusing that on a single purpose, that’s organizational Nirvana.”

FROM PLUNDERER TO PARTNER

Chandran looks back at the way countries (and companies) conducted themselves over time. “For centuries, invading your neighbor was the way you secured resources and expanded your culture. Right up until 70 years ago, that would be the normal way to advance your country, which is what led Japan and Germany to do what they did. But they weren’t the first; they were simply the last. WWII was so devastating that we formed the United Nations and said that’s not the way we want to conduct ourselves as countries. The countries that conduct themselves that way today are seen as aberrant and rogue, they’re not seen as the norm.”

Chandran sees businesses facing a similar evolution. “In economic war, it was seen as the norm to compete ruthlessly, trying to make the competition go out of business. Some startups have not made any profit at all and do not have a business model capable of doing so in almost any circumstances because what they charge customers is completely unsustainable, and all they are doing is driving established companies out of business by leveraging their superior balance sheets built by avaricious investors seeking returns—we have seen examples of this approach in personal transportation, serviced office space and a few other sectors” he says. “Now, companies are going through an evolution.”

Jim McKelvey, co-founder of Square writes in the *Harvard Business Review*, “I hear pitches every month from startups wishing to destroy the economics of some existing industry. Hidden— frequently well hidden— inside these pitches is the implication that the invisible hand of the economy will reallocate resources so that we will all be better off and enjoy a more efficient world after the carnage. It doesn’t always happen that way.” McKelvey argues that some the most successful entrepreneurs like Square, Southwest Airlines, and IKEA, set out to meet a need, not destroy. He writes, “Is disruption bad? Not by itself. But disruption has also never been the focus of good entrepreneurs. The focus of the entrepreneur should be the people who cannot get paid, or travel, or furnish their home. The entrepreneurs that succeed, and rise to the top of their

industries set out to build, not destroy. If disruption occurs, it is merely a side effect.” (*Harvard Business Review*, “Good Entrepreneurs Don’t Set Out to Disrupt,” *HBR* May 8, 2020)

That’s not to say that companies aren’t (and shouldn’t be) fighting for market share, intellectual property and competitive advantage. But with the transparency afforded by the digital age, employees, customers and even investors may not have the stomach for corporate bloodlust, and companies are increasingly expected to play a role in solving the world’s complex problems. For example, the 2020 Edelman Trust Barometer reveals that 56% of those in developed markets believe capitalism in its current form is doing more harm than good. And yet, Edelman’s study also shows that business is now the most trusted institution, which is directly linked to a broader sense of organizational purpose—serving society *and* shareholders.

In the midst of a global crisis, private business is working in partnership and earning trust and good will. The United Nations’ Access to COVID-19 Tools Accelerator (ACT) effort is driving a collaborative initiative to develop diagnostics, treatments, and vaccines. The Technology Partnership and Dyson joined together to design a new ventilator in only ten days. Google and Apple are working together to develop a contact-tracing system. Companies worldwide are retooling to provide critical supplies and equipment. Private sector partners are joining forces to deploy urgently needed

resources and drive the development of treatments and vaccines.

PURPOSE DRIVES PROGRESS

Saving lives and communities from disease and economic collapse is a noble purpose, and both organizations and individuals worldwide are stepping up in unprecedented measure. “Purpose motivates people to go beyond, to release that discretionary energy that they might not put into their job if they were not engaged by purpose,” Hyman says. Even outside of a crisis, “It’s really about being willing to put in that extra energy, take that extra step to resolve a client’s issue or help a colleague to succeed, which only makes all of us better. That’s exactly the role that purpose plays in an engaged culture. It releases the energy we need to do even more than we thought possible.”

Rosenfeld looks at purpose as “the North star for where we’re going as a group of people.” For companies, she says, “That is a loftier purpose than just revenue and growth. In terms of how we develop leaders, that’s where you’re starting to see the change. The heart of a high-performing team is that we are focused on the same outcome and purpose – both the goal for today and the loftier one. And it helps us separate the signal from the noise. It helps us prioritize. It makes us more agile. We can be aligned; we can work on things in parallel and know it will all come together because we are all in service of this purpose.”

Shared purpose connects people in

critical ways. Hyman describes a personal experience from a few years ago. “I was at a business meeting when I started misspeaking. There were about eight people in the room, and two of my colleagues noticed that something was wrong. They called 9-1-1 when it would have been easy not to say anything or to minimize it. I was having a stroke, and they quite literally saved my life. That’s what purpose does. It can drive people to care about one another and apply their discretionary energy, in this case for my benefit.”

Will the crisis and the economic aftermath push companies and individuals to retreat into old, short-term and self-focused habits? Will skittish investors demand a return to profit above all else? Will record unemployment lead job seekers to be less interested in the values of a potential employer?

It may not come to that. *Financial Times* Investment Correspondent Attracta Mooney wrote, “The devastating impact of coronavirus has already shifted THE conversation between investors, the public and companies. In April, Legal & General Investment Management, the UK’s largest asset manager, urged companies to treat staff and suppliers well, warning that those who failed to do so would be held to account.” (*Financial Times*, “Coronavirus forces investor rethink on social issues.” April 30, 2020)

Chandran reflects on the role of purpose in the current crisis. “I think the main impact of COVID-19 on purposeful

leadership is it has served as an even more stark reminder that businesses operate in ecosystems. Not only are all stakeholders vital beyond just shareholders—customers, suppliers, employees—but certain participants in these ecosystems previously not considered as critical, including first responders, frontline workers, and teachers, in certain circumstances and situations like pandemics, can rise in prominence. So, we ignore these participants in our ecosystem at our peril and heighten the risk that the ecosystem may not be sustainable.” He adds, “It is impossible to predict what will come of idealistic concepts such as purpose in the midst of a global health and economic crisis.”

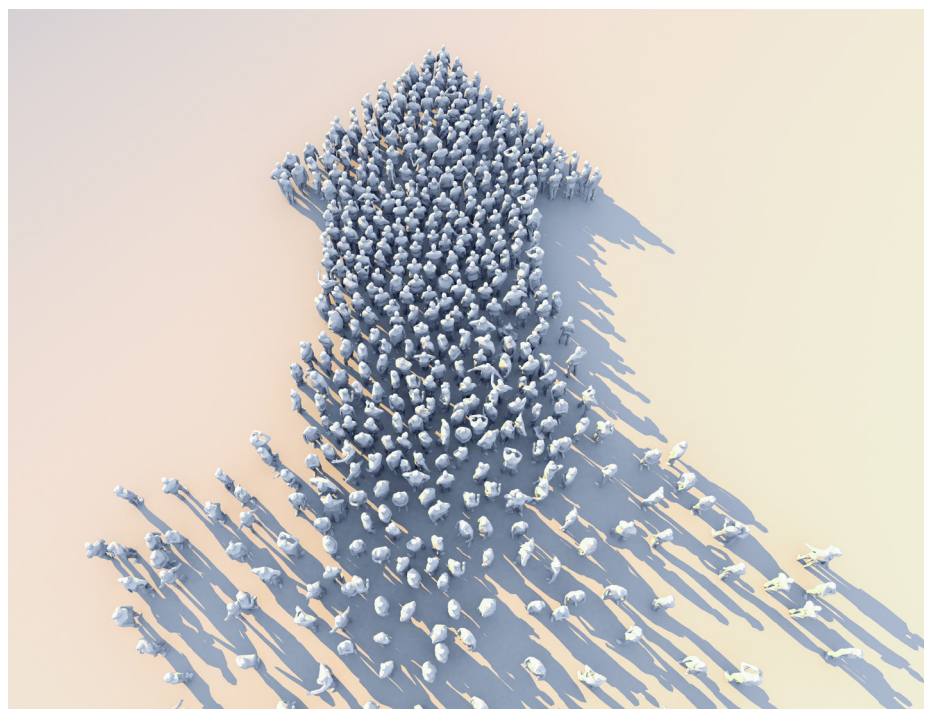
Rosenfeld adds, “The recent unrest and reactions to racial injustice raise important questions for corporations across the globe. Those that step up and take actions to improve diversity, equality and inclusion in the workplace and their communities, will no doubt see greater longer-term success and impact in their work. With this in mind we are already identifying steps both internally and in our work with clients and in communities in which we operate to address racial inequality and improve the way the world is led.”

Wongso asks, “While organizations are recovering from the bruise and shock of seeing how business went down and peers were retrenched, how will CEOs engage purposeful leadership to emerge stronger?”

Hyman is hopeful. “Sometimes out of chaos come great new beginnings.” ■

“Engagement comes down to how you recruit people, how you develop people, how you motivate them, how you manage and measure their performance over what horizons, and how you reward them.”

—Dharma Chandran, Partner,
Boyden Executive Search



TECH IN TROUBLED TIMES



Remote work in a COVID world

The spread of COVID-19 and the consequent office closures and stay-at-home orders created a new world of work, with little warning. Executives and office workers have transitioned from corner offices to couches; cubicles to kitchen tables.

What factors contributed to the successful transition, how can organizations sustain their cultures while social distancing, and where do we go from here?

Alwin Brunner, CIO at Heidrick Struggles; Kathleen Fitzpatrick, CIO at Russell Reynolds Associates; and Brandon Johnson, CIO at Korn Ferry offer some answers, as well as additional questions leaders should consider as we move toward a post-COVID world.

READY OR NOT!

A report published in late April by *Harvard Business Review* looked at different countries' state of readiness for remote work. Recognizing that moving to remote work requires adequate digital services, e-commerce, digital media and digital payment

options, the report finds that "this crisis casts a spotlight on the gaps overall and unevenness of digital access," and concludes an essential part of recovery "should involve the digital systems—the platforms, the digital payments, and the internet infrastructure—the lifelines during the period of socially distant work."

How did some AESC member organizations fare? "Heidrick & Struggles was able to move to a work from home scenario without too much friction," Alwin Brunner, CIO at Heidrick & Struggles says. "We had already made inroads early on with sophisticated tools for collaboration, video conferencing and direct messaging, file sharing in the cloud and so on. So, the move itself, the change itself, was fairly straight forward."

"As a firm, we were remarkably well positioned for the shift to a virtual workplace," Kathleen Fitzpatrick, CIO at Russell Reynolds says. "When we began to see the impact of COVID-19, we quickly mobilized to remote working and managed to continue to advise

our clients as they too coped with the new reality. Our people gathered their laptops and plugged in the next day. It was as simple as that. By early March, our entire US team was online at home. Within a week, 90% of our European colleagues were online at home as well."

Brandon Johnson is CIO at Korn Ferry. "We were well prepared for the massive and rapid shift to work from home at the technology level. We already had laptops for almost 98% of the company globally, and we had a strong set of collaboration tools including Zoom, Microsoft Teams, comprehensive end-user productivity tools, and a strong security wrapper around those."

Readiness at Heidrick & Struggles meant, "We didn't have to install software. We never had to call our network vendors and say we needed different bandwidth. We didn't have to install new hardware," Brunner says. "Most of the help desk calls were about, 'Hey, I don't have a headset, I don't have a monitor. Can you please help me?'"

What makes the transition seamless? It comes down to strategy.



Fitzpatrick recalls a conversation with a group of managing directors reacting to the firm's transition to remote work. "Their feedback was unanimously positive: 'It was great! We just picked up, we worked from home, and it was like a miracle!' My team and I are acutely aware that what appears a miracle is in fact a carefully executed technology strategy." Many companies worldwide were unprepared for their employees to work from home. Fitzpatrick describes, "The loss of productivity is extensive. Business continuity is more than the inability of teams to continue to deliver their work, it's the security and supply chain issues around set up and connectivity, among other things," she says.

WORKPLACES OF THE MOMENT

Now, in organizations that can accommodate remote work everyone knows the full range of WeChat features. Zoom is a household name. Blue light-blocking glasses are in fashion.

"I was chatting with a colleague of mine and we marveled at the resilience of our

teams. For years we've had the ability to go virtual including video conferencing, document access in the cloud and other capabilities," Fitzpatrick says. "It seemed so complicated for many of our employees to understand, to navigate and really to adopt them. And then suddenly when everyone works from home, poof, they figure it out!"

How broadly are AESC member firms relying on remote work? "Nearly a hundred percent I would expect," Johnson says. "We've seen searches completed from beginning to end virtually, where we have never physically met with anyone. The client has not physically met with us and all the processes, everything from scoping it, pitching it, to conducting assessments and the interviews, to presentation have all been done virtually."

How is it done? By leveraging available tools and adapting processes. Johnson describes the specific uses of various technology. For example, "Like many firms, we are using Zoom broadly, but we complement that with other platforms depending on need. Microsoft Teams, for example, is filling an important and critical role for us as an internal collaboration platform right now, and while some early security concerns about Zoom caused a few of our clients to avoid it, we have been able to flex to other platforms like WebEx and Adobe." He says, "It's important for us to have more than one tool in the tool belt."

In terms of assessment, "Our consultants now run leadership assessments on video all day long," Fitzpatrick says. "In the past they would travel to meet face-to-face. People are doing it out of necessity, but through that necessity people are becoming more and more comfortable having those kinds of interactions electronically."

Johnson says, "Korn Ferry has deep digital assessment capabilities leveraging a science-based approach, and that technology continues to evolve. I don't think the COVID-19 pandemic has really changed that for us. In other parts of the business, however, we are exploring new tools for delivery and engaging with our clients. An example is the use of Mural, a solution that allows for richer, more complex collaboration with our clients in a multi-person setting."

Connecting with clients is essential in a relationship-based profession. For Brunner, the technology "allows us to present data to search clients through our digital portal.

We can work remotely with clients and still present depth in not just the progress of a search, but also drill down into the candidate information that we discuss with our clients."

Teams are using both video conferencing and cloud-based, shared document tools to solve the challenge of real-time collaboration. Johnson says, "It was interesting to see the innovative use of existing tools. For example, the use of Zoom with a PowerPoint web document, where you could have multiple people collaborating in the same document at the same time in real time. While not perfect, it was a creative workaround for not having a bespoke solution."

CONNECTION AND CULTURE

People are also getting creative in how they stay connected to their colleagues and clients, and how they maintain their organizations' cultures.

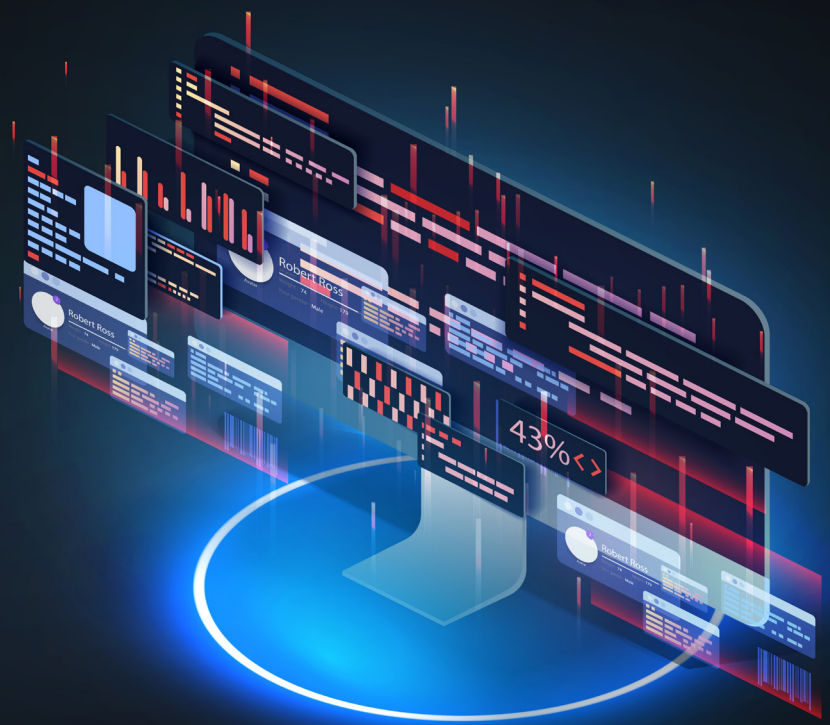
"Everybody in the firm globally recognized that we had to intensify staying in touch to help maintain our strong culture." Brunner describes seeing leaders engaged through virtual collaboration tools, "making sure that everybody is engaged at a personal level, in addition to the professional level." He says, "That in itself is very helpful, and it continues as we speak. Because we don't know exactly what longer-term reentry looks like, so we're focused on the engagement as well as getting the work done."

It isn't easy to do, as Fitzpatrick observes. "Although we're all working from home and I'm still connecting with people on video, it's not quite the same as chatting with a colleague over a cup of coffee. We will no doubt see long-term impact on our culture as a result. Having said that, I will say at our firm, and more importantly, our people are working hard to stay connected."

For example, in Brunner's IT group, "Every week, Friday, mid-morning, we have half an hour of social time. We don't talk about work. We talk about what everyone is doing, what's going on with the family, and there are people connecting from all parts of the world." Are people showing up for these online events? "Absolutely," he says. "What has been great from a cultural perspective is that we do see high levels of attendance, typically more than 85%."

“We’ve seen searches completed from beginning to end virtually, where we have never physically met with anyone. The client has not physically met with us and all the processes, everything from scoping it, pitching it, to conducting assessments and the interviews, to presentation have all been done virtually.”

—Brandon Johnson, CIO, Korn Ferry



How can organizations sustain culture remotely? “It takes leadership at all levels and a strong set of commonly held values that are actively reinforced to ensure your culture isn’t eroded,” Johnson says. “It is also possible that some may not want to change or adapt, and you may lose talent or need to make talent choices based on their ability to thrive in this new environment.”

THE THINGS WE’VE LEARNED (SO FAR)

In the midst of a crisis our weaknesses are laid bare, our values are tested and our skills are honed. What are some of the lessons the crisis has taught us?

1. PROFICIENCY IS NO LONGER OPTIONAL.

“There is an expectation of fluency and competency with technology and tools that might not have been there before; you had alternatives before that you no longer have,” Johnson says. “You have no choice but to use these tools, and use them well, to be effective. Although there’s been a steep learning curve for some of our colleagues, it has been short and on the whole, they have adapted very well.”

2. MENTAL HEALTH MATTERS.

Brunner says, “Our leadership actively communicates that safety and our mental health are both very important to the firm.” For Fitzpatrick, “Remote work does stretch people mentally, especially those who are trying to homeschool their young children and continue their work.” She says, “In recognition of this hardship we offered people an opportunity to take voluntary time off, if they felt like it was all too much. We are a people business and the welfare of our employees is of paramount importance.”

3. TRUST YOUR TEAMS.

At a time when workers are largely unsupervised, Brunner says, “We are as productive as we were in the offices.” He acknowledges “there is an impact due to COVID, but people are working and they are conducting business remotely using the firm’s systems.” Johnson adds, “I would say for the most part, individual productivity has been as high or higher than it was prior to the pandemic.”

4. PAY ATTENTION TO RETENTION.

According to a first quarter 2020 Gartner survey of more than 5,000 employees, “48% of fully remote employees exhibit high discretionary effort, versus 35% of

employees who never work remotely. The same survey revealed that the percentage of employees exhibiting high intent to stay with their current employer is 13 percentage points higher among those who never work remotely.” (Gartner Newsroom, April 14, 2020)

5. STEP UP SECURITY.

“In any crisis, bad actors are looking to take advantage of people’s vulnerabilities,” Fitzpatrick says. “We do see phishing attempts, people trying to penetrate our environment, much more than usual. Fortunately, as part of the mobile strategy, we have a robust security program that is looking for changes in the threat landscape and adapting. We do see a lot more activity out there than we had seen in the past. And that’s a way of life now.”

6. FOCUS ON FAIRNESS.

Not everyone has adequate space or the same tolerance for remote work, and organizations can help address employees’ specific situations. According to a McKinsey report, “Working from home doesn’t work well for everyone. In certain cases, it’s creating and exposing new divides: divides in types of living setups, divides in the ways people and organizations get work done, and divides in our individual needs

for social interaction. ("Bridging the New Divides" *McKinsey & Company*, May 19, 2020)

7. SECURE YOUR CULTURE.

"The level of connection and engagement of colleagues and employees is definitely under pressure," Brunner says. "We can connect virtually, but that requires a different approach; ad hoc and spontaneous connections, when you're remote, are not as easy to make happen."

Brunner adds, "We value relationships in our firm, both externally and internally. It's in our DNA. It's interesting to see how, in a positive way, we're using digital tools to maintain relationships and communication. For example, our CEO regularly sends global video messages. You see other leaders throughout the firm doing that more frequently as well, helping to further create that sense of belonging that people long for in a period when we're kind of isolated."

For Johnson, "The potential for negative impact on culture may come in the longer-term as people potentially become disconnected. It's tougher to be spontaneous in a virtual environment, for example. You can't just swing by to see someone, and you don't have the random fortuitous collisions that you have

in a physical environment. We need to be deliberate if we want to ensure we keep coherent teams and relationships."

THE WAY WE WERE?

Organizational leaders worldwide are asking if we'll ever go back to the way things were. BBC reports, "Zhang Xiaomeng, associate professor of organisational behaviour at the Cheung Kong Graduate School of Business in Beijing, points out that many companies have invested in online office platforms and related training during this period, which will make them more likely to use such features in the future. Attitudes are changing too, she says. "I think this 'autocratic' management approach is getting less popular, and more managers are caring more about employees' needs. (Lu-Hai Liang, "How COVID-19 led to a nationwide work-from-home experiment," *BBC* 8 March 2020)

For Brunner, "First, I think there will be a lasting impact psychologically with people who may not feel comfortable in larger groups of people. Second, the proof points and effectiveness around working from home suggest that corporate policies are probably going to be trending towards more opportunities to work from home because we've figured out as a society how to do it. Third, I think related to

the other two, office setups, premises, configurations will likely change. Think: do I still have my own office, or do I just reserve a spot when I come in? So, the real estate footprints will probably change."

Johnson can imagine a hybrid situation in the next 12 months. "Without a vaccine, I don't believe people are going to be rushing back into offices. Given that and the potential timeline for a vaccine, you're going to have some significant portion of your workforce working from home and likely need to be prepared to accommodate that for the next year to year and a half."

"That's when collaboration could feel odd," he suggests. "It's one thing when everybody's working remote or everybody's in the office, but if you have half and half it can be a little challenging. Say you've got five people in a large conference room all spaced appropriately and you have five people working remotely. Does everybody in the conference room log in individually on a laptop so you can see each other? It's small, but I think there will be some small challenges that will have to be sorted out."

Culturally is this sustainable? For Brunner, "The proof is in the pudding. The fact that as a firm we didn't miss a beat on execution with the whole transition to





"The proof points and effectiveness around working from home suggest that corporate policies are probably going to be trending towards more opportunities to work from home because we've figured out as a society how to do it."

—Alwin Brunner, CIO, Heidrick Struggles

work from home means we have a very strong culture. I think we've seen that in a variety of ways. We've also seen our leadership really embrace opportunities to keep people connected and engaged, recognizing their personal situations. And that all manifested itself in an active and proactive maintenance of connectivity."

Working from home is serious business. And it forces us to lighten up. Fitzpatrick describes a recent meeting. "One of my colleagues in London—a consummate, professional—was recently caught off-guard. He was doing his part of the presentation perfectly as he always does, and then all of a sudden you see this tiny hand come out and pat him on the arm while he's trying to tell his part of the story. It was hilarious!"

She says, "Often enough, while I'm chatting with a colleague or in a meeting, a small person waves to us, or a dog climbs in a lap. We are becoming a large family and a tight-knit RRA community—though we are all struggling with a variety of changes to our home lives and our work lives—we are coming through it together."

IMAGINING THE FUTURE

Laurel Farrer, CEO of Distribute Consulting and Founder of the Remote

Work Association, is quoted in Buffer's "2020 State of Remote Work" report. She said, "When we eliminate commutes and empower professionals to choose their workplaces, the entire world is impacted. Carbon emissions and energy usage are dramatically reduced, transportation infrastructures are less congested and last longer, family dynamics and mental health are stronger, teams are more diverse and inclusive, the urban-rural divide shrinks, consumer debt decreases, and the list goes on. Virtual jobs aren't just changing the future of work, they're changing the future of our global society." (*lp.buffer.com*, accessed June 2, 2020)

So what's next? For Fitzpatrick, "It's important for us, as leaders in technology, to try to imagine the future. For instance, some time ago, I convinced the leadership team to invest in laptops for the entire employee base. They supported me at that time when few executive assistants and few researchers were working from home. We never imagined a pandemic would result, but we could envision a future where people would need to have flexibility in their work. It's up to us to imagine the possible future and bring our senior leaders along the journey so we can all invest in that future."

We must anticipate human needs, as well. Brunner says, "We are now actively exercising empathy, which is to be more compassionate with people who have a harder time either working in the office or from home, because those things have been spoken out loud, now. I think that the social aspects and the psychological aspects of virtual work and remote work will be more actively looked after, going forward."

All organizations have an opportunity to learn from the experience afforded by COVID-19. "The overarching lesson is that in a crisis, you're initially going to use the technology you have, not the technology you wish you had," Johnson says. "Building an organization that is designed to be resilient under a wide range of circumstances serves you well for any type of crisis. That means ensuring you have enterprise-grade tools and solid disaster recovery and business continuity plans. Ensuring everyone knows their responsibilities and having an established communications plan allows you to successfully execute when you do have a crisis. This applies at every level; locally, regionally, or globally."

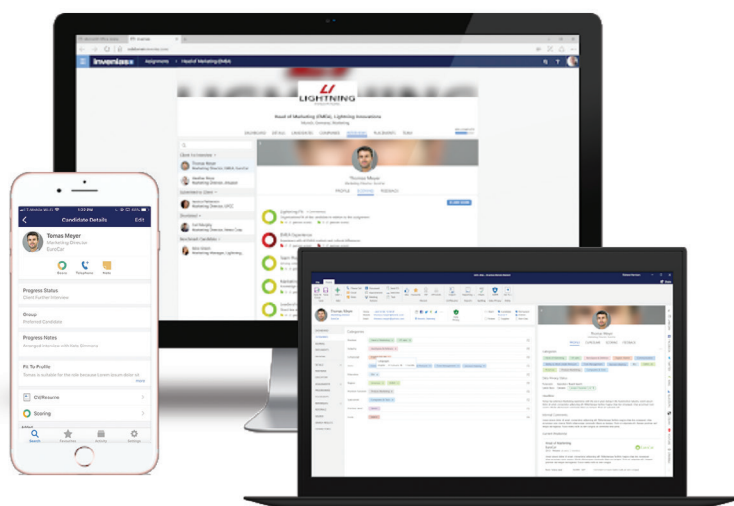
"Prepare in advance, then adapt, improvise and overcome," he says. ■



The Leading Executive Search Solution to Drive Productivity and Results

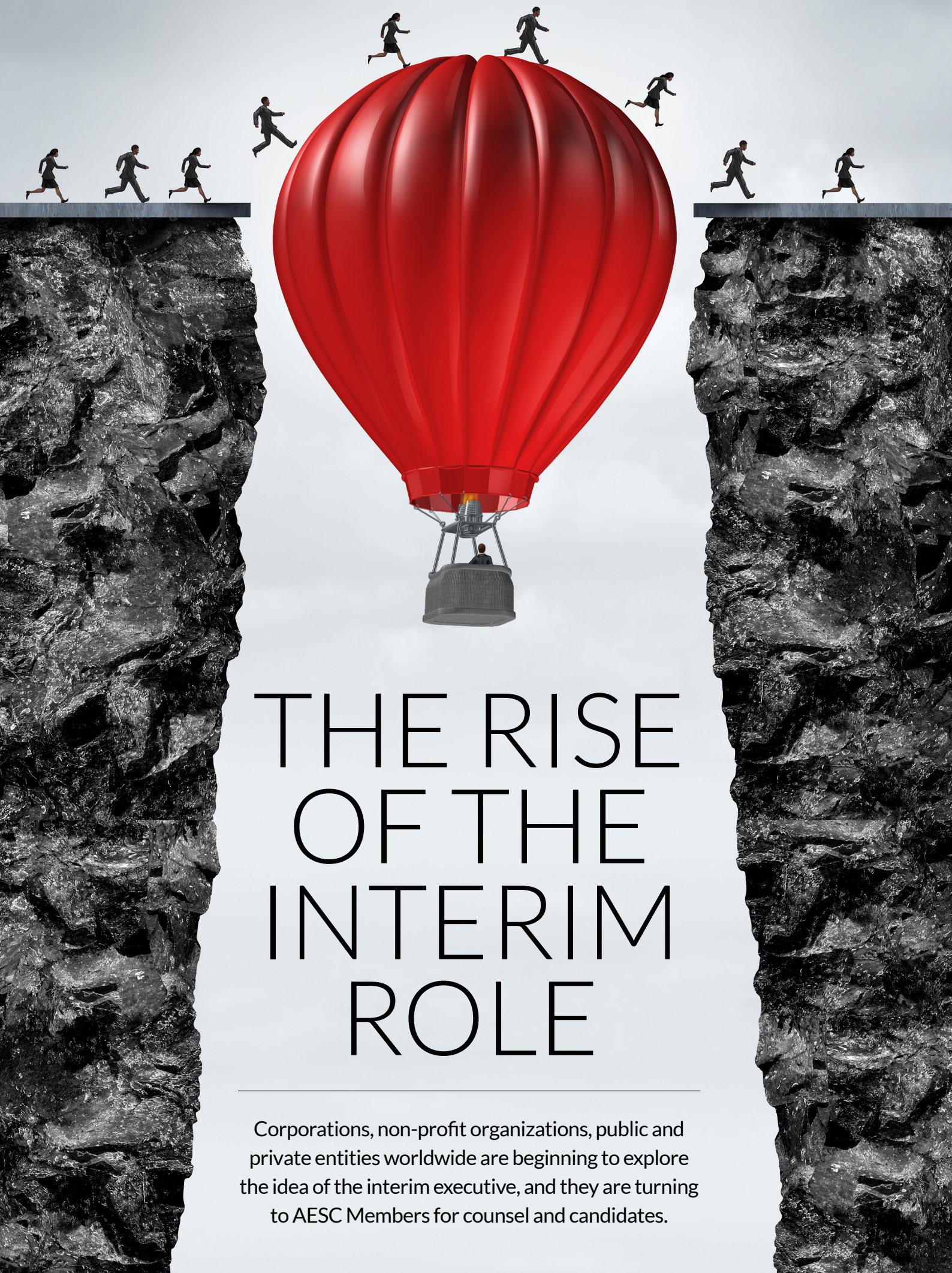
Invenias is the leading platform trusted by thousands of professionals responsible for executive search and strategy hiring across the globe

- ✓ ***Develop & leverage deep talent insight***
- ✓ ***Optimise the delivery of hiring engagements***
- ✓ ***Digitally collaborate with clients & candidates***
- ✓ ***Drive adoption with easy to use applications***
- ✓ ***Assist with global data privacy regulations***



www.invenias.com
Email: **invenias@bullhorn.com**

A proud partner of the
AESC



THE RISE OF THE INTERIM ROLE

Corporations, non-profit organizations, public and private entities worldwide are beginning to explore the idea of the interim executive, and they are turning to AESC Members for counsel and candidates.

WHAT'S TRENDING?

Executive search and leadership consulting firms register growing interest in interim executive leadership from their clients and from candidates. Susan O'Hare, based in Chattanooga, Tennessee, is National Practice Leader at Gallagher Executive Search and Leadership Advisors, a US-based firm where she focuses on the healthcare sector. "We have already placed more interims in 2020 through the 1st of May than we did in all of 2019. So anecdotally, absolutely we see growth in the interim role. I participated in an AESC Boutique and Independent Firm Forum about a month ago, and there was interest among more firms in offering interim services because they have clients who are asking about it."

Research by executive search firm Ccentric Group confirms growing candidate interest. Sydney-based Managing Director Wayne Bruce says, "We're seeing increasing interest in interim roles from candidates, pre-COVID; it happened naturally. When we did a recent survey, we found a significant percentage of respondents did interim because that was their choice—they would always choose interim over a permanent role. Others would still consider a permanent role or would accept a permanent position that came from an interim role."

THE INTERIM AS A SOLUTION

Why are interim executives brought into an organization? Sam Burt, Global Head of Executive Interim at Leathwaite and based in London, identifies the main reasons. "It varies considerably. One of the most frequent requests we receive at Leathwaite is to provide a senior, experienced, immediately-available individual whilst we are engaged with a retained search for the role to eliminate any form of business disruption. Another regular request is when a company is going through considerable change and they require the experience of an Managing Director-level executive who has executed this type of transformation before. On a similar basis, new legislation or regulatory requirements stimulate a number of our client requests. Succession planning and even mentoring are other requests, and of course gap cover is an essential part of our solution."

Burt also identifies roles that by their nature are not permanent. "You could have the scenario whereby there's a shelf life

associated to the role. Consider mergers and acquisitions. Firms may need to conduct a major technology transformation to merge the two firms' systems together; this is a prime example where they can take the opportunity to engage a senior and experienced hire, on a non-permanent basis, who has done this job before and has a track record of delivery. They will frequently come on board for a year to 18 months and seamlessly bring these two firms together."

An organization may want to test-drive an idea before fully committing. For example, Burt says, "Executive Interims can be an ideal solution where firms are experimenting with different structures and roles. It could be they are looking to digitize their business and require a 'chief digital officer' type role, or around data with a 'chief data officer,' but they are not fully sure on the remit or positioning of said role. It could be anything where it's a concept the firm hasn't necessarily looked at in-depth before."

Any kind of sustained upset is a signal that an organization really should consider an interim executive, according to Jim Zaniello, President and Founder of Washington, DC-based, association and non-profit-focused executive search firm Vetted Solutions. "If there's a lot of turmoil in the organization, putting an outside interim in place makes a lot of sense because they can have some of the hard conversations inside the organization. And if there's a big culture change needed, for example brought on by a traumatic event, it may be wise to have an interim CEO start that process and then hand it over to a newly recruited CEO."

For O'Hare, "Anytime someone leaves an organization, a hiring leader is wise to look at the position, look at the gap that the person left, whatever that was, and decide, what do we need, going forward? If we've had a maintainer, do we need a disruptor? If we've had a disruptor, do we need somebody who's going to come in and nurture the staff? An interim executive gives organizational leadership an opportunity to figure that out before they make a permanent hire mistake that isn't in the best interest of the organization."

Zaniello agrees. "Anytime you have a leadership opening, everybody wants to get right to recruiting the next executive, and that's not always the right answer." Thinking of a client, he says, "Every time a new spot opens up the CEO intentionally puts an interim in place for a period of six months

"The view of the interim role was once just about filling in a line role until the permanent person was hired, or helping clients cover a business-critical gap in their infrastructure. Now, it is very much about enabling transformation."

Tom Forrest,
Managing Director,
SH Consulting,
Sheffield Haworth



ADVICE FROM A CAREER INTERIM CEO

Mike Lorelli, CEO, Interim CEO and Independent Director, Accent Food Service

- You won't be bored from the night before you start. And it's pretty neat to find yourself at the bottom of a (new company) learning curve.
- You are, in effect, an Independent Entrepreneur.
- The compensation can be excellent. They're reaching out to you because they haven't figured it out. And that commands a premium price. Don't be shy. Once you state your price you can never raise it. If they balk, you can always counter with a performance bonus for results.
- The risk for you is that there will be people in the organization who feel threatened and will actually want to see you fail. Be sure to negotiate a 90-Day Notice period. You're taking on a greater risk than they are.

to keep the work of the department going, and also to help the CEO think through what, if anything, they should do differently; somebody to keep the work going, but who doesn't have strong ownership on what we should do going forward; part of whose job is to advise us on what the right future is for this role, this team and where it fits into the organization."

Bruce sees how interims are effectively leveraged by his clients, as well. He says, "We often see among health services clients, rather than hire someone, the board might bring in an experienced CEO and do a diagnostic, do the ground-work for a new plant, or lead some change management that might be required before they hire the permanent person."

An interim executive could also provide a level of experience and expertise beyond the organization's FTE budget. Managing Director of Fisher Leadership and based in Melbourne, Michelle Loader specializes in the professional services sector in Australia. "Imagine bringing in an experienced CEO who has run 5, 6, 7 companies and you're bringing them in as a strategist. Their ability to communicate, to cut through, to understand systems and integration, and remove the noise, makes their ability and speed to impact much greater. In the ideal interim, you get someone one skill set above what you would likely attract in a permanent role."

"You can bring heavy-hitting, amazing, best-of-breed people in their field to the table for a short period of time that you could never afford to have in a permanent capacity," she adds.

There is value in an advisor with first-hand experience. Burt says, "There are times when clients are seeking advice or even a small team of people to deliver a key program of work, but they do not possess the budget to engage one of the large consulting firms. They need practitioners, individuals who 'have the scars' and experience to make an immediate impact. They want people who can roll their sleeves up and focus on delivery."

Someone who understands it is New York-based Mike Lorelli, a career CEO/interim CEO with over 35 years in leadership roles at Fortune 50 consumer, B2B and private equity-backed companies. His advice to organizations hiring an interim: "The biggest mistake is to try to hire on the cheap, or even be as frivolous as to

"We have already placed more interims in 2020 through the 1st of May than we did in all of 2019. So anecdotally, absolutely we see growth in the interim role."

—Susan O'Hare,
National Practice Leader,
Gallagher Executive Search and
Leadership Advisors

interview three or four people and go for the lowest cost person." To illustrate, Lorelli says, "Think about Lasik surgery. The doctor who runs a TV ad saying it's \$599 an eyeball is probably the last person I want to go to." Lorelli recalls a time he was being asked to step in for an unsuccessful CEO. "One board member asked me what my fee was, and when I told him, he said, 'that's more than the present CEO is making!' I said, well, I guess you got what you paid for."

THE PROFILE OF AN INTERIM EXECUTIVE

What is an ideal profile of an interim executive—what type of background and experience and personality-type makes for the most successful and satisfied interim?

While every assignment is unique, the typical interim executive has to be nimble.

According to Bruce, "A lot of people who are interim executives like change projects. They like going in and turning the organization around, and once it's in good shape they get bored." He adds, "With any executive role there's a technical skill component, but the thing that makes them effective is EQ, relationships with stakeholders. Usually, executives will say the hardest things to manage are performance. For executives who have those long-term relationships, they find managing the performance of people with whom they have those relationships difficult, whereas the interim person can come in with a more objective viewpoint."

For Zaniello, "I think the ideal profile of an interim exec is someone who is first and foremost a very positive yet also a patient leader, and someone who also has strong management experience. In change or transformations, which many of these situations are, the interim needs an



ability to be flexible, to be patient, to be diplomatic. A lot of soft skills are critically important in an interim role, and then complete transparency is an absolute must, sharing openly with the board and the staff about what the interim is experiencing, how they're progressing on the goals that were agreed upon at the start of the engagement."

For O'Hare, experience is key. "Most interims, you will find, have a little gray hair. In order to walk into an unknown situation and quickly make yourself useful, you have to have had some experience. That's the first thing. You have to have confidence and be comfortable in your own skin. And you have to be flexible enough to walk into different situations with enough political savvy to read the situation and size the situation up quickly. The other thing is the ability to lead through change, which I think is vital right now."

O'Hare cautions, "Another characteristic that interims need to have is a level of humility. I think that allows you to go in and handle a situation, inform your boss, maybe even fix some problems without having to have the credit given back to you, because you're not a permanent part of the organization."

She adds, "I've seen two interims fail because they suddenly started to take ownership for things, and it's not theirs to own. It's theirs to rent."

"It definitely is not boring, doing what I do for a living," Lorelli says. "It may take 20 years off your life, but it's definitely not boring. Last week I was in Austin Sunday and Monday; Tuesday I was in Phoenix, Wednesday I was in San Antonio, Thursday I was in Dallas, Friday I was back in Connecticut. You've got to be committed to a 24/7 life out of a suitcase, or you're not cut for this."

And for candidates considering an interim executive career, Zaniello sees great opportunities for professional growth. "I think the benefit is that the interim executive gets to have a very solid impact on an organization, leaving it stronger than they found it, and having an impact on the customers, the members, or the staff in what should be a very positive way."

Loader adds, "Often, we see people doing one gig executive role and they are hooked! They just roll from one project to another. It is terrific work, and it's a really agile way to contribute your lifetime of skills and experience."

Interim executives are serious, as well. "An interim's legacy and reputation are so important to them," Burt says. "Many run their own limited companies and are their own brand. Therefore it's imperative that they protect that brand and constantly find ways to elevate that brand, because their next role is likely to come off the back

"Often, we see people doing one gig executive role and they are hooked! They just roll from one project to another. It is terrific work, and it's a really agile way to contribute your lifetime of skills and experience."

—Michelle Loader, Managing Director,
Fisher Leadership

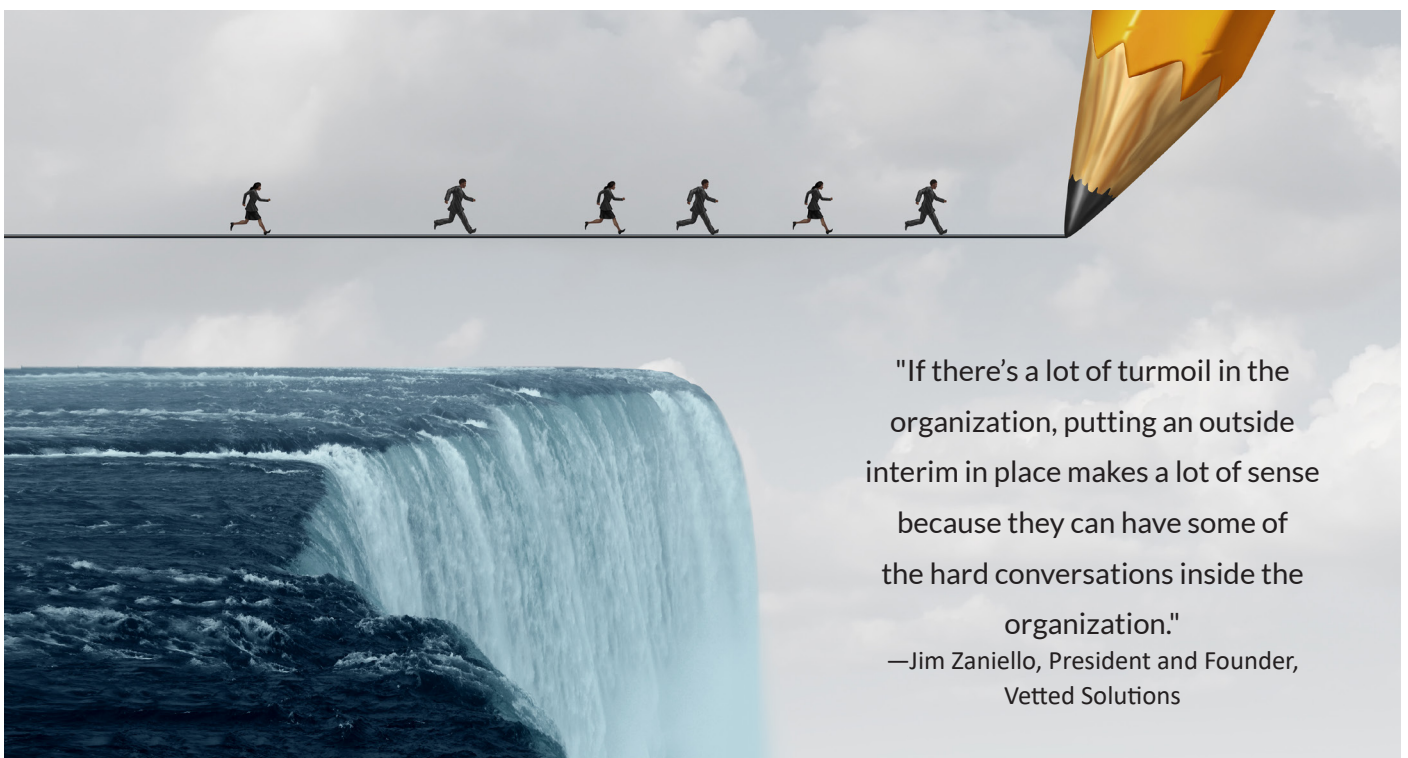
of their previous good work that they've done."

AN ENVIRONMENT FOR INTERIM

"As a consequence of the global financial crisis, you had organizations that had a lot of management issues; the cracks were there, but they didn't recognize them. There is a parallel, today. Management teams are recognizing that some of the hierarchy do not have the necessary skills for the moment."

Grant Speed, Interim Practice
Managing Director, Odgers Berndtson

In the current health and economic environment created by the COVID-19



"If there's a lot of turmoil in the organization, putting an outside interim in place makes a lot of sense because they can have some of the hard conversations inside the organization."

—Jim Zaniello, President and Founder,
Vetted Solutions



outbreak, some organizations look to interims to prepare for worst-case scenarios. Loader explains, "In the context of COVID, we are working with a number of clients during this period who, particularly early on, worried, 'if my chief medical officer goes down, our business risks would be unacceptable. So, I need to know that you have a standby ready.' People will look at their talent risk matrix and say, I've got key dependence on these priority individuals, i.e. if they were out of the business for a week, we would be in trouble."

"What COVID has done is shone a light on every vulnerability in every system, process and individual," Loader says. "And what do I mean when I say that? Anything that was a hairline crack, as soon as COVID happened, became a crevice. It highlighted where leadership, processes and systems are lacking, and I don't know if there will be a business in the world that won't undergo some type of transformation as a result of this environmental shift. Therefore, short term decisions need to allow people and organizations to stay a lot more agile. What the interim executive does is give companies access to immediately

deployable talent that they need for now in a really outcome-focused way."

O'Hare recognizes that employers are sensitive to the possible impression made by hiring a senior executive at a time when others are losing their jobs. "What's trending right now seems to be that as organizations are looking at their total workforce and unfortunately having to lay off or furlough employees. They may have a need at the executive level, but the optics of bringing somebody in full time are just not good right now. Plus, they get a chance to have somebody potentially come in and maybe do something that would be disruptive that someone else on a full time basis would not be able to live past in the organization."

"COVID-19 has scared the daylights out of many people in many ways," Lorelli says. "One consequence is a reluctance to make serious, big-bucks hires. It's a lot easier for them to fill the vacancy on a less-than-permanent commitment, while the world finds its 'New Normal,'" he says.

"Probably 90% of companies are negatively affected by this COVID situation," Lorelli cites his current company

"Executive Interims can be an ideal solution where firms are experimenting with different structures and roles."

—Sam Burt, Global Head of Executive Interim, Leathwaite

as an example. "We are a very large food service company. We operate in 11 States, and we've got 700 employees. Our business is running cafeterias, break rooms, micro markets, or vending machines for businesses where there are 50 to 5,000 employees. With COVID-19 there's been a shift to work from home, which means those people aren't going to the offices anymore, so they're not using the cafeteria. In this environment, I've got my belt in real tight, I'm watching every nickel that goes out the door. I've got two openings that we are not filling right now, and I'm using interim people. So COVID-19 has a major impact."

Between recessionary budget constraints, the PR risk of a high-dollar hire, and the leadership weaknesses revealed during the COVID crisis, now may be a key time for organizations to look at interim executives. The search and leadership consulting profession is uniquely positioned to help discern the precise skills an organization needs to deploy, and connect with the executives who have them.

INTERIM EXECUTIVES AND THE SEARCH PROFESSION

Executive search consultants spend their careers understanding their markets and building deep networks that they can leverage for clients looking for interim as well as permanent executive talent. O'Hare says, "For a client who's considering an interim, that consultant with a network is priceless, because the client doesn't necessarily have those relationships."

Loader explains, "We probably agitated for a move toward interim executive placements when we saw how big the supply of people willing to work flexibly was. We started to educate the market that they could access talent and skills on

demand in a different way. And so for us, it then became solution building.”

When Leathwaite was building the marketing for their interim business, Burt says, “we asked ourselves ‘why do we think the industry might be needed?’ The answer is that market disruption requires pragmatic solutions. That market disruption could be a pandemic, it could be Brexit. It could be that unfortunately your head of technology has unexpectedly left the business. Depending on the location this individual could be on as little as a two-week notice, and at times there is no succession in place so the business requires options while they address the longer term situation. This is where Executive Interim is ideally positioned to support.”

For a search firm getting into the interim business, O’Hare offers some pointers. “First of all, stick with the industry you know best, where you have a wide network, because it’s just going to make it easier for you to find people.”

Second, she says, “Determine your business model. Is the interim going to be an employee that you pay every month, and you bill a client for that pass-through revenue, or the client pays a flat fee for the placement of the interim?” She says, “Some of the big firms that do this as a substantial part of their business have interims that actually work for them. They have interims on a retainer and they place the same person with multiple clients over time. We have a different pricing model; the actual interim executive we place is a 1099

employee of the client organization, they don’t work for us.”

Though retained executive search consultants work for the hiring organization, they serve a purpose for candidates, as well. Bruce explains, “When going into interim, we found 70% of candidates surveyed preferred to go through a search process rather than the employer. If I had to hazard a guess it’s our role of being the honest broker. In an effective process the candidate and employer engage authentically and honestly, but sometimes candidates aren’t clear about what they really want. As consultants we can act as that buffer and mediate. We know what the issues are, we can counsel clients and candidates accordingly, draw on our experience and help them reflect on things they hadn’t thought about.”

The rise of the interim role is good news for search firms, client organizations, and the executives themselves. “What we do is very high-touch,” Bruce says, with equally high consequences. “When you place an executive in a health system, that has a massive impact. Whether it’s an interim CEO or clinical leadership role, those people have direct impact on quality of care and patient safety. We want it to be the best outcome every time, because it could impact a life if you get it wrong.”

“It’s not just transactional,” he says.

According to Zaniello, there’s a lot of room in the market for executive search firms interested in interim. “I think it’s still in its infancy, meaning that, as executive recruiters think about how to either grow

"We found a significant percentage of [candidates] did interim because that was their choice—they would always choose interim over a permanent role."

—Wayne Bruce, Managing Director,
Ccentric Group

their business or to provide increased value for their clients, there is a real opportunity here. I think there is a real need in all sectors. Interim is not the right business unit for everybody, but for those who really see a way that it fits into their business and their business practice, it can really increase the value to and the connection between the firm and its client.”

For Burt, “It’s about your ability to truly source the best talent—not just the person who came to mind first or who you have worked with before. It’s about having that ability to map a market quickly to ensure you are always unearthing new talent. This is done through a rigorous process, through our extensive network and using our market knowledge. We also want to give the candidate everything they need so they’re ready and excited to take the role.”

And about that talent, Burt says, “I genuinely believe that the talent within executive interim right now is the best it’s ever been.” ■

AN ADDENDUM: COMING RESEARCH ON THE INTERIM EXECUTIVE

Dr. Sharon Moss, based in Washington DC, is President and Chief Research Officer for the ASAE Research Foundation, which is conducting research on the subject of interim executives in association management. “The genesis of this research is our conversations with external audiences, including consultants with Vetted Solutions and The Ancora Group, about executive transitions and leadership needs, and how some of those needs are being filled through an interim role.”

She says, “We know interim leadership does occur in the corporate environment

and in some religious and spiritual circles. The larger question was, are similar models for interim executive leadership applied in association management, and what are the levels of preparation for the individual who ultimately becomes an interim?”

Moss stresses, “We’re not probing in a vacuum.” While focusing on the perspective of the interim CEO, “we recognize that to get a full, comprehensive picture of the interim role, we have to go beyond interviews with that individual. And so this research includes not only the

interim, but also a board member who was involved in identifying that interim and the executive transition strategy; senior staff, leaders who work closely with the interim, and are involved in making decisions about executive transitions; and the permanent successor CEO.”

Using qualitative and quantitative methods the ASAE research will include case studies and survey data. The research is US-based including organizations with a global component, and is expected to be completed in Summer 2020.

■

TAPPING CHINA'S TALENT MARKET



“Since China began to open up and reform its economy in 1978, GDP growth has averaged almost 10 percent a year, and more than 850 million people have been lifted out of poverty.”

(*The World Bank “China Overview,”*
accessed July 13, 2020)

Try to fathom 3600 years of written history. From the invention of paper and the compass to the mechanical clock and row crop farming, China’s contributions to civilization are immeasurable. In modern times, “China accounted for 28% of all growth worldwide in the five years from 2013 to 2018, more than twice the share of the United States, according to the International Monetary Fund.” (John Kemp, *Reuters*, November 5, 2019)

China’s economic growth is less rosy in the context of COVID-19. The OECD estimates that GDP in China will fall by

around 3.7% in 2020 before rebounding in 2021. (OECD China Economic Snapshot, June 2020) However, the sheer size and determination of China as a country and an economy means its influence and importance are undiminished.

Consider the scale. China is the fourth largest country in the world by landmass. And a population of 1.4 billion people is hard to envision, so Executive Chair at Global Sage, Louisa Wong, provides some clarity. “The biggest city in China would be Chongqing, which has 30 to 40 million people. Chengdu has 15 million, Beijing has 15 million, Shanghai has probably

15 million. So, you can see that in some cases, each city is already almost like a country; each province is definitely like a country.” And many of those country-sized populations have their own languages, with more than 300 dialects spoken in China.

Exploring the executive search and talent market in the world’s most populous nation is a bold undertaking, especially at a time when the only business constant is change. And even in the context of a global pandemic, China is on fast-forward.

Wong provides the backdrop to China’s growth. “Thirty years ago, when China started to come out of poverty, come out



of a very rigid time in its history called the Cultural Revolution, the coastal region developed so that China could trade with the world. It started with manufacturing because of the low cost of abundant labor. As China developed in the last 30 years, manufacturing moved to the interior, infrastructure became world-class with highways, the railroads, the airports. This helped China go from being the factory of the world to becoming, today, the consumer of the world.”

Industry sectors in China are loosely associated with geography. For example, the government sector is significant

in Beijing, with massive state-owned enterprises. Michael Distefano is President, Asia Pacific at Korn Ferry. “Anybody who’s in construction, large scale technology, healthcare, anything that has to feed into government, chances are they’ve got a major presence in the North, in Beijing,” Distefano says. “To the Northeast they’re building a brand-new technology hub to rival a Silicon Valley. In the center of China, the Hubei province and the Hunan province, those tend to be huge industrial centers. A lot of manufacturing and heavy equipment companies are headquartered there. Shanghai tends to be the financial center, an incredibly multinational, international community.”

As China continues to develop there is not just one hub for finance, one hub for manufacturing, one hub for tech. “Think about the United States today. Is there one place that does manufacturing now? They build cars in Detroit, but they also build cars in the South,” Distefano adds. “I think that’s what’s happening in China.”

Distefano reflects on the sophistication of up and coming cities in China. “People generally think of The Bund in Shanghai, on the river, all the new buildings and that skyline, which is pretty magnificent. But there are ‘little’ towns like Shenzhen that only have 15 million people in them, that are just so technologically advanced and up and coming, between the middle class and everything else. The story I always tell about Shenzhen is all of the skyscrapers are new, within the last 10, 15 years, and they’re all on the same LED system. At night, as the sun goes down, the lights are all synced amongst the skyscrapers. I remember the first time I saw it—this elephant, maybe 40 stories high, starts walking at the end of the road, up by the park. And it started to walk uptown and then a little elephant runs behind it, and then there’s this line of pachyderms. They walked down the street and then after a minute, the whole thing turned into an aquarium. It’s just so advanced and it’s so sophisticated, it’s mind-blowing,” he says.

THE EVOLUTION OF RETAINED EXECUTIVE SEARCH IN CHINA

China’s impressive growth and sophistication is also represented in how organizations find and attract top talent. “You are actually talking to the very first

“As China developed in the last 30 years, manufacturing moved to the interior, infrastructure became world-class with highways, the railroads, the airports. This helped China go from being the factory of the world to becoming, today, the consumer of the world.”

—Louisa Wong,
Executive Chair at Global Sage

headhunter ever in China!” Wong laughs. She is the first person to introduce China to retained executive search, or headhunting. “In the old days they’d say, ‘headhunter... you’re going to kill me!’ I said, no, I’m not going to kill you. I’m going to nurture you. I hunt to nurture, I hunt to hopefully give you a better opportunity.”

“Headhunting is a foreign concept that was imported into China,” Wong says. “I truly believe that executive search is a process of working on behalf of our client with a mandate to identify the best possible talent for a specific position, to find the best possible person to perform this job successfully.”

Andrew An is Managing Director at Global Sage and works from the Hong Kong office. He notes, “The first global executive search firm entered into China in early 1990.” He sees the evolution of the profession in three phases: education, introduction and collaboration. “From 1990 to 2000 many firms, especially the global firms, had to educate the local people and introduce the theory, the methodology, also the tools. And at that time, China opened the door and they were really eager to learn. For the second decade, I think it’s an introduction; the consulting firms sell global best practices, and China had become a market economy and wanted to speed up and adopt those practices. Nowadays, many Chinese companies have become global, for example Huawei or Alibaba, and so forth. Now, the firms actually start to collaborate and evolve and develop together with our clients to study the local industry, to study the local market, gain local insights and see what more value we can add.”

William Farrell, leader of Boyden’s



"It's been a journey of growth for the industry in the last 20 years. It's not always easy in China, especially for retainers. Chinese organizations like tangible products first before they pay, while retained executive search is a consulting professional service. We sell a value addition."

—Linda Zhang, Partner-in-Charge at Heidrick & Struggles

Taiwan and South Korea offices and former lead in Greater China, says, "When search firms started providing services for the China market, the focus was really to identify candidates from North America or Europe who had the willingness and the guts to go into this new market. If you look at the market now, we never have a mandate from a client today that does not require significant expertise in working in the China market, and more and more clients expect that you're going to be presenting local candidates."

For early entrants to the China market, "The business has grown with the China economy." Linda Zhang is partner-in-charge at Heidrick & Struggles' Shanghai office. She says, "Initially, a lot of the executive talent needs came from multinational organizations entering the China market. Then, with the China economy coming up and the growth in local companies like Alibaba and Baidu, the needs for local functional managers and executive-level leaders really came up, as well."

"It's been a journey of growth for the

industry in the last 20 years," Zhang says. "It's not always easy in China, especially for retainers. Chinese organizations like tangible products first before they pay, while retained executive search is a consulting professional service. We sell a value addition. So, it does require a bit more education and more time for the company and the market to get ready."

In areas of the world with mature executive search markets, consultants specialize. Noriko Takagi, Managing Partner at Steinbach & Partner, sees specialization in the China market as "both planned and organic." In a culture that is significantly relationship-based, she says, "Let's say a firm starts their business in automotive, then it is so natural and automatic to grow in that sector because you get to know the people, and then you grow your clients. And automotive was actually growing until very recently on a double-digit basis."

"That was the case for me," she says. "We started with the manufacturing companies because we work a lot with

German clients, then automatically we grew into the sector where German companies are strong. This is generally how the profession has evolved. It's relationship based, so that's quite natural."

For Jeff Buck, Managing Partner at Steinbach & Partner, the acceptance of retained search is a gradual, ongoing process in China. "Traditionally, most of the retained search companies had foreign clients looking to hire people in China. They're not Chinese companies, generally speaking. Chinese companies in the past, at least, haven't done much retained search. That's slowly changing, especially as Chinese companies are buying companies outside of China now."

The clients of search are evolving, too. Distefano says, "Over the last 10 years, you've seen a huge shift. The Korn Ferry business would have been 20% domestic and 80% multinational, and today it's pretty much the inverse. You also would have been 100 percent in Shanghai, Beijing and Hong Kong, whereas today, towns like Shenzhen and Guangzhou, places like

China Voices - AESC Members Speak



Andrew An
Global Sage



Jeff Buck
Steinbach & Partner



Michael Distefano
Korn Ferry



William Farrell
Boyden

that are huge economic centers and have tremendous growth opportunities.”

And the firms themselves? The market is thriving, but not all entrants are equal. Wong says, “In the early days, our industry had very low barriers to entry. In China, you do have a unique situation where your consultant has to be certified. You have to have an HR license individually, and your company has to have a certain number of employees who are certified. Today in China we probably have hundreds of thousands of headhunting firms, and the quality of those can be very mixed and not consistent.”

THE STATE OF THE PROFESSION

Looking at the state of the executive search and leadership consulting profession in China today, Wong explains, “It started as retained executive search. This extensive, systematic, methodical process takes time and therefore the retainer is to pay for the time and effort.” However, she adds, “Today, the retained process is probably changing. Clients have so many means to access candidates, like LinkedIn and a lot of the social media platforms. In China, they are more advanced in terms of data analytics and artificial intelligence, so access to candidates has become commoditized.”

Firms can address that issue by providing value-added services in the context of, or in addition to, executive search services. For Lucy Lei, consultant and Managing Director Greater China of Eric Salmon & Partners with base in Shanghai, “The market demands much more than in the past. Very often you need to explore with the client, what do you truly mean by leadership, what kind of leaders are you looking for? What specific capabilities are you looking for in a leader? What kind of

a culture is your organization trying to build? So then when you are looking for the candidates, you can assess the softer skills, the leadership side and capacity of the candidates to co-create culture that the organization is building, so the candidate can thrive in that organization.” Increasingly, she says, “we see that clients really dive into the strong leadership, softer skill side.”

For Takagi, the market for executive search in China is complicated. “There are so many firms in the market at a variety of levels and with a variety of services they offer. There is still a large number of contingency firms in place, and retained services are not always understood, automatically. The profession is still educating the universe of clients to really understand the benefits of retained executive search, as opposed to contingent. They simply see it differently; as a transaction business. You give me people, I pay you for those people. This is one model. And the other is real consulting.”

Buck adds, “There’s a wave of Chinese companies buying foreign companies. For example, over the last three or four years, there’s been how many companies in Germany bought by Chinese companies? It becomes more usual or accepted to do a retainer because they see that as being, ‘Oh, in Germany, this is how you hire a manager.’”

“Contingency work is designed for volume rather than for precision,” Buck says. “When I need to hire someone who speaks three languages and can be based in Warsaw, for example, whenever you get into something difficult, that’s more where executive search becomes interesting.”

The power of trusting relationships is important in every country—one needs to build on that. However, for China’s SOEs,

“Chinese companies in the past... haven’t done much retained search. That’s slowly changing, especially as Chinese companies are buying companies outside of China now.”

—Jeff Buck, Managing Partner at
Steinbach & Partner

it takes not just time to build. Lei says, “for State-owned companies in China, the concept of using retained search is rather alien, and in a state-owned company, the approval process is extremely complex. For an unknown outsider to start building a professional connection with SOE companies is extremely difficult.” However, she adds, “There are quite a lot of big, privately-owned Chinese companies, especially in the technology field and they have already accepted and use retained search. Some of these companies are expanding overseas so they have adopted the practice, and they also have complex needs inside and outside of China that a typical contingency firm in China will be hard to provide.”

Opportunities for growth in the China market abound, and according to Farrell, include “some of the larger, better-known and more internationally-minded Chinese companies, whether they’re state-owned enterprises or private firms. Also, the fairly robust venture capital, private equity businesses within China as well as the foreign companies coming into China. There are also more startup companies open to using retained search.”



Lucy Lei
Eric Salmon & Partners



Steacy Sun
Odgers Berndtson



Noriko Takagi
Steinbach & Partner



Louisa Wong
Global Sage



Linda Zhang
Heidrick & Struggles



"There are quite a lot of big, privately-owned Chinese companies, especially in the technology field and they have already accepted and use retained search."

—Lucy Lei, Managing Director of Eric Salmon & Partners

Why is search growing in these areas? Farrell says, "It's such a competitive market, overall, whether you're talking about the automotive industry, consumer products, financial services, or whatever, companies are looking to do whatever they can to gain an advantage in the market, and human resources are important to that."

Wong describes the dynamics of the industry in the unique context of China's rapid growth. "The mission changes all the time. So, when you first start with the client, they want one level of candidate doing a particular job. Three months later, that job may have expanded from supervising a team of ten people to supervising 50 people." The consequence, according to Wong is, "Sometimes the hiring failures are very high in China, even today."

WHAT TALENT CHALLENGES SPECIFIC TO CHINA CAN THE PROFESSION HELP ADDRESS?

Talent-related challenges are fairly consistent across the globe, with attracting and retaining top talent ranking at the top of CEO concerns year after year. But the challenges are nuanced in different countries and different cultures. In China, key talent challenges include scarcity, candidate mobility, diversity and retention.



SCARCITY

The shortage of top talent and the fierce competition for it is a challenge worldwide.

Candidates who check all the boxes and have key local knowledge are particularly

valuable in China, and hard to find. Farrell says, "Whether you're a foreign company or a local company, your leaders need to understand the market very well, so the old model of just bringing somebody in that speaks Chinese and has expertise in whatever industry it is and plopping them in China, it doesn't work anymore. So, the challenge for some large, sophisticated, companies is the talent pool deep enough to produce time and time again, a robust and complete shortlist of candidates?"

The competition is quite tough. According to Steacy Sun, a partner in Odgers Berndtson's Greater China practice, "The China market is still quite important or critical for most of the multinational corporations (MNCs). So, the demand for good talent with excellent English communication skills, an overseas view, global experience, strategic thinking, and proven track record of driving business in China, these candidates are quite hot. They've often got more than one offer at hand."

Interestingly, as Chinese companies continue to grow, they are scouting those MNCs as good sources for talent. "In the last five years local Chinese companies have been looking into multinational organizations and competing for talent," Zhang says. Often large MNCs are much slower in terms of decision making as they need to check with global headquarters. And often by their nature large MNCs may be more hierarchical in their operations, and much slower in terms of making an offer. For the local company, Zhang says, "Their selling point is that the Chinese

organization could offer the candidate more empowerment, and they could offer more speed to decision making. They can develop their own strategy but not just follow the strategy from global headquarters."

Household name companies can't always rely on the brand to attract top talent, either. Takagi explains, "In Germany, a company like Bosch, or another big-name company, they are in the top five list of employers so they can select the top people for talent, the best engineer from university X. But if you come to China, you're just one of many Fortune® 500 companies, and they are offering more money than maybe a German company does. I try to explain their positioning in China. You're not a big name when you come to China, anymore."

And racking up the compensation may not be enough to win the competition for talent. Buck says, "If you want 10 guys to dig a hole, sure, you're going to pay less per hour to those guys in China than you would in Europe. But if you want a bilingual leader who's going to grow your business, they're going to cost you the same or more in China than if you hired them in Europe."

And money isn't necessarily the motivator it once was. Lei describes the shift in priorities of next gen talent in China. "Quite a lot of Chinese, when you interview them, they will say, 'actually, I don't really need so much money anymore.' They think more strategically. They are looking for something else: does this job provide me the potential to reach my goal? If I'm

a head of function and if my goal is to become a general manager or business unit head with full P&L responsibility in five years' time—does this move help me to reach my goal? If not, giving me more money is not interesting.” Chinese talent also particularly pay attention to the potential reporting manager’s leadership style and their values.

How does the executive search profession help clients deal with scarcity? “First of all, providing an honest view of the market, saying the talent pool for a particular position might be thin. And encouraging a client to be willing to make a decision on a shorter shortlist is one possibility. Another option would be to say, what related industry experience is useful? How broadly across the industry can we look for potential talent?”



CANDIDATE MOBILITY

As China’s economy grows and the government continues to invest in special economic zones, organizations often need strong leaders in new geographies and that talent is not always eager to leave tier one cities.

Sun explains, “China is not only a country, it’s like a European union.” China’s cities represent six tiers related to the size of the local economy, the population, and the environment for investment. For example, Sun says, “Shanghai and Beijing definitely are the first-tier cities, with most of the headquarters of multinational companies and a big talent pool. There are other first tier cities like Guangzhou or maybe

Shenzhen. Every different tier will have different talent and a different level of challenges for the company to manage their talent. For talent in the first-tier cities, people in Shanghai or Beijing, their mobility to move to the third or fourth tier cities is extremely low.”

One factor that may inhibit a candidate’s willingness to move is the importance and availability of good education for their children. Zhang says, “People who do move don’t really move their families if they have kids in school. Schooling is the more challenging part, so normally clients will support a commuting approach.” Also, she says, “If we are moving people to a tier three city, it is most likely going to be two years instead of a long-term approach. Normally people will take that as a short-term assignment but not as a long-term placement.”

The Chinese government is committed to economic development in the Western provinces but recruiting people to leave the coastal cities for the inland is very challenging. Lei explains, “In the past, a lot of MNC factories were built around Jiangsu, Zhejiang and Shanghai, the manufacturing business center of China. You have a relatively bigger pool of talent in this region. Some years ago, the central government promoting to build manufacturing in the West of China, for example Sichuan province, many MNCs that moved or built their factories in Sichuan, they find it challenging to find talent to go there and the local pool is relatively small. People coming from Shanghai don’t want to move to Chongqing. It’s far away. It takes

a two and a half-hour flight to get there.” This places a higher demand on search consultants to work harder to find the right match.

So how can search consultants help clients fill those important roles? Lei says, “First of all, look into the local candidates. And second, we also advise the client to compensate candidates financially for their move. Third, consultants need to help organizations to think ahead, before the start of recruitment, the potential career path to attract candidates from afar. If we’re looking for a greater China CFO based in Sichuan, is this role going to be the feeder for the APAC CFO role? Does this role have the potential to move the CFO into a general manager’s role? Or does the organization provide a candidate something unique?”

For Sun, an alternative approach could be, “If the client wants to move the candidate from a first-tier city to a second- or third-tier city, maybe they should pay attention to a candidate one or two levels down and move him or her to the third-tier city with a promotion.”

She says, “We have done assignments with three different kinds of results. One, my client will decide to hire someone overqualified, at a retiring age but still very energetic, who ticked all the boxes of the criteria and is open because they are already quite financially independent. They might hire someone who is looking forward to the incentive or equity, or the client will hire a relatively junior candidate with potential who they believe can be developed, and give them a chance to grow together with the company.”



DIVERSITY

According to the World Economic Forum’s Global Gender Gap Index, the gender gap in tertiary education in China is closed, China ranks #1 in women in professional and technical roles. Yet opportunities for women to serve in leadership roles continues to lag. Women comprise under 17% of legislators, senior officials, and managers in China. But for some clients there is interest in recruiting women leaders.

Lei remembers, “We were recruiting a general manager for a client’s plant. We presented five great candidates. The client was really happy, but then he said, ‘can I have a female candidate in one week’s time

with a similar profile?’ I said, well, if you don’t change your criteria, I’m not going to find her.” Lei explains, “If you say this has to be a general manager already running the factory for 15 years or more, very few females have been a plant general manager. We have many great female candidates, but they don’t meet this criteria, however they bring something else to the table which might be needed by the organization. So, if you seriously want to deliver on diversity and inclusion, think hard about your criteria and adjust it.”

To further address the challenge of finding women leaders, Lei recommends clients turn to their internal pipelines. “I also said to the client, start putting succession planning on your middle management. You have quite some strong females in the middle management, with support of development programs like coaching, some of them will be ready to step up to take on a GM role in the near future. We should not just recruit female leaders from outside. We need to work within as well.”



RETENTION

Keeping top talent in an organization ranks among the top concerns for CEOs worldwide. Organizations often struggle to retain their best people in the context of stiff competition and the opportunities presented by a growing economy, and poaching talent is not an amateur sport.

“The bigger the brand, the bigger the target,” Distefano says. “There are a lot of Chinese companies that are emerging

quickly, but they don’t really have structured training and development, best practices, et cetera. So if you’ve got a brand and your competition knows that a person has spent the last year or 18 months at Baidu or at a Huawei, you know they’ve gone through some pretty good training, they’ve had really good managers and mentors, so that makes them even more attractive.”

Whether talent moving on is such a bad thing, Lei says, “It depends.” She explains that some leading companies have higher staff turnover. “Some organizations grow so fast that you spend two hundred percent of your energy in your work. You learn a tremendous amount in three years’ time, you give everything, and sometimes you burn out, then you move on to another organization. Some organizations benefit with a long-term staff member leaving, as it is an opportunity to bring in fresh thinking, a new mindset, the change needed for the organization at that stage. That’s fine as well. Every company has a different strategy at different times that need different talent. We live in a VUCA world, change is normal.”

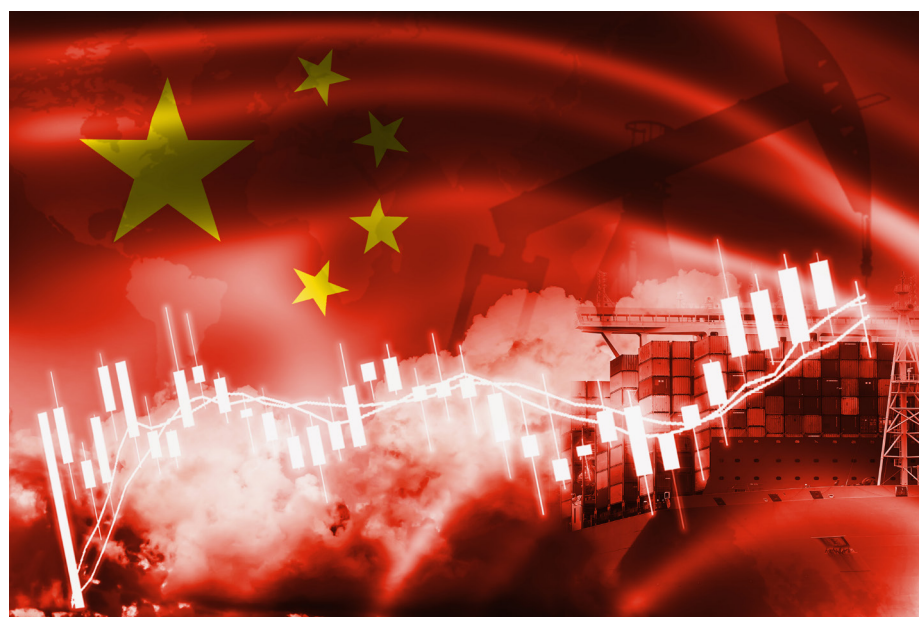
For organizations that want to hold on to good people, Distefano says, “My advice to clients on that front is, stay close to top talent. All talent is not created equal, and you do want to lock in your A players as best as you can. And yes, it’s never money, but it’s always about money, so you’re going to have to pay market. But you also have to lay down a path for them, and they have to know what’s on the table for them at the organization both today and tomorrow. What are their opportunities and what are

you going to teach them and give them exposure to? You may not be able to keep them for the rest of their life, but if they know that you’re committed to them and that there’s a plan for them, there’s a much higher likelihood than just letting them sit over in the corner and receive the phone calls from your competitors.”

Investing in the internal talent pipeline may provide solutions to talent-related challenges: scarcity, candidate mobility, and retention. Lei says, “Sometimes I find during the recruitment some really bright young talents, and I know he or she will not meet the requirement of this assignment, however I will still say to clients that ‘you need to see this person. This is great, high potential talent.’” And though the person may not be ready for the role being filled, Lei advises her clients, “Bear this person in mind, and whenever there is a role suitable for this person, you should take them, because this is a raw diamond.”

THE PROFESSION IS INNOVATING TO BETTER SERVE THE EVOLVING TALENT LANDSCAPE

More often than not, innovation is a process, an evolution. Sun describes the innovation evolution in executive search. “Maybe most of the old-fashioned executive search consultants, they agree that our job is more like art. They have a people connection, they have some gut feeling about why they think this candidate is good. And they also have the gut feeling when they meet the client so as to match the culture and the chemistry. Nowadays,



"One thing I suggest to our clients often is, import Chinese talent to your country, or mix with your people between China and your country, so that your headquarters gets a little bit more ready for China."

—Noriko Takagi, Managing Partner at Steinbach & Partner

definitely it's changed. We just recently enhanced our system to a market-leading technology ecosystem, Odgers Berndtson Intelligent Search. It enables us to take a massive step forward right now, with world-class collaboration and knowledge management tools supported by artificial intelligence. It provides the agility and flexibility our clients need for the future.

The profession is innovating with tools, approaches, even innovative partnerships. An says, "If you want to succeed, you have to have an innovation mindset in every industry. The executive research methodology and the tools that we're using, the sourcing engines we're adopting are all developing very fast: big data and artificial intelligence, how to assess candidates, how to identify talent, those things are also developing very fast. I think the industry is also leveraging other things, for example, LinkedIn is our tool and now we actually partner with them. They give us a bigger platform and a professional network community, and we give them talent insights. So, the innovation evolution is constant and mutual."

The magic happens in search when tech meets the human element. "Everything has gone digital with big data and AI and all of that," Distefano says. "So can you leverage what you know about people to help companies make better decisions in terms of how they find them, recruit them, reward them, develop them, retain them, et cetera? A variety of events that unfolded in the world allowed a number of us to really expand what we do. It'll drive growth for us, it'll drive impact for the clients. And in fact, we've all got more data on human performance at work; far more than the technology firms, far more than the strategy firms. So if we can use that data to make inferences on how people act, have potential, how they learn, what's important to them to drive positive outcomes for clients, we would be just wasting it if we didn't try to use it."

An reminds us that leadership consulting is still relatively new in China. "It was introduced to China around 2010. Leadership consulting, executive coaching, all came to China after executive search. So, there's definitely much more we can add. For example, talent management is a very hot and new concept. Year by year, we introduce more things and also add more value to our clients in China."



He adds, "Considering the nature of our industry, we facilitate innovation for our clients. We help them to identify where the innovative talent is, and the key characteristics innovative talent has to possess. We identify them, and we place them in the right positions to really speed up the innovation process for our clients."

WHAT ARE THE TREND LINES IN THE CHINA ECONOMY? WHAT INDUSTRIES WILL LEAD ITS FUTURE, ESPECIALLY AS IT EMERGES FROM COVID-19?

"China becomes the first major economy to resume growth since the coronavirus. The country's economy grew 3.2% from a year earlier in the second quarter."

Jonathan Cheng

"China's Economy Appears Back on Track, But Challenges Remain."

Wall Street Journal, July 16, 2020

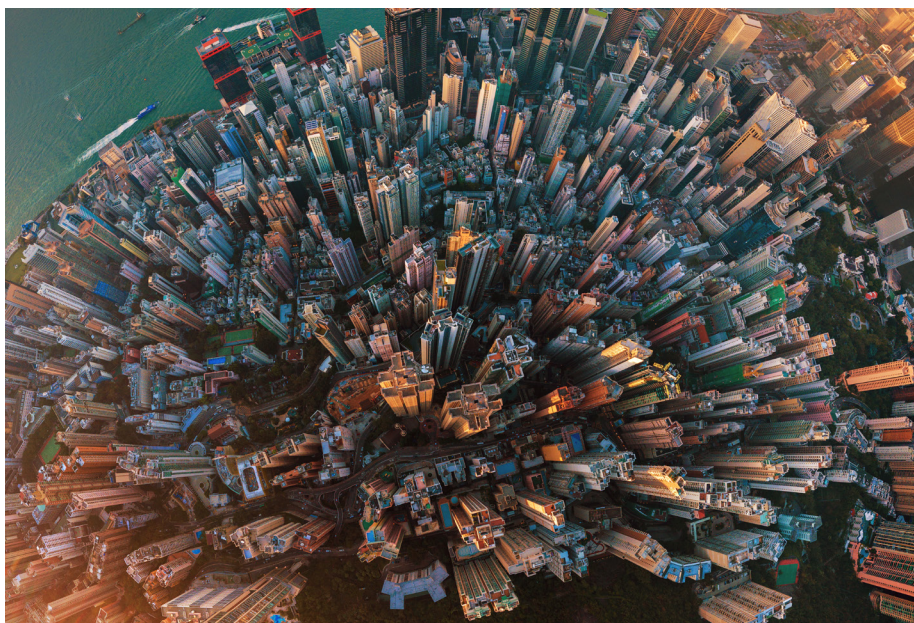
Technology is fundamental to the development of the Chinese economy and rates of technological adoption in China are very advanced. Lei cites "the new infrastructure welcomed by the government like 5G infrastructure, ultra-high-voltage, intercity high-speed railway, new energy vehicles, charging poles, big data centers, AI industry, internet of things. These fields are very active now. You see not just Chinese companies going into these, also a lot of multinational companies are coming into China to take these opportunities."

To illustrate the extent of China's technological advances, Wong says, "China

is almost a paperless country. Now, every payment is on mobile, even your taxi driver. You go to the wet market, you can still probably use your mobile to pay. If you are not in that ecosystem, you're not on WeChat for the last 10 years, you won't be able to function. You can't pay, you can't go anywhere, you can't get a taxi. That's the beauty of having 1.4 billion people, because you are self-sufficient in many ways, and when you do the commercialization of any technology, you have a large population to test it, to run your technology." An puts China's current economic position in perspective. "The big focus for the past two decades was infrastructure improvement projects in China. The roads, bridges, just reaching everywhere, and China has the best cellular network in the world."

"For the first time we heard the prime minister of China mention that there are 600 million people in China whose monthly income is still less than 120 US dollars," An says. "So, if you're talking about trends, this infrastructure improvement is important, because we think without communication and transportation, nobody can develop. We're very excited about it because they remind us that there are still many things we can do in China."

Distefano elaborates, "Pre-COVID, pre-trade war, the motto in China was 'China Go Global.' And today the sentiment around the country is 'China for China.' And because it's such a massive domestic market and because of various constraints that have been put on the country, whether it be COVID or protests or trade wars, the country has recognized that they can self-sustain by looking at themselves instead



"Infrastructure improvement is important, because we think without communication and transportation, nobody can develop. We're very excited about it because they remind us that there are still many things we can do in China."

—Andrew An, Managing Director at
Global Sage

of with such an eye towards going global. The big keys have been infrastructure, digital—specifically 5G, and real estate. They can grow their second-tier cities, they can improve highways, they can improve connectivity and technology, and that will create tremendous opportunity for all of the citizens of greater China."

Part of China's look inward has been happening for years. China's Special Economic Zones (SEZs) have been designed to encourage direct foreign investment in different regions in China, and the government is focused on development efforts in the Western part of the country.

"China is driving a domestic consumption-led economy and we're seeing a growth in the service sector," Farrell explains. "Even before COVID, e-commerce was huge. You can't succeed in the Shanghai market or the Beijing market if you're a consumer product company without having a robust online presence and a solution to deliver those goods. And when these cities shut down, those businesses just continued to grow."

Zhang is optimistic about the China economy. "I believe there are opportunities for every industry in the China market. Life sciences will continue to do well. Second is technology, and that could be technology-related industries and technology innovations. I'll be watching very closely the global political environment, especially the relationship between the US and China. That will impact certain industry regulations, for example the dynamic between countries related to technology development. Consumer and industrial are more stable industries. All business this year

has been impacted by COVID-19, especially at the beginning of the year. However, most businesses are back by now, if they are not heavily export-related, as China has been controlling the COVID-19 outbreak well."

Wong says, "I don't think it's any different than the United States. Nobody can go physically shopping so everything is moving to online. I think that we're going to continue to digitize the economy, and anything to do with logistics, anything in terms of the movement of goods is very much needed. Medical benefits, insurance, and anything to do with wellness and health even more so, because I think in that area, China is behind, even though it has massive economic development, the concept of wellness and health are still very much at this early stage."

Lei anticipates health and wellness being growth areas, as well. "Everything about healthy living," she says. "Sports equipment, healthcare clubs, they're booming. Food and beverage is still in very, very high demand."

Environmental sustainability is also trending. Wong adds, "I remember 30 years ago, they tried to get rid of the bicycle. Now they're trying to reintroduce the bicycle. I don't think China is any different than the rest of the world in terms of our consciousness and the need to be concerned with the environment."

COUNTRY TO COUNTRY RELATIONSHIPS MATTER

Consider the quantity of exports China creates and the buying power of 1.4 billion people. China has taken its place as an economic global citizen of the world, and

according to Distefano, "China understands that every economy is competitive, wants to do right by its people, and wants growth and prosperity for the country."

Most of the countries in Asia in one way or another have a large dependence upon the Chinese economy, according to Farrell. "Take Korea, for example. They do sell products into China, and I think that's important. But, like other mature markets, manufacturing in China provides a lot of parts and services that are used in Korean industries. The same is true for Japan."

Farrell adds, "China has a very poor reputation when it comes to intellectual property protection. That's just another dynamic that comes into play. So, when companies are looking to further serve the China market, and to invest into developing more sophisticated lines such as automobile self-sales, autonomous driving cars, or high-end machine tools, companies have been reluctant to allow their newest and market-leading products to be produced in China for fear of loss of intellectual property."

China's Belt and Road initiative, also known as One Belt One Road, is a massive international trade and infrastructure project. "Launched in 2013 by President Xi Jinping, the vast collection of development and investment initiatives would stretch from East Asia to Europe, significantly expanding China's economic and political influence." (*Council on Foreign Relations*, January 28, 2020) The ambitious project will be comprised of several economic corridors over land and sea, and connect China economically to multiple countries in Europe, Africa and Asia.

“China doesn’t want to conquer the world or be the police of the world,” Wong says. “China understands that for any country in the world to develop they need partners, because many things that we have, many other countries don’t have; and vice versa. China can share its learning. And also, the World Bank traditionally has always been funded by the United States, and hence can only lend against the agenda of the United States. And so, you need to have capital that might have a different agenda. So, it’s just a part of diversity of capital for the economic infrastructure development. The One Belt One Road initiative is again helping China to integrate with the rest of the world and in order to do so, you also need to help the other country.” She explains, “The concept is to help lift not only China, but to help lift neighboring countries. And because we have so much experience in building infrastructure, why not share it, and why not benefit another country which has the same need?”

An adds, “If you look at China from a historical perspective, since its economic peak in the Tang dynasty, China has reached out to so many countries at its best, helping others and trying to build an ally or a partnership, to develop together. This is something that’s there—it’s an inclusive trait embedded in Chinese culture.”

THE STATE OF TALENT IN CHINA

“China sees talent as central to its technological advancement; President Xi Jinping has repeatedly called talent

“the first resource” in China’s push for “independent innovation.” As part of this push, China has formulated a multi-pronged strategy for growing its science and technology talent pool: improving domestic education, attracting overseas Chinese talent, and attracting foreign talent.”

Remco Zwetsloot, “China’s Approach to Talent Competition: Policies, Results, and the Developing Global Response”
The Brookings Institution April 2020

Long gone are the days when most company executives in China were parachuted in from North America or Europe. Gone, too, are the days where the best opportunities for Chinese talent were outside of China. Wong provides some perspective. “Maybe 10, 20 years ago, when we’d try to recruit anybody to a post in Hong Kong or a position in the United States, everybody jumped. Today, I think the opportunities in China are far bigger.”

For example, Wong says, “A CEO in China can be managing a business of \$10 billion. And there are not very many CEOs in the world that manage \$10 billion businesses, today. So, the trend is different because people don’t want to leave China. Also, the salary of a CEO in China is comparable to the CEO of another \$10 billion business anywhere in the world. So why move? And the ability to make things happen in China is also a lot faster.”

Takagi observes that understanding China is essential for any international

business, and Chinese talent can help create that understanding. “One thing I suggest to our clients often is, import Chinese talent to your country, or mix with your people between China and your country, so that your headquarters gets a little bit more ready for China.”

Zhang sees a trend that distinguishes talent in China that can be misunderstood. “If I may use a simple generalization, you see in more mature markets like the US that people tend to go very deep into one area. It could be one function area, it could be one industry sector, while in China you’ll see talent move among different industrial sectors. For example, the traditional FMCG sector, they have been exporting talent to other industry sectors, such as fin tech, insurance, internet, ecommerce platforms, education, etcetera, simply because I think that China has been growing so fast and many ‘new’ industries come up and grow quickly. While there is no readily available talent pools for a new sector, they would look at traditional sectors where talent has transferable skill sets. And I often hear my Western clients say oh, these people go three years from here to three years there. It’s actually a reflection of the different opportunities in the market.”

Zhang adds, “That’s why executive search does have its own position or space in this market, because we follow, track and analyze trends of people movement, and when we do a search in China, it’s most of the time a lot more broad in terms of sector coverage.”

“The China market is still quite important or critical for most of the multinational corporations (MNCs). So, the demand for good talent with excellent English communication skills, an overseas view, global experience, strategic thinking, and proven track record of driving business in China, these candidates are quite hot.”

—Steady Sun, Partner at Odgers Berndtson





HOW CAN CHINESE TALENT POSITION THEMSELVES FOR THE BEST OPPORTUNITIES?

As much as the demand for talent in China is high, among top candidates there is still competition for the best jobs. Every career decision has the potential to affect a candidate's competitiveness for the next position.

According to Distefano, "Brands matter in China, whether it's where you go to school or who you work for. Any candidate has to look at every role that they're going to take: who is it with, why are you taking it, what are you going to learn from it? I love Stephen Covey's principle of 'start with the end in mind.' When we're placing people, very often we're not looking at how good are they going to fit this job that we've been hired to fill—that's kind of a requisite. I look at it from, ultimately where's this person going? Because I know if I put somebody in a role who's going to just kill it in that current job, because they've got a destination in mind, then they're a much better candidate for me than just somebody who's a safe pair of hands that can do that job capably."

Experience abroad is essential for many leadership posts. Takagi says, "International exposure and experience equipped with very good language skills definitely adds value. Everyone who wants to be internationally successful needs to have some sort of experience abroad. For example, when we look for an APAC regional leader based in Singapore or based in China, a lot of companies like the idea of hiring a Singaporean who

speaks three, four languages, but many Singaporeans have never left Singapore. I always insist the candidate needs to have lived somewhere, worked somewhere else. Otherwise you can't really call these candidates 'international.'"

For Sun, it's the global mindset. "No matter whether you've studied overseas or you've got overseas work experience, or you're local Chinese talent, the global mindset—the understanding of different cultures and understanding the way of other people's thinking—that's very important.

The trending recognition of purpose-driven leadership has also reached China. "We see a lot of companies start to define their organization's purpose and want to attract talent who are purpose-driven leaders," Lei says. "Some people are clear about their call in life, but some have not yet thought about it. So, then sometimes you ask a candidate, what drives you in life? Some people just stumble as they've never thought about that question. In such a situation, I will say to candidates that it's about time to start contemplating this question—what drives you? What do you want to create for this world, for yourself?"

COVID-19 CHANGES HOW CHINESE COMPANIES ACQUIRE TOP TALENT

Though recently reinstating a strict lockdown around Beijing, China has largely been able to control the spread of COVID-19 after the initial outbreak. Testing, contact tracing, travel restrictions

"It's such a competitive market, overall, whether you're talking about the automotive industry, consumer products, financial services, or whatever, companies are looking to do whatever they can to gain an advantage in the market, and human resources are important to that."

—William Farrell, Taiwan and South Korea office Leader at Boyden

and quarantines have dramatically changed the way the people of China live and work. The impact on how organizations in China acquire top talent is significant, and unlikely to change any time soon.

Sun sees clients adjusting to the demands of these challenging times. "Just recently, we helped a leading bank in Europe to locate their Chief Representative in China, all through video interviews. Some clients, they are quite reluctant at the beginning, like one of my life science clients. They were quite insistent to have face to face interviews before, but now they accept it because they cannot wait. The business opportunity has already started. If you wait, just because you can't have a face-to-face interview with the candidate, that's not good for the company."

Farrell sees the willingness to hire without the face-to-face meeting as an advantage in the competition for top talent. "I was on the phone recently with a candidate whose company offered an internal promotion. That candidate prefers the position with my client, but the client is not going to make a hiring decision until one of the members of the ownership team or the board can meet the candidate face-to-face. I had to tell my client, 'that's fine, but you're going to lose your number one candidate.'"

Travel was once understood as a necessary part of the recruiting process, but not during a pandemic. Distefano says, "In recruiting, we're not going to see people flying all over the world for

first rounds and second rounds. I think that the Zoom video is here to stay, and you won't put a person on an airplane until you want to get in a room together and have a long conversation and see how you get on."

"That puts more value on the assessments of people and the psychographics of who people are and what makes them tick. We know that the capabilities both of productive employees as well as effective leaders will change. And that has been certainly exacerbated by COVID-19," he says.

FINAL THOUGHTS

There is no substitute for on the ground experience in China. Farrell says, "I've just finished the search for a company that acquired a European firm with a branch in China. So, they took a look at the poor performance of that branch and it was clear that the previous company had done what used to be done all the time. They sent in a European expat who had never worked outside of Europe, plopped him down in Shanghai with no Chinese skills to try to grow this business selling into primarily local companies." Lesson learned? He adds, "In the search to find a replacement, the number one requirement was to find a local candidate."

"Brands matter in China, whether it's where you go to school or who you work for. Any candidate has to look at every role that they're going to take: who is it with, why are you taking it, what are you going to learn from it? I love Stephen Covey's principle of 'start with the end in mind.' When we're placing people, very often we're not looking at how good are they going to fit this job that we've been hired to fill--that's kind of a requisite. I look at it from, ultimately where's this person going?"

—Michael Distefano, President, Asia Pacific at Korn Ferry

How does this still happen? Farrell says, "The role of trust between headquarters and executives outside of the home office is extremely high. Sometimes I think companies have decided, 'I need somebody who I can really trust, so I'm going to send Jane over there, or Tom over there, and they're going to tell me what's going on.' Unfortunately, I think that happens quite a bit. We can find the people with the right skill set, but determining that cultural fit with the company, and the degree of trust that's developed and all those things that happens best in face-to-face meetings, that is what we've been doing for a long time."

KNOW THE MARKET.

Takagi says, "It's very typical when I meet with the owners of privately-owned Chinese companies, they try to evaluate how much I'm integrated with the China speed and China mobile, digital way of living. So if you are a foreigner and do not know how to use all these apps that Chinese people are using, then they will probably judge you: 'you have no idea, you're not one of us, you don't know how we are.' If you don't have a WeChat account to work with the Chinese companies, you're done. The Chinese clients I have, for example, we communicate on WeChat, and if you're not familiar with that, if you're not living with that, then you're quickly outing yourself as not integrated."

RESPECT.

Takagi warns, "The Western world needs to stop thinking that they are bringing technology and teaching the Chinese how to do business. It's easy to feel that way because the Chinese people treat you with respect and then you misunderstand that message. This attitude is really not going to help you."

Buck adds, "It used to be that China would invite the West in to teach them how to do the things they didn't know how to do, but I think we're going to start seeing more and more China going to the West to teach them the things they don't know how to do."

REALITY CHECK.

"China's success is over-estimated and China's problems are under-estimated,"

Wong says. "We have a long view because we have a long history, and we have actually a responsibility to the world, both in terms of talent and the economy. We are 20% of the world population. And hence, if we do well, it will impact the world."

OPTIMISM REIGNS.

For An, "Tomorrow will be better. It's very simple, just think of the potential of China as the second economy in the world. We have the largest population. There are so many things we can do! So tomorrow definitely will be better."

SEARCH IS ESSENTIAL.

According to Distefano, "Whether it's COVID-19, globalization or technology trends, the world has never needed a talent advisor more than they do today. Operating models are changing, effective governance and management models have changed, performance indicators for key employees are constantly evolving. This is a great opportunity for recruiters who have built the trust and credibility with their clients over decades. They understand the client and they understand the culture, and by knowing those things, they can do a heck of a lot more than just put a person in a seat. It's about how you attract, develop, unlock and help people. To me, it's awesome because there's so much that we can do to help organizations to grow and to thrive. The more uncertain the overall economic situation, the bigger the opportunity for us."

LISTEN.

"I'm actually quite positive about our profession," Lei says. "One of my clients has said to me, 'there are so many recruiters in the China market, and quite a lot of contingency. You don't even have to pay for their service until you get some role filled. However, it's very hard to find a good service provider who really listens, who cares to understand our culture and who will ask the right questions to make me think broader.' So, I would say, be that good consultant who listens to your client, asks the right questions to expand them and can serve the client as a true advisor, not just fill a hole in a client's organization."





LEADERSHIP PREPARING FOR A POST-COVID WORLD

It is the middle of 2020 and the World Health Organization reports over 33 million people have been infected with COVID-19, with the loss of life approaching 1,000,000 people. The worldwide graphic models of infections, employment rates, market trends and economic output look like a series of Rorschach tests, and given COVID-19's impact on our physical, economic, geopolitical and psychological health, the metaphor may be apt.

Global consulting firm McKinsey has fashioned terms to deal with the ever-

evolving status of organizational life during the COVID pandemic; terms like reimagine, reinvent and most recently, reset. Implied throughout this guidance is that economies, organizations, leaders and ordinary people are in uncharted territory. Organizations have adapted to survive; they have changed. And going forward they will need to rely on lessons learned, and perhaps a changed profile in leadership to move successfully into whatever comes next.

The first question is, in the arc of the pandemic where exactly are we? Richard

Sterling is Managing Partner, AltoPartners, Australia. "I'd like to challenge the whole business of coming out of this and 'the new normal.' I don't think we are coming out of the pandemic as yet, I think we're right in the thick of it. To say that there is a 'new normal' is premature."

Reflecting on past crises, Simon Wan, Chief Executive for Cornerstone International Group in Shanghai says, "In the last six months the world has changed. In 2002, it was SARs, but that was a more limited pandemic, and then the 2008,

2009 global financial crisis. *This one* is really the big unknown.”

FIRST MOVES

Coronavirus moved like a storm across the world and as countries and economies started to feel the initial impact and understand the implications, businesses made their first defensive moves.

Krista Walochik is Founding Partner of Talengo, Spain. “When the world turned upside down—and those are different dates depending on where the penny dropped—all of a sudden this nano-killer is here and it’s invisible and is just wiping our world out as we know it. And at that point, it was sending us into forced confinement and the first thing that companies did logically was grab cashflow and liquidity. There was a big drive to halt any unnecessary expenses to make sure that they had access to cash. Those who could, took additional financing or even loans. So, the first thing was, grab the cash and simultaneously make sure that people were safe, as best as they could, and protect business continuity, which meant sending people home.”

Walochik describes “a huge rush getting people onto safe access lines, having computers, having information. There’s a bank that we talked to that had gone from five percent working from home to 75% working from home in five days.”

Angela Westdorf is Managing Partner for Signium Germany. She describes clients’ similar first response to COVID being “very much focused on stabilizing the company and avoiding everything that’s not absolutely necessary to run the business. Consider the healthcare industry, where elective surgeries were postponed.”

“Focus on the basics,” she observed, “and keep our employees informed.”

For Wan’s clients in the industrial sector, “the game plan was to set up a kind of war room. The CEO and the chief officers meet on a very regular basis to monitor the supply chain, attend to customer care, and at the same time track whether COVID-19 has any effect on the workers.”

Virtually every organization had to react quickly, but companies that

had invested in digital had a distinct advantage.

Stefan Spang is a Senior Partner at McKinsey & Company, based in Dusseldorf. “If companies were fortunate enough that they had digitized operations, then many of them would simply have gone into a remote operating mode. Take financial services, banks, insurance companies, everything that is foundationally built upon data processing has quite easily been able to shift into remote mode.”

“Others, of course, where you had a more physical value chain, a manufacturer producing goods, for example, they obviously had to follow a very different approach. Some of them have tried from the very beginning to establish protective measures that allow them to maintain a minimum level of production. Maybe they introduced different shift models, they took particular care that shifts were physically separated, they changed the layout of their operations to allow for the appropriate distancing. All of that under the assumption that they were able to maintain their supply chain,” Spang says.

As teams scattered, processes were disrupted, and the environment was constantly changing, the best-led organizations provided timely, consistent, transparent communication. Renato Bagnolesi is Managing Partner at FESA Group in Sao Paulo, Brazil. “We believe the need to increase the level of communication is very intense. You need to communicate more and more every day for all levels of your company. People—employees and the market—don’t like surprises and increasing communication is one way to avoid this.”

“Good communication brings people close in the organization; communication regarding the business strategy or what our company is doing in terms of the crisis. We have a kind of mini board, a war room, and every week we share our metrics, our P&L, showing the situation. Transparency is increasingly important,” he says.

Jennifer Borrer, Founder and Managing Partner at Borrer Executive Search says, “We work across a wide industry set, and when their communities are suffering, it affects them. But we are seeing many groups stepping up. They’re showing

“It’s important to take lessons out of this rather quickly. So, what can you learn out of this crisis? What can you do? How can you shape your solution? How can you shape your services? How can you shape the sale of your product? This is pretty much something that every single industry or every single client has to think about.”

—Ullrich Ackermann,
Chair of the Board, TRANSEARCH

empathy, they’re showing solidarity for their customers and for their employees and suppliers.”

Borrer describes a client’s important COVID-related project. “I had to launch the ‘Are you okay?’ care campaign for all of their employees who were working from home.” Speaking of a trend among her clients, Borrer says, “Even though you can’t meet face to face, they’ve stepped up and been more vocal than ever. It’s strengthened relationships and it’s strengthened collaboration.” She adds, “The *AESC State of the Profession* report itself said clients are looking to strengthen those two things in their companies, collaboration and relationships. And I think the response we’ve seen has certainly done that.”

Communication helps, but uncertainty remains. Mickey Matthews, International Chair at Stanton Chase shares a common concern. “I was on a North American Regional call yesterday and we were saying, is the rebound going to be economic, are we going to reopen, but then will we have to go back to stay home again? In the US there are still a lot of cases and deaths are still very high, but cities and states continue opening. The big concern is, will we open up and then close back down again?”

These first moves by organizations under pressure may also turn out to be somewhat of a values test. Walochik explains, “During the lockdown period,



we reached out and talked to lots of executives, CEOs, board members and asked them how they were dealing with the pandemic. I was fascinated that one of the earliest conversations with board directors was about executive remuneration, dividends and their own remuneration, and they were concerned about it. 'All of this is happening, so how are we going to pay our bonuses? Do we pay our bonuses to our top management team? If we can't pay them, how are we going to hold on to people? If we're looking at furloughing people, what do we ask of our top management teams? What have we asked of ourselves as board members?' It was fascinating to see virtues in action depending on the decisions they were making."

"I know of an insurance company that furloughed 80% of their staff and continued paying out a significant dividend. I know another company where the board members took cuts in their income for the lockdown period," Walochik says. "What different companies did at that time is going to mark who they are going forward, and how they're seen."

As organizations endeavor to get back to "normal," it's important that their leaders, indeed all leaders, reflect. Morten Nielsen is Senior Partner and Global Managing Partner for the Life Sciences practice at WittKieffer and serves as AESC Board Chair. "If we just

go back to our caves and do it like we did before, then I think this has all been for nothing. But if we can learn from this, we can all get ahead."

LESSONS LEARNED

The catalogue on lessons learned from how organizations, governments, and communities operated through the pandemic may be updated for a long time. However, even the early learnings are many and meaningful.



1. BE PREPARED

COVID-19 caught much of the world unawares. Nielsen shares, "In the back of everyone's minds it was always, 'this is a paper exercise, it's not going to happen.' I think now people are going to go into disaster preparedness with a whole different level of seriousness."

Now that we're in it, Ullrich Ackermann, Chair of the Board at TRANSEARCH, says "It's important to take lessons out of this rather quickly. So, what can you learn out of this crisis? What can you do? How can you shape your solution? How can you shape your services? How can you shape the sale of your product? This is pretty much something that every single industry or every single client has to think about."

More likely than not, the next generation of disaster preparedness plans will be predicated on having completed digital transformation.



2. GO DIGITAL

"All the IT companies, et cetera, are the winners of the COVID situation,"

Ackermann says. "Companies that have already invested highly in digitalization over the last two, three years are probably better off than the ones that have rather neglected or postponed it."

What kind of difference did it make? Wan considers employees who found themselves on the outside when China locked down. "They are not able to return to China. You still try to make sure that they can contribute, even though they are stuck in Singapore or Hong Kong or in New York, because they cannot come back. The technology like Zoom, WebEx and the others, even many local video conferencing tools are very good. For many companies that were not very active in the digital or e-commerce sector, they are now really trying to get help and have a new strategy to open up that side of the business."

Bagnolesi observes, "As a result of COVID, things are changing," he says. "Not for belief, not for love, but unfortunately—for certain organizations—for pain." Despite the pandemic, Brazilian organizations have been trying to survive since 2013, after recurring economic and political crises. New investments, especially in new technologies, are more complex.

Consider contract management, document signing and logistics management through tech, e-commerce, payment systems and companies using AI to engage with customers as the first point of contact. Sterling says, "Technology has taken on such a central role in business, and any company that's been reticent about making the digital transformation or spending more money on updating and securing its technology is probably wishing that it had done so."

For those tech-current organizations, we've also learned that yes, people can work from home.

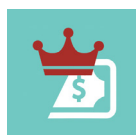


3. REMOTE WORK WORKS!

Sterling says, "Working from home has proven to be an amazing thing. People actually will work from home and will do an honest day's work for you. And that's a testament to the culture and the

leadership pre-COVID, to some extent. Mostly, people have a genuine desire to deliver and do good things.”

Bagnolesi recalls one client’s reaction to his firm’s home office policy. “In January of 2020, a client, the HR leader of a very conservative company here in Brazil told me, ‘Oh, you’re implementing home office? The leaders, the directors, they disagree.’ This client started a home office pilot in one small area of the company, with reviews planned through the months to check, recheck, and double check if it was working. And then because of the pandemic, in two weeks the whole company is working from a home office!” He adds, “And it’s working. This is the kind of situation that companies are facing: a very conservative mindset and they are changing everything not because of belief, because of the pandemic.”



4. CASH IS (STILL) KING

A major disruption that interrupts business operations or depresses customer demand, or in the case of COVID, both, can have a disastrous impact on cash flow. Part of being prepared is liquidity. Ackermann explains, “Especially in Germany, many companies, especially the mid-sized family owned businesses, have learned from the financial crisis that the banks that give you an umbrella when the sun shines want the umbrella back when it starts to rain. People have taken learnings out of that and have raised their own share of capital in order to be liquid in such difficult situations.”

Companies that are liquid can meet payroll and other obligations, and can purchase components or supplies to resume business when the crisis abates. Companies that can’t may not be in business when that time comes.



5. BE AGILE

“One of the learnings that in my mind, one of the big outcomes specifically for healthcare and life sciences is that there’s always been this rhythm of, we have to do these things sequentially,” Nielsen observes. “We have to complete part A and analyze before we start part B. Now all of a sudden it turns out that

we can actually do a lot of this, if not totally in parallel then at least not totally sequential. And in this situation, we need to take chances that we thought were unthinkable six months ago. All of a sudden they’re not just necessary, they actually help us get to the end point sooner, and still under the same safeguard we had prior to this.”

Westdorf describes the value of agility in Germany’s vital Mittelstand sector. “Those companies that have been able to develop new, agile, digital business models fastest are the ones that survive. There are quite a number of family-owned businesses that are traditional, with senior people running them. In some cases, they have not been up to date concerning digitalization and have not been able to speed up fast enough during this time. Therefore, it’s really important that they realize their competitive edge is no longer necessarily based on something they’ve done traditionally.”

For Matthews, some of the learnings and some of the takeaways are “the acceleration of trends and the speed that’s required in today’s business. I’ll give you an example,” he says. “Different people have different rules of thumb. My rule of thumb was that if I had 80 to 85% of the data, then I’d make a decision. Now you need to make a decision on 60 to 65%. So, the speed in decision making has picked up and then the speed and agility of mid-course correction if necessary must also.”



6. SUPPLY CHAINS ARE FRAGILE

Borror leads the supply chain practice at her firm and sees first-hand the vulnerability of global supply chains. “What we’ve seen is the pandemic has really revealed the weakness of the globalized supply chain network. This has been very challenging for all companies, whether they were affected negatively or positively.”

Westdorf provides a chilling example of what can go wrong. “In the pharmaceutical industry, if the API, the basic ingredients for pharmaceutical products can’t be delivered from India, all the pharma companies have got a very, very serious issue—they can’t produce anymore. So, the supply chain, I think, might

become more regional and an adequate risk management will be much more important in contrast to the past. And people, consumers, as well as patients and health insurers, will have to be prepared to pay more not only for services, but also for products, for medicine.”



7. KNOW WHO’S NEXT

The failure to plan for executives leaving their companies, not being up to the task of the COVID crisis, or worst of all falling ill, left many organizations with a painful lesson on the importance of succession planning.

From Walochik’s perspective, “Most of the boards and top management realized that they did not have a contingency plan for leadership. They had succession plans that HR had put together that sat in somebody’s drawer, but the succession plans are looking typically two, three years out. And what they realized was, wow, we were lucky we made it through this one, but we did not have a contingency plan for our key top people.”



8. COLLABORATE

“One of the things I hope that we’re going to learn from this is that even when you might consider some other institution or some other company a competitor, the reality is that in many cases, the competition is maybe 10, 15% of what you do, and you don’t see the 85, 90% where

“...this situation also has created psychological challenges for many people. To be locked into a place for an extended period of time, not to be able to go out much...There have been situations where this has been really depressing and has had quite negative effects. And being there for your people and offering help whenever needed, I think that has made a big difference.”

—Stefan Spang, Senior Partner,
McKinsey & Company

you can actually have complementary skills and capabilities,” Nielsen says. “I hope we’re not going to unlearn what we just learned.”

Spang sees leaders learning to “reach out a lot more extensively, also beyond the boundaries of their own organization.” One of the benefits of restricted travel, he finds, is that people are available. “We have organized a whole lot of events, not very formal ones, just discussions, roundtables you would have called them in a physical setting. People got together for an hour on a video conference from across many different organizations to share perspectives on a common theme. When you normally try to do that in the physical world, you would have had to send out invites months before and would have had response rates of 10% on a good day, and who then actually showed up was a whole different matter. This now goes from one day to the next almost without any problem and with totally different response rates. People are a lot more willing to be flexible in their diaries, to make the extra time. You can get CEOs with a few days’ notice to come onto an hour’s video conference to have a discussion.”



9. INNOVATE

For Wan, “The key learning is the importance of innovation.” For example, he says in the last four or five months, Cornerstone’s 20 or so consultants have used the digital media platform TikTok to

“I know of an insurance company that furloughed 80% of their staff and continued paying out a significant dividend. I know another company where the board members took cuts in their income for the lockdown period. What different companies did at that time is going to mark who they are going forward, and how they’re seen.”

—Krista Walochik,
Founding Partner, Talengo

create videos for clients. “We’ve been able to produce about 400 videos that we put in a training archive for coaching projects. At this time of lower capacity, we asked ourselves what is our strength, and what does the client need? So, we tried to break down some important leadership concepts into short TikTok videos.” Wan laughs, “It’s a good idea; if you cannot explain in one minute, there is something wrong!”

“Clients love it because we basically have a whole syllabus of coaching subjects. Each of their staff can log in on their own time, and at the same time, we have regular scheduled webinars that they can join. So, we are providing different things on different technologies,” Wan says. “It is also fun.”

To help clients manage through the pandemic and the next big disruption, Bagnolesi’s firm is also developing new products. A timely offering, he says, is “a product called Boot Camp. It is coaching for crisis management.”



10. BEND NOT BREAK

A key COVID-era lesson is flexibility. Spang says, “We will be seeing much more flexible modes of collaboration across different parts of the organization, but also with partners and **equally** between suppliers and customers and the organization itself. We will intensify the use of technology even more, and a lot more seamlessly. We will therefore discover quite a few more reserves in terms of productivity and efficiency. And this could really bring us to the next S curve of what we might have imagined the way of working to be 10 years from now.”

Matthews sees the lessons of flexibility in how organizations envision how and where they work. “Expatriate assignments were getting smaller because companies weren’t investing in those and people just didn’t want to relocate, weren’t as flexible—dual incomes, things like that. Out of COVID, we’re seeing an acceleration and an increase in that trend where candidates don’t want to relocate away from family because all of this has changed people’s mindsets. So, there is again an acceleration of that trend on lack of mobility of candidates and employees. The changes in companies that are ahead in terms of best practices, our clients,

they’re moving the jobs to the people now. They’re not moving the people to the jobs because people will not move. So, clients are becoming more flexible. This again is the futurist view, where companies are more remote, more virtual.”

Practical flexibility is also important. Bagnolesi says, “I am recruiting a CEO for a new fintech company here in Brazil, and I called my client two weeks ago with a new candidate. The client said ‘okay, good. Could you open your office for a face to face interview? And I asked, sorry, my office? Yes. Your office! A face to face interview. Ask the candidate if it is okay. So, I called my partner who lives two blocks from the office—’he said what?’ So, with mask, everything, we opened the office and the client went in to interview this C-level candidate face to face.”



11. MENTAL HEALTH IS HEALTH

For several months now, executive leadership has been under the extraordinary stress of tremendous uncertainty and accountability. “Management teams are exhausted,” Walochik says. “They’re just totally wiped out because of the hours, because of the stress, because of the uncertainty, because of maintaining their own teams, because of working from home with the dogs, with the kids, with the spouse, or working alone. And in our case in Spain, with 45,000 deaths, they’re also dealing with losing parents, losing in-laws, losing close friends. It’s been an incredibly, incredibly difficult time. What we realized is that companies were not really recognizing the emotional stress that managers were going through. And that has a concrete effect on your cognitive skills, the way your brain works. That’s going to be a huge issue over the next several months, because the pressure that everyone’s going through and the anxiety, the uncertainty, et cetera, is not going away.”

Spang agrees, “We should not forget that this situation also has created psychological challenges for many people. To be locked into a place for an extended period of time, not to be able to go out much. And again, it has been very different in different places, different countries, but there have been situations where this has been really depressing and has had



"One of the traits and attributes that clients were looking for in top talents was the ability to deal with ambiguity and the ability to drive change. COVID has accelerated the need to deal in white space, to deal with ambiguity, and to move with speed."

—Mickey Matthews,
International Chair, Stanton Chase

quite negative effects. And being there for your people and offering help whenever needed, I think that has made a big difference."



12. BE HUMBLE

"You have to make sure that there is going to be life after the corona crisis,"

Ackermann says. "That the company will survive, that you are trying to maintain as many jobs as possible. You cannot give guarantees, but you have to make the people understand that they are important, that you count on them. And on the other hand, you have to be humble and make the people understand that you don't have all the answers. Nobody has, but you are willing to learn. You are willing to adapt, willing to listen. And I think that's what has changed."

For Walochik, "There's another piece of this, around how vulnerable we actually are, how vulnerable we are in terms of our reliance on supply chains, how vulnerable we are in terms of reliance on ongoing business, how vulnerable we are in terms of our leadership team and capability. It has been a very humbling experience for those who are willing to look really straight on. I think there's a piece around humility and understanding that we're much more vulnerable than we thought we were."

THE WAY WE WORK

The pandemic has indeed been humbling, and it dramatically changed the way we work. There is no universal agreement on what the long-term impact of COVID will

be, or whether these changes will remain if there is an "after" COVID.

"Clients are asking, 'What does a business look like as we climb out of this?'" Nielsen says. "Not that we're out of it by any stretch of the imagination."

For Nielsen, "The word 'recovery' to me has an indication that we think we're going to go back to where we were, and I don't think that is going to happen. We are going to get back to living a different way than we do right now, fortunately, but it's not going to be what it was before. It's not going to be better it's not going to be worse, but it's going to be very different."

THERE IS NO RETREATING FROM TECH.

"It would have been very interesting to imagine what this entire crisis would have looked like 15 years ago when we didn't even have our smart phones," Spang says. "The IT infrastructure was in a totally different place. There was no streaming, there were no smart phones. We would have had to dial up into some host computer, and it would have been a totally different place. There would not have been any thought of remote schooling and education. So, the bit of luck that we had in all of this is the power and robustness of the technology infrastructure that we have put in place over the last 10 years."

Sterling observes, "If nothing else about this COVID lockdown experience, we've learned that technology has really played a prominent role not only in business, but in our personal lives. From a business perspective, highly secure remote

desktops have become very important. Systems such as those that provide digital security, manage contracts, facilitate B2B, B2C transactions, identity verification, collaboration are really rising to the fore in how we are doing things."

Cloud services make the sharing of work products seamless and staying connected while working remotely is simplified by tools like Zoom for video conferencing, and WeChat, Slack, Microsoft teams, and WhatsApp for communication and collaboration.

REMOTE WORK IS HERE TO STAY.

Digital tools and remote desktops have further enabled remote work for professional employees worldwide. Sterling says, "It is interesting when, instead of work coming home, home becomes work."

A study conducted by Condeco Software largely before the COVID-19 outbreak found that of the nearly 1000 businesses from seven countries surveyed, "nearly two-thirds of them expect more remote working in the next year. That figure rises to 70 percent if you extend the horizon to three years. But before we herald a new dawn, remember that one in ten companies are still not offering either flexi-time or remote working to their employees." (The Modern Workplace 2020 Report. Condeco Software)

The pandemic clearly accelerated that trend, and there are benefits and there are risks. For example, from the talent perspective, accepting an offer may have once required relocation. Sterling says, "Well, you probably won't have to



anymore. If you have an accompanying spouse with a career, if you have children who are in a good school, you don't have to disrupt them. The number of times I have interviewed senior leaders who said, 'I really want this job, but I have to say no,' because they had to relocate—now they can say yes because companies are beginning to accept that COVID means talent doesn't have to be in same building, city or country."

On the risk side, Sterling asks, "For employers, how do you maintain a culture? What will that culture look like now that some will work from home and some will work from the office? And what about privacy? Are we seeing too much in the background when we're on a video meeting? CIOs are asking, 'with so many working from home using their own computers and connections how do I guarantee that customer data is protected? How do we protect our IP?' CIOs know that hackers are also working from home, and they're working overtime."

WE'RE STAYING CLOSE (FROM A DISTANCE)

Keeping a safe physical distance from people to prevent the spread of COVID is having a profound and perhaps lasting impact on how people in business stay connected: to peers, to customers and clients, and to employees.

The economic impact on the travel industry is massive, and as organizations become accustomed to remote meetings, business travel may not fully recover. Spang says, "I do not believe people will be traveling six, seven hours to have one or

two-hour meetings. That part will happen via video or via telephone. People will be much more deliberate about when they make a trip."

Without face-to-face interaction, how do we maintain relationships with clients, customers, suppliers and investors? For Bagnolesi it comes down to communication. "In communication with clients, you need to keep them close and be understanding, 'What's going on, what's the situation, what's the problem.' Ask about the business problems, how clients are managing in the pandemic." Bagnolesi advises being available to them. "But it is not selling something, it is being more understanding of your client's situation."

What about new relationships? Bagnolesi says, "It's very hard to attract new clients during this situation. It's a trusted relationship, and it's very hard to develop a new relationship with a cold call."

Westdorf agrees that it's very hard, but sees that today it is possible. "Keeping in touch with your clients is fine; talk to them regularly, have briefings concerning your assignments via video conferencing, that's fine. But really getting new clients, really convincing clients and developing trust? I felt that was impossible virtually, and I've been proven wrong on this one. It is possible, mainly due to the fact that it's not been out of my personal will that I'm not coming to visit them, but it was just impossible. So, we had several video conferences, we really talked extensively, and I was positively surprised that yes, it is possible to develop a relationship. I still think it's a huge difference in contrast

"We work across a wide industry set, and when their communities are suffering, it affects them. But we are seeing many groups stepping up. They're showing empathy, they're showing solidarity for their customers and for their employees and suppliers."

—Jennifer Borrer, Founder and Managing Partner, Borrer Executive Search

to meeting in person, but it's a base, it's something to start off with."

WHAT ABOUT CULTURE? WHAT ABOUT RELATIONSHIPS WITHIN AN ORGANIZATION?

"There's going to be an impact on the people side of business and on the culture of companies," Matthews says. "There's going to be a need to reengage employees. There's going to be the need for a re-recruitment of employees."

Distance can change how people feel about their organizations. Matthews explains, "I've seen some studies that as people come back in China, absenteeism at the plant is a lot higher than it was before. Absenteeism used to be 7 or 8%. It's now at 20%. So, we all need to look at that and say, is that going to happen to us? We need to reengage, we need to rework, re-recruit. Culture is always difficult to maintain. Culture always takes a lot of hard work, but if we're going to be more remote, more virtual, it's going to take that much more communication and really that much more identification with the purpose of the company."

Ackermann agrees that due to remote work, "The relationship has changed and is changing over time." He advises, "You have to trust your staff that they are not going to the beach, but they are working in a serious way. You have to look for the output and not for the input, and giving more trust as well to your employees, that they don't betray you. It's a situation where the level of trust is certainly more requested than ever before."

Nielsen says, “There might be some really smart industrial psychologists that can come up with other ways we can do this, but I do think it is going to be a challenge. We all have these different spheres in our lives that give us a sense of belonging. For most of us, the belonging related to our work is pretty important, and if that gets diminished, I think it has a lot of impact on how solid cultures are. It has an impact on retention of leadership.” Nielsen adds, “In a scenario where that sense of belonging, that sense of team has been diminished, it is going to be even more difficult to get a team to glue together and work through another Black Swan event.” He warns, “Because there will be another.”

UNANSWERED QUESTIONS.

“No one can tell whether the pandemic will continue like this for another two months, three months, or even 12 months,” Wan says. “So, we have to find new ways to get things done.”

What industries will thrive and which may die, we don’t know. The shape of our workplaces, communities, and even our families continue to be affected in ways we can’t predict. Much of what we’ve already seen defies explanation, and what’s to come defies prediction.

Sterling asks, “What are we doing as an employer for those who can’t work from home for whatever reason? The home may not be big enough to have a discreet space or the internet connectivity’s just not as high quality to support online video conferencing, or what if people just need the interaction of others to be fully

productive? How are we supporting them? And then for the employees who are coming to the office, am I supplying them with masks and sanitizers? Am I tapping into resources to help employees who are feeling emotional distress? When you have an office environment, occupational health and safety is obvious, but where does it sit when you have some of the team working from home?”

And the final question Westdorf asks, “Businesses are now in a situation where they have to decide, do we have the right leaders in place? Are these leaders from before the crisis, are these the right ones to carry us in the future? Because we see quite a few of those who were not agile enough, were not willing to take risks, or leaders who were not really dealing in the best, most compassionate way with their people. They will have difficulties in the future.”

And what the future looks like will depend in part on leadership.

PROFILES IN LEADERSHIP

Leaders worldwide in every kind of organization have been tested. It’s too soon to tell how everyone might have scored, but clearly certain traits and skill sets rose to this unprecedented occasion, and those qualities and abilities will be game changers for organizations moving through the pandemic into whatever the future holds.

For Borrer, “Good leadership principles have not changed in good times or in bad. Authentic leaders who continue to lead by example, to show agility and the ability to move people will continue to be sought

after. True leaders will emerge from this crisis and people across organizations will be looking to them for direction. Companies will look at who stepped up and who didn’t, who was agile enough to adjust in this new environment and who wasn’t.”

Walochik quotes Warren Buffett. “He says, ‘when the tide goes down, you can see who is wearing a swimming suit and who isn’t.’ What we’re seeing now is one’s true management style, because now there’s no place to run, there’s no place to hide. Everything is results-oriented. Everything is about aligning people. When you can’t reach out and touch them, you have to do things in a different way. It’s being able to stay balanced; keeping your wits about you. Leaders through this crisis are those who are able to deliver horrible news, who recognize what they don’t know, who took steps earlier in the crisis to keep people safe, who are thinking outside the box, and who are good at setting up different teams to deal with the present and others with the future.

For those with a skillset of managing predominantly in a face to face setting—‘if I see you, then I know you’re working and I can follow your tasks and your production, I’m watching you’—the rug was pulled out from underneath them and their management skills just do not work.”

Matthews discusses the evolving demands of forward-looking clients. “One of the traits and attributes that clients were looking for in top talents was the ability to deal with ambiguity and the ability to drive change. COVID has accelerated the need to deal in white space, to deal with ambiguity,



“Those companies that have been able to develop new, agile, digital business models fastest are the ones that survive.”

—Angela Westdorf,
Managing Partner, Signium Germany



“The key learning is the importance of innovation.”

—Simon Wan, Chief Executive,
Cornerstone International Group

and to move with speed. So again, this is that acceleration theme that businesses are seeing and responding to, and again, figuring out how do we adapt and then what's going to stick as we recover? The other theme that's come out of it is speed, speed in decision making has had to quicken, has had to hasten. Speed in go to market has picked up.”

“Unfortunately,” Bagnolesi says, “Crisis management is part of the everyday skill set of a leader in Brazil. Who in Brazil has managed a company without crisis? This is part of our day to day. It's not new. Pandemic, yes, but crisis is not new.” Brazilians may have just the skills for these unique times. He says, “Brazilians are active, creative and resilient; they are very resilient and hard workers.”

Leaders will need to be. “Let's face it,” Borrer says, “Many companies are still striving to remain solvent. Certainly, empathy and compassion are important, but keeping businesses alive is equally important. And we will need leaders in place that can make these tough decisions, that excel in truly leading and inspiring their people, often remote teams, and that are consciously addressing the social and environmental crises that are happening alongside the public health crisis. We're seeing companies step up and say, we value diversity, inclusion, we value information sharing to drive engagement. Future-proof leaders will show all these qualities.”

She adds, “In January, we were at the peak, the top of an economic cycle. By March, we're at rock bottom. This has been volatile change one day to the next and

leaders that have been very agile, able to step up and mobilize people, those are the types of skills that we're going to be looking for in future-proof leaders.”

From Westdorf's perspective, “It's the combination of being highly innovative, being caring and compassionate, with a stronger focus on agility, on being able to change an organization or a process within a very, very short period of time. Companies develop new products parallel to their existing business all the time, but it was never that their existing business was absolutely under pressure. These days, you have to be prepared for a shutdown and you might have to change from day one to day two, and that's the new quality. It's new for all of us and it is separating good leaders from the ones who have not yet learned to maneuver organizations through a difficult period of time.”

So far, at least, “What we've seen through this is that the successful leaders are authentic, and so this will need to continue,” Matthews says. “They're authentic, they're transparent, they're direct. And by that I mean, if they don't have the answers, they say that. No one has the playbook on this.”

THE PROFESSION AND THE PANDEMIC

The profession is experiencing some of the same market effects as other businesses, as client organizations reduce spending and try to figure out the way forward. As well, the pandemic has affected how the search and advisory services conducts business and innovates for the future.

Wan sees, “Many searches are either canceled or have been put on hold. Some of the candidates that were supposed to be on board in March, April or May have been asked to delay. Especially in different countries, let's say in Singapore, Malaysia, and even China, even though you have a work visa, you're not allowed to come in for the last two, three months. We see the new start of executive search assignments are slower than last year and only for the so called ‘very critical hire’ are we being asked to continue on, which is reasonable because the CEO's key objective is to try to maintain the operation, keep it level.”

The need for top talent has not changed, according to Borrer. “There was a talent deficit before COVID and there's a talent deficit right now. Putting the right leaders in the right roles is what our profession is here to help with, and I don't think that will change, I think it's just the timing. We are seeing companies holding back. I think certainly justifying a big expensive spend is hard right now, so I'd say 80% of our clients have to some degree placed a hiring freeze. They just want to wait and see. Also, it's not the right time to let go of those leaders who are not stepping up to the mark because they're still somewhat in firefighting mode. We just need to get through this period before we look at the leaders who stepped up, who didn't, who do we keep and who do we not keep? I don't think we'll be seeing that until the end of this year. And when that happens, we have a role to play.”

For example, “Companies are at the moment analyzing their organizations,” Westdorf says. “So, leadership consulting is at the moment returning to business by having to assess whether those leaders are the right fit for the future. On the other hand, executive search becomes very important again when it comes to finding critical leaders. We always knew the stakes were high, but COVID has just proved with a lot of force that the right people will make or break a company in crisis.”

Ackermann explains the way he gauges how the business is likely to fare. “If I look at executive search, we have a rule of thumb, which is roughly 60% to two thirds of our searches are always replacements. This will be shrinking a little bit, but not that much. What will shrink or go away more or less completely is the other third, which is newly created positions for expansion, for new businesses or going into new markets et cetera. This will certainly shrink tremendously. And that’s why I would assume that search business would fall to 60% of what we had in 2019.”

To put the COVID crisis in context, Ackermann explains, “After the 9/11 crisis, business dropped by roughly 35% over a period of two, three years. And it took us five to six years to get back. The numbers were roughly the same in the global financial crisis, but the difference was that the business did not shrink over three years, it fell off a cliff by 36% from one year to the other and then it

climbed slowly back up again. But again, it took us five, six years. I think that we will most likely find a similar scenario here because this pandemic is hitting everybody even stronger, because it really hits 95% of the industries.”

Limitations on face-to-face contact has affected how firms conduct their business, both in terms of serving clients and what they have to offer.

Due to lockdowns, travel restrictions, and general safety precautions most searches today are conducted remotely. This can be very difficult for many clients. Wan explains, “Especially for a lot of large family businesses, the owner, or the founder would need to have tea or have a lunch or dinner with new people. They will decide no matter how good you are. So, those decisions are being delayed. For CEO appointments, or even senior executive appointments, the culture fit and the chemistry are much more important. For a proven executive with 15, 20 years’ experience the track record is a given, but the chemistry and the fit with the owner or the founder are important.”

Bagnolesi describes a client who stopped the hiring process mid-offer. “Everything is ready to sign, but the client is waiting. They don’t see how they can introduce a new executive to the team. They can’t onboard someone at the C-level through video conference. We have a lot of conservative clients who are waiting.”

In order to bridge the gap when clients are unable, for whatever reason, to fill

a permanent role, “One of the services our profession provides to our clients is interim management. Nielsen says, “The demand for that has actually gone up during the pandemic, rather than down. It is a reflection of the fact that, A, they don’t have the bandwidth to go through a full executive to search, and B, a lot of organizations, as they’re trying to deal with the shorter term issues of cashflow management, of disaster preparedness, of supply chain, et cetera, they’re also thinking what does my organization need to look like at the other end of this?”

Walochik adds, “Retained executive search is probably, right now, one of the most important key advisors to boards and to CEOs to make sure they get the people issue right, get the talent issue right. When they attract, retain, motivate and engage the right talent, then they are a step ahead of these different waves of change.”

SILVER LININGS

The worst of times often brings out the best in people. The COVID era is no different.

Wan sees the impact of the crisis on his clients. “After some months working from home, I feel, that they have become a changed executive.” Wan explains, “The CEOs today are much closer to the staff in their local operation. At the same time, they are having a new lifestyle at home with the family. I think most of them have a stronger family relationship. So, this is great!”



“Working from home has proven to be an amazing thing. People actually will work from home and will do an honest day’s work for you. And that’s a testament to the culture and the leadership pre-COVID, to some extent. Mostly, people have a genuine desire to deliver and do good things.”

—Richard Sterling,
Managing Partner, AltoPartners

Borrer says, “I had one fantastic client, it’s a French food production company and the head of their production did fall ill and the headquarters team actually went on to the manufacturing sites, the head of HR and these non-technical profiles. And they were all working on the factory floor, on the production line. The whole company, regardless of their role showed up at the factory, rolling up their sleeves and getting stuff done. It was heartwarming, our client saying, ‘We will not let France starve.’”

Nielsen describes “the concept of using antibodies from patients who have recovered from COVID-19 that they use to treat other patients.” He says, “Every patient can really only donate plasma to potentially treat two other patients, so it’s not really a scalable solution. There is, however, the ability to isolate super antibodies, and mass produce them to treat thousands of patients. Two companies and a research institution have put together what looks like a very doable plan to do this. The National Institutes of Health knows how to isolate the plasma, the Australian company CSL is a leader in plasma fractionation, and the Japanese pharmaceutical company Takeda knows how to scale up manufacturing. In less than three months they’ve put together a plan and are working together.”

Sterling describes the craft beer scene in Australia. “When the brewers had to shut down, a lot of them were saying, well, hang on, we’ve got all these tanks sitting there empty. Why don’t we start making sanitizer? Right across Australia, brewer

after brewer started turning their tanks to the production of hospital-grade sanitizer. And many were just giving it to the people on the COVID frontline, doctors, nurses and cleaners in hospitals and clinics. And with the beer that they had stockpiled, they started packing it into four and six packs and distributing it to the frontline people. They were calling it ‘thank you packs.’” “It shows leadership, it shows vision, and it also shows that businesses are not islands. They are parts of communities,” Sterling says.

THE HORIZON

What do we know about what’s next? The realities of the coming months and years may be painful, and the change that is upon us could be transformational.

Wan sees the possibility of a new world order. “Being global has a new meaning, now. I think the world could become China plus one, or USA plus one, or India plus one, or Europe plus one. Basically, having a global supply chain and global market—that concept might be being challenged quite a bit in the next five years. The market would tend to become more regional rather than global. A global market will have a new meaning in the future, and that would affect organizational design. And at the same time, it would affect the talent flow. Somehow the mood of global business has changed. That’s the reality.”

Another reality is that businesses that survive will need to adapt. Borrer says, “We’re going to see companies

working very hard to overhaul their infrastructure. Not just going to digital and AI initiatives, people will really play a key role in the recovery model. How companies look at their senior leaders will need to change. They’re going to be looking at how leaders have responded and handled the crisis. Did they prove themselves up to the task? If not, why not? Where have they spotted gaps in talent as we continue to move forward with a high degree of ambiguity post COVID. Hiring the right leaders in the right roles will be more important than ever now.”

There is no escaping that there will be failed enterprises and everything that goes with it. “Like always in a crisis situation, there are losers unfortunately, but there are also winners,” Walochik says. “And then there are folks that are just transforming the way things are done, just totally new services, et cetera, and making life a better place for everybody. I don’t know if it’s a silver lining; they say that after the bubonic plague came the Renaissance.”

Nielsen thinks, “It is going to be really interesting to see how our cultures and behaviors and values have changed as a function of this. Right now, we’re much more focused on how do we get through the next X months, how do we get into the new normal and how is it going to function. But, the next phase, which is much more looking back and trying to understand how does this impact our society? I think it will be really



“In communication with clients, you need to keep them close and be understanding, ‘What’s going on, what’s the situation, what’s the problem.’ Ask about the business problems, how clients are managing in the pandemic. But it is not selling something, it is being more understanding of your client’s situation.”

—Renato Bagnolesi,
Managing Partner, FESA Group



"The word 'recovery' to me has an indication that we think we're going to go back to where we were, and I don't think that is going to happen. We are going to get back to living a different way than we do right now, fortunately, but it's not going to be what it was before. It's not going to be better it's not going to be worse, but it's going to be very different."

—Morten Nielsen,
Senior Partner and Global Managing
Partner for the Life Sciences, WittKieffer;
AESC Board Chair.

interesting." However, Nielsen warns, "Going through five years of world war relative to going through 18 months of COVID-19; the shorter the experience, the shorter I think memories will be."

Spang is on a similar page. "I am not in the camp of people who say everything will be different going forward, 'Oh, this is the new normal,'" Spang says. "I believe a whole range of old habits will come back very quickly, as soon as the situation allows. I think we are observing this already now with the relaxations of some of the lockdowns, where people seem to revert quite immediately to some of the old practices."

That may be good news for Ackermann. "I don't think that we will have the same situation once we are out of this, because we simply cannot afford it. If we would remain sitting at home without using public transport, without using our cars, without going to our local restaurants, without going to our local clothing store, et cetera, then those people will not survive. And if they don't open, if you don't go there and support them, then they will not buy cars, they will not buy clothing, they will not buy anything else."

He reminds us, "We are facing a situation with no consumption, we are strangling our economy and we are strangling ourselves."

And Bagnolesi reminds us, "It is a skill to survive, but we need to reinvent ourselves and our businesses to win."

From Matthews' perspective, "I am very positive on how we're coming out of this because I've seen just great people step up. If leaders can be comfortable empowering great people and getting out of the way, not only are we going to overcome this, but we're going to thrive. If you can put people first, empower them and get out of the way, amazing things can happen."

The crisis put a lot of concepts to the test. For example, Sterling says, "A lot of companies have discovered that strong cultures have allowed them to flourish and to have the success stories that we have heard about, that people will respond to moments of need and crisis, and that people can work from home and be productive and in fact, even improve productivity. And I think that is a testament to having a great culture beforehand."

However, he says, "Some hard lessons will still need to be learned because we're not out of this yet. What if a vaccine is never to be discovered? What if one or more of my key talent become infected and worse, die this month? What if a critical part of my supply chain or market is seriously or possibly irreparably disrupted by COVID-fuelled geo-political maneuvering? You've got to ask these sorts of questions, and consider how it will impact business, employment, talent acquisition and management, succession planning and all of that as we go forward?"

Wan says, "In a pandemic like this, no one was well prepared. But I think the quality executive is to be able to adapt, find the positive as well as deal with the negative, and at the same time, build a strong company culture while making significant changes. Sometimes it's quite painful, but we have to be more prepared for the next 12 months, not just the coming month. We have to be more prepared for the next 12 months than we were for the last 12 months."

Westdorf sees COVID-19 as an accelerator for having a larger focus on sustainability. "Companies, employees and leaders have realized how vulnerable our system is; our whole economic system, and our whole world. So, it's really much more focused on, how can I make sure that I'm doing the best possible work in the best possible way for not only people, but also for the product, and also of course for my company?"

"There will be good things coming out of this," Walochik says. "And I am personally betting on a more sensitive, more humanistic, a more long-term way of understanding what our role is to society, to the planet, as well as to our shareholders."

Spang adds, "Just out of care for all of us, please keep in mind this isn't over yet."





THE INTREPID INTERIM

Organizations driving change, managing through crisis, or holding course during a vacancy will often turn to the agility and expertise of an interim executive. It's a career for the bold professional with deep skill and experience.

[BlueSteps](#) is the executive career management service of the AESC. [Glenda Brown](#), Managing Director of BlueSteps and [Kathy Simmons](#), Executive Director of BlueSteps Career Services provide clarity, counsel and resources for BlueSteps members considering an interim executive career.

DEFINING THE INTERIM EXECUTIVE

Just what is an interim executive? It's a C-level professional who takes on a high-level mission in an organization and upon completion, moves to the next mission. "Think of the career as a serial executive," Simmons says.

Interim executives can have specialized strengths—turnarounds, mergers, launches, crisis management, diagnostics. They can take over leadership of a vacant role—a business unit, function or team—with little

to no learning curve, while an organization completes a search for a permanent hire. "When there is upheaval in an organization it is imperative that the organization have superior talent to lead through its challenges," Brown explains. "Often the solution for those types of situations is an interim executive who has the agility and ability to come in, boots on the ground, and manage an organization through either change or crisis, whichever the case may be."

Unlike a consultant, Simmons says, "Interim executives get parachuted in to take over, do the turnaround, and then hand it off. Consultants come in and advise. They may advise the CEO on the next steps, but an interim executive is the CEO during that period."

According to Brown, "Interims thrive on uncertainty. Whereas most of us would say, 'Hey, whoa, that company is a nightmare. I'm not taking that job!' An interim executive says 'I love nightmares! Bring me in, let me fix it, then I'll move on.'"

Brown and Simmons advise candidates interested in becoming interim C-level executives.

SHIFT YOUR PERSPECTIVE

Transitioning to an interim executive career may require a different way of thinking. Simmons says she is an advocate for the idea of *portfolio* careers. What does that look like? "Let's say you have tremendous strategic skills. Well, that could point to board opportunities. If you're a top line revenue producer, a company may not be in a position to hire a new chief revenue officer, but they will bring in someone for an interim role," Simmons says.

"Part of the concept around interim is understanding internally who you are, and what kind of problems you want to solve. When you're looking at interim roles, you really have to see yourself as a solution to a problem."

—Kathy Simmons, Executive Director of BlueSteps Career Services



“Look for the work, don’t look for the job. And by that, I mean look for the work that you want to be doing,” Simmons explains. “Part of the concept around interim is understanding internally who you are, and what kind of problems you want to solve. When you’re looking at interim roles, you really have to see yourself as a solution to a problem, the solution that the company needs at that particular moment in time.”

BlueSteps Career Services helps members identify and market their strengths; both motivational strengths and acquired strengths. “The motivational ones are the ones that get you up in the morning. They’re the ones that you look forward to going to work to do. The acquired skills and strengths, they’re the ones that you’ve had to learn in order to get the job done, but they don’t particularly inspire you,” Simmons explains.

She describes helping members identify their skills and drive, and brand around that. “It’s part of discovering the lens that you need to use to look at your career. And as you do that, some people are very surprised what they find out and what really is their passion. It’s the idea of taking

their job search as a product launch. You need to understand what you’re bringing to market and what your value is and how you can make a difference. Once you understand that, it helps you understand who your market is and what your branding needs to be. From a coaching perspective, it’s coming from the inside out, discovering that, and then distilling it and articulating it in a way that’s going to resonate with your target audience,” Simmons says.

AN ENVIRONMENT FOR INTERIM

In the COVID era many organizations are facing restructuring, digital transformation, supply chain issues, and more. Those organizations need specialized leadership. During heightened uncertainty they may need to act quickly, yet face reluctance, or various internal or external obstacles to filling a high-level position on a permanent basis. According to Brown, “BlueSteps sees COVID-19 as a crisis that has created upheaval across numerous industries and organizations. And this in turn has created needs in many cases for superior interim executives.”

For example, she says, “You could have a hurricane going on in your company, whether that’s because that company is being acquired, you’re a consumer goods company and you’ve had a product recall, you’ve had something really bad happen from a PR perspective, or perhaps your organization is seeing that their lack of strategic supply chain management is going to put them out of business—suddenly a C-level executive to oversee supply chain becomes job one. There could be numerous reasons that companies suddenly are in a crisis. Often that crisis will create a need for an interim executive.”

Simmons recalls a BlueSteps Career Services client. “He was a turnaround guy.” She describes “working with him to really get in touch with what was exciting about turnarounds for him. He had been called in to sort out the problems for several country operations for a global company in Europe. And then he came back to the US and did the same kind of thing with one of their subsidiaries. And he was at a point where he recognized that yes, he could stay in a sustaining role with that company, but he would not be doing the kind of work where he felt he really contributed and really came alive.”

For this client, becoming an interim

“Interims thrive on uncertainty. Whereas most of us would say, ‘Hey, whoa, that company is a nightmare. I’m not taking that job!’ An interim executive says ‘I love nightmares! Bring me in, let me fix it, then I’ll move on.’”

—Glenda Brown, Managing Director of BlueSteps

executive could be the path that both leveraged his skills *and* “fed his soul.”

RESOURCES FOR CANDIDATES

As the candidate care and career management service of the AESC, BlueSteps provides abundant resources to help executives position themselves for an interim executive career. According to Brown, “This includes our extensive and growing [webinar and virtual workshop](#) experiences with renowned thought leaders from AESC member firms, career coaching, our expertise in personal branding, developing executive career documents such as resumes and bios, et cetera.”

BlueSteps hosted two recent webinars on positioning for interim careers, published a guide, and released additional, meaningful content to members. “It’s a big theme for us right now,” Brown says. “And we’ve seen a tremendous appetite and response from executives who are investing in our services and benefiting from them; executives who are interested in interim roles.” ■



[JOIN BLUESTEPS](#)

for exclusive access to executive career-enhancing content and services, and be visible to the AESC membership of top executive search firms worldwide.



[REVIEW BLUESTEPS GUIDES](#)

and benefit from the advice of world-class career advisors.



[ACCESS BLUESTEPS WEBINARS](#)

to help build your executive career.



BlueSteps

Own Your Career Journey with BlueSteps:

The Leading Community of Top Executive Talent.

BlueSteps will guide you through:



Your Job Search

Map a plan with intel and advice from pros who have been there before. Learn where opportunities lie and tactics to make yourself stand out.



Executive Search

Navigate the how-to's of executive search. Discover search firms you should know and learn what recruiters are looking for in the marketplace.



Career Mapping

Home in on what matters to you. Develop a strategy to bring your vision to reality with expert support. Be prepared no matter what appears on the path ahead.

To stay ahead in your career journey,
Join us today at [BlueSteps.com](https://www.bluesteps.com)



We set the standard for background checking executive and board candidates.

TRUSTED



Having vetted many thousands of executives over the past 25 years, we are recognized as a global thought leader on executive background checking.

FROM LONG LIST TO FINALIST



Using cutting-edge techniques, we verify the professed qualifications of candidates and uncover inconsistencies, omissions, and red flags that may hide in their backgrounds.

GLOBALLY



Led by investigative veterans, we have offices around the world and two dozen language fluencies.

HERE'S WHAT WE MOST OFTEN UNCOVER:

- Workplace Misconduct
- Degree Discrepancies
- Offensive Social Media Posts
- Personal Financial Trouble
- Past Criminal Charges
- Accusations In Lawsuits
- Jobs Dropped from Resumes
- Undisclosed Company Affiliations
- Regulatory Sanctions

*We go far
beyond
checking
the box.*

Peter Lagomarsino

San Francisco
+1 415-765-9900
plago@mintzgroup.com

Andrew Melnick

New York
+1 212-489-7100
amelnick@mintzgroup.com

Kelsey Froehlich

London
+44 (0)20 3137 7004
kfroehlich@mintzgroup.com

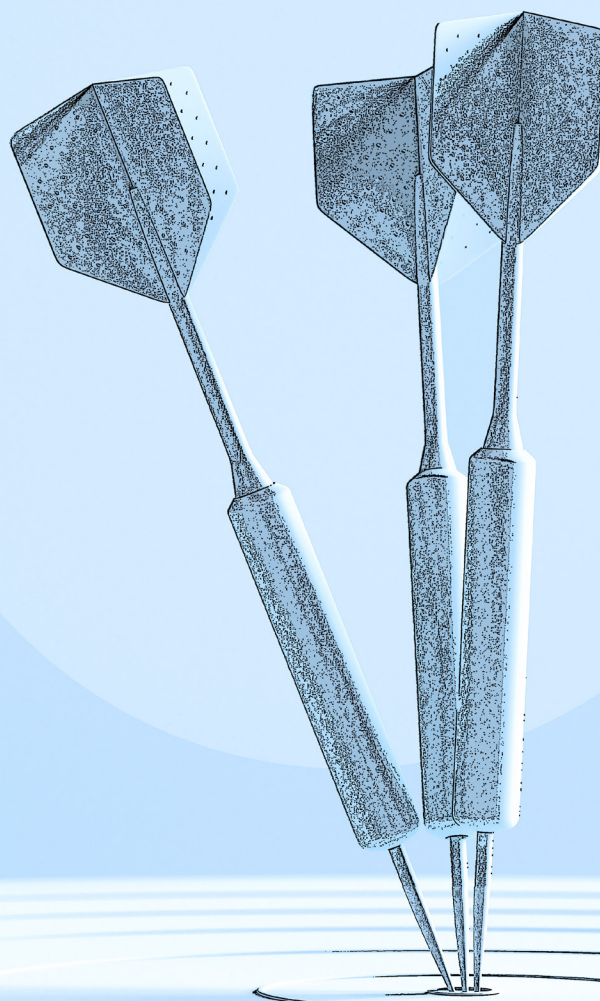
Jingyi Blank

Hong Kong, China
+852 3427 3710
jblank@mintzgroup.com

BACKGROUND CHECKS

BEYOND THE PUBLIC DOMAIN

By Alex Williams
Director, Mintz Group



More and more frequently, our clients are asking us to go beyond the public domain when conducting background checks on executive and board candidates. While the intelligent search and analysis of public information is the foundation of background checking, some past controversies can only be found through interviews, especially interviews of former colleagues, who often have unique knowledge of a candidate's personality, performance and character. We find these interviews helpful in identifying red flags — a valuable supplement to traditional searches such as criminal records, regulatory filings and social media.

It can be useful to think of background checking as having two parts: searching

the public record and interviewing. Each part is important, as even the most basic online checks can raise questions about a candidate. Here are a few recent examples from part one, public records and social media checks:

IDENTITY VERIFICATION



The seemingly basic but critical step of confirming someone's identity is not as easy as it may appear, and it should not be taken for granted. In one case, through comparative analysis of public filings, we found that a financial officer had conveniently borrowed an old friend's date of birth on his job application; under his true date of birth, he had a record of felony convictions including

theft and extortion. Swapping out a birth date, Social Security number or home address may seem like a surprising risk for an executive to take to keep a past scandal hidden, but we have caught a number of senior candidates trying to get away with this.

SOCIAL MEDIA REVIEW



The fastest growing repository of public information can be accessed for free by anyone with an internet connection, but the sheer volume of social media content poses a big challenge. Some clients tell us they have a young social media superstar who reviews the Twitter accounts of all candidates. But what to do when someone has tweeted 10,000

times? And how to identify whether that candidate has another account under a different handle? Mintz Group identifies candidates' profiles on mainstream and obscure networks using a combination of manual research and sophisticated tools that crawl content across the Web. It is important to review not only a candidate's own profiles, but also every mention of the candidate's name or handle by anyone else. In one case, we found that a candidate, just before consenting to our background check, had taken down photographs of himself taking illegal drugs; while the images were no longer easy to find, we accessed an online tool that stores cached websites, which had saved prior versions of the photos in question.

CRIMINAL CHECK



Needless to say, it is important to know if a candidate has been convicted of a crime.

But take caution, as "ban the box" restrictions and other local, state and federal guidelines have placed restrictions on when criminal checks can be performed, and in certain cities and states it is unlawful to search a candidate's criminal history before an offer of employment is made. A number of companies did not properly navigate such guidelines, and as a result they had to pay multimillion-dollar settlements involving violations of consumer reporting laws. Background check providers should know when running a criminal check is unlawful, even though it is often considered the most basic part of vetting a candidate.

VETTING PRIOR EMPLOYERS



Vetting a candidate's past employers can be as important as vetting the candidate personally, particularly when searching for workplace misconduct. For example, a plaintiff alleging sexual harassment against a supervisor will often sue the employer or company instead of the offending individual. This means that if a candidate committed sexual harassment at a past job, it is unlikely to be revealed by searching the candidate's name in legal databases. And if the offender remains anonymous through the course of the proceedings (when identified in legal documents only by job title, for instance), there might be no way of identifying that

person *except* by interviewing people who were there at the time, who know the real story.

Which brings us to the value of conducting interviews, as they can identify the risks an executive may bring to an employer that do *not* show up in court records, news articles or elsewhere on the public record.

We use a variety of tools to identify people who worked with a candidate at his or her past jobs. An effective conversation must be more than a routine, "check-the-box" exchange, in part because the people we talk to are not expecting our call. We often interview references that candidates provide, but in our experience, the most valuable conversations happen when we identify the references ourselves. We like to talk to subordinates, such as administrative assistants and interns, in addition to superiors, such as board directors to whom a C-level candidate reported, to paint the most complete picture possible. Our interviews are of course mindful of any confidentiality obligations the former colleagues or others owe to current or former employers.

Here's an example of a case where interviewing was the only solution: A public company received an anonymous tip that its own head of marketing had a history of sexual harassment in the workplace, specifically that he had been fired from a prior job for related reasons. The company asked the Mintz Group to help confirm or refute the tip. Through a series of interviews with the officer's former colleagues, and thanks to the rapport we developed with one of his old assistants, we confirmed that the officer had been fired from a prior executive role due to his inappropriate treatment of a female coworker. No mention of the reason for the departure was to be found in the news or courthouses. The company had stated in a press release simply that the officer had left to pursue other opportunities.

In another case, a sales executive's former assistant shed light on a history of abrupt departures. The public record showed the executive had bounced around among software companies in short stints, but revealed nothing

While the intelligent search and analysis of public information is the foundation of background checking, some past controversies can only be found through interviews, especially interviews of former colleagues, who often have unique knowledge of a candidate's personality, performance and character.

about his reasons for leaving each role. The assistant, having worked for him through numerous jobs, understood his strategy: find a high-paying position, foist off responsibility, skate by doing the bare minimum and apply for new jobs as superiors start to notice. He also had questionable ethics, we were told, when it came to charging personal expenses to his employers.

Of all the information that speaks to a candidate's character, reputation and suitability, only some can be found on the public record. Of all non-public information, the lion's share is locked inside people's heads, and interviewing is the key to that door. ■

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 16 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. ■

**MINTZ
GROUP**

Clarity in a complex world

AESC Education Programs

MASTER LEARNINGS AT YOUR CONVENIENCE

JOIN 215+ ALUMNI FIRMS

30+ TOPICS

VIRTUAL LEARNING

AESC offers online education programs that deliver long-term value for clients and for organizations.

With training solutions for individuals and teams, participants can advance their skills with powerful virtual platforms that allow them to learn at their own pace from anywhere.

-
- Advanced Certificate in Executive Talent Consulting
 - Certificate in Client Relationship Development
 - Certificate in Executive Research
 - Effective Interviewing® ELearning

aesc.org/education

education@aesc.org



*Dedicated to
Strengthening
Leadership Worldwide*

We Shape. Connect. Educate.

ENCORE^{MAX}



NEXT-GENERATION EXECUTIVE SEARCH SOFTWARE

ENCORE^{MAX} FEATURES:

- BROWSER-BASED DESIGN SUPPORTS USE ON YOUR MAC, PC AND MOBILE DEVICES
- NEWER, FASTER MOBILE ACCESS VIA SECOND SCREEN REPLACES SLINGSHOT
- TURN EMAILS TO ACTIVITIES WITH EVEN MORE AUTOMATION BASED ON USER DEFINED RULES
- LOOKUP ACROSS ALL 4 SYSTEMS FROM ANY SCREEN
- EASILY VIEW ALL ACTIVITIES WITHOUT HAVING TO HUNT FOR THEM
- CREATE LISTS USING SIMPLE TEXT OR BOOLEAN SEARCH TOOLS
- NEW CLARITY FEATURE GIVES YOU POWER-USER RESULTS WITHOUT A POWER-USER SKILL SET



LEARN MORE AT CLUEN.COM OR INFO@CLUEN.COM

INFO@CLUEN.COM US: +1 212 255 6659 UK: +44 207 048 2025 AU: +61 2 9188 9339

BUILD LIFELONG CLIENT RELATIONSHIPS

At a time of volatility and uncertainty, becoming a trusted advisor to your clients takes on an even greater urgency.

AESC offers virtual programs for business leaders looking to deepen and nurture their most important client relationships.

Gain a deeper understanding on how to:

- ✓ Stay in touch and add value—even when there's no business
- ✓ Leverage the latest trends in leadership consulting, business and human capital strategy
- ✓ Learn more about your client's needs than any of your competitors
- ✓ Demonstrate that you possess the tools and knowledge to serve as their trusted advisor for the long-term.
- ✓ Use proven strategies to acquire clients and grow your existing relationships.

Discover how
**AESC's Advanced
Certificate in Executive
Talent Consulting
and
Certificate in
Client Relationship
Development**
can enrich your business.

aesc.org/education

education@aesc.org



We Shape. Connect. Educate.

MINIMIZE RISK

16,000+ TRUSTED PROFESSIONALS
70+ COUNTRIES

Clients must be diligent in choosing a consultant. Since 1959, AESC has set the standard for quality and ethics in executive search and leadership consulting worldwide. The AESC seal represents quality and integrity.

AESC Members offer a wide range of executive talent solutions and successfully place over 100,000 executives each year on boards and in C-level positions for leading organizations of all types and sizes around the world.

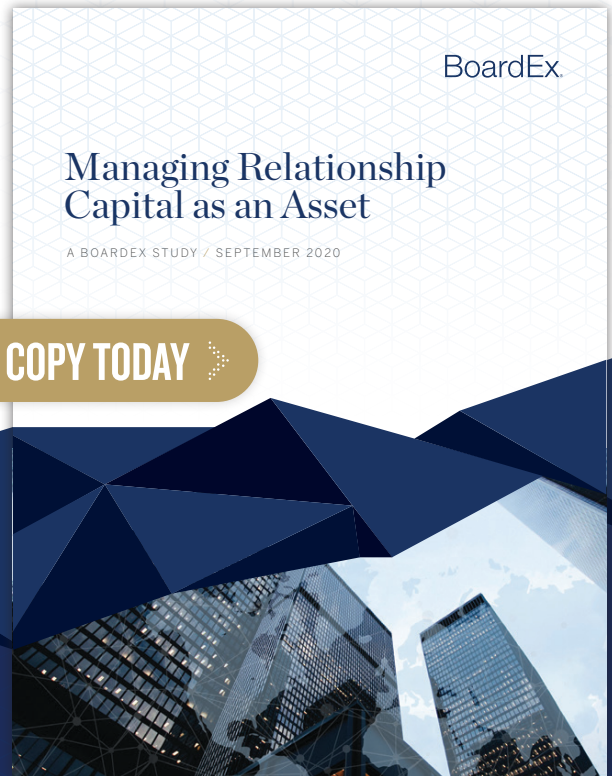


Work with an AESC Member
aesc.org/members

» LEVERAGE YOUR NETWORK TO FIND SUCCESS

Now more than ever, it's crucial to position relationships as a business asset. Your network could prove to be the difference in driving business opportunity and growth. View the findings of a recent BoardEx survey on hiring priorities of corporate leaders across the globe and how relationship networks play a part.

DOWNLOAD YOUR COPY TODAY >



TO LEARN MORE ABOUT WAYS YOU CAN OPTIMIZE YOUR PROFESSIONAL NETWORK TO WIN MORE BUSINESS VISIT US AT [BOARDEx.COM](https://www.boardex.com)

AESC Virtual Global Conference 2020

November 17 to November 19, 2020

3 Days | 20+ Sessions | Multiple Time Zones

Virtual | #WeAreAESC

