Hunt Scanlon | Media
Leadership Intelligence

Executive Recruiting State of the Industry Report

Industry Rankings & Market Forecast

Q1 2021

The pandemic caused an unprecedented disruption to executive search activity in 2020. We take a critical look back, examine search firm performance, and uncover fresh market opportunities. Leading executive recruiters offer up their viewpoints, and forecasts, for 2021.

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Hunt Scanlon Media has been defining and informing the senior talent management sector for over 30 years. Our global staffing intelligence data comes in many forms: daily newswires, annual leadership and state of the industry reports, market intelligence sector briefings, industry rankings and our flagship newsletter Executive Search Review. Our exclusive news briefings, interviews, industry trends reports and rankings, forecasts and expert commentary offer unique insight and market intelligence as we track global talent management developments. Since our inception, talent management professionals worldwide have turned to Hunt Scanlon Media.

Hunt Scanlon Media's global news network is the most comprehensive in the talent management field, and all of our lead stories, rankings tables, news alerts, and thought leadership articles provide the latest thinking in a sector that is highly evolving and in transition. Our editorial team covers news nationally and globally, originating exclusive news briefings each day that provide up-to-the-minute coverage of the entire talent management and leadership solutions sector. Today, Hunt Scanlon Media interfaces annually with more than 20 million human capital professionals in over 191 countries — from CHROs, chief talent officers, talent acquisition specialists, company directors, and top decision-makers in finance, IT, sales, private equity, and marketing, to the global leadership and talent solutions consultants who service them.

Contact Information:

Scott A. Scanlon
Editor-in-Chief
(203) 252-7203
scott@huntscanlon.com

Christopher W. Hunt
President
(203) 252-7302
chris@huntscanlon.com

Erik M. Boender
Director, Operations and Market Intelligence
(203) 321-5115
erik@huntscanlon.com

Paul Silverfarb
Director, Social Media
(203) 526-8799
paul@huntscanlon.com

Stephen Sawicki
Managing Editor
(425) 252-8181
steve@huntscanlon.com

Dale M. Zupsansky
Contributing Editor
(719) 644-0263
dale@huntscanlon.com

Michael S. Hawkins
Director, Marketing & Brand Management
(203) 496-2009
michael@huntscanlon.com

Walker Manning
Manager, Content & Project Management
(203) 613-4348
walker@huntscanlon.com

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FOREWORD

FOREWORD

For Executive Recruiters, a New Way Forward

As we entered 2021, many in the executive search industry were still trying to figure out how to 'go back' and 'get back to normal.' As the industry became more clear-eyed that a backward focus is rarely a sound path to the future, things began to change. As with any crisis of significance (public health, business, economic, social, financial, political, military, etc.), it takes a season in time for governments, businesses, and people to find their sea legs. I am reminded of an old Terry Jacks song, 'Seasons in the Sun.'

Not in any way meant to minimize the tragedy of 2020, but as a crisis typically does, it also gives birth to a new way forward. A crisis rewards the agile thinkers, risk takers, and those with a bias to action. As much as we don't want to sound crass in naming winners and losers during a pandemic, some search firms clearly came out of 2020 better and stronger than others. The pandemic ripped the Band-Aids off the covered wounds of a legacy-based search industry and exposed the weaknesses of even the biggest search firms. Regrettably, many of those weaknesses were also prevalent in smaller firms that did not survive.

Feeling Invincible

If we are to regain our footing as an industry, we need to go back to 2019 to really understand what happened in 2020. As I think back to that year, my playlist has shifted from 'Seasons in the Sun' to the Cars song, 'Let the Good Times Roll.' 2019 was a banner year for most search firms. The search industry was feeling invincible – times were good. Very good. Large firms were getting larger and new search firms were seemingly entering the market faster than butter melts with heat.

In retrospect, and if we're brutally honest with ourselves, most of the executive search industry was asleep at the wheel headed into 2020. Large global search firms had become lazy, confusing strength of brand with a good business model. They carried huge amounts of bloat into 2020. They had too much debt, too many people, and broken, outdated business models. They had to furlough and/or lay-off large amounts of their workforce to remain afloat. Newer, smaller firms in the market may have had thoughts about certain aspects of market innovation, but most lacked stickiness in their client relationships, and lacked financial resources, and the necessary resiliency to survive a crisis, much less a crisis with the magnitude of a global pandemic.

Lack of Innovation

2020 ended up shining a very bright, and long overdue light on the executive search industry. My mental playlist is now reminding of the Tom Petty song 'Free Falling.' The pandemic simply exposed our industry's dirty secrets about the lack of existing innovation around leadership practices, product/service development, process, pricing, methodology, contracting, teaming, delivery and execution, technology, research. The list goes on and one. The executive search industry has fallen behind other industries and segments, and it better catch-up quickly or the carnage that we will see due to a lack of innovation will be larger than anything the pandemic through at us in 2020.

It became glaringly apparent that many search firms were AWOL when their clients needed them most. Search firms, big and small, simply couldn't help clients during their greatest time of need, because they had failed in building sustainable businesses themselves. Most firms simply weren't prepared to add any value to clients if they weren't hiring or assessing talent. Clients saw most search firms as irrelevant and unqualified to solve their problems, and you know what? They were right.

Evolving Faster than Clients

The big question for 2021 is now in front of us: Will search firms do the heavy lifting needed to truly become value-added talent advisory firms, or will they just lick their wounds, weather the storm, and continue with business as usual? As an industry, we need to actually evolve faster than our clients if we're to be seen as advisors who can offer valuable insights, guidance and counsel.

In order not to repeat mistakes that led to search firm vulnerabilities exposed by the pandemic, we must let go of insider arguments that add no value to the client. I've always shared with clients that the fastest and most sure path to the future begins with a very harsh and critical analysis of the present. If you are not willing to be brutally honest about what's wrong, you'll have a difficult time in fixing it. This holds true for the executive search industry as well.

Art of the Possible

Most search firms don't innovate because they are led be people who aren't very innovative. Search firms are most often led by long-time recruiters who have grown up on the inside – industry insiders refer to this as 'a safe pair of hands.' Spoiler alert . . . my playlist has moved to Alanis Morissette's 'Ironic.' Most search firms don't know what clients want because they don't know what questions to ask – they haven't walked in the shoes of their clients. So, here's a quick point of irony – How often do search firms recommend to their clients that they need outside-in thinking, that they need to bring in 'bigger thinkers' from adjacent and non-adjacent industries? The industry needs to move beyond the HR and talent acquisition world to expand thinking and explore the art of the possible.

As an industry, if legacy-based executive search firms don't start to eat their own cooking, we shouldn't be surprised when clients stop ordering menu items they've choked on before. When was the last time your search firm developed a truly new product or service? I'm not talking about renaming the old as something new, but a truly game-changing product or service that puts your competition on their heels and creates advantage for your clients? How many people on your search firm's executive team come from the search industry? Here's a hint, only one member of my executive team is an industry insider. When was the last time you tried something for the first time?

Meaningful Investments

Just one example of a clear gap between the executive search industry's outdated, or worse, misguided worldview and our client's perspective is the lip service many firms pay to digital transformation. For years, our clients have been investing huge amounts of capital and resources into digital transformation, predictive data analytics, machine learning, natural language processing, cognitive AI, IoT, future of work, and culture transformation. If you look at the majority of search firms in the market, they haven't made meaningful investments in these areas – period. This has resulted in a widening of both the knowledge gap and understanding gap between executive search firm and client.

If your search firm has ever touted the size of your database as being synonymous with a certainty of execution, you just don't get it. Data is ubiquitous. Assuming a search firm has adequate financial resources, anyone can get access to the same data. It's the insights you can draw from your ability to synthesize high volumes of curated data quickly that matter to clients. If your search firm's idea of a market scan is a sending a few candidate profiles for the client to review, you should be embarrassed. If your definition of a market map is sending a wonky Excel file for review, well 1980 called and want's their spreadsheet back.

The reality is that if executive search firms continue to propagate tone-deaf arguments that insult the intelligence of our clients, we simply won't advance the industry's gravitas as value added professional service providers. Let me offer one example – the patently silly debate around the generalist firm versus specialist firm. Let me put this debate to bed once and for all. If you want to be of value to your clients, you better be both. If your search firm is a niche firm that only specializes in one industry, one geography, one type of role, or one type of anything, you have more limitations than advantages. Conversely, if your firm is a generalist firm absent domain expertise you have the same problem. Clients simply won't continue to invest disingenuous, half-baked offerings when there are other alternatives in the market.

Robust Market Cycle

It's one thing for an industry to survive, but a quite another for an industry to thrive. If my business logic hasn't swayed your opinion on how and why the executive search industry needs to change, let me offer a more mercenary approach – let's talk economics. From a basic macroeconomic perspective, as industries mature (and ours is certainly very ripe), price compression and commoditization occur. Continuing to try and justify/protect the same fee structure put in place decades ago just won't resonate with clients – moreover, it's simply not sustainable. Here's the good news: With a focus on innovation around new products and services and unlocking new value for clients, it won't be necessary to continue to justify outdated pricing methodologies. In fact, clients will pay more for your services and you'll be able to more easily defend pricing as clients will be able quickly calculate return on investment.

Our industry, like most, suffered big casualties, and while the pandemic and its effects are still present in our day-to-day lives, smart search firms have moved on. They have addressed the needs of their workforce, they have listened to the needs of those they serve, and they have reinvented and reimagined a new and better way of navigating rapidly changing markets. The search firms currently experiencing rapid growth in the market have already embraced some of the items mentioned in this Foreword. What we need to do as an industry is champion firms getting it right and weed out those who are holding on to a world that has long since passed them by.

The search industry suffered major setbacks as did our clients last year, and while the pandemic hasn't left us, and the memories of 2020 will live with us forever, we are clearly in a new and more robust market cycle. With Q1 now behind us, the light at the end of the tunnel has become much brighter. In fact, many executive search firms have already come out the other side. I wish everyone a wonderful 2021. The final track on this playlist – 'We are the Champions' by Queen.

– *Mike Myatt*
Founder and Chairman
N2Growth

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

A Return to Growth & Expansion

Executive recruiters spent the better part of last year resetting expectations in the midst of an unprecedented interruption to their business. Today, most of them, if not all, believe the industry is turning a significant corner. Tremendous promise – and a return to growth and expansion – lies ahead.

There is no doubt the pandemic has had a winnowing effect on the executive search industry. Many firms were hit hard in 2020 with reductions in revenue and staff. Some closed shop. The pandemic did not discriminate – it hit large firms, small firms, and those in between without prejudice. The pandemic revealed the weakness of search firms, who were carrying too much bloat, or were under-resourced. What's in store now is anyone's guess – but the prevailing winds are blowing in more business than most search firms can handle. Markets are stabilizing while recruiters are wobbling a bit under the weight of intense demand for top notch talent.

Now comes the pivot. Many recruiters believe 2021 is moving us to a new normal. What's in store are different leadership needs, more focus on culture and DE&I, innovation, a move to a more balanced, hybrid workforce. All of it means big changes in the world of recruiting, assessing, onboarding, training, and retaining people.

The good news: optimism reigns. And that means we could be in for one of the biggest growth spurts the executive search sector has enjoyed in years. Let's go inside the latest thinking!

Mr. Myatt, of **N2Growth**, sees a new – and improved – search industry emerging from the pandemic. "Firms who survived 2020 are more lean and agile than they were coming into the pandemic," he says. "They are helping clients problem solve with greater speed and efficiency. Bottom line – they are more connected to their clients. The search industry was populated by too many firms slinging resumes for a living. Transitioning through the pandemic, clients are looking for more sophisticated thought partners that clients view as an accelerant to accomplishing strategic imperatives."

"We won't get back to normal, and firms looking to go back will simply cease to exist," says Mr. Myatt. "Our clients don't want to go back. They have already made massive pivots and big investments in their organizational and operational models and rhythms to move their companies forward. Normal as we knew it is gone forever."

Between the rollout of vaccines for COVID-19 and passage of the $1.9 trillion American Rescue Plan Act, the expressions of optimism for an economy ravaged by the pandemic—not to mention life as we knew it—have become increasingly pronounced. There have been caveats, of course: Many are concerned about the virus' ability to mutate and wreak further havoc. Getting help to countries, particularly in the Third World, that are lagging in vaccinating their citizens must be a priority. And, of course, all of us must stay vigilant in protecting ourselves and others from the virus to avoid ceding hard-won ground.

Still, who among us has not been heartened by the comments emanating from top government and business leaders that just over the horizon looms a sunny post-pandemic future?

It started in late March, when Treasury Secretary Janet Yellen told the U.S. House of Representatives Financial Services Committee that the government's stimulus package offers real hope for growth and possibly even full employment. "I am confident that people will reach the other side of this pandemic with the foundations of their lives intact," said Ms. Yellen. "And I believe they will be met there by a growing economy. In fact, I think we may see a return to full employment next year."

Hunt Scanlon Top 10 Recruiters

	Firm Name	Revenue ($ millions)	Percent Change	No. of Consultants	No. of Offices	Primary Contact	Phone Number
1.	Korn Ferry[a]	898.0	- 15.0	440	35	Gary Burnison	(310) 226-2613
2.	Spencer Stuart[b]	514.4	- 7.2	274	27	Ben Williams	(312) 822-0080
3.	Russell Reynolds Associates	400.1	- 8.0	147	19	Clarke Murphy	(212) 351-2000
4.	Heidrick & Struggles	361.4	- 13.0	179	13	Krishnan Rajagopalan	(202) 331-4900
5.	Egon Zehnder[c]	316.1	- 3.0	186	20	Edilson Camara	+44 20 7943 1902
6.	DHR International	152.0	0.0	140	50	Geoffrey Hoffmann	(312) 782-1581
7.	True[d]	101.1	+ 8.7	96	8	Joe Riggione/Brad Stadler	(646) 434-0319
8.	Diversified Search Group	95.0	- 7.7	106	14	Dale Jones	(202) 296-2122
9.	Kaye/Bassman - Sanford Rose	87.2	+16.0	278	142	Jeff Kaye/Nicholas Turner	(972) 931-5242
10.	WittKieffer	73.4	+ 9.5	93	11	Andrew P. Chastain	(630) 990-1370

a) As of 2/1/20 – 1/31/21 b) As of 9/30/20 c) As of 10/31/20 d) Total global revenue of $116.5 million

In April, Federal Reserve Chair Jerome H. Powell told the television news show "60 Minutes" that danger was still afoot but that salvation was within reach. "What we're seeing now is really an economy that seems to be at an inflection point," he said. "And that is because of widespread vaccination and strong fiscal support, strong monetary policy support. We feel like we're at a place where the economy's about to start growing much more quickly and job creation coming in much more quickly." He later added: "I'd say that we and a lot of private sector forecasters see strong growth and strong job creation starting right now. So really, the outlook has brightened substantially."

And what business leader anywhere in America didn't perk up a bit at the widely reported outlook of **JPMorgan Chase** chairman and CEO Jamie Dimon, from his annual letter to shareholders? "I have little doubt that with excess savings, new stimulus savings, huge deficit spending, more QE, a new potential infrastructure bill, a successful vaccine and euphoria around the end of the pandemic, the U.S. economy will likely boom," said Mr. Dimon. "This boom could easily run into 2023 because all the spending could extend well into 2023." Nor is Mr. Dimon the only banker with such a cheerful prognosis. CEOs David M. Solomon, of **Goldman Sachs**, and Charles W. Scharf, of **Wells Fargo**, among others, have been whistling a similar tune.

Their song, however, is not "Happy Days Are Here Again," at least not yet. The road ahead remains fraught with danger and obstacles that can be impossible to predict. The good news is that by mid-April 125 million people in the U.S. had received either one or two doses of the vaccine. All the same, close to 32 million cases of COVID-19 have been reported. And 570,000 Americans have died from it. Those are sobering numbers, each and every one a tragedy,

and the heartache is going to get worse before the crisis is over. What's more, other setbacks, such as the pause in April in the use of Johnson & Johnson's vaccine because of rare blood clots, have only made the job that much more difficult. Undoubtedly, there will be more.

Although our resolve has been tested, most experts agree that this is an economy on the upswing: In mid-April, the Labor Department reported the lowest number of unemployment claims since the pandemic began, with new state claims falling to 576,000 from 769,000 the week before. That's still a lot, and those numbers can certainly still rise, but it's promising movement toward the pre-pandemic milestone of around 220,000. Meanwhile, March saw the addition of 916,000 jobs, dropping the unemployment rate to six percent from February's 6.2 percent. And retail sales for March saw the best monthly gain in 10 months, jumping 9.8 percent from February, according to the U.S. Department of Commerce.

That is good news for the executive search industry, which suffered an unprecedented, and completely unexpected, interruption to their business because of the pandemic in 2020. Indeed, many executive search firms struggled last year. According to the latest **Hunt Scanlon Media** survey of executive search firms, 29 recruiting providers among the research firm's Top 50 – nearly 60 percent – reported declining revenues last year. Each of the five leading SHREK firms reported business declines, with **Korn Ferry** reporting the steepest dip at 15 percent. That was followed by **Heidrick & Struggles**, down 13 percent; **Russell Reynolds Associates**, down eight percent; **Spencer Stuart**, down seven percent; and **Egon Zehnder**, which was down three percent. Globally for these top talent providers, the picture was not much better.

But there were bright spots. **True Search**, one of the fastest growing search firms of late, had a solid

year and topped $100 million in revenue for the first time. In addition, **Stevenson Group** was up 25 percent, **Slone Partners** was up 40 percent, and **The Christopher Group**, an HR search specialist with a growing human resource consulting unit, grew its top line by 35 percent. But no single executive search firm had the good fortune that Hobbs & Towne enjoyed in 2020. Focused exclusively, and deliberately, on the clean tech, mobility, climate technology, food and agriculture, water, infrastructure, and sustainability markets, **Hobbs & Towne** saw a 59 percent growth rate in revenues and took first place in the exclusive Hunt Scanlon Top 25 rankings as the fastest growing search firm of the year.

According to figures provided by the firm, Hobbs & Towne last year saw unimpeded growth as far as the eye can see. And no wonder: A sector once considered a backwater is now the darling of major private equity and venture capital players, family offices, management consulting behemoths, and wealthy investors seeking to make their mark – and lots of money – on the transformational shift to cleaner, more sustainable living. Among them: Andreessen Horowitz, Khosla Ventures, Bill Gates, Oaktree, Elon Musk, Greentech Capital Advisors, Kleiner Perkins, Jeff Bezos, Clean Energy Venture Fund, and a host of others. Among the search firm's notable recent placements: chief science officer of transformational food and beverage company **Impossible**; chief people officer of solar, storage and energy efficiency company **Elevation**; chief technology and innovation officer at **National Grid**; and CEO of innovative electricity technology company **Smart Wires**.

But the impact of the pandemic ran deeper than winners and losers. Clients were forced into difficult situations, and that impacted top leadership roles. Following up a study from last summer, Spencer

SPOTLIGHT

An Outlook for CEO Succession in 2021

SpencerStuart

Boards tend to pause leadership successions during turbulent times, and 2020 was no exception. Globally, CEO transitions fell 42 percent between the first and second halves of the year as the economic strain of the Covid-19 pandemic intensified. Transitions declined a modest four percent for the year compared with the average annual number in 2018 and 2019, reflecting the strong pace of transitions early in 2020.

Looking Forward

According to Spencer Stuart, transitions will pick up midyear. CEO transitions tend to rebound as uncertainty wanes, often spiking two years after the depth of a crisis. Given the speedy market recovery in 2020, continued access to liquidity, and the prospect that vaccines will be widely available by the middle of 2021, the search firm expects CEO succession will rebound in tandem with the overall economic recovery. If historical patterns repeat, transitions in 2022 could spike as much as 30 percent above pre-crisis levels. Boards will look to replace three specific CEO profiles: underperformers, aging or exhausted CEOs ready to retire—in some cases, activating a long-term succession plan put on hold—and those whose profile is a poor match for companies requiring a dramatic business model shift.

The business model will help shape the future CEO profile. A silver lining in the crisis has been the dramatic acceleration in the development of high-potential leaders who faced new challenges and proved their mettle. Having seen these leaders in action, boards that emerge from the pandemic with a stable business model will be more comfortable promoting from within, confident their executive is deemed ready to assume the role of CEO. Companies grappling with disrupted business models and in need of new strategies and capabilities may be more likely to consider external candidates. As they search for talent, leading boards will debate the ideal profile of a future leader, based on the company's goals and evolving business context. They will also consider trade-offs between candidates' potential and their experience.

Crisis-critical leadership traits will remain important. Even as the pandemic abates, and boards shift their focus to investing in business resilience, leaders will continue to grapple with uncertainty and complexity. The Covid-19 crisis underscored the critical importance of adaptability, openness to new ideas and long-term orientation. Top-performing executives in the coming decade will display courage, empathy and humility, enabling them to lead through long stretches of uncertainty and to steer businesses through rapid change.

Source: Spencer Stuart

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10.	WittKieffer	73.4	+ 9.5	93	11	Andrew P. Chastain	(630) 990-1370
11.	AMN Leadership Solutions	68.1	- 20.5	136	21	Susan Salka	(866) 871-8519
12.	Odgers Berndtson[e]	67.1	- 14.0	89	20	Steve Potter	(646) 553-4758
13.	ZRG[f]	63.4	0.0	65	24	Larry Hartmann	(201) 560-9900
14.	Klein Hersh	59.0	+13.5	37	1	Fern Klein	(215) 830-7371
15.	Caldwell	53.7	+ 7.4	35	16	John Wallace	(416) 920-7702
16.	Options Group[g]	50.0	+ 8.5	105	1	Mike Karp	(212) 982-0900
17.	Isaacson Miller	34.8	- 13.0	38	5	Vivian Brocard	(617) 262-6500
18.	Major, Lindsey & Africa	34.3	- 22.0	46	16	John Cashman	(312) 456-5601
19.	JM Search	32.5	- 9.7	58	4	John C. Marshall	(610) 964-0200
20.	SPMB	30.7	- 1.0	68	1	Kevin Barry	(415) 924-7200
21.	Solomon Page	28.0	- 15.0	48	16	Lloyd Solomon/Scott Page	(212) 219-0697
22.	Boyden[h]	27.0	- 22.3	81	9	Trina Gordon	(312) 565-1300
23.	Herbert Mines Associates	21.0	- 12.5	7	1	Hal Reiter/Brenda Malloy	(212) 355-0909
24.	Hobbs & Towne, Inc.[i]	19.2	+59.0	38	5	Andy Towne	(650) 283-3472
25.	Acertitude	19.1	+10.4	9	8	Kevin O'Neill/Rick DeRose	(212) 861-0002
26.	CristKolder	18.9	0.0	4	1	Peter Crist	(630) 321-1118
27.	Bay Street Advisors LLC	18.5	- 15.9	18	1	Kevin P. Mahoney	(646) 278-4331
28.	McDermott + Bull	17.0	- 14.0	20	8	Rod McDermott	(949) 753-1700
29.	Direct Recruiters, Inc.	16.9	+10.5	64	1	Dan Charney	(440) 996-0865
30.	Sheffield Haworth	16.7	+ 7.8	13	2	Julian Bell	(212) 593-7119
31.	Slayton Search Partners	15.3	- 10.0	12	1	Rick Slayton	(312) 456-0080
32.	Charles Aris, Inc.	14.7	- 15.0	12	1	Chad Oakley	(336) 378-1818
33.	StevenDouglas	14.5	- 9.0	40	17	Steven Sadaka/Matthew Shore	(954) 385-8595
34.	FurstGroup/Salveson Stetson	14.2	+ 3.6	13	10	Bob Clarke/Sherrie Barch	(800) 642-9940
35.	NGS Global LLC	13.6	+30.0	9	8	David Nosal	(415) 369-2200
36.	Bedford Consulting Group	12.0	+50.0	5	3	Steven Pezim	(201) 302-0866
37.	EMA Partners	11.6	- 24.7	45	12	Chris Pantelidis	(212) 808-3077
38.	Gallagher Executive Search	11.3	+49.0	22	14	Susan O'Hare	(800) 821-8481
39.	Slone Partners	11.2	+40.0	20	17	Leslie Loveless	(812) 298-9298
40.	Chartwell Partners	11.0	0.0	9	4	R. Stuart Bush	(214) 269-1907
41.	Morgan Samuels	10.6	- 22.0	23	6	Bert Hensley	(310) 205-2208
42.	The Stevenson Group	10.2	+25.0	6	1	Adam Bloom	(201) 302-0866
43.	Coulter Partners	10.0	0.0	4	3	Bianca Coulter/Nicholas Green	(973) 705-1217
44.	Quest Groups, LLC	9.5	- 28.0	37	1	Joe Kosakowski	(650) 328-4100
44.	Krauthamer and Associates	9.5	+30.0	4	1	Gary Krauthamer	(301) 654-7533
45.	Govig & Associates	9.4	- 23.5	74	1	Todd Govig	(480) 941-1515
46.	Fairway Consulting Group	9.1	+ 8.0	4	1	Dan Gold	(516) 596-2800
47.	Leathwaite	9.0	- 18.0	6	1	Andrew Wallace	(646) 461-9100
47.	Beecher Reagan Advisors	9.0	- 17.4	7	3	Clark Beecher	(713) 800-7497
48.	CarterBaldwin Executive Search	8.8	- 12.0	7	2	David Clapp	(678) 448-0009
49.	Hanold Associates	8.6	- 5.6	8	3	Jason Hanold	(847) 332-1333
50.	The Christopher Group	8.4	+35.0	13	3	Thomas Christopher	(440) 588-8242

a) As of 2/1/20 – 1/31/21 b) As of 9/30/20 c) As of 10/31/20 d) Total global revenue of $116.5 million e) Total global revenue of $220 million
f) Total global revenue of $71 million g) Total global revenue of $65 million h) Total global revenue of $82 million i) As of 8/31/21 (est.)

Stuart and global consulting firm **Bain & Company** released a report this winter on how the pandemic was affecting leadership succession. As happens in times of turmoil, boards oftentimes held off on such changes last year. "Globally, CEO transitions fell 42 percent between the first and second halves of the year as the economic strain of the COVID-19 pandemic intensified," said the new report. "Transitions declined a modest four percent for the year compared with the average annual number in 2018 and 2019, reflecting the strong pace of transitions early in 2020."

This year, the firms analyzed the pandemic's full-year global impact on CEO succession and found that despite regional differences the broad trends followed the same pattern as previous crises. "During the past three global recessions, CEO transitions fell by as much as one-third from their pre-crisis highs," said the study. "This pattern largely held true in 2020, with some differences by region based on the timing of COVID-19 outbreaks, which struck Asia first, followed by Europe and then North America. Asia experienced the steepest decline in CEO transitions during 2020, down 23 percent compared with the 2018–2019 average. The region's sharpest drop was in Q2. In the U.S., CEO transitions plunged 61 percent in the second half of 2020 from a near-record level in the first half of 2020. In Europe, Q1 and Q4 dips were offset by Q2 and Q3 spikes, leading to a modest increase of three percent for the year over the average annual number in 2018 and 2019."

Spencer Stuart and Bain & Company expected transitions to pick up at mid-year. "CEO transitions tend to rebound as uncertainty wanes, often spiking two years after the depth of a crisis," said the report. "Given the speedy market recovery in 2020, continued access to liquidity, and the prospect that vaccines will be widely available by the middle

of 2021, we expect CEO succession will rebound in tandem with the overall economic recovery. If historical patterns repeat, transitions in 2022 could spike as much as 30 percent above pre-crisis levels. Boards will look to replace three specific CEO profiles: underperformers, aging or exhausted CEOs ready to retire—in some cases, activating a long-term succession plan put on hold—and those whose profile is a poor match for companies requiring a dramatic business model shift."

All this helps to explain why executive recruiters see tremendous promise in the months ahead. Many search leaders spent the better part of last year resetting expectations in the midst of an unprecedented interruption to their business. But most, if not all, believe the industry is about to turn a significant corner.

"There is no doubt the pandemic has had a winnowing effect on the executive search industry," says Mike Myatt, founder and chairman of N2Growth. "Many firms were hit hard with reductions in revenue and staff, and sadly, many firms have closed their doors altogether. The pandemic hasn't discriminated – it's hit large firms, small firms, and those in between without prejudice."

Hunt Scanlon
BIG FIVE
GLOBAL SEARCH FIRMS

Firm Name	20189 Revenue ($ millions)	Percent Change	2018 Revenue ($ millions)
1. Korn Ferry	$1,695.0	-15.0	$1,983.0
2. Spencer Stuart	837.1	- 4.9	880.7
3. Egon Zehnder	726.7	- 4.5	758.0
4. Russell Reynolds Associates	698.5	- 9.0	768.3
5. Heidrick & Struggles	621.6	-12.0	706.9

The pandemic simply revealed the weakness of firms, who on one end of the spectrum were carrying too much bloat, or on the other end of the spectrum were under-resourced and hanging on by a thread, says Mr. Myatt. "That said, I'm one of those eternal optimists. I tend to think more about what if, and what's next, rather than what is or has been. Even though the search industry is clearly still being affected by the pandemic on a daily basis, I view the markets as being nearly, if not altogether stabilized."

"I'm not suggesting that the pandemic is behind us, but with multiple vaccine options being aggressively rolled out, hospitalizations and deaths trending down, travel coming back online, and businesses figuring out their pivots, I believe 2021 has moved us into the next phase of the new normal," says Mr. Myatt.

N2Growth counts itself among the lucky firms. The King of Prussia-based recruitment firm grew in both revenue and headcount through the pandemic. "I think this had more to do with clients seeing us as a value-added thought partner who could aid in their transitions and pivots than anything else," says Mr. Myatt. "It was a testament to the quality of our people and our commitment to client success."

"I continue to be optimistic about 2021 and for the future of search in general with respect to the pandemic," he says. "The industry will see revenue growth this year as we help our clients' resource new innovations and changes in their business models."

Mr. Myatt is not alone in his optimism. Across the board, the search industry seems poised for greater things ahead. There is much talk about pent-up demand for great business leaders, but in many cases such searches began months ago and are continuing at full force. And while everyone agrees that for better or worse 2020 was a once-in-a-lifetime journey, 2021 is shaping up as an adventure in its own right.

"Fourteen months ago, the industry would know with conviction that our industry could not recruit tens of thousands of C-suite executives and board members virtually; it would have been impossible," says Clarke Murphy, chief executive officer of Russell Reynolds Associates. "And we were wrong. Looking back, we fulfilled those mandates, and more, quite successfully."

As a result, he says, "our industry will never be the same again. We have all learned to harness technology and flexibility to recruit for our clients." But it is more than that. Mr. Murphy says there are systemic changes underway. The explosive need for transformational leadership is one of them. "That mandate presents a very different dynamic for the potential of our industry," he says. At Russell Reynolds Associates, the use of Leadership Span – the firm's C-suite assessment framework which is a psychological diagnostic testing tool combined with the firm's recruiting experience – is laying the groundwork for a business which prepares its clients for leadership change rather than having to do a search if leadership change doesn't work. "That was what we did for five decades," says Mr. Murphy.

INSIGHT

Female C-Suite Leadership Post Covid-19

N Growth
Better Teams Win.

The composition of C-suite leadership across the spectrum is notably different than it used to be ten or so years ago. Recent stats from Deloitte show that females in the C-suite now account for 28 percent of the overall composition, a marked uptick from 18.6 percent a decade ago.

But as the world emerges from the COVID-19 crisis, it has become clear that the pandemic's economic and social tolls have disproportionately affected women. So, what is in store for women C-suite leaders in the post COVID era? I believe female executives will leverage lessons learned this year to emerge into 2021 stronger and more supportive, pulling more women back to organizations into leadership roles.

Female executives should be at the frontline of emerging C-suite roles

COVID-19 has taught business leaders the real power of expanding diversity in the C-suite. We've witnessed emerging senior leadership roles steer organizations successfully through the pandemic. However, what's even more interesting is that women occupy the vast majority of these emerging C-suite roles. As such, women executives should position themselves for success in these new roles, from chief data officer, chief digital officer, and chief innovation officer to chief sustainability officer and chief transformation officer. What's more, many of these C-suite positions typically don't have a set career path, so women can use various avenues to get there, and CEOs should pave the way for them to do so in 2021.

There's great value in resilient leadership

Women executive leaders have managed organizations of all sizes through one of the most sweeping crises in recent history. If there's one thing we've learned, emotional intelligence played a large part in that success. Women in the c-suite should leverage empathy and purpose to guide their organizations and teams through the remainder of this crisis. Resilient leadership will help leaders respond appropriately, restructure, and ultimately thrive past COVID. In other words, we should renew our investment and commitment to a positive attitude and a strong sense of future opportunity even during times of turbulence.

It's crucial to pay power forward

In a year replete with uncertainty and crisis, women leaders have learned that power is wielded and won today through social impact more than ever before. It's an excellent opportunity for female c-suite executives to be at the forefront of the fight for social and economic justice by paying their power forward. In this way, they can accelerate economic opportunity, rebuild stronger teams, address systemic inequality, and advance gender equality mandates.

Setting the gold standard for competent executive leadership

In a world reshaped by COVID, women executive leaders have emerged as the new role models of competent leadership. Not just that, their efforts offer the business world an innovative blueprint for pulling through crises. We'll continue to see this in 2021 as female c-suite executives showcase that gender equity in senior leadership teams plays a crucial role in rebuilding and recovery.

Source: N2Growth

"So, you have two very different shifts in our industry that have yielded this enormous amount of business activity right now," he says. "The first: Business transformation needs different leadership attributes. The second: we're helping our clients prepare for leadership changes. So, helping them pick the internals is significant."

But there is a third shift and that surrounds the obligation that the search industry has around candidate and talent diversity, says Mr. Murphy. "The industry creates the long lists. Our clients then go to short list and they choose who to recruit. But what we've learned in this last year is the obligation and the opportunity to create incredibly authentic and powerful leadership teams. And we cannot forget that we have an industry obligation to create the long list that may change the world. And that's not about how one firm performs better than another or why someone's revenues are up or down. We have learned as an industry that we have both an obligation and an opportunity to improve the way the world is led. And many search firms are stepping up while others are trying to still figure it out in a positive way."

Six years ago, Russell Reynolds Associates came to envision a search business that would become much more advisory in nature as the business matured. "We made a fundamental shift as we created a stronger advisory business for our firm," says Mr. Murphy. "Starting in 2015, we recruited different DNA into the firm, recruiting over 100 people over four years that had advisory training and boardroom training."

It is a safe bet that the shift to more advisory work has contributed to a healthy business expansion at Russell Reynolds Associates and most of the search firm's rivals over the past half decade. "Our clients are busier than any period in history on a relative basis in needing new leaders to join their companies," he notes. "And our industry, generally, has risen to the occasion."

Hunt Scanlon Global 40

Agilium Worldwide
Primary Contact: Monika Borgers *Phone:* +34 915 635 313
Worldwide Consultants: 185 *Owned/Affiliates Worldwide Offices:* 27

AIMS International
Primary Contact: Bernardo Entschev *Phone:* (305) 357-2056
Worldwide Consultants: 490 *Owned/Affiliates Worldwide Offices:* 83

Alexander Hughes
Primary Contact: Julien Rozet *Phone:* +33 1 44 30 22 00
Worldwide Consultants: 130 *Owned/Affiliates Worldwide Offices:* 53

AltoPartners
Primary Contact: Stephen Dallamore *Phone:* +2711728 0105
Worldwide Consultants: 325 *Owned/Affiliates Worldwide Offices:* 65

The Amrop Partnership
Primary Contact: Brigitte Arhold *Phone:* +32 2 643 60 00
Worldwide Consultants: 220 *Owned/Affiliates Worldwide Offices:* 73

August Leadership
Primary Contact: Asad Haider *Phone:* (917) 472 7837
Worldwide Consultants: 41 *Owned/Affiliates Worldwide Offices:* 17

Boyden
Primary Contact: Trina Gordon *Phone:* (914) 747-0093
Worldwide Consultants: 260 *Owned/Affiliates Worldwide Offices:* 65

Cornerstone International Group
Primary Contact: Simon Wan *Phone:* +8621-64747064
Worldwide Consultants: 200 *Owned/Affiliates Worldwide Offices:* 52

DHR International
Primary Contact: Geoffrey Hoffman *Phone:* (312) 782-1581
Worldwide Consultants: 144 *Owned/Affiliates Worldwide Offices:* 49

Egon Zehnder
Primary Contact: Edilson Camara *Phone:* +44 20 7943 1902
Worldwide Consultants: 500 *Owned/Affiliates Worldwide Offices:* 68

EMA Partners
Primary Contact: Richard Sbarbaro *Phone:* (708) 531-0100
Worldwide Consultants: 216 *Owned/Affiliates Worldwide Offices:* 48

Glasford International
Primary Contact: Guy Larivière *Phone:* (514) 978-3946
Worldwide Consultants: 125 *Owned/Affiliates Worldwide Offices:* 30

Heidrick & Struggles
Primary Contact: Krishnan Rajagopalan *Phone:* (202) 331-4900
Worldwide Consultants: 440 *Owned/Affiliates Worldwide Offices:* 52

Horton Group International Ltd.
Primary Contact: Andreas Wartenberg *Phone:* +49 (0) 69 95092-0
Worldwide Consultants: 92 *Owned/Affiliates Worldwide Offices:* 41

IIC Partners Executive Search Worldwide
Primary Contact: Christine Hayward *Phone:* (646) 267-7932
Worldwide Consultants: 450 *Owned/Affiliates Worldwide Offices:* 48

IMD International Search Group
Primary Contact: Matthias Mohr *Phone:* +49 711 78076-50
Worldwide Consultants: 160 *Owned/Affiliates Worldwide Offices:* 43

IMSA Search Global Partners
Primary Contact: Monika Ciesielska *Phone:* +48 609 655 633
Worldwide Consultants: 213 *Owned/Affiliates Worldwide Offices:* 49

INAC Global Executive Search
Primary Contact: Rui Borges *Phone:* +35 12 179 98 110
Worldwide Consultants: 137 *Owned/Affiliates Worldwide Offices:* 49

International Executive Search Federation (IESF)
Primary Contact: Victor Carulla *Phone:* +34 93 238 54 86
Worldwide Consultants: 241 *Owned/Affiliates Worldwide Offices:* 46

Intersearch Worldwide Ltd.
Primary Contact: Frank Schelstraete *Phone:* +44 20 8638 5218
Worldwide Consultants: 508 *Owned/Affiliates Worldwide Offices:* 90

IRC Global Executive Search Partners
Primary Contact: Dr. Rohan Carr *Phone:* +61 3 9654 3288
Worldwide Consultants: 386 *Owned/Affiliates Worldwide Offices:* 90

Korn Ferry
Primary Contact: Gary D. Burnison *Phone:* (310) 226-2613
Worldwide Consultants: 1104 *Owned/Affiliates Worldwide Offices:* 104

Major, Lindsey & Africa
Primary Contact: John Cashman *Phone:* (312) 456-5601
Worldwide Consultants: 203 *Owned/Affiliates Worldwide Offices:* 27

Mercuri Urval
Primary Contact: Roger Hagafors *Phone:* +46 705 840 226
Worldwide Consultants: 326 *Owned/Affiliates Worldwide Offices:* 50

NPA Worldwide
Primary Contact: Dave Nerz *Phone:* (616) 871-3326
Worldwide Consultants: 1600 *Owned/Affiliates Worldwide Offices:* 550

Odgers Berndtson
Primary Contact: Kester Scrope *Phone:* +44 207 529 1060
Worldwide Consultants: 282 *Owned/Affiliates Worldwide Offices:* 62

Panorama Search
Primary Contact: Aidan Kennedy *Phone:* +44 (0) 20 7227 0855
Worldwide Consultants: 200 *Owned/Affiliates Worldwide Offices:* 50

Partners to Leaders
Primary Contact: Carlos R. Alemany *Phone:*
Worldwide Consultants: 26 *Owned/Affiliates Worldwide Offices:* 12

Penrhyn International
Primary Contact: Donal Watkin *Phone:* +44 20 7268 2067
Worldwide Consultants: 152 *Owned/Affiliates Worldwide Offices:* 47

Perrett Laver
Primary Contact: Simon Laver / Dan Perrett *Phone:* +44(0)207 340 6200
Worldwide Consultants: 54 *Owned/Affiliates Worldwide Offices:* 15

Praxi Alliance
Primary Contact: Vito Crosetto *Phone:* +39 011 65 60
Worldwide Consultants: 190 *Owned/Affiliates Worldwide Offices:* 64

RGF International Recruitment
Primary Contact: Hiroki Nakashige *Phone:* +81 3 6835 8578
Worldwide Consultants: 900 *Owned/Affiliates Worldwide Offices:* 45

Russell Reynolds Associates
Primary Contact: Clarke Murphy *Phone:* (212) 351-2000
Worldwide Consultants: 336 *Owned/Affiliates Worldwide Offices:* 46

Signium
Primary Contact: Angela Westdorf *Phone:* +49 221 789 533 31
Worldwide Consultants: 159 *Owned/Affiliates Worldwide Offices:* 44

Spencer Stuart
Primary Contact: Ben Williams *Phone:* (312) 822-0080
Worldwide Consultants: 504 *Owned/Affiliates Worldwide Offices:* 70

Stanton Chase
Primary Contact: Mickey Matthews *Phone:* (410) 528-8400
Worldwide Consultants: 280 *Owned/Affiliates Worldwide Offices:* 75

Talentor International
Primary Contact: Michael Sarsteiner *Phone:* +43 1 523 820-77
Worldwide Consultants: 200 *Owned/Affiliates Worldwide Offices:* 38

The Taplow Group
Primary Contact: Mark Firth *Phone:* +44 (0) 1442 219210
Worldwide Consultants: 125 *Owned/Affiliates Worldwide Offices:* 28

TRANSEARCH International
Primary Contact: Celeste Whatley *Phone:* +44 20 7096 9168
Worldwide Consultants: 125 *Owned/Affiliates Worldwide Offices:* 51

Ward Howell International
Primary Contact: Bernd Prasuhn *Phone:* +49 (211) 864-080
Worldwide Consultants: 131 *Owned/Affiliates Worldwide Offices:* 33

Ask Mr. Murphy when the industry emerges from the pandemic and returns to some version of "normal," and he says that in certain respects that's already been exceeded. "We're beyond normal," he says. "The increase in activity starting in September, and certainly continuing through the fourth quarter and in the first quarter may be the most dramatic increases in unit activity in the history of the search business in a single six month period. At least that's the case for us. Our clients are busier than any period in history on a relative basis in needing new leaders to join their companies. So if normal is judged by the client's desire to hire search firms, we've surpassed normal."

"But the second part of the answer is the hybrid nature of how much time someone spends interviewing over Zoom vs. a one-hour commute by car or by train is a massive trade-off in people's happiness and productivity, to not have to commute maybe two hours a day total," he says. "We will never return to five days a week in an office again, ever.

INSIGHT

Spotting Sustainable Leadership Potential

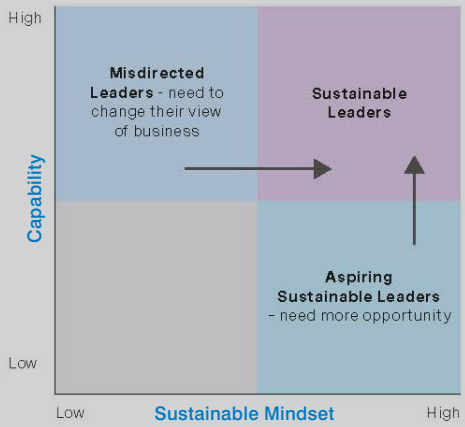
Russell Reynolds ASSOCIATES

In a recent analysis of nearly 4,000 executive placements, **Russell Reynolds Associates** found that only four percent included sustainability experience or mindset as a candidate requirement. It is clear that—despite genuine commitments towards sustainable practices—companies have not yet integrated these priorities into how they identify, assess and select their senior leaders. While roles such as chief sustainability officer are becoming more common, the scale of change required necessitates that senior leaders across the organization bring a sustainability lens to their decision making, not just those with a dedicated remit. Without intentional effort to bring sustainability expertise into the C-suite, companies' sustainability initiatives will remain stalled, no matter the authenticity of their commitments.

It is important to distinguish between those that are already fit for the future and those that have potential but little experience to date. For organizations looking to hire a CEO or Head of Supply Chain, hiring someone who is already a sustainable leader will be important.

However, as organizations think about positions that sit earlier in their leadership pipeline it is important to not get overly hung-up on limited sustainability experience. As you assess leadership candidates you will find that some spike highly on the raw capability aspect but lack a sustainable mindset, and as a result have not translated that raw capability into actual action—these are Misdirected Leaders. A second group will have the right sustainable mindset but have not yet fully developed the capability to translate that into real outcomes—these are Aspiring Sustainable Leaders. Being able to distinguish between these two groups is important. By and large organizations will want to focus on the Aspiring Sustainable Leaders and invest in their growth and development.

Sustainable Mindset and Capability Matrix



The challenges of our current moment—whether defined by the COVID-19 pandemic, the push for racial justice, or the creation of a more equitable economic system—have made abundantly clear the need for a new type of business leadership, one that makes the long-term sustainability and resilience of our world a top priority.

Identifying and developing this next generation of sustainable leaders will require concerted effort on the part of boards and CEOs to embed sustainability into their leadership frameworks and processes, starting with what they look for and prioritize in new hires. This is not a matter of hiring a single individual to own sustainability. The systemic challenges the world faces today mean that sustainable leadership cannot be confined to a small minority; companies must instead cultivate sustainable leadership at all levels. This is not something that can wait. It is not a conversation for tomorrow, it is a conversation for today.

Source: Russell Reynolds Associates

But this is an industry, much like consulting, banking and the legal world, where apprenticeship and mentoring is the fastest way to success. So we have to find the balance, both in our firm and the industry, of periods of collaboration, balanced with flexibility in the workplace. And finding that balance will help people stay in the industry, learn from the their more tenured colleagues and grow in their own careers. So the market is back to normal, plus-plus. And over the course of the summer, next fall, we're going to work on finding the balance of happiness with flexibility and success with mentoring and collaborative time together in the office, but I think that's post-July 4th."

Steve Potter, chief executive officer for **Odgers Berndtson US**, says that 2020 closed out "much, much, much better" that he expected when the pandemic began early last spring. "But an awful lot of that was the fourth quarter," acknowledged Mr. Potter. "Some firms were down 50 percent; most were down probably 40."

For its part, Odgers Berndtson was down 14 percent on the year. All things considered, says Mr. Potter, "we got through it." The firm was profitable. "But if the year ended in August, we probably would have been down closer to 20 percent." It was a healthy fourth quarter that saved the year, he says. "In fact, the fourth quarter was better than the fourth quarter the year before. So, we finished up very strong; we added some partners; we pruned some fat; we did the things that people do when you're having a down year; and the firm came through it really quite well."

Like Russell Reynolds Associates, and indeed many of the firms that entered this year with good prospects for the year ahead, Odgers Berndtson has continued to evolve and innovate. "Some of the new things that we did during this past year have really changed the way we look at the business and the way we're operating as a firm," Mr. Potter says.

"We basically opened four new lines of businesses in the last 14-month period. We've added interim solutions. We've added a mid-market product. We've added an AI technology business. We've added an HR consulting business." These new offerings are expected to add 20 to 25 percent of new revenue in 2021, a figure Mr. Potter says might inch closer to 50 percent by the end of 2022.

Meanwhile, a return "normal," or at least some version of it, remains a moving target. "The companies are

SPOTLIGHT

Eight Human Capital Trends for 2021

With the unprecedented events of 2020 transitioning into a still volatile 2021, all aspects of the aerospace & defense sector have been impacted in transformative ways. As **Odgers Berndtson** looks ahead to 2021, here are the trends they suggest looking at:

1. **Agile leaders** – There may have been no year that required senior leaders to demonstrate more strategic agility than 2020 and now 2021. The global pandemic, widespread social unrest, a new U.S. administration, and fundamental threats to business survival—all of these required leaders to pivot faster and more aggressively than many had done before. As Odgers evaluates candidates for senior level roles, the demonstration of agility has been a critical success factor. Moving into 2021 and beyond, agility and strategic acumen will still be required given continued market uncertainty. Those executives who can be nimble and help identify market dynamics sooner and most effectively will be best positioned for success as we eventually return to a degree of normalcy.
2. **Divergence between Aerospace & Defense** – While 2017–2019 saw both defense budgets growing and commercial aerospace expanding on a seemingly never-ending growth cycle, 2020 saw a massive divergence, especially from a talent perspective. Commercial aerospace was of course impacted to unprecedented degrees by ongoing pandemic-related and travel limits, while the defense market by and large continued to operate at a normal pace. Looking ahead to 2021, defense firms are seeing near-term stability of budgets but downward pressure in the longer term. In commercial markets, leaders continue to evaluate demand forecast scenarios and a return to normalcy.
3. **Accelerated growth in space, unmanned, AI, and Cyber** – All these markets saw significant focus on capital, M&A, and finding the right talent. Executive experience in these areas remains incredibly high with large and small companies including start-ups, venture capital, private equity, and governments making significant investments. Fueled by massive capital injections from billionaires and venture funds, as well as the newly dedicated Space Force, the space sector is now front and center. Unmanned continues to be a major focus across the globe, while Cyber and AI have gained greater importance and visibility during COVID.
4. **Diversity & Inclusion** – momentum and action – 2021 will see a continued emphasis on attracting, developing and retaining a more diverse and inclusive workforce across the aerospace, defense and national security sector. While developing and promoting a more diverse & inclusive workforce has been an area of emphasis for companies in the sector for some time, results have been uneven with some organizations doing quite well and some lagging behind. Based on discussions with leaders across the sector, Odgers sees continued momentum and progress that should continue through 2021 and beyond.
5. **A new administration = new ways of doing business** – With the Biden administration succeeding the Trump administration, there will be the obvious shift in policies and style. As is typical when an administration changes from one party to another, organizations will need to place greater emphasis on government affairs in order to navigate the new political realities and priorities going forward. Government relations roles will be a natural priority for companies and trade associations in 2021. Additionally, there will be a greater emphasis on global partnerships and diplomatic "soft power."
6. **Services, Training and simulation** – While the services, training and simulation markets in both commercial and military spaces saw growth before the coronavirus pandemic, the need for companies to operate remotely is transforming in-person training and simulation. As more is accomplished remotely, leaders who can help navigate the fast-changing training and simulation markets and help develop new business models will be in high demand. Service company business models and leadership approaches will need to change as a result of less on-site work. While in-person will resume to some extent, services companies will need to adjust to a more in-person/offsite hybrid.
7. **Accelerated recruiting process** – If you had asked leaders pre-COVID if they would be comfortable conducting entire searches via Zoom or Microsoft Teams, many would have said no. But we have learned that these technologies work, and now most searches are conducted either predominantly or entirely virtually. This has accelerated the search process dramatically, as the weeks of scheduling required for senior leaders to meet candidates has been condensed into days, with many C-suite executives now going through an entire search process without meeting the entire candidate slate. In some cases, new executive leadership has been hired with in-person meetings taking place only with the finalist candidates. In the future, identifying, attracting, and onboarding talent will increasingly consist of this hybrid of virtual and in-person approaches.
8. **M&A drives leadership changes** – With significant capital and dry powder available, the M&A market has remained active. Washington Technology highlighted over 100 transactions completed in 2020. There remains significant demand for CEOs, CFOs, COOs, and general managers who can take over businesses and work with investors to establish a strategy, set a vision, and determine a growth path in a period of fast-changing and complex market conditions.

Source: Odgers Berndtson

making decisions and moving ahead with life; that's one kind of normality," says Mr. Potter. "But I think the sort of rhythm of a business needs to settle in somewhere between the isolated Zoom-only home office world of COVID to the pre-COVID, everybody in the office, everybody making face time, lots and lots of business travel, etc. It's going to settle out somewhere in between, depending on industry."

"Some companies are going to go 100 percent remote," he says. "We're not. It's a tough way to train young people. And it's a relationship business. And it's really hard to form the kind of relationships we like to form on a Zoom only basis. I think we're going to end up somewhere in the middle. It's hard to say what the new normal is going to be exactly. And my sense is, it will come somewhere from June through September, when the world starts to pretty much look like it did before the restaurants start to open back up completely without this six-foot separation, then waiters wearing masks, but you never know."

Larry Hartmann, CEO of **ZRG**, says that his firm in large part met the challenge of the pandemic, coming out of 2020 stronger and more centered. "We were fortunate," says Mr. Hartmann. "We went into the pandemic with life sciences as our biggest sector. And that was the one sector that outperformed every other sector during the last 12 months. So that was our anchor." Mr. Hartmann also had fresh capital from private equity sponsor RFE Investments. "I always believed that we needed capital for growth, but I also knew we needed it for a potential downturn," he admits. That money allowed ZRG to go on a bit of offense, culminating in its important acquisition of Turnkey Search towards the end of 2020.

For its part, ZRG started the pandemic year with 200 people and ended it with 250. "Where the big firms cut by 20 percent, we grew by almost 25 percent, in terms of just people we invested in for the future,"

says Mr. Hartmann. Snatching up talent that might have been unavailable in better times served to further strengthen ZRG in some key verticals. "What it's done is it's set the table for this year to be just a great year," he says.

ZRG is looking to drive revenue past the $100 million mark in 2021. "And we've got the team in place to do that without any more external growth," says Mr. Hartmann. "We were able to bring on producers from many of the Big Five, recruiters from boutiques, even people that had worked at one of the large firms then had their own firm and just felt like they needed to be in a platform. We were able to pull really good search talent from all three areas. Our whole platform is really hitting on all cylinders right now."

Asked what issues keep him awake nights, Mr. Hartmann indicated that he's been sleeping quite well, thank you. "Things are busy," he says. "And in general we're hearing that from some of our competitors as well. The question is, is it going to continue like this? Or is this pent-up demand from the three, four or five months of companies not being able to address the leadership issues, that we've got this flood of needs that will level off? The challenge will be just trying to make sure you match real demand with the support team needed to do that. And that's always tricky in search. It's never a straight line of growth. Right now we're seeing a bit of a surge, and we're just carefully watching it to see what summer's going to bring, what's the end of the year going to bring, and kind of tempering the enthusiasm of performance now with just being cautious to make sure we understand it."

Particularly encouraging, says Mr. Hartmann, is that the growth has in large part been cross sector in nature, be it industrial, consumer, financial services, or life sciences. "Part of that is probably the certainty of a U.S. election, bailouts, light at the end of the tunnel," he says. "You look at some of the news from

SPOTLIGHT

Leading Through the Crisis

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Businesses were thrust into turbulent operating conditions and economic uncertainty when the pandemic broke out, unsure if they would survive the crisis. As we shift from survival and safety to recovery and reentry, the question is not if businesses can return to market but how they can do it.

Leaders still must contend with disruptions that impact their businesses and employees. Understandably, the uncertainties that continue to surround the coronavirus will affect employee productivity, motivation, and performance even as the "new normal" takes shape and stabilizes.

Businesses were thrust into turbulent operating conditions and economic uncertainty when the pandemic broke out, unsure if they would survive the crisis. As we shift from survival and safety to recovery and reentry, the question is not if businesses can return to market but how they can do it. Leaders still must contend with disruptions that impact their businesses and employees. Understandably, the uncertainties that continue to surround the coronavirus will affect employee productivity, motivation, and performance even as the "new normal" takes shape and stabilizes.

Engage to Unleash Potential

Again, we begin with people. A human response to leading and managing your workforce remains a central theme regardless of which phase of the pandemic your business is in. Once immediate priorities have been addressed, pivot your focus from protection to productivity. A culture of engagement is the gateway to unleashing your team's full potential. According to internationally renowned psychologist Daniel Goleman, an organization's culture determines up to 30 percent of its financial results.

Make Smart Moves

You have run scenarios and developed action plans. Now it's time to make smart moves. A good framework is McKinsey's pause-assess-anticipate-act cycle. The key takeaway: Leaders should frequently pause from crisis management to assess the situation, anticipate what might happen next, act, and repeat.

Reevaluate Talent Needs

In a crisis, all team members must step up. Tough times reveal true character, so use this moment to unearth the rising stars across your organization. Give people who have the will and skill to tackle new challenges an opportunity to step up and shine.

Lead With Purpose

During times of crisis, all eyes are on the CEO. It's paramount to continue to be visible, empathetic, and lead with purpose. Pivoting to a customer-experience focus — if you haven't already — is a winning strategy during a recession. For example, companies that focused on the customer experience during the 2008–2009 recession saw three times higher returns than others.

Source: Acertitude

Delta Airlines and the market being pretty positive on the outlook of some of the airline stocks; travel is beginning to show positive signs. There's certainly a lot more optimism across all the sectors that six to 12 months from now is going to be better. And so I think companies are re-enacting hiring plans to make sure they've got the talent in place to be there. But these are unprecedented times. It's hard to project what the end of the year is going to feel like other than the economy should be better and hiring should stay relatively strong from our view."

Jim Zaniello, president and founder of Washington, D.C.-based **Vetted Solutions**, which serves associations and non-profits, says the pandemic has helped the search industry see new ways to doing things and redefined a lot of expectations. "How professional services firms operate and deliver the value clients expect will be an on-going process of adaptation," says Mr. Zaniello. "But I think we have turned the corner as we are already seeing positive signs. The Fed just projected economic growth of over four percent for this year, after a contraction of almost two and a half percent last year. Politicians are talking about a 'normal' holiday season by year's end, if that's any barometer. The bigger question is probably how long that growth spurt can continue. The pent-up energy in the economy will give us a boost, certainly – which some economists say it will

be hard to sustain. I'm more optimistic that it will last. I see a lot more bulls roaming my world than bears."

Mr. Zaniello foresees a busy year ahead for executive recruiters. "A large part of that optimism is simple recognition of our emergence from the pandemic," he says. "There is a lot of pent-up energy out there and associations and corporations want to put that to work to grow our communities, the industries and professions we serve and society as a whole. Add to that a new focus on social activism across the board, there's an energy you can see and feel round us. And on top of that, I sense a lot of renewed interest in looking for that next step in career growth. People are growing more secure and confident in the future, and that translates into interest in finding the right next defining career moment."

Andy Miller, president and chief executive officer of **BrainWorks**, in New Providence, NJ, says his firm experienced unprecedented growth in 2020 and the first quarter of 2021. "We are currently seeing a tremendous surge in hiring even during the pandemic and we expect the surge to continue even more," says Mr. Miller. "Companies who have created a growth plan are looking for talented leaders to drive business performance." What's more, the past year has allowed them to find those leaders, upgrading talent and enhancing business performance.

"More and more, organizations are looking for leaders who possess emotional intelligence, people sensitivity and the ability to navigate through challenges like a pandemic," he says. "This requires someone who has great people skills emotional sensitivity and crisis management skills." Clients, too, are expecting his firm to be "strategic partners, provide deeper insights and help them hire superior talent. They also expect us to deliver faster and deliver impactful results."

Ken Vancini director of industry solutions for recruiting software provider **Thrive TRM**, says he expects a

hiring blitz as the pandemic closes out, especially given how strong the fourth quarter finished in terms of new signed searches and completed assignments. Both were up over 30 percent in December compared to the same time period in 2019. "All indications are hiring will remain strong as we round the corner on the pandemic," says Mr. Vancini. "I speak with search firms every day. The vast majority of firms are aggressively hiring. This is a great indicator that hiring remains strong with clients."

Among the trends Mr. Vancini noted between 2020 and 2019 was a dramatic decrease in speed to hire. "Candidates and interviewers are much more available," he says. "Once everyone got comfortable with Zoom interviews the industry adjusted and things got done dramatically faster." There has also been a new willingness to hire remote employees. "There was a spike in hiring remote executives," he says. "As a matter of fact, many search firms reported clients hiring C-level executives without ever meeting them and letting them work in remote offices."

Juan Gaitan, founder and chief experience officer of **Talento Human Capital Management**, says the economy has been recovering in phases and that a "new normal" is already here. "The economy in the digital world, because of the pandemic and because the shift to non-office is already roaring," he says. The worst was from March to June. "People didn't know what was going to happen. But since June we have started to see hiring move back up." As such, Mr. Gaitan expects the search industry to enjoy an "all time high" in the year ahead. "It's at the highest it's been in the last several years," he says. "The war for white-collar talent is at an ultimate high. Especially in information technology. There are more business needs to implement and drive technology than there are people."

Sheila Greco, founder and CEO of **SGA Talent** in Amsterdam, NY, agrees that business has been up

Q&A

Despite a Pandemic, the Life Sciences Sector Presses On

*Steve Hochberg is the CEO and founder of **Caliber Associates**, an executive search firm focused exclusively on the life sciences sector. Caliber Associates has partnered with over 150 leading companies and has completed upwards of 700 searches, placing strategic leaders with broad therapeutic and functional reach. Mr. Hochberg focuses on recruiting CEOs, board members, C-level leaders and strategic teams for emerging life sciences companies and global biopharmaceutical concerns. He recently joined Hunt Scanlon Media in a thought-provoking discussion on the life sciences sector and how his firm has adjusted to serve its clients during the global pandemic. Following are excerpts from the interview.*

Steve, how difficult has it been serving the talent needs of the life sciences sector during the pandemic?

The most significant challenge has been to develop the sensitivity that others are facing with respect to prioritizing their work and personal life challenges. Early in the pandemic it was all about expressing empathy and understanding regarding the fact that most organizations were adapting to the reality of remote working environments and not focused on expanding their leadership teams. As the year progressed and certainly around June 2020, the dust seemed to have settled and both individuals and organizations were receptive to hearing about new opportunities.

Discuss some of the challenges that you and your firm have been facing this past year.

The most significant challenge working with clients has been to establish a new paradigm for business development. With respect to the execution of searches, the transition has actually gone quite smoothly and there has been greater efficiency in scheduling Zooms with candidates and clients given that many executives no longer face the demands of travel. I believe that moving forward certainly through the entire year of 2021 most executives will continue working remotely or developing a hybrid situation which has them balancing time between office and home work. Beyond 2021, I see a more robust desire to include one-on-one contact with colleagues. I believe companies that are prepared to demonstrate the highest level of flexibility with respect to balancing individuals' preferences are likely to win in the demand for talent.

How differently do the best senior executives provide leadership to healthcare and life sciences (provider, payer, pharma, biotech) companies during volatile times like this?

Feeling most comfortable commenting about life science companies, the challenges resulting from the pandemic have placed increased pressure to deliver and execute clinical trials. Companies have responded with the sense of urgency in developing programs, both vaccines and therapeutics, to address the needs of the pandemic. The rapid methodology and timeline in clinical development and manufacturing has the potential to be applied to the development cycle of other therapeutics. The industry is likely to be called on to discover, develop and deliver vaccines and therapeutics that will address today's pandemic and any future pandemics in a more methodical way.

What do you see moving forward for executive search firms in the next six to 12 months?

Search firms need to be laser-focused on execution. They need to appreciate the increased challenges clients are facing with day-to-day operations and demonstrate a level of flexibility with regard to search process. Given that for at least the next six to 12 months most interviews will be virtual, there needs to be a greater reliance on due diligence and the referencing process to ensure a complete and broader understanding of candidates' contributions.

since June or July, depending on the industry. "For some, hiring never slowed," she says. "But as a whole, I do see a hiring blitz currently occurring. For our team, we experienced a bit of a downturn in the beginning of the pandemic. However, it was short lived with the last seven to eight months being record highs. With the spike in hiring, we are actually seeing our partners make decisions faster. No doubt, the pandemic affected many, and as I see it, coming out of it is going to be a great ride for the recruiting industry."

Ms. Greco does not expect the type of leader that companies are looking for to change. "But I am seeing companies choosing candidates over others who can tell a great story about how they handled their team's transition to a remote workplace and how they continued to cultivate as well as build cohesive teams," she says. "After all, successful leaders during this pandemic were able to navigate, manage and change with the times while staying focused being a leader. This will separate the exceptional from the good."

As with every major crisis, the business world has seen its share of winners and losers this past year, and many of their good fortunes or struggles will likely carry over, for a while at least, into the post-recovery period. Geography and sector will continue to play a major role in how fast the recovery plays out across businesses, and the executive recruitment industry.

Victor Carulla, president of **International Executive Search Federation** (IESF), which specializes in covering single, multi-country, regional and global assignments simultaneously, says business will no doubt increase substantially in the months ahead. "But we should consider that there will be also lots of companies that have been deeply affected by the economic crisis that this pandemic has caused," he says. "So some sectors will experience a high growth rate in their hirings, but others will not be able to make it so fast. This will involve the disappearance of many companies, and of acquisitions by third parties, resulting in layoffs because of duplicity and other aspects."

Rohan Carr, president of the board of executive search firm alliance **IRC Global Executive Search Partners** and head of the education practice globally, says that indicators are increasingly pointing to a full recovery. "We can already see positive signs across markets, especially those where the vaccination roll out have been successful," says Mr. Carr. "The rebound pace will not be the same across geographies and industries for sure, but broadly we would hope to reach the pre-pandemic level by this time next year. Similarly to our clients' businesses, a successful vaccination seems to be the key to long-term recovery and renewed investment and confidence across industries."

"From what we could see, the pandemic hit harder in places that suffered from other significant issues," says Mr. Carr. " South America is one example where economic and political challenges multiplied the health impact and then flowed onto recruiting. In terms of bounce back we are seeing strength in areas of the Asia pacific and the U.S., but it remains patchy."

"While many industrial and consumer/retail segments took a substantial hit, both industries remain on top of the list due to their scale," says Mr. Carr. "Healthcare

and life sciences, and technology follow with their significant growth. We expect a lot of opportunities to appear within these and related sectors as well as new emerging ones."

Will Hunsinger, CEO of San Francisco-based **Riviera Partners**, says that parts of the economy, like the technology sector, which his firm focuses on, turned the corner in the fourth quarter of 2020. "These sectors have accelerated at an incredible, beyond 'normal,' pace throughout the first quarter of 2021," says Mr. Hunsinger. "Obviously, other sectors such as hospitality were hit much harder by the global pandemic and face prolonged recovery, highly dependent on external factors such as the lifting of governmental restrictions and vaccine rollout. Based on the current pace, we expect to see a broader recovery in Q3/Q4 of this year."

Mr. Hunsinger says his firm expects to see continued

INSIGHT

Tactics for CEOs to Compete in Today's Talent Market

JMSearch

Since March of 2020, best practices in executive search have evolved more rapidly than ever before. Now, as the pendulum begins to move towards a new equilibrium position – and the demand for talent is increasing exponentially – the deployment of innovative recruitment strategies that combine pioneering approaches with traditional tactics will ensure companies operate with the competitive advantage necessary to attract the most sought-after executives. CEOs seeking to attract best-in-class talent for their organizations must embrace new technologies, communication tactics and search strategies rather than relying upon processes they've leaned on throughout their career.

Embracing the Hyper-Pursuit

In today's talent market, the CEO who hesitates is lost. Top executives with successful track records are becoming available following an influx of transactions. However, the accelerated deal flow responsible for this availability has subsequently increased the demand for talent, significantly shrinking the window of availability for CEOs to recruit that talent. When a true A-caliber talent comes into a search process, CEOs must recognize the clock is ticking and deploy the "hyper-pursuit". By utilizing speed and decisiveness as controllable levers able to be pulled to successfully compete, CEOs can effectively adapt and win in highly competitive scenarios.

To best embrace the hyper-pursuit, CEOs must recognize that an aggressive search strategy is essential, and that speed, team and financials are the critical factors in determining search outcome. The interview and selection process for this caliber of talent cannot be weeks – it should be compressed into days. This may mean video interviews in the early morning, evening or over the weekend. Recruiting is a team sport, so CEOs should have their search committee and other key constituents ready to quickly join the pursuit. Finally, the best talent simply commands more financially. The best candidates will oftentimes test the upper ends of the budget. While it is not always the highest offer that wins, it is vital to understand candidate expectations to avoid an intense pursuit that ultimately ends unsuccessfully due to financial misalignment.

Optimizing the Candidate Experience

Thoughtful consideration of the candidate experience is vital for CEOs and search teams working to attract the best available talent. Adapting to control for the candidate experience is a crucial component of search strategy. By utilizing a variety of interview formats and communication tactics CEOs and search teams can effectively control how their brand is being perceived.

The hybrid interview model – which combines virtual and in-person tactics – has proven highly impactful in securing top executives. Using the hybrid model, CEOs can capitalize on the benefits of both virtual and in-person meetings. By maintaining a virtual component, interview cycle times can remain compressed, an extreme benefit given the velocity of today's market. Similarly, virtual interviews are less disruptive to an executive's schedule making executives more likely to engage in a search process. Complimenting these advantages, in-person interviews build a deeper connection between the candidate and company, validate fit, and provide reassurance about the opportunity.

In addition to implementing a hybrid model, focusing on communication skills across mediums has become crucial to the search process. With communication mediums ranging from video conferencing to phone calls, emails, text messaging and in-person discussions, CEOs must adapt how they communicate on each platform to better engage candidates.

To establish best-in-class communication, CEOs must recognize how technology-enabled communication differs from traditional in-person meetings. Unlike in-person meetings, which communicate through nonverbal cues, technology-enabled communication methods require CEOs to reassess how they depict the opportunity. By creating a communication strategy that maximizes multiple communication channels CEOs will generate an improved candidate experience and drive engagement of top talent.

Source: JM Search

INSIGHT

The Evolving Role of HR

The last 18 months have seen a significant change in the way everyone does business. The impacts of the pandemic are going to be long-lasting and unpredictable. To make the most of every opportunity and embrace disruption, companies need to start focusing on the human component of their structures, processes and leadership. If your company is to be genuinely flexible, you need to build that flexibility into your processes and thinking. Not to just expect that from your workforce. Reaching this goal requires a new level of integration of activities.

Building an Agile Hybrid Workforce

To build an agile, hybrid workforce, you may need to ask some difficult questions. You need to have a firm grip on not only what work is being done, but who is doing it and how. This information needs to be used with a forward-thinking attitude. Much strategic planning is based on retrospective measurements and data. However, looking backwards is not an effective strategy for planning for the future, especially when the future is highly volatile; a change in mindset is required. The aim is to finetune your workforce strategies to be useful for the coming months.

Building Diverse and Intelligent Teams

Teams with more diversity are more successful at problem-solving, finding solutions and predicting outcomes. This translates directly to better financial performance for companies. So, similarly adding machine thinking to a team is another way to add an extra element of diversity, intelligence and agility. Correctly leveraged, adding technology to a team can improve everyone's ability to learn, perform and create. The technology we use to connect our teams becomes an integral part of the team similar to other diversity elements like experience, education, gender, age etc.

Worker Led Skills Growth

The pandemic has seen workers roles evolving and changing. For some, their current position may have little resemblance to the one you hired them for. This evolution has brought to light a few important lessons. When workers are given the agency to direct their growth and input, they are more engaged and make more significant progress. If workers are given the opportunities to align their interests with the company's organizational needs, everyone benefits. When you bring a new employee on board with your company, you are not only considering the value they bring with them, but the value you can nurture in them. When workers have control over this process and their development, they can reach a much higher level.

Enabling Leadership

As the requirements for business are changing, so are the requirements for leadership changing as well. The earlier useful leadership strategies and practices are not bringing the results we would like to see in the world of the hybrid workforce and diverse teams and self-directed employees. The critical capability a leader has to have is the ability to be comfortable with the uncertainty and being uncomfortable. Leaders have to be able to allow him/herself to be constantly challenged by the business environment and colleagues, and focus on making sure that every team and individual is enabled to succeed in their roles.

A New Role For HR

All the above means that the role of HR in companies is changing. It's no longer a matter of standardizing and enforcing policies. HR is better used as a means to re-design the way your company works. HR should be the department driving the agenda of putting human considerations at the forefront of work life. The understanding of human behavior in an organizational context becomes more critical than the understanding of workflows and processes. It is time that behavioral sciences go hand-in-hand with business. To address all the changes discussed here will take a lot of new ideas. Your whole company will need to envision a new way of working in a way that truly emphasizes the human potential. Human resources have a significant role in setting the new leadership paradigm and driving the development holistically across the organization, to a level of the nitty-gritty. To achieve this, your HR department must move from merely providing a function to having an impact. HR shouldn't be a process; it should be the leading edge of the mission to shift your company from survival to growth.

Source: Horton International

outsized demand in its specialization areas - software engineering, product management and design. "There has been virtually no change to the talent supply vs. demand dislocation we experienced before the onset of the pandemic," he says. "If anything, the shift from in-person to virtual work has exacerbated the gap and created more urgency to acquire technology talent. We expect search industry firms serving other sectors to track more closely to re-opening and may not see the same type of demand rebound until later in the year."

Technology's strength, says Mr. Hunsinger, has in large part been driven by venture and private equity capital accelerated deployment into innovation. "Beyond tech, the dynamic we are seeing is strong demand for the technologist function, regardless of sector/industry," he says. "Companies recognize that technology and technology enablement are both critical to create and maintain a competitive advantage. Companies need to continue to think

differently about the type of transformational talent required to effectively execute their strategies."

At **ON Partners**, based in Hudson, OH, partner Jake Espenlaub says the market is as active as ON Partners has ever seen it. "Growth and private equity funds have continued to deploy capital at record-setting levels, and as a result it's never been harder to acquire tier-one talent," he says. "The companies that are hiring leading executives are getting creative, moving quickly and decisively, and stretching on compensation." The year ahead, he adds, looks bright. "Throughout the tech sector, we don't expect a slowdown," says Mr. Espenlaub. "Outside of certain verticals, SaaS and E-commerce businesses continue to thrive."

Tindall Sewell, also a partner at ON Partners, agrees that technology recruiting is in high demand. "Private equity firms are deploying capital like we've never seen before, and the need for key executives to lead these companies are crucial. 2020 was a year of 'not rocking the boat,'" she says. "The pace of searches has also picked up given the use of video."

"We are not seeing any signs of slowed growth for 2021 and beyond," Ms. Sewell says. "Companies like **Uber**, **Slack** and **Cloudera** began after the 2008 recession, so I bet new companies will continue to build and innovate as the world adjusts to remote work and a post-pandemic era." For the year ahead, Ms. Swell expects to see growth in roles like revenue operations. "As companies continue to scale," she says, "key executives will be needed to make sure the operations keep up with growth across the go-to-market functions." Search firms will continue to scale as a result.

Maneesh Ajmani, regional director and chairman of the board of **Horton International**, which is based in the United Arab Emirates, agrees that the recovery is well underway. "Equity market valuations seem to

suggest investors have already factored in a global business revival," he says. "The pandemic seems to have fast tracked the adoption of technology across business sectors and most businesses are expected to benefit from this if they can successfully adapt and transform themselves. We already see several of our global clients investing towards building their market share wherever they see an opportunity."

Mr. Ajmani says the recovery and ongoing transformation is creating search opportunities across industries. "Similar to our clients, our industry too needs to transform to integrate more technology and create visible value," he says.

Given the nature of the crisis, it is no surprise that healthcare and the life sciences for the most part fared well over the past year. "Executive search in the life sciences industry has been extremely buoyant throughout the pandemic," says Ian Coyne, consulting partner at **Coulter Partners**, which specializes in the sector. "The race for COVID vaccines and treatments worldwide, a need for faster global regulatory approvals and the surge in manufacturing capacity requirements to accommodate the production of drugs, both COVID related and in many other therapeutic spaces, have all fed the continuing huge demand for strong leadership. We have also seen a surge in digital needs across the sector – from early-stage companies who are 'born digital' to accelerated transformation in the largest pharma and medtech companies."

"In 2020 we conducted circa 300 senior leadership assignments, across the spectrum of CEO, board and C-suite roles," says Mr. Coyne. "Some core themes among these have included: partnering with several of the key players developing COVID-19 vaccines on commercial, R&D and manufacturing roles; serving the VC investor community through senior hiring for portfolio companies and their own investing teams;

huge growth in our work with private equity funds building leadership teams and boards for MBO, LBO, carve-out and turnaround scenarios; working with clients active in advanced modalities such as cell and gene therapy; and a surge of demand for biologics manufacturing and technical operations leaders."

Steven P. Hochberg, founder and CEO of **Caliber Associates**, which specializes exclusively in the life sciences sector, says he is optimistic that the life science sector, which has already rebounded significantly from the first four months of COVID, will remain strong for the remainder of 2021, and well into 2022. "Key areas of growth will likely be in vaccine development, enhanced diagnostic development, and therapeutic advances in infectious diseases, immuno-oncology, and central nervous system indications," says Mr. Hochberg. "There will also be high levels of demand for companies to expand their commercial operations as the number of late-stage clinical candidates advance through the regulatory process toward approval. There will also be significant growth in biologic manufacturing, which will represent

Q&A

Building Culture Remotely

*One of the biggest challenges that employers have faced has been building culture. How do you integrate a new starter into the culture? How do you make them feel welcome and part of the team? How do you get them working without meeting them yet? We have surveyed candidates and clients to get a better understanding. In the following, we share a recent Q&A conducted by **Tempting Talent** focused on building culture in a remote work environment.*

How did firms build culture remotely?

The most important answer to this question was one of the most practical. New employees needed the right equipment from day one. We spoke to Clayton Smith, who recently joined Venturi as their Head of Salesforce Recruitment: and we asked how they made him feel part of the team, something that is typically done in recruitment by team lunches and drinks, among other things: 'My new manager, Michael, set me up on 1-on-1s with half of the business to get to know everyone internally, this allowed me to work quickly on a peer level. There is nothing I would change about the process; they let me adjust to the process and were also very receptive to hearing my thoughts on improving process and internal management.'

This experience is an excellent example of integrating a new remote team member very quickly. There is also a variety of other initiatives we've heard of: Giving employees vouchers for home office equipment, Zoom quizzes and Deliveroo vouchers, as an example. Also, new employees needed the opportunity to get face time with as much of the team as possible. This enabled them to work effectively and build relationships.

How did it feel for staff and managers?

Many staff and managers admitted to initially feeling skeptical about building culture remotely. While it was different from being in the office, buy-in from the team and the new employees helped build a culture of trust and understanding. Ensuring the right equipment worked effectively and arrived on time was a logistical challenge. This process quickly became the norm with new start packs sent around the country. You cannot judge your finish time on the rest of the team anymore – no one wants to be first to leave on their first day. It is more important than ever to have a clear start and finish time, as well as an understanding of output expectations.

What were the biggest challenges?

Overall, the biggest challenge that we found from our conversations was managing productivity vs mental health. Managers and staff found it hard striking the balance of making money in an ever-changing market while ensuring they stayed engaged. One of the most relevant points we heard was on the importance of setting expectations. Sourcebreaker said this: 'There is no longer that judging when to finish on your first day by seeing when the majority of the office leaves – no one wants to be first to leave on their first day. Having a clear set time to start and finish, as well as an understanding of what output is expected is more important than ever.' Managing this workload and screen time is essential when, target-driven recruiters, are operating in a volatile market.

What does it mean for the future of the workplace?

On the whole, there has been a positive shift in the industry. Most firms will adopt flexible working practices moving forward. But there is a consensus that some form of face-to-face office interaction will be essential for the foreseeable future. This is particularly prevalent when talking to firms that have an intake at the junior end of the market. During the formative days of a recruitment career, learning is mostly done by osmosis and by observing the practices of high performers. We do envisage and have already seen, some firms hiring completely remote team members. These are typically seasoned recruiters who have already done the hard yards and need little guidance. The future of the workplace will involve a blend of homeworking and office work, with technology being all the more essential to develop a connected and engaged workforce.

a significant growth area in the life science sector. Finally, with the increased focus on diversity, inclusion, and equity there will most certainly be robust activity in corporate governance and board-level search will continue to remain strong."

Nicholas Macdonald, principal and head of U.S. operations for London-based **Tempting Talent**, the talent arm of Tempting Ventures, a recruitment-focused venture capital firm, feels that the executive search industry has already turned the corner. "We would argue that it's booming," says Mr. Macdonald. "As the pre-eminent search-to-search firm operating within the United States, we receive a bird's-eye view of the hiring economy via our clients operating across virtually all hiring-sectors in recruitment and executive search. Since December, we have seen a massive uptick in hiring across professional and financial services, healthcare and life sciences, and digital and creative."

"Due to the demand for healthcare this sector boomed in 2020 as did the life sciences community invested heavily across therapeutics, genetics, and biotechnology spaces," says Mr. Macdonald. "White collar professional services were not at the forefront of COVID-19 and, given a lack of preparation, stumbled massively in 2020 leading to the largest decline in talent acquisition we've seen across professional and financial services since starting Tempting Talent. Saying this, COVID-19 led to one of North America's largest surges in digital transformation across the work-force in modern history and recruitment & talent attraction has been near the center of this. Virtually all of our clients by Q4 2020 had implemented digital tools to promote their business and reflect their clients who had begun hiring again due to results of similar changes. Technology, digital and creative bounced back quickest and we're now seeing the return of traditional white-collar services leading to the boom we're seeing in the market now."

Raj Das, partner and head of the digital practice at Brentwood, TN-based **Buffkin/ Baker**, says that crisis has helped accelerate progress and success in his specialty area. "Technology, especially digital, data, analytics, has become increasingly important during the pandemic era," he says. "Everything from remote learning to tele-health and remote work to online commerce require technology at their core. Sectors that act as vendors of technology and digital solutions will continue to flourish for next decade. That's why we have seen the record appreciation of NASDAQ over last year."

On the other hand, certain other industries will have more immediate problems to contend with in the months ahead. "I think that the hospitality and entertainment sectors will see continued pressure," says Mark Farrington, operating partner at Buffkin/ Baker. "In spite of the promise of vaccines and 'herd immunity,' there is still a sense of not knowing whether you are safe or not – and the mixed messages regarding protocols (masks, distance, time) are not helping where travel, entertainment and large gatherings are do dependent on a clearer 'return to normal,' even if it's a new normal."

The non-profit sector, for its part, shows both positive signs and uncertainties for the future. Deb Taft, CEO, of **Lindauer**, in Boston, which specializes in that area, says her firm is seeing high demand for its executive search services. "Expert, experienced search partners matter more than ever, as getting the right talent is more important than ever," she says. "Search leaders moved past resistance to technology and AI tools in the past virtual year and began to embrace these enablers, vs. viewing as threats or replacements. Lindauer never lost sight of the magic combination of humans and technology in the right balance, but we will absolutely need to continue to innovate. Our non-profit clients –and their missions –

INSIGHT

The Next Great Leader Requires Resilience

EgonZehnder

Organizational resilience is an emerging research topic. Jim Collins and Stanford professor Morten T. Hansen are among the first to explore it further. They found that highly effective leaders in these circumstances have great powers of analysis: they focus on what's working well, figure out why it's working, and build on these proven foundations. As Collins and Hansen suggest in "Great by Choice," "It's what you do before the storm comes that most determines how well you'll do when the storm comes."

Moreover, these leaders deliberately learn. They're also fanatical about working with the right people, "about getting the right people on the bus and into the right seats." They channel their egos and intensity into something larger than self, namely their companies and their purposes and define themselves by their impact and contribution. These extraordinary leaders focus on their company's strengths and successes and continuously prepare for challenges that may arise. And during times of uncertainty, they look at empirical evidence and rely on direct observation to build a foundation for decisions and actions regardless of what lies ahead. For as Collins and Hansen state, "There will be no 'new normal.' There will only be a continuous series of 'not normal' times (...). The next Great Disruption will come, and the next one after that, and the next one after that, forever."

All of the authors' points perfectly exemplify Egon Zehnder's own thoughts about resilient organizations, which it defines according to the following five dimensions:

1. **A healthy core** – knowing what an organization is good at; looking inwards at its operating model, and ensuring it can serve markets, meet goals and deliver decisions.
2. **A thriving context** – knowing who is good for them; looking outwards at how an organization interacts with its shareholders, customers, and suppliers.
3. **Meaningful purpose** – knowing the "why" of an organization; understanding its values and its contribution to the world.
4. **People strengths** – knowing and developing the strengths of its people.
5. **Perspective** – knowing how to harness data and actively using big data to innovate the business model.

To build a strong organization, leaders need to look primarily for empirical evidence, like the leaders researched by Collins and Hansen who "rely upon direct observation, practical experimentation, and direct engagement with tangible evidence" instead of looking towards other people, conventional wisdom, authority figures, or peers when faced with uncertainty. Leaders harnessing resilience deliberately take a step back and reflect on how well they're doing as regards leading themselves, their teams and their organization.

Whatever lies ahead for executives, there is one trait that leaders will need to lead in this new world as time and again they are forced to meet, adapt and learn from ever-changing challenges. And that leadership trait is resilience. To conclude with the words of Jim Collins, taken from his book series "Good to Great," "Resiliency, not perfection, is the signature of greatness."

Source: Egon Zehnder

deserve it. We also cannot speak about the past year without noting that clients finally embraced inclusion and equity as profound hiring priorities. Long overdue and an absolute imperative moving forward."

Among the specific areas of the sector showing demand for talent into 2021 are academic medicine, healthcare, and independent schools. Higher education, advocacy, and charity organizations with strong management and sophisticated boards are also showing good momentum. "While arts and culture were hard hit by the pandemic, don't discount the creativity of arts organizations to produce energizing new business models, with hiring to follow," says Ms. Taft. "Fundraising, finance, marketing, and HR/talent continue to be promising functions."

Still, it will take time for many of the sector's tougher issues to settle out. "Higher education will continue to see restructuring, mergers and some closures in the next few years," says Ms. Taft. "Transformation in higher ed has been expected for some years but was hastened by the pandemic. There will sadly be job losses and community impacts, but the surviving organizations will be more mission-focused, better structured, and more resilient as a result. Hiring leaders with new and evolved skills will be critical to help these recast organizations thrive."

Given the wide range of non-profit clients her firm sees, from social justice to arts and culture organizations, Nancy K. Racette, principal and chief operating officer at Arlington, VA-based **Development Resources Inc. (DRi)**, sees a sector that in many ways has weathered the storm of the past year but faces some uncertainties moving forward. "The pandemic did not seem to impact hiring in social justice and organizations that were directly meeting the needs of those affected by the pandemic, such as hunger organizations," says Ms. Racette.

"As we are pointing toward the close, we have seen increased activity across all sectors, even those hit hardest such as performing arts organizations. It appears they are getting ready for reopening and being able to bring audiences in again. The non-profit sector did not suffer as much as anticipated in terms of revenue and is therefore feeling more confident in their ability to invest in staffing. Many organizations that deal with health equity and housing had record fundraising years. The question now is what does that mean for the future? What kind of staff do we need and is it sustainable? On the leadership side, the non-profit sector was moving toward a leadership crisis with many leaders looking at retirement. Several leaders simply put those plans on hold but as the pandemic comes to an end are thinking more about moving on. That may create a void in leadership at the CEO level in the nonprofit sector that could create openings for people thinking about transition in and giving back in the next phase of their career."

She also acknowledges the challenges that higher education faces. "Declining enrollment, tuition and other priorities by donors has financially meant a rethink on staffing levels and what kind of staffing," says Ms. Racette. "I think this sector may continue to struggle and have a longer lead time to rebound. While we have seen an increase in hiring at the leadership

Q&A

The Global Impact of the Pandemic

*With 20 years in the executive search industry, Rohan Carr, president of **IRC Global Executive Search Partners** combines his previous senior experience within the chartered accounting, corporate advisory and stockbroking industries to deliver superior executive search solutions to his clients. Mr Carr's clients also benefit from his considerable exposure to the higher education sector, and he is regularly sought by educational institutions when undertaking senior appointments. In this Q&A, Mr. Carr shares how the global executive search industry was impacted by COVID-19 and his expectations for recovery.*

How was the global executive recruiting market impacted by COVID-19 during 2020?

Similarly to other search firms, we could see lower demand across our geographies. However, there are always opportunities - to revisit processes and tools, strengthen your search practice with new expertise or enhance your online profile. Many of our firms also found that the year was not as bad from a revenue perspective as they originally anticipated.

Do you feel that certain regions were hit harder with regards to recruiting (ie. EMEA, Asia-Pac, NA, SA)? Did any region bounce back faster?

From what we could see, the pandemic hit harder in places that suffered from other significant issues. South America is one example where economic and political challenges multiplied the health impact and then flowed onto recruiting. In terms of bounce back we are seeing strength in areas of the Asia pacific and the US, but it remains patchy.

What are your global expectations for 2021?

Many organizations will continue embracing new technologies and transform their processes, workspace and ways of collaboration. While this is not entirely new, the pace of adoption and the need for agile and resilient leadership is a major topic.

When do you expect full recovery?

We can already see positive signs across markets, especially those where the vaccination roll out have been successful. The rebound pace will not be the same across geographies and industries for sure, but broadly we would hope to reach the pre-pandemic level by this time next year.

How do you expect vaccine distribution will impact the executive recruiting industry?

Similarly to our clients' businesses, a successful vaccination seems to be the key to long-term recovery and renewed investment and confidence across industries.

What industries do you think will hire the most in 2021?

While many industrial and consumer/retail segments took a substantial hit, both industries remain on top of the list due to their scale. Healthcare & Life Sciences and Technology follow with their significant growth. We expect a lot of opportunities to appear within these and related sectors as well as new emerging ones.

level for some arts and culture organizations, recent studies have also shown that 25 percent of them had slashed 90 percent or more of their staffs in 2020. Organizations that relied on ticket sales and events will continue to struggle. According to the Center for Civil Society Studies at Johns Hopkins University, non-profits account for roughly one in 10 jobs in the U.S. private sector workforce. What jobs will stay and which ones will be lost, remains to be seen."

Much of the hiring in higher education follows the academic calendar, says Jay Lemons, president and senior consultant of **Academic Search** in Washington, D.C. "With the pandemic, the calendar has been shortened this year," he explains. "We have seen an uptick in requests for summer searches but believe that most campuses are simply trying to 'catch their breath' right now. Although there was a steady wave of presidential departures announced this past fall, we are seeing yet another wave of announcements this spring."

"The demands that the pandemic has placed on leaders has been heavier than we have ever seen before," says Dr. Lemons. "For those who may have been thinking of leaving their posts before the outbreak but delayed their departures, as the pandemic slows down, they may consider once again retirement or moving on to other opportunities. The good news is that many of the announcements we are seeing now are for next summer departures, allowing campuses ample opportunity to complete a search and provide support for a meaningful transition for both the outgoing leader and incoming leadership."

In some cases it has not been sector but function that has made all the difference. Jason Hanold, chief executive officer of **Hanold Associates HR & Diversity Executive Search** in Chicago, says that his firm's focus on key HR and diversity functions rather

than specific business sectors allowed his firm to sidestep most of the vicissitudes that some recruiters have suffered this past year. “When the pandemic first hit, we had several retail or consumer brand organizations that maybe had to pause searches, but for every one of those that paused we had calls, from Zoom for instance, to do a CHRO successor search,” he says. “Or we had the call from the Federal Reserve Bank of New York to do their chief diversity officer search. And, so, we maintained the same level of business throughout. And then after the murder of George Floyd and the civil unrest that ensued, that elevated the level of DEI leadership searches that we were doing to the point where we were doing as many DEI leadership searches as we were HR officer searches, and we were busy with both. And that has continued.”

“As for the state of what we’re seeing now, January was at all all-time high for us,” said Mr. Hanold. “February was stronger yet. And March was strong. So, we’re experiencing an incredibly busy market right now. There’s more pressure on us to continue expanding the firm with talent to ensure that we’re serving our clients well from a quality of execution perspective.”

“Because of the nature of the work we do in the HR space we tend to be right at the center of the conversation with HR officers who are crafting out what the return-to-work policy may look like,” says Mr. Hanold. “So, for instance with **Ford Motor Company** we put in their chief talent officer and their CEO recently. And just recently Ford announced that they decided to have 30,000 workers be fully remote or have the option of being fully remote. We went through the same conversations with The New York Times as they were sorting that out while we were serving them. We tend to have this vantage point of having these conversations around how they’re going

SPOTLIGHT

Top 10 Leadership Roles Post-Pandemic

onpartners.

While ON Partners, an experience-driven retained executive search firm, typically issues an annual list of the top executive jobs expected to be in demand in the coming year, with COVID-19 having upended the business landscape, the firm surveyed its consultants about the positions that will be critical to helping organizations survive and thrive as the nation moves past the pandemic. Following are the top positions ON consultants anticipate will be in high demand in 2021:

Chief Executive Officer

Boards are particularly sensitive right now to CEO leadership attributes of authenticity, resilience and strong communications skills. CEOs who are genuine, thoughtful, realistic and transparent can be highly valuable leadership qualities during these tumultuous times. ON Partners' Seth Harris notes, "CEOs who have demonstrated resilience during times of uncertainty bring significant value to an organization that is struggling with strategic or economic setbacks. Effective leadership today demands strong internal and external communications skills. A CEO as the company's brand steward needs to set the tone of the organization's strategy, reputation and overall health to employees, shareholders and the board."

Executive Advisor

Falling somewhere between an operating partner and an executive in residence, an executive advisor is engaged by a private equity firm as it seeks to enter a new addressable market. Bringing significant knowledge of a particular sector and typically a former CEO and/or board member with M&A experience, the executive advisor essentially acts as the CEO of the company in which the PE firm invests, guiding its development and building its leadership team.

Chief Public Health Officer

The pandemic has forced organizations to make difficult decisions about the safety of their employees and customers, and to dive headfirst into major ongoing questions about public health – without much scientific training to rely on. Companies are considering adding health expertise to their leadership teams to avoid patchwork approaches to future public health crises and make educated, science-based decisions that preserve, promote and protect health and wellness.

Chief Financial Officer

Ideas for revenue generation or cost containment will flow from all functions, so a CFO with cross-functional respect and accessibility is critical. Pivoting the business model, driving to adjacent markets or rationalizing underperforming work streams will be easier and more effective when the CFO acts as a collaborative, proactive, approachable leader. "

Chief People Officer

The CPO and CHRO role has always been key to focusing on the well being of a company's employees. This is particularly true in troubled times. Strong HR organizations focus on employee wellness and support in times of personal difficulty and also focus on developing leaders who are equipped to lead at all times, especially in a crisis.

Chief Experience Officer

Merging the brand and digital officer jobs, this position is proving important for the external perception of a brand throughout this time. Asks ON's Brad Westveld, "Given that physical interaction between brands and their clients is limited or not possible, how do they engage them? For example, how do you sell a car in a showroom, when the showroom can't be open? This is going to be important in retail and all traditional big boxes. How is product sold now? How do you engage a customer and sell an item when they may never be able to touch or hold it before the purchase?"

VP of Sales Productivity

The emphasis on sales operations continues to grow into a much broader and strategic role, and some companies are now referring to these jobs as "go to market operations" and/or "sales productivity." While this has traditionally been the responsibility of finance, this role is now becoming more of a business partner to the chief revenue officer, moving from revenue measurement to setting up the metrics, better sales compensation systems and being one of the key drivers in predicting revenue on a quarterly/yearly basis.

SVP of Supply Chain/Procurement/Manufacturing

Businesses have had the epiphany that they can no longer hedge all their bets on China. They are already shifting the way they secure, procure and manufacture goods in a non-China dominated post-pandemic world and need someone who can successfully lead the organization through shifting investments and relationships. Executives who can give examples of the role they played in "recovering from COVID quickly" and leading through a pandemic will be in high demand.

Chief Information Officer

With remote work and digital fulfillment rapidly on the rise, CIOs should already be preparing IT systems to meet that demand and provide a way for organizations to effectively maintain employee engagement as corporate cultures evolve. Shifting to digital platforms will help reduce the impact of the virus and ensure companies continue to run smoothly over the long term.

VP of Productivity & Remote Experience

As companies increasingly make the decision to shift to remote workforces over the long term, they will need someone who can ensure that employees remain productive and have a positive experience working remotely. How do you build, attract and maintain employee engagement, and what tools to use to stay close? Creating a sense of culture is going to be huge – how do you engage employees you never see?

Source: ON Partners

to redefine the workforce of the future and what that footprint may look like. It's been a fascinating time. These are conversations that have never really been explored in-depth like this. But there is this feeling of strong optimism that is pervasive in the market right now across industries, which is terrific."

For Mr. Hanold's firm, the dual forces of the pandemic and last summer's civil unrest produced a surge of calls for new leaders across the business world. "First of all, the pandemic created such an eye-opening moment for a lot of CEOs," says Mr. Hanold. "Most decisions for an organization were going between the HR leader and the CEO because everything was about talent, not broader business outcomes. Now you had on one hand CEOs either realizing that, 'Wow, I knew I had a great HR leader and this just proved it,' or more often than not you had CEOs realizing, 'I don't have a big enough leader in that role, and we need to invest differently.' And, so, there is that demand coming where organizations are realizing maybe they need a better or different leader in that HR leadership post. And for those that weren't already on board with how critical that role is, they've now come on board.

"After the civil unrest, meanwhile, a similar realization occurred with the chief diversity, equity and inclusion officer role. Too many companies realized that they lacked or were under-invested in leaders who could provide the guidance and communication that was needed in light of the upheaval. "Maybe they had someone who was facilitating ERG groups but they weren't a senior enough leader for what they needed now and going forward in the role, and so they've decided to upgrade the capability," said Mr. Hanold. "We've also had chief diversity officers who have been in these roles having conversations with us and saying, 'I'm exhausted, I'm tired of dealing with cyclical stupidity, I want to do something else. Maybe

I want to go into corporate social responsibility roles. Maybe I want to go into larger HR roles. But, I'm tired of feeling that we're going around in circles around the DEI conversation, and now this has just been cathartic for me to made me realize I don't want to do this anymore.'"

"And so those that are leaving the function have created demand," says Mr. Hanold. "And then, too, you have the organizations that never invested in or had a DE&I leader, and said, 'You know what, we're behind, we need one.' Some are doing it for optics because they think from a public relations standpoint they ought to. But for others it's accelerated their readiness, and they realized that, 'We need this role, this function, this capability now and forever.' And so those three to four buckets have fueled this big significant demand for DE&I officers. And in more cases, we're seeing that organizations are thinking about conjoining the role, making these roles both the people and chief diversity for an organization. We saw that with our client at **Major League Baseball**. We just did the same thing for the **Big Ten Conference**."

Jodi Chavez, president of **Tatum**, says that the pandemic dramatically reshaped the lived experience of day-to-day work for most of the global workforce. From an organizational standpoint, that put leaders from two functional areas immediately under the magnifying glass: tech and HR. "These were related challenges," she says. "For example, once you've established the foundational tech infrastructure to support massive remote work, how do you then ensure that employees are remaining engaged? How do you measure productivity in this environment? Which digital channels or touchpoints are working — and which are not?"

"Answering these questions wasn't easy then, and it isn't easy now. What seems clear at present is that CHROs and other HR leaders will be highly influential

players in shaping business recovery efforts, addressing challenges around all-virtual recruitment, crafting effective employee-facing messaging — and many more ways, as well. So we expect to see continued opportunities for executive search firms to partner with and support organizations going forward."

COVID-19 has created a raft of new challenges for CHROs and chief diversity officers, Ms. Chavez says, but these challenges are far from the same. "With the onset of the pandemic, many companies froze hiring budgets, checked planned salary increases and otherwise took deliberate measures to shore up their liquidity," she says. "For CHROs, that meant more time to focus on issues related to engagement and productivity — or, from an organizational standpoint, issues of monitoring and measurement. Attending to these tactical challenges, while also shaping high-level strategy in alignment with business leadership, will likely continue to be the dominant theme for CHROs in the next 12 months."

"For chief diversity officers, on the other hand, 2021 is going to be all about navigating the transition from strategy to execution," Ms. Chavez says. "After all, many companies made public commitments to increasing diversity in 2020 — and for these companies, it's going to be all about delivery in the year ahead, with chief diversity officers on the front lines and leading the charge."

Pamela Ruebusch, founder and owner of **TSI Group**, which is headquartered in Mississauga, Ontario but also has a U.S. location in Philadelphia, says that the pandemic has resulted in a change in the types of characteristics being sought across any number of leadership roles. "As we try and get back to the 'new normal,' companies are paying more attention to the type of leaders they want and need to hire," she says. "With the 'remote workplace' or 'hybrid'

SPOTLIGHT

Making the Most of the Borderless Talent Pool

boyden

The pandemic has forced organizations to boom, bust or pivot. In two of these cases, it has driven a seemingly insatiable demand for more and greater talent. Combine that with a newfound acceptance for remote work, and organizations are in the unprecedented position of being able to cherry pick the best leadership from anywhere. There are two key drivers for the healthy and active leadership recruitment market that is taking place. First, many organizations are pivoting in response to pressures from the economic downturn, which has required them to bring in new skillsets. A good example is United Airlines, which was one of the fastest in the business to ready itself for COVID-19 vaccine distribution. Not only did that move take vision and agility, it likely required new and upgraded skill sets across areas such as regulatory affairs, distribution, logistics and supply chain, all of which will be helpful for an expanded cargo business even after the pandemic.

The second driver is that many organizations are actually grappling with overwhelming growth. Exercise equipment, home decor, home improvement products - the list goes on. Many of us have experienced first hand the supply chain issues in these industries. And the organizations themselves are also facing new regulatory obligations and resourcing challenges. With lucrative federal government support, for example, it can be difficult to entice minimum-wage employees to show up for work. As a result, new senior skill sets are in demand, whether that's to support innovation in automation, or help navigate the challenging regulatory environment, such as moving products across borders. If you do decide to take the plunge and seek out talent-beyond-borders, there are a few things to keep in mind:

Easy access to a hub
While remote may be the present and future, it's possible a hybrid may be more appealing and effective as time goes on. You should have a clear and articulate vision for the organization's future to manage expectations for all. Some in-person connection is likely to take place in any event, so consider how travel routes have or may change and seek out individuals with easy access to a main hub for travel.

Experience working remotely
Everyone has a touch of remote work experience thanks to COVID-19, but it's wise to consider how much a candidate has under their belt. A demonstrated track record of working remotely or on the road is a good indication that this isn't just a passing preference.

International hire HR implications
If you don't currently have experience with employees in the U.S. or abroad, you will want to get expert advice on the comparable medical benefits, compensation packages, taxation and relevant legislation. A professional can simplify this for you and make cross-border hiring seamless.

Fit is always top priority
Diversity of perspective has proven time and again to be a recipe for success. Bringing someone on board from another jurisdiction could be just what you need to mix up a homogeneous leadership pool. That said, the importance of cultural fit with the organization doesn't lessen because of geography, so keep that in mind whether you are looking domestically or abroad.

Much remains to be seen as we wind our way through the pandemic and beyond. In lieu of waiting for the history books to be written, it's safe to say the remote environment has changed things forever, opened up a world of talent beyond our borders, and it's time to widen our range of view.

Source: Boyden

model becoming the new reality, we have found our clients keen on hiring people who are nimble in their thoughts and approach to leadership. The new mantra is to ensure 'the work is getting done' and giving people latitude to deliver. With working from home, it is paramount that leaders are motivating and inspiring their teams, in different ways from before. The fact is, people usually are tied to their phones and work throughout the evening and find it hard to turn off their workday, so leaders are more flexible and give them no hard timelines. If trust is built, there is no need to hover. The common traits we usually seek beyond business acumen and results oriented are strategic thinking, leading good change and collaboration. The 'humble/smart' leader is the one that can teach what they know and learn from the team as well, making it a cycle of continuous improvement no matter who has the idea to improve overall outcomes."

Guy Lariviere, partner at **Glasford International**

Canada in Quebec, says businesses are looking for dynamic, lead-from-the-front type individuals to helm their organizations: "Leaders that mobilize through action: leaders that walk the talk, leaders that show full understanding and that inspire their team," he says. "This transcends into solid communication and listening skills. This also means being agile in adapting their approach to face resistance to change. So in the first place, these professionals deliver effective and consistent communication among their teams, in order to remain culturally sensitive and emotionally aware. Secondly, considering the importance of work-life balance of employees and the challenges of staying proactive in this complex work environments., these new leaders have excellent listening skills (actually, 1on1 sessions became really popular). Finally, they know how to manage change quickly, not only for business results, but also to taking care of their teams."

In a forever altered world of work, leadership must be able to adjust to those changes, yet still move the business forward. "Organizations are looking for leaders that can adapt to the ever-evolving work environment the pandemic bestowed on companies," says Jeff Herzog, president of **FPC National**, which is headquartered In New York City. "Employees look to leaders that can provide reassurance and guidance during unpredictable times. Organizations are looking to leaders to create a work culture of trust and autonomy with their employees. Leaders should be flexible but regimented to steer companies through a post-COVID America which includes remote workers, a remote hiring process and travel restrictions."

Remote work, in particular, has had a huge impact on the recruitment of talent. "It has allowed us to expand our network to find the right candidate for the right opportunity without location being a constraint," says Mr. Herzog. "It has changed the way searches and screenings are done with an increased pool of talent we are able to connect with. That said, recruiting remote talent is not as easy as it seems, we are now faced with a massive pool of potential candidates and must work diligently to narrow it down."

Organizations are not necessarily looking for different *types* of leaders, says Geoffrey Hoffmann, chief

INSIGHT

What's Your Job Costing You?

*Marc Gasperino, digital practice leader at **ON Partners**, shares executive search insights on post-pandemic 2021 leadership trends.*

Do I really need to be spending this much time away from my family? Do I need to incur such a high cost of living? Why can't I live near my passion? Questions like these are nothing new, but they are holding more weight for executives since the COVID-19 pandemic hit a year ago.

After speaking with over 20 clients and 60 executive leaders this past year, one common theme emerges – there's zero chance they will be traveling as much as they did in the past and all are becoming more flexible with work from home routines.

As vaccines are rolled out in record time, we are starting to realize that getting back to our "new normal" is not too far away and many of us look forward to traveling and holding in-person meetings again. Global lockdowns forced us to figure out how to do our jobs and live our lives differently and the silver lining is that many organizations that were resistant to remote workplaces have realized that in many cases it can be more productive and cost-effective. Therefore, executives are starting to reflect on what is truly important to them and ask themselves if it's necessary to sacrifice a healthy work/life balance for career progression.

The answer is no. Executives are looking back and realizing that all the hours spent traveling and holding as many in-person meetings over the years was not as efficient as they thought and the realization that they can be successful in their roles while working remotely has changed the deliberation to the questions asked above. Realizing one can do all or most of their jobs while living near the beach, their favorite ski mountain, or closer to family has caused executives to prioritize the question, "what is my job taking away from me?" rather than "what am I willing to sacrifice for this job?".

Companies planning and adapting to the fact that top talent will no longer be required to forfeit income or family residence for career progression will have a significant advantage going forward. Advancements in technology and the revelation that this global pandemic has shed light on the fact that our traditional workforce beliefs can be greatly improved should provide a better quality of life/work balance for all of us moving forward.

Source: ON Partners

executive officer of **DHR International** in Chicago. The pandemic, however, magnified the need for great leaders who can guide teams through tough times. Through its talent advisory work, DHR has identified four key skills and competencies as being more important in 2020-2021 and beyond:

Digital Acceleration: "The pandemic accelerated the need for leaders across all functional areas to be digitally savvy, as it shone a spotlight on the need to improve products or services, operational efficiency, employee engagement and customer experience," says Mr. Hoffmann. "The ability to engage in and drive conversations around digital transformation is crucial and no longer relegated to leaders in marketing, ecommerce, or IT."

Purpose: Now, more than ever, employees are seeking authenticity and transparency from leadership teams. "Through 2020, organizations with a demonstrated sense of purpose experienced more success in maintaining focus and engaging employees because they aligned the mission of the organization with employee, consumer, community and environmental concerns," says Mr. Hoffmann.

Agility: "Leadership agility has been a buzzword for some time, and more than anything else in recent memory, the pandemic drove a wedge between those who could adapt, and those who could not," he adds. "Agile leaders stood out as being able to recognize new opportunities, adapt their business models, and identify changes to talent requirements."

Diversity, Equity and Inclusion: "Consumers and employees alike pushed the diversity conversation forward in 2020, by choosing more deliberately who they buy from and work for," says Mr. Hoffmann. "The current environment around DEI rightfully requires leaders to foster cultures of inclusion and diversity of thought. "

Mr. Hoffmann says his firm remains optimistic about the future of diversity, equity and inclusion efforts. "We feel strongly that holistic workforce DE&I will become sustainable and continue to deliver positive business outcomes, as we have seen exhibited through countless studies over the last decade," he says. "Certainly, there's been a flurry of chief diversity officer hiring across all sectors, with many companies denoting their 'first ever' diversity chief in press releases. Most clients we see today have a 'head of diversity' within their organization to drive action – whether that is a chief diversity officer or a VP-level executive."

"As well, we continue to see heightened interest from clients that not only desire to diversify their leadership ranks, but also address diversity leadership development and organizational effectiveness as part of the company's talent strategy," says Mr. Hoffmann. "Diversity has become a 'must have' on all candidate slates at all levels, most importantly for an executive team and board."

"Moving forward, we expect that equity and inclusion will gain more emphasis, as companies continue to drive diversity at the leadership and board levels but are not as prepared to be inclusive or equitable," he says. "Once diverse talent has been added, companies need to continue to do the work to create an environment of development, opportunity and collegiality."

Ms. Ruebusch, of TSI Group, concurs with Mr. Hoffmann. "Over the past year, we have seen various businesses speak out and prioritize their diversity and inclusion commitments by aligning efforts with their organizational goals and values," she says. "With an increase in transparency around diversity and inclusion among organizations, we see the actions being carried out on an ongoing basis. We have noticed an increase in companies

implementing analytical tools to make data-driven decisions, to avoid biases within their recruiting process. This proactive step helps address systemic and unconscious inequities that exist in organizations. Further, this allows companies to directly measure their commitments through data, allowing further transparency and disclosure of their progress."

"Diversity and inclusion must stay top of mind when making decisions, in order to see a long-term effect of these commitments," says Ms. Ruebusch. "We have seen a remarkable increase of women in C-suite positions over the past year, making TSI Group optimistic for the future of diverse and inclusive workplaces. There have been many companies in North America proving success in these pledges and we applaud the efforts. Although significant work still needs to be done to maintain these promises, TSI Group believes that many organizations are on the right track to making workplaces more diverse and inclusive."

As the search industry—and business in general, not to mention the world at large—look ahead to the post-pandemic future, more than one executive recruitment firm has taken stock of the what the past year has taught them. Executive search firm **Blue Rock Search**, which has offices in Sarasota, FL and Knoxville, TN, for one, touted the importance of keeping a diverse clientele. "The pandemic dramatically highlighted the need for a diverse portfolio of clients across all of our practices and the industries we serve at Blue Rock," says the firm. "This has served us well, allowed us to weather the storm in 2020 and on a steep growth curve in 2021. We have seen numerous colleagues with a singular industry focus (i.e., hospitality) be devastated by the pandemic. In addition, we have also made long term changes to our financial planning to ensure a favorable cash position at all times."

Blue Rock expects to find itself in a good position when COVID-19 is in our rearview mirrors. "When the dust settles, we will have increased our physical footprint; increased the number of employees on our team; launched multiple new practices; completed our Blue Rock re-branding process; and we will have dramatically increased the portfolio of clients we support across multiple industries and practices. The pandemic forced us to accelerate our long-term strategic imperatives to both weather the storm and position ourselves for growth in what we believe will be a very healthy executive search market over the next 24 to 36 months."

Dan Charney, president and CEO of **Direct Recruiters Inc.** in Solon, OH, for his part, is coming away with a similar wisdom. "Our firm has been in business over 30 years and we have learned lessons from every downturn during that period," says "I was taught coming up in the search business that you can count on one downturn every 10 years. I think with the way the world is now you can at least double that. As a firm we believe in being fiscally conservative and stockpiling cash from the good times so we can continue to invest in the not so good times. This strategy has allowed us to grow quickly coming out of a situation like COVID while some of our competition has struggled over the years. The biggest area we will continue to focus on to prepare for future crises is the diversification of our practice areas. We feel strongly that it is important to guard against a situation where we lean too heavily on one area that can be hurt by some type of crises that is out of our control."

That said, most agree that for all the tragedy that the pandemic brought, there were also some silver linings. "I think once the dust settles our industry is in for an extended period of growth," says Mr. Charney. "I believe boutique firms that have the ability to offer customized solutions will thrive. I also believe that the

pandemic expedited many trends that we are already seeing like the use of AI, more skills and personality assessment and overall a more transparent and data driven search process."

Mr. Myatt, of N2Growth, sees a new–and improved—search industry emerging from the pandemic. "Firms who survived 2020 are more lean and agile than they were coming into the pandemic," he says. "They are helping clients problem solve with greater speed and efficiency. Bottom line – they are more connected to their clients. The search industry was populated by too many firms slinging resumes for a living. Transitioning through the pandemic, clients are looking for more sophisticated thought partners that clients view as an accelerant to accomplishing strategic imperatives."

"We won't get back to normal, and firms looking to go back will simply cease to exist," says Mr. Myatt. "Our clients don't want to go back. They've already made massive pivots and big investments in their organizational and operational models and rhythms to move their companies forward. Normal as we knew it is gone forever."

PULSE SURVEY FINDINGS

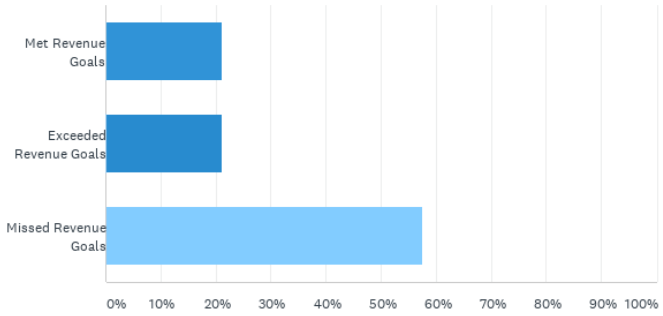
PULSE SURVEY FINDINGS

Executive recruiters spent the better part of last year resetting expectations – the result of an unprecedented, and completely unexpected, interruption to their business due to COVID-19. But according to search professionals across the spectrum, that disruption has now receded, and business is returning to levels not seen since the waning days of 2019 and first two months of 2020. It is a significant turnaround for a sector that had put itself on pause last spring.

To help better understand the impact of COVID-19 on the sector and where we are going, **Hunt Scanlon Media** turned to leading practitioners for their insight and perspective. No one knows the impact that COVID-19 had on the executive search industry better than the recruiters themselves. The responses to our annual ranking survey painted a picture as to how the industry struggled through most of 2020 with the expectations of a major turnaround in 2021.

Executive search consultants responding to our annual ranking survey questionnaire represent every demographic cut in the recruiting business: from the largest generalist firms to the most specialized boutiques. 172 executive search firms provided data for this year's survey and findings from that survey are as follows:

Did your firm meet, exceed or miss its revenue goals in 2020?



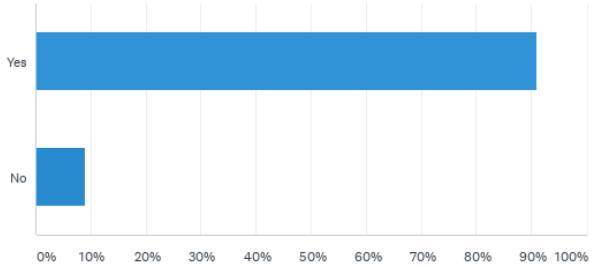
Met Revenue Goals	**23.38%**
Exceeded Revenue Goals	**29.22%**
Missed Revenue Goals	**47.40%**

BY THE NUMBERS

How Bullish Are You for 2021?

On a scale of 1-10, survey respondents said they were around an 8 on how bullish they feel for 2021.

Do you expect revenue growth in 2021?

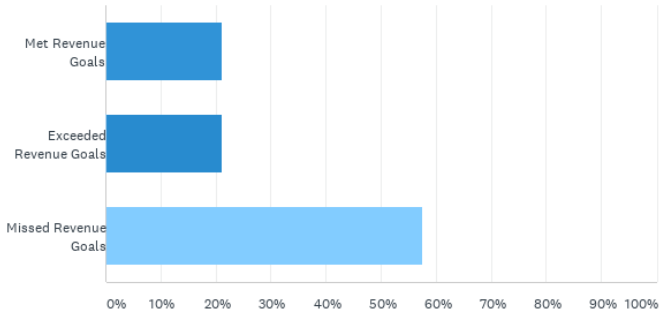


Yes	**91.56%**
No	**8.44%**

BY THE NUMBERS

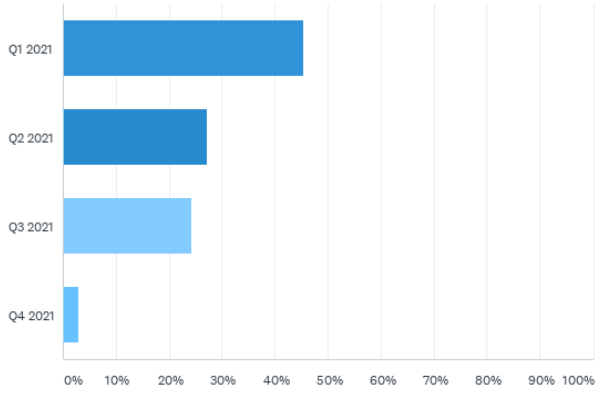
Of the 92% of firms expecting revenue growth in 2021, on average they are expecting 20% revenue growth

Do you expect to meet, exceed, or miss your revenue goals for 2021?



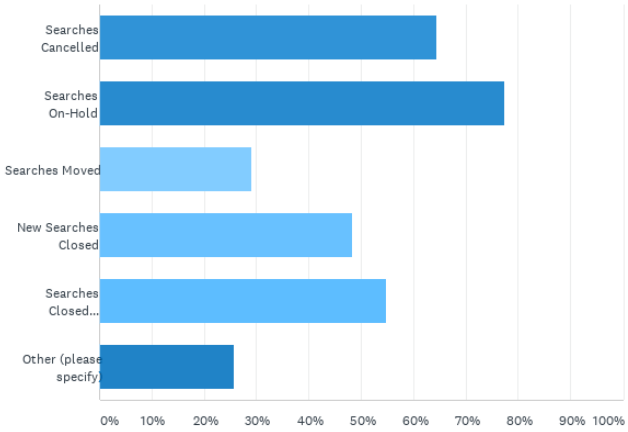
Meet Goals	**54.00%**
Exceed Goals	**45.33%**
Miss Goals	**0.67%**

When do you expect growth to return?



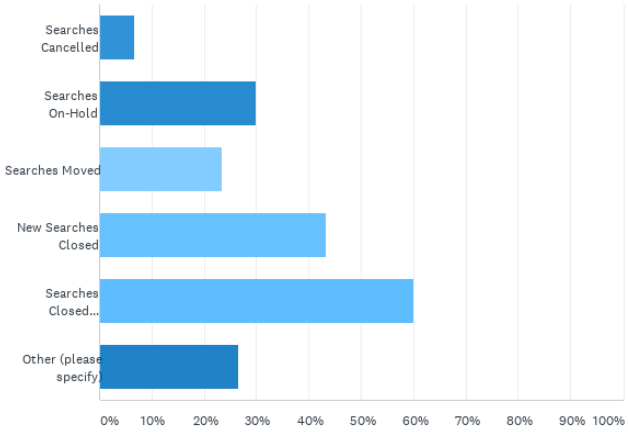
Q1 2021	**47.18%**
Q2 2021	**27.46%**
Q3 2021	**21.83%**
Q4 2021	**3.52%**

How did Covid-19 impact your search activity in 2020?



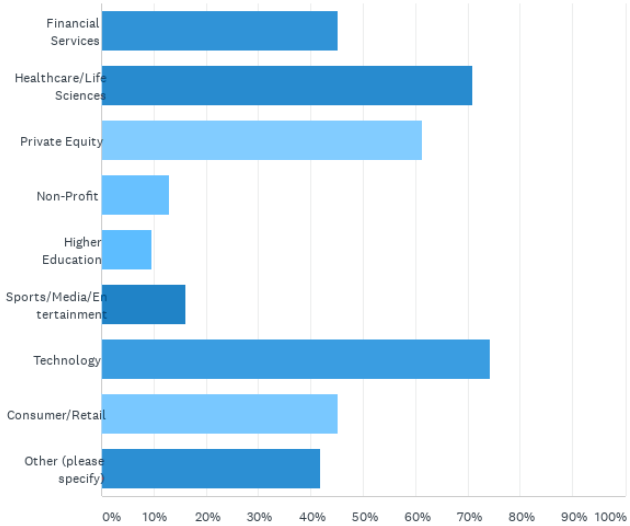
Searches Cancelled	**50.00%**
Searches On-Hold	**79.73%**
Searches Moved	**27.70%**
New Searches Closed	**48.65%**
Searches Closed Successfully	**66.22%**
Other	**17.57%**

How will Covid-19 continue to impact your search activity in 2021?



Searches Cancelled	**9.49%**
Searches On-Hold	**27.74%**
Searches Moved	**20.44%**
New Searches Closed	**33.58%**
Searches Closed Successfully	**59.85%**
Other	**27.01%**

Which industries have been rebounding?



Financial Services	**45.00%**
Healthcare/Life Sciences	**62.14%**
Private Equity	**60.00%**
Non-Profit	**19.29%**
Higher Education	**15.00%**
Sports/Media/Entertainment	**10.00%**
Technology	**55.71%**
Consumer/Retail	**27.86%**
Other (please specify)	**20.00%**

INDUSTRY VIEWPOINT

VIEWPOINT

Hunt Scanlon keeps tabs on an ever-expanding executive search and talent management sector that far exceeds where the industry was just a decade ago. Today, Hunt Scanlon tracks some 17,000 executive search consultants at more than 4,000 recruiting firms in North America and another 4,500 overseas, spanning Europe, Asia, Africa and the Middle East, and everywhere else in between.

To round out our study this year, we invited leadership advisory specialists and executive recruiters to bring us their market insights. These timely Viewpoints examine the leadership and talent landscape as we emerge from COVID-19.

So, if you're interested in hearing from the industry's most trusted and respected leadership advisory professionals, we encourage you to take the time to read these outstanding Viewpoints.

TALENT AS AN INVESTMENT THESIS

Mike Myatt, Founder & Chairman of N2Growth, Explores How Talent is Impacted By the Private Equity and Venture Capital Industries

Mike Myatt is a leadership advisor to Fortune 500 CEOs and their Boards of Directors. Widely regarded as America's Top CEO Coach, he is the bestselling author of Hacking Leadership (Wiley) and Leadership Matters... (OP), a Forbes leadership columnist, is a member of the board of directors at the Gordian Institute and is the Founder and Chairman at N2Growth. In this chapter, Mr. Myatt explores how talent is impacted by the private equity and venture capital industries and the importance of connecting with executive recruiters in order to find the right talent.

There have rarely been two industries more compatible with one another than private equity and executive search. That said, while PE firms are quite adept at identifying and monetizing synergies that fall within their investment guidelines, they are curiously less skilled at taking advantage of enhanced value creation opportunities amplified through professional services relationships.

I can remember back to the wild-west days of private equity when PE firms were few and investment opportunities were plentiful. These were the days when the buy-side called, the sell-side answered the phone. PE firms were less structured in approach, valuation models were squishier, the valuations generally higher, and competition was scarce – those were the days.

A lot has changed in recent years with regard to the complexity of maximizing returns on investor-backed companies. There's obviously more money chasing fewer deals, but more specifically, smarter money chasing shrinking deal flow. These days diligence is more diligent, both structure and pricing of valuations are tighter, and as with all good asset classes, the yields get squeezed as markets mature.

I've worked in and around the PE and VC communities for years. I've been a principal in buy-side and sell-side transactions and have also represented both sides as a professional advisor. I've witnessed average talent crater sound investments, and tier-one talent maximize sub-par investments. When I look across portfolio investments with PE clients, it's quite easy to determine what separates the overperforming investments with the underperforming ones – the people. Even if a certain industry, segment, or vertical is struggling, great talent will overcome those hurdles and outperform the competitor set.

Smart PE firms have learned to bet on talent as the primary driver of the investment thesis. In fact, talent has become "the" investment thesis for many PE firms. The best performing PE firms spend just as much time underwriting and optimizing talent as they do in financial engineering. They have learned that organizational design, culture shaping and leadership development matter just as much quant gymnastics. Even the strongest investment thesis and business case can quickly become eroded, if not altogether unwound, by underperforming humans.

The problem is that while executive search and private equity should be great dance partners, the simple truth of the matter is that most PE firms just don't show-up to the dance. There are PE firms in the market that have large numbers of portfolio companies that try and solve the talent needs across the portfolio just by working "their network" – really? No seriously, if it wasn't so sad, it would be funny.

Not a single sophisticated commercial client across any of the Global 3000 would take this aforementioned approach. They would view it as an exercise in frivolity at best, and as an irresponsible breach of fiduciary obligation at worst. Corporate clients understand that the creation of competitive advantage is found in winning the talent game, and that this occurs most often when you increase the number of resources used to create a rigorous, exhaustive, comprehensive go-to-market strategy for talent. The goal is to expand your options for talent not limit them.

I recently spoke to the head of talent acquisition of a smaller-ish PE firm with 30 portfolio investments. When I asked how big his team was, he answered, "I am the team." Even more interesting is that on the PE firm's website they list one of their key differentiators as helping portfolio companies attract talent. The disconnectedness here is mind-numbing, but not unusual in private equity.

The good news is that there are PE firms who really do get it. In a recent conversation with Matt Breitfelder, CHRO at Apollo Global Management, Matt and I spent the majority

of our time talking about talent as a driver of investment performance. Matt is one of the most insightful CHROs in the private equity space, and he understands that Apollo's ability to attract, coach and develop executive leadership talent has a disproportionately positive impact on Apollo's investment success.

While more and more private equity firms are adopting a mind-set like that espoused above by Matt at Apollo, most are still not there yet. The problem with many PE firms is that while they are exceptional in financial diagnostics, they are less than exceptional in human diagnostics. Their financial risk management strategies are well designed, but human risk management capabilities are less refined. It's naïve, costly, and it's also a competitive disadvantage for PE firms to overlook the many benefits the right executive search partner can offer them.

Beyond straight retained search, let's take a look at a few specific solutions available to PE firms that could make a difference for private equity firms looking to upgrade their talent game:

Proactive vs Reactive Talent Strategies

I can't even begin to count the number of calls I've had from PE firms that have a new deal in play and they're running around with hair on fire at the eleventh-hour scrambling for talent. Sound familiar? The smarter solution for PE firms would be to stop the frenzied last-minute scramble for talent and partner with search firms to create a curated talent pipeline that is ready on demand.

At N2Growth we have a Talent as a Solution (TaaS) service specifically designed to create talent on demand for PE firms. We take the PE firm's investment guidelines (industry focus, geography, company size and stage, event horizon, etc.), current portfolio holdings, and targeted number of near to mid-term investments, and map them against the market to create real-time, curated talent pipelines for key roles. The result is that when a PE firm needs executive talent (Board Member, CEO, CTO, CFO, CPO, CRO, CMO, etc.) we can immediately deliver candidates who have been pre-vetted against their specific needs/criteria/requirements, and who have already provided an expression of interest in the PE firm. There is no need to kick-off a cold search from scratch as all the work has already been done. There are few things a PE firm can do that will generate more return on invested capital than maximizing talent opportunities.

Talent Advisory Services

When PE firms begin to understand that unleashing human capital to unlock hidden value in their investments is the ultimate force-multiplier on financial capital fun things start to happen.

I recently keynoted at a PE firm's annual CEO summit where they brought together all their portfolio CEOs for two days of collaboration about what is, and is not, working across their portfolio. I had initially assumed this was a regular event, only to later find out that this was the inaugural event. I probed further to ask if they considered holding similar events for the balance of their C-suite teams and other executives in charge of key functions/roles across their portfolio companies. The answer was interesting: "wow, we hadn't thought about that."

When we look at private equity portfolios, we universally see the same thing. Every PE firm on the planet has investments that perform at expectation, outperform expectations, and underperform expectations. The bad news for PE firms is that underperforming investments are the largest part of every PE portfolio. Clearly, not all investments will pan-out, but quickly identifying and triaging the underperforming portfolio assets can have a huge impact on not only stabilizing, but actually boosting overall fund performance. This is very low-lying fruit that isn't harvested nearly as often as it should be by private equity.

The irony of the cognitive dissonance of PE is that when you ask any MD of a PE firm about their best performing investments, they quickly tell you about the rock-star CEO who outperformed expectations. If you ask that same MD about their worst performing investments, they also quickly point the finger at the CEOs who failed to execute. The best exits are less about market timing, but rather navigating to the right place in the market, which require insightful, driven, committed talent. Without the best talent you'll inevitably always find yourself on the wrong side of market timing. But for the people, there are no products, services, sales, technology, platforms, brands, customers, etc. It's always about the people.

One last example of the impact of talent on investment performance... We had a PE firm looking at what they considered to be an attractive investment play. They liked everything about the deal. I asked them about how the diligence was conducted for the leadership team and other key roles, and after hearing their answer, I suggested our process might be a bit more enlightened. The PE firm agreed and engaged us to help them assess leadership, culture, team dynamics, and organizational design. We quickly spotted inconsistencies that led to uncovering financial improprieties the PE firm missed in their financial diligence. We also spotted other warning signals that didn't get picked up the first time around.

Here's where it gets really interesting… Rather than go pencils-down, the PE firm lowered their offer by nearly $25MM which was eventually accepted. We then were engaged by the PE firm to replace the CEO and CFO, we also placed a chief strategy officer, and two new board members. Additionally, we provided CEO coaching and Board advisory work. The PE firm exited the investment in 23 months, nearly two-years ahead of proforma event horizon at a nearly 3X the expected return on investment.

PE firms can either put people in boxes, or free them from boxes. By not leveraging people, but creating leverage for people, PE investments become scalable with greater impact and velocity. Capable executive search firms serve as thought partners for their PE clients and can simply make the PE journey faster, smoother, and more financially and emotionally rewarding.

My conclusion is this; the private equity firms who believe talent to be their investment thesis will outperform legacy-based investment theses largely based on financial engineering. Talent is the ultimate value creation engine – this is incontrovertible. I'm encouraged by the numbers of PE firms that are beginning to understand the value creation amplification that executive search firms can offer. I look forward to meeting more PE firms on the dance floor in 2021.

A NEW, POST-COVID-19 LEADERSHIP PARADIGM

Dale E. Jones, CEO of Diversified Search Group, Discusses Why Search Firms Will Need To Find A New Breed Of Leader – Both For Their Clients, And For Themselves

Dale E. Jones is the Chief Executive Officer of Diversified Search Group. His responsibilities include oversight and management of the firm and its global CEO Advisory Services. Mr. Jones is a trusted expert for executive recruiting and in this chapter he shares his expertise on emerging from the shadows of the pandemic and explains why search firms will need to find a new breed of leader – both for their clients and for themselves.

Like all of us, I have been working from home for most of the last year. I've settled into a routine doing so more than I ever thought I could or would. But I do miss the energy and collaboration that being in an office brings. And like a lot of business executives, throughout the COVID-19 crisis I have been wistfully dreaming of the day when we all get back to "normal."

I was back in our headquarters office the other day, and I saw signs of some of that normalcy returning. There were people going into the local sandwich shop to order lunch; a few more were out on the plaza, checking their phones. The lobby folks tell me more and more people are slowly drifting back into the building one or two days a week, a sign that with increased vaccinations a sense of security is slowly returning. Perhaps things will be "normal" more quickly than we thought.

Or not. As much as we all may want to return to life the way it was, history shows us that once-in-a-lifetime events such as a pandemic forever alter us and the way we live. As people charged with finding tomorrow's leaders today, it is incumbent on us as search professionals to not only recognize this fact, but to embrace it. The pandemic wreaked a lot of havoc, big and small—a report in the March issue of Talent Management relayed the sobering statistic that many U.S. companies experienced a 20 to 60 percent plunge in revenue in 2020—on the economy. But revenue is cyclical; it is likely to eventually return to what it was. The paradigm shift in leadership, in what we need, expect, and want from our leaders, is a different story. That has changed dramatically. And probably for good.

"I cannot say whether things will get better if we change; what I can say is they must change if they are to get better." That's a quote from the famed German physicist Georg Lichtenberg. It's from more than two centuries ago. Which only shows that through history change, and sometimes seismic change, comes whether we are ready or not.

A Permanent Shift

As search executives, we adhere to a baseline for leadership that we look for in each and every candidate we vet. First off, of course, they should be experienced and qualified. They need to have attained a proven track record of success, and a vision for the new role and what they would do in it. They should be collaborative, congenial, and decisive. That's all the low-hanging fruit.

What we've learned is that when an epic event interrupts the world—whether that's World War II 90 years ago, or a global pandemic we're still living through—real leaders quickly emerge, and imposters are quickly exposed. The trouble is that both sets may have all of the same qualities set out above. Now that we are gaining some perspective from the COVID-19 crisis and about to enter a post-COVID world, what are the qualities that have proven to be key in pushing organizations forward, and how do we make sure our placements have them in abundance?

A just-released report from Deloitte, titled "Leadership Styles of the Future: How COVID-19 Is Shaping Leadership Beyond the Crisis," sheds some light here. In a crisis, the report argues, leaders have four main charges to contend with: stabilizing the organization; remaining true to the DNA of the organization; accepting the social impact; and facing uncertainty head-on. Combined, these challenges present what post-crisis will be a "new normal," which will allow nimble, forward-looking organizations with strong leadership the opportunity to create more value and societal impact if they resist the urge to "simply bounce back to the status quo." Structural market changes, the report goes on to state, trigger new business opportunities. New experiences render people more open-minded.

Of course, much of that depends on what those new experiences are. We have just lived through a volatile, life-

changing year that included not only a global pandemic that upended daily life as we knew it, but which in the U.S. also contained a long-overdue reckoning on race and a U.S. presidential election that saw the biggest turnout in history. Is it any wonder every leader is exhausted—and also a tad nervous about what comes next?

The New Skills Needed

So what is coming next?

We're grateful that our search work remained strong and hale during most of 2020. But we did notice a sea change across companies, colleges, nonprofits, and start-ups in terms of the qualities they now put a premium on when discussing finding new leadership. There will always be a war for talent. But the battle armor is beginning to look very, very different.

Here are seven trends we see emerging regarding leadership going forward, both for our own industry, and in the client organizations we serve.

- **The call for "humane skills" is exploding.** The image of the gruff CEO issuing diktats from the corner office as he cozies up to the board has been smashed. What are the CEO's personal values? What does she stand for? Qualities such as drive, knowledge, and confidence are still important, but they now share equal billing with empathy, resilience, humanity, understanding, and passion. As demographic shifts alter who is coming into and leaving the workforce, leaders must recognize that character traits that were once an afterthought have now come front and center. People will work very hard for someone they admire and trust, and who lives not only their values but who instills those values into the everyday management of the company. Leaders who foster a sense of mission and purpose are those who will rise quickest in the new world order.
- **COVID proved that the old top-down method of management doesn't work anymore.** People want to feel heard and empowered in their lives and in their careers. Performance must now be balanced with delivery—leaders must truly empower teams that they trust, and that trust them. Building such trust requires openness, humility, transparency, and vulnerability. Leaders must be authentic, and willing to accept new ideas and ways of doing things, instead of giving lip service at the monthly companywide call. All of this feeds into a funnel of psychological safety, the single biggest predictor of a company's success. It fosters innovation, fast learning, and taking calculated risks, because employees and executives feel supported and safe.
- **Flexibility is everything.** Employees were asked to quickly readjust to working remotely, and most did so with tremendous fortitude and skill. As our work lives drift back to a pre-pandemic model, those employees will want—and, frankly, expect—flexibility around working remotely to be retained as they build new work/life constructs going forward. This shift will have a long-term impact on search strategy and where talent can come from. For many organizations, one of the biggest impediments to landing that coveted executive—family resistance to relocation—may be removed as "virtual work," or some hybrid, becomes the new norm.
- **Diversity is no longer a "nice to have."** It's a requirement. The Black Lives Matter movement has proved to be no passing fad, but rather the harbinger of a realignment about diversity, equity, and inclusion that is now becoming ingrained into the DNA of CHRO best practices in the Fortune 500 and beyond. Shareholders, employees, and customers are increasingly vocal about the need to not only aim for diversity in the workforce and leadership positions, but to achieve it. Stakeholders are keeping score. Organizations that ignore this do so at their peril.
- **There are increased conversations around stakeholder capitalism and what it means.** These conversations will influence and shape the role of business in society in a way few others have. And this will have enormous implications for the kind of leaders, and even roles, we recruit to the C-Suite, to lead nonprofits, and place on boards.
- **Millenials are driving the new leadership paradigm.** Millenials are already emerging as leaders in technology and many other industries; it's estimated they'll comprise 75 percent of the global workforce by 2025. They want

to work for organizations that foster innovative thinking, develop their skills and invest in their long-term goals, and also make a positive contribution to society. While Millenials aspire to better lives materially, as a whole they are not focused on financial gain—rather, they want purpose in their work, and they want to forge careers at organizations that share that aim.

- **Innovation and resilience will win the day.** Layers of management have given way to a new priority: the ability to pivot quickly and efficiently. That's the key differentiator among organizations that have weathered the pandemic with the most alacrity. Leaders cannot be bottlenecks, endlessly mulling data and garnering feedback from every corner. Agility is increasingly not only important, but imperative.

So is this all a good thing, or something that should concern us as we try to discern the qualities needed for leadership going forward? There's a few more nuggets of interesting data to be mined from another report, this one by the CEMS Global Alliance in Management Education, which is comprised of 34 colleges and universities, 70 corporate partners, and eight NGOs around the world. In a survey of more than 1,700 leaders, the organization posed one central question: Will the long-term impact of the pandemic be negative or positive?

Overwhelmingly, respondents relayed that the pandemic had given us one big benefit: it forced every organization to "rethink its business-as-usual assumptions," Greg Whitwell, the chair of CEMS, said in his executive summary of the findings. That's where innovation starts, and innovation is always a net positive. While echoing other calls for new methods of communication, new ways of working, and new attitudes about work itself, the survey also offered a stark redefinition of what leadership now means. "Respondents believe leadership skills such as openness, empathy, resilience, and the ability to communicate will be of greater importance post-crisis," Whitwell said. He went on to relay that an increased focus on what might be called "humane skills" might seem surprising to those focused on bottom-line results, but "this change in priorities also reflects our very human tendency to achieve balance, particularly when our world has been so fundamentally disrupted."

The Road Ahead

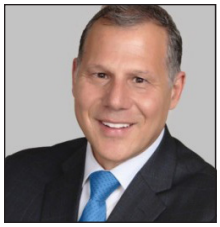
Our world has been fundamentally disrupted. But that may turn out to be a good thing, even if the path has been painful and uncertain. The pandemic has forced all of us to be nimble, innovative, and clever, or risk quickly becoming obsolete. While we have seen some leaders struggle with the upheaval, many more have risen to the occasion, exhibiting courage and bold visions brought forward by an unprecedented challenge no one saw coming.

For those of us in search, our mission now must be to harness this new fortitude and to make it a standard for each and every executive we place. As the worst of the pandemic begins to recede, we cannot ever forget its lessons. Those of us entrusted to do the vital work of finding America's next great leaders must answer the call to find a different kind of steward. We now stand at the precipice of great opportunity, one that allows us to convince our clients that it is indeed the time, once and for all, to "think outside the box," instead of retreating to the comfortable safety of what they have always done and who they have always hired. This last, tumultuous year has proven that it is the leaders who fearlessly try new things, pivot quickly, and who both foster teamwork and exhibit empathy that are those who embody the future of work.

History will show that we have endured the most challenging year of most of our lifetimes. It will also likely prove a tipping point in how we find, evaluate, and place the next generation of great leadership.

RECOVERING FROM THE 2020 ROLLER COASTER

Ken Vancini, Director of Industry Solutions at Thrive, Looks Back on 2020 and Lessons We All Can Learn



Under Ken Vancini's leadership, ZRG Partners became an international global leader in executive search. During his 16 years at ZRG, Mr. Vancini successfully ran executive searches for his clients in 22 countries. He established consistent, streamlined operations for all ZRG locations. Among many other contributions, Mr. Vancini spearheaded their commitment to technology solutions and best practices. After ZRG, Mr. Vancini founded Innova International. At its core, Innova International was built to help executive search firms adapt, scale, and grow by delivering exceptional advisory work to a rapidly changing industry. In the following viewpoint, Mr. Vancini takes a look back on 2020 and lessons we all can learn as we reach towards the end of the pandemic.

2020 A Year in Review:

It's no secret that 2020 was one of the most volatile years the executive search industry has ever faced. From a global pandemic; to widespread social justice movements; to massive uncertainty in the job market amid historical highs on Wall Street, executive recruiters faced obstacles they hadn't seen before.

If anything positive came out of 2020, it's the incredible resilience of our industry. When looking at the entire year, our data shows a fairly minor impact—despite the unprecedented circumstances.

Unfortunately, not all executive search firms were affected equally. Some have since skyrocketed out of an all-around devastating Q2, while others closed the year with little recovery to show.

2020 Was a Roller Coaster

While everyone will remember the pains of Q2 and most will remember the uncertainties of Q3, the highs of Q4 illustrate the severity of fluctuations found in the market last year.

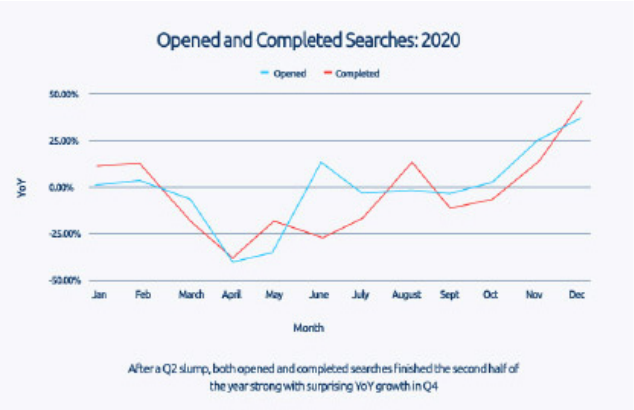
At the end of it all, we ended up pretty much where we started: Opened searches were relatively flat YoY, coming in two percent lower than 2019, and completed searches came in about 5.5 percent below 2019's numbers. Not bad considering every curveball 2020 threw.

But, to complete the roller coaster analogy, not everyone was on the same ride.

Much of that "flatness" is owed to two things:

- A small subset of firms recovering at a much faster rate than their peers
- Incredible urgency in the market, as seen by both the volume of opened and completed searches in Q4

An example: In October, at the start of Q4, we saw the most opened searches in our dataset since we began tracking in January 2019, and, in December, at the end of the quarter, we saw the most ever completed searches in a month.



Executive search firms who finished the year in the top quartile for opened or completed searches were the only firms to experience meaningful YoY growth. In other words, the market may be back, but many executive search firms aren't.

With Q4 showing 17-plus percent YoY growth, a look back on 2020—and a review of Q4 in particular—shows signs of a changing industry.

Q4: A Sprint to the Finish

Whatever adjective you'd like to use to describe Q2, pick the opposite for Q4. It was remarkable. And it was fast.

From both an opened and a completed search perspective, Q4 was the best quarter of the year. In fact, it was the only quarter of the year to show YoY growth in both categories.

Though we've seen linear, quarter-over-quarter growth since Q2, the market gained steam throughout Q4, delivering a strong finish to the year.

On the opened search front, both Q3 and Q4 beat Q1 (the only quarter of the year that had some normalcy before the COVID-19 pandemic really took its toll.) On the completed search front, only Q4 beat Q1. And yet that completed search performance was as much a product of urgency as it was a steadily recovering market.

Fueling Q4's impressive search totals were fast-moving searches: More than 70 percent of all searches completed in Q4 were opened in Q3 (51 percent) and Q4 (20 percent). In Q4 2019, by comparison, only 57 percent of completed searches were opened in the same time frame.

Lessons From an Up-And-Down Year

Confidence notwithstanding, 2020 does guide how and where businesses sought assistance in an unsettled market—something that could be instructive, should Wall Street stop its meteoric rise.

Without the top quartile of firms in both open and completed searches, the year would have looked far, far worse than a modestly flat two percent decline in opened searches and a -5.5 percent drop in completed searches.

Top-Performing Firms Carried The Market

Top-performers, though, we're unique in size or practice. They were unique in their data literacy, willingness to collaborate more frequently with clients, and efficiency in candidate outreach.

This time, though, we found an additional wrinkle: They've adapted to sourcing a more geographically diverse candidate pool faster. 80 percent of the top quartile firms for completed searches in Q4 were also at the top of the list for out-of-region hires (meaning a candidate was located in a different region than the hiring company).

It appears that top-performing firms were more nimble amidst the market's changing realities, allowing them to win more business.

Board Diversity Is a Big Focus

Board members were in high demand throughout 2020, seeing significant YoY growth each quarter.

One of the key reasons for the uptick in board searches in 2020 was an increase in the variety of board profiles that companies are considering, according to Larry Hartmann, CEO of ZRG Partners. The net effect, he said, is a broadening pool of candidates under consideration.

"The push for more diverse boards has been the biggest factor and 100 percent of our board work has involved deep diverse slates of candidates. But beyond the diversity of view and background, we are seeing a view to expanding the types of backgrounds candidates bring to the boardroom. The biggest ask has been around adding functional expertise and experience to boards in the area of digital transformation," reported Hartmann.

In our survey of recruiters, we heard a little bit of this.

Said one executive search director about 2021 predictions: "Clients will improve their leadership team with people able to handle 'crisis mode.'"

Firms Are Aligning Priorities With Clients

More than 60 percent of executive search leaders we surveyed in January 2021 said they expect executive hiring to rebound this year by at least 10 percent, and another 35 percent said they expect the market to stay about the same/increase by less than 10 percent.

But those teams aren't as bullish when it comes to their own internal hiring plans: Of those we surveyed, only about 45 percent said they expect to increase their teams' headcounts by at least 10 percent. Fifty-five percent said they're planning to keep headcount about the same.

Those who are planning to hire, though, said they have the same priority as their clients: Diversity.

In our question as to the biggest recruiting initiatives in 2021, Diversity Equity & Inclusion was the clear leader.

"DE&I is important for clients and business as a whole," said Robert Crowder, founder and managing partner of Chapman Farrell Group. "Luck could be defined as hidden information that works in your favor instead of against you. If

that statement is true, a company creating a safe, inclusive environment, harnessing the power of diverse perspectives relies less and less on luck to be successful."

Analytics Are Becoming Table Stakes

Also topping the list were notable trends we've highlighted in earlier reports: search velocity and analytics. Both, executive search leaders said, are being driven by hiring teams' expectations and operational efficiencies.

Several leaders noted a "do more with less" mindset as a reason for investing in analytics, while others pointed to having a better handle on analytics and data as a way to increase search velocity—something that's being driven by clients.

"With everyone remote, there seems to be a pronounced feeling of urgency when a job is vacant," one executive search firm founder told us. "So, my focus has also been on how to find the very best candidate while being mindful of time."

Conclusion

Executive search leaders, we surveyed also tipped us to their biggest concerns. One of them—competition—appears to be a recognition that the market's recovery will not evenly benefit everyone.

It's a bitter pill to swallow, for sure, but many recruiters seem steeled to that reality and are looking to improve their operational efficiencies to meet heightened urgency and increased demands from clients and hiring teams.

Strung together, these market expectations and business focal points suggest the more global trend for 2021 is setting in: A course correction for the new normal.

Interestingly, though, a good deal of search leaders seems comfortable right now straddling their old strategy and their new. We would caution against that. Committing to a single path forward is the most prudent move during uncertainty, and many of the signals are clear on what that move should look like. For search teams, then, it's time to invest in the people, processes, and technology that will accelerate their shifts to faster, more inclusive hiring, as it'll provide an unfair advantage in the near-term while insulating a business from long-term disruption.

As 2021 kicks off, it's important for a business to be viewed through this lens. While many expect a return to "normal" for the market (and our data suggests we're there), the old playbook isn't going to lead to many wins.

COVID-19 IMPACTS ON LEADERSHIP TRANSITIONS AND THE SEARCH PROCESS

L. Jay Lemons, President and Senior Consultant at Academic Search, Shares How The Higher Education Search Sector Has Been Impacted By the Pandemic

Dr. L. Jay Lemons became president of Academic Search in 2017, after serving for 25 years as a college president in both public and private higher education. A recognized leader in the academy, Dr. Lemons has been particularly devoted to supporting leadership talent by working with new college presidents on the faculty of the new presidents' programs of the American Association of State Colleges and Universities (AASCU) and the Council of Independent Colleges (CIC) and through the professional development programs for aspiring leaders of the American Academic Leadership Institute (AALI). This passion for working with new and emerging leaders and the opportunity to help them build teams and their institutions was what led him to accept the presidency of Academic Search. In the following article, Dr. Lemons shares how the higher education search sector has been impacted by COVID-19.

Campus leadership and faculty, staff, and students across the country have been feeling the impact of the coronavirus for the last year. Most institutions were forced to close their campuses, switch classes to an online delivery of learning, and pull students abroad home. Many faced cutting majors and programs, partial furloughs or elimination of faculty and staff, and budget overhauls. As universities and colleges faced delayed or decreased enrollments due to students, particularly international ones, remaining at home or reconsidering future plans, their financial positions became ominous.

Many institutional leaders who may have been considering retirement or a move decided to delay their plans, and search work came to a standstill late last spring. As the COVID-19 crisis continued on, we did see some thawing of search for positions considered critical to long-term viability such as presidents and provosts. Uncertainty and limited resources made contracting with an executive search firm more challenging for many institutions, resulting in recruitment of position openings being managed internally in many instances. We saw a bit more activity this past fall as some campuses began to open, but the typical search process and more common search calendar has changed in ways that not only accommodate the world in which we currently live but we suspect will become part of the "new normal" in a post-pandemic period.

The pandemic has demonstrated clearly that institutional leadership matters now more than ever. We continue to witness large and deep pools in most of our senior leader searches but find that although many of the qualities sought in leaders remain unchanged, there are a number of skills now taking on heightened levels of importance. Amid the pandemic, financial acuity has developed a new meaning to include the ability to manage reductions in staffing and programming, a need to diversify revenue streams, and increased fundraising capabilities.

Institutions are also looking for evidence of crisis management skills and favor more empathetic, calm, and reassuring leaders as campuses face low morale in this time of crisis. Leaders must be able to demonstrate their capacity to be a visible leader even when physical presence is a challenge and so many of the constituencies with which they will be expected to interact will be remote.

The combination of the pandemic and the activism of last summer that followed George Floyd's senseless and tragic death have made competency in diversity, equity, and inclusion even more critical in search on many levels. The higher education sector has always led in DEI efforts even though there is need for improvement. For some time, some committees have asked for diversity statements as part of application materials. We are finding that this request for an additional statement or for candidates to speak to this area as a part of their cover letter is becoming more common. Candidates must be able to demonstrate their successes in developing inclusive polices, understanding cultural awareness, support for marginalized groups across the diversity spectrum, and building diverse teams of faculty and staff. In addition, search committees are now routinely being educated on mitigating bias in their evaluation of candidates and proactively addressing issues of equity and

inclusion throughout the search process in ways that were not as defined previously. Campuses are assuming that search firms have a responsibility to recruit diverse pools of candidates, but it is up to the institutions to select and successfully onboard these candidates.

The pandemic has also amplified the need for technological savviness and competence, not only among candidates but also search committee members and other campus stakeholders. Most search processes are now being conducted completely virtually or in a hybrid mode. Candidates must be comfortable with videoconferencing tools and demonstrate an ability to communicate effectively and confidently virtually. Gone are the times when candidates fly to meet committees at airport hotels. Now, everything from initial to finalist interviews are being conducted online. Certainly, there are benefits to both candidates and the committees who do not have to take time away from their campuses for traveling and can meet quickly and efficiently for a set period of time at no cost to anyone. We have found that the lack of logistical nightmares also allows for two rounds of interviews with the committee, granting both the candidates and committee members increased interaction and additional data points from which to help inform their decision making moving forward. We still have to wrestle with equity issues, such as rural areas that may not have broadband, or committee perceptions of virtual backgrounds. It is still unclear as well how to best manage ADA and HIPAA compliance challenges for candidates.

The unknown has indeed led to some unchartered waters. We suspect initial virtual interviews will remain a new standard, even after travel begins to pick up with more and more people getting vaccinated. Campuses will likely return to in-person finalist visits, however, especially in executive-level searches. The typical search process has been disrupted and that is not necessarily bad – the virtual environment has added convenience and cost-savings measures for both the institutions and candidates as well an additional level of interaction that benefits all involved. Plus, the focus being paid to creating more equitable and inclusive search processes lays the groundwork for more successful and diverse appointments.

THE CASE FOR PROMOTING WOMEN

Heather Cameron, Director of Talent Acquisition and Mackenzie Jones, Research Associate at McDermott + Bull, Share Thoughts on Women in Leadership

Heather Cameron

Mackenzie Jones

Heather Cameron serves as the Director of Talent Acquisition + Operations for McDermott + Bull Canada where she is responsible for executive level talent acquisition; internal hiring and operations; and leadership of the search execution team. Mackenzie Jones serves as a Research Associate for McDermott + Bull Canada where she is responsible for candidate and market research, project coordination, content and report creation, copy writing, assisting in search execution, and supporting M+B Canada's Partners and Principals. In the following article, Ms. Cameron and Ms. Jones share why women should be promoted into leadership positions.

It is no secret that on average, women earn less income than men — they always have. Many women across North America undergo significant challenges in obtaining equal pay, increasing compensation, and growing responsibility, title, and accountabilities. This article breaks down the research by explaining (1) the strategic benefits of placing women in leadership positions, (2) a brief history of women in business, (3) the statistics that back the claims, (4) possible explanations, and (5) what businesses and women themselves can do to expedite progress, boost profitability, and increase innovation.

Why Does it Matter?

From negotiating pay to combating biases and non-inclusive workspaces, women face a variety of challenges in proving their worth in the workplace. Yet, there is an abundant and growing amount of research that substantiates the fact that companies with women in leadership positions are more innovative and make more money. While it is not clear exactly why, evidence suggests that diversity, not just gender diversity, makes companies more profitable, innovative, and respected. A study at the University of Arizona found that companies with women in leadership roles produce more patents, by an average of 20 percent more than companies comprised of male-dominant executive teams.1 Pepperdine University followed over 200 Fortune 500 companies for approximately 19 years and uncovered a strong correlation between promoting women to C-suite roles and an increase in profitability of 18 to 19 percent over the median Fortune 500 business.

We like people who are like us, but that same cozy comfort may be a contributing factor to groupthink, which we know is detrimental to innovation and independent thought — two necessary ingredients for a successful business. Among homogenous leaders, the ease of similarity and agreeability may be self-limiting. Innovation is bound to flourish when you introduce different sets of skills, ideas, thoughts, and life experiences to your organization. It is not about minimizing men – their opinions are necessary – but about including and empowering women and diverse groups.

20%

companies with women in leadership roles produce more patents, averaging by an average of 20% more than companies comprised of male-dominant executive teams

18%

Fortune 500 companies that promote women to C-suite roles had an 18-19% increase in profitability, compared to the median Fortune 500 business

While innovation is and has always been important, its importance is increasingly apparent during this disruptive age of COVID-19, political tension, and consistent, unanticipated change. Innovation is essential. If women are change agents, quick to adapt and even quicker to innovate, then we can deduce that their inclusion is more imperative than ever to help navigate companies through unprecedented times.

A Brief History of Women in Business

While companies have certainly come a long way, the work is far from over. Many women continue to fight an uphill battle in their quest for equal opportunity.

In 1973, there was only one female CEO of a Fortune 500 company, Katharine Meyer Graham. Katharine's rise to

executive leadership was unorthodox. Her father, Eugene Meyer, owned The Washington Post. In 1946, Meyer appointed his son-in-law and Katharine's husband at the time, Phillip Graham, to Associate Publisher. Phillip Graham eventually took over ownership of The Washington Post from his father-in-law.

When Phillip Graham died in 19634, Katharine assumed de facto ownership of the newspaper.

"Kay understood the two most basic rules of business: first, surround yourself with talented people and then nourish them with responsibilities and your gratitude; second, consistently deliver a superior, ever-improving product to your customer."
-Warren Buffet

She led The Washington Post as CEO from 1973 to 19935, during which she steered the publication through two major political episodes in American history: The Pentagon Papers and the Watergate Scandal. Under Katharine's leadership, The Washington Post won a Pulitzer Prize in 1973 for its investigative reporting in the Watergate Scandal. It was not until she assumed the role that Katharine began paying more attention to women's struggles in the workplace and the need for more women at work.6

Warren Buffet, a long-time friend of Katharine, said of her, "Kay understood the two most basic rules of business: first, surround yourself with talented people and then nourish them with responsibilities and your gratitude; second, consistently deliver a superior, ever-improving product to your customer."

After Katharine, the next female CEO of a Fortune 500 company was Marion Sandler, who was appointed in 1974 to co-lead Golden West Financial with her husband. It was not until 1987 – over 10 years later, that another woman, Linda Wachner of Warnaco Group Inc., was introduced to the list.

Change was slow initially, but it has accelerated. In 2020, a record number of 409 Fortune 500 companies were led by a female CEO. Some of these companies include General Motors, UPS, Best Buy, Gap Inc., Rite Aid, Edward Jones, The Hershey Company, Land O'Lakes, and Williams Sonoma. That is eight percent of Fortune 500 companies led by women, in a country where women make up 50.8 percent of the population.10 In Canada, the statistics are not dissimilar. Approximately four percent of women are CEOs in Canada and 10 percent of top executives in Canada are women, where pay is highest.

Statistics at a Glance

The term "Double Pane Glass Ceiling" refers to the challenges women face at the top of Canada's corporate climb. There is (1) the challenge of getting women in the room and (2) equal pay when compared to their male counterparts.

Research by the Canadian Centre for Policy Alternatives (CCPA) into 249 publicly traded companies in Canada calculates that women in executive roles earn 68 cents to every dollar earned by their male counterparts.

While a pay gap exists between men and women in Canada at all levels, with women in Canada between ages 25 to 54 earning an average of $26.92 per hour and men in Canada in the same age range earning $31.05 per hour (2018 data), we focus on executives for this research.

Gender-based wage disparity warrants further attention. Women have surpassed men in educational attainment and have increased their representation in high-status jobs, yet they still make less per hour than men.15 It is notable that between 1998 and 2018, women's wages have grown at a faster rate than men's. In this period, women's average hourly wages (adjusted for inflation) grew by 20.5 percent,

while men's grew by 12.9 percent.16 But that progress wanes when the magnifying glass moves upward within the organizational hierarchy.

Despite this positive trend, women remain at a disadvantage in the workplace because of the opportunity gap.

DOUBLE PANE GLASS CEILING

#1
the challenge of getting women in the room

#2
the challenge of equal pay when compared to male counterparts

Pay Gap Vs. Opportunity Gap

If employers are serious about closing the pay gap, they need to think just as much about closing the opportunity gap. The opportunity gap can be explained as the situation where women remain in entry-level positions and do not advance to leadership roles within an organization, while their male counterparts move up the ladder at a faster rate.

The Gap is Fact – But Why

We could provide a laundry list of proposed reasons why these gaps exist, including the fact that men in executive positions have more experience than women. Perhaps men carry themselves with a little more "executive presence." Perhaps women are less assertive or worried about social repercussions of asking for more, so they refrain altogether. Or perhaps a bias exists, even if unconscious or subliminal. It could be all or none of these things.

One prevailing explanation of why women make less money is that they are less likely to negotiate their salaries or ask for a raise than men are. This is the driving thought behind many popular business books aimed at empowering female professionals. One study published in Harvard Business Review found that women do ask for raises as much as men, but men are more likely to be successful. The research states that men are successful 20 percent of the time and women are successful 15 percent of the time.18 Over the years, these percentages add up.

Another explanation is that employers often base their starting salaries for executives on the individual's previous salaries. If women have a history of making less money than men in the same role, and their new employer determines compensation primarily on merit, women will not be disadvantaged when they switch companies.

Another explanation is the "Motherhood Penalty" and the "Fatherhood Bonus19," suggesting that women take off more time to tend to children, often because childcare is too expensive, and thus are penalized because of part-time or insensitive work arrangements, while men get a bonus — tied to the idea that men are breadwinners and need more money to feed the family once they have children.

CAUSES OF THE OPPORTUNITY GAP

- Less qualified female candidates to choose from
- Biases within organizations
- Conflicting familial obligations
- Cultural expectations of women

Or maybe women are less assertive, less confident, or even less respected by their colleagues due to inherent biases against them. But the answer is likely much more nuanced than any single explanation.

What Can Your Business Do?

If you are in charge of hiring talent for your company — put women in your pipeline for executive roles, and seriously consider them. If you have internal up-and-comers, consider all candidates, male and female alike. If you are predisposed to discredit women or assume they are "not the right fit," ask yourself, "why do I feel this way?" Get comfortable with getting uncomfortable. It will be the first challenge to engineering change, but it will pay off later.

Offer women the same experiences that you offer men. Encourage them to take a seat at the table and share their ideas. Listen to their ideas. Encourage the female and male leaders at your company to mentor up-and-coming talent.

In this section, we list five concrete steps you might consider implementing to expedite progress and uplift female talent at your organization.

1. Recognize your bias and boot it out of the way. Biases likely exist whether you are male or female and regardless of your opinion on the pay gap and opportunity gap. The first step to changing your perception is recognizing your preconceived notions.
2. Promote women to management. The notion that women are less qualified or educated is no longer valid. Statistics revealed that in Canada, women outnumber male graduates at every level of education except the doctoral, where women accounted for 45.6 percent of the graduates (2017/18 data)20. In the U.S., there are more college-educated women than men in the workforce21, albeit women still lag when it comes to reaching the highest level of leadership in both countries. If the argument is that women lack the yearsof experience in management necessary for a promotion, then there is only one way to solve that challenge – give women opportunities to grow and provide a career path to leadership.
3. Train them. Groom them. Empower them. Value them. Avoid creating a boys' club. Offer women the same experiences you would offer a man in the same position.
4. Reference women.22 Consider who you quote for your business articles and presentations. Beyond Bill Gates or Henry Ford, include quotes from inspiring women; doing so normalizes their credibility and helps pave way for progress.
5. Let women talk — and then listen.Studies show women talk less than men in public forums. Unfortunately, this means their ideas, insights, and perspectives may go unheard. An important step for companies to take is to give women the mic and let them share ideas, uninterrupted.

Several companies already excel at this. One inspiring effort to empower women is demonstrated by Fidelity Investments, a multinational financial services corporation headquartered in Boston, MA. Fidelity's youth program, Boundless, is designed for high school and undergraduate females, exposing them to the world of finance and helping them to identify their strengths and discover their passions.

IBM, who appointed its first female CEO in 2012, has been a champion in recognizing female talent in tech and promoting women to executive positions in recent years. The tech company cites its commitment to celebrating female talent as a key driver of its success.

It has also supported the growth of the nonprofit, Girls Who Code. IBM's call to action includes (1) evolving organizational culture by overcoming unconscious bias and creating a supportive environment, (2) establishing career support systems like mentoring rising talent and encouraging women to help women, and (3) advancing its individual female employees by identifying talent early to encourage self-promotion. These are only a few examples of IBM's efforts to empower women in tech. In Canada, your company can undertake the work and effort to become recognized as one of Canada's Best Workplaces for Women, a certification offered by Great Place to Work. Cactus Club Restaurants, Binnie, ATB Financial, Deloitte, DHL, Grant Thornton LLP, Traction on Demand, and Visa Canada are just a few companies on this list. To be certified, companies must have a minimum of 15 female employees, and at least 90 percent of employees must agree that all workers are treated fairly, regardless of gender.

What Can You Do As A Woman?

The onus for leveling the professional playing field does not fall on companies alone. It is also incumbent on the employees who work for them. In this section, we offer 10 tips and tricks for women to take control of their careers and create a path to success that includes growth in role and income, but also recognition for their work.

1. Make yourself valuable: Making yourself valuable is important not only for keeping your job, but also for building the case for your promotion.

2. Learn how to network and stick to it: Networking is a key element to any successful career. Networking is not just about trading information, it is also about building lasting relationships and gaining access to resources. When you get better at networking, you will see your professional status grow, along with self-confidence.30 You never know

when or how you will find your next opportunity; it could very well happen through networking.

3. Be positive: If you have a positive attitude, people will enjoy working with you, and it will be easier to get ahead.

4. Seek a diverse mentor base: The importance of quality mentors cannot be stressed enough. It is important to seek diversity in your mentors. For example, working with male mentors enables women to gain experience in developing an effective relationship with a male leader and help both parties to broaden their perspective.

5. Ask for honest feedback: Some research suggests that women receive less favorable feedback than men.29 Women should ask for honest, constructive feedback and avoid taking it personally. Use feedback to improve and set yourself up for your next growth opportunity.

6. Know your potential and talk about it: Women are less likely to self-promote and, on average, rate their performance lower than men do. However, there is no gap when men and women evaluate others' performance.31 This phenomenon may contribute to disparities in promotions and pay.

7. Raise your hand, strategically: It has been suggested that women may take on more non-promotable tasks when compared to their male counterparts. These tasks are required for organizations to run but are time-consuming and less highly rewarded during performance evaluations. If promotions are your objective, be strategic about the tasks you take on, and consider volunteering for tasks that you know are valued and rewarded.

8. Keep tabs: Be able to tangibly demonstrate how your work helps benefit the company. Put your metrics on paper. While you know everything that you do for your organization, not everyone else does.

9. Change the conversation: Instead of making it about what you want, make it about what you do. Doing this can keep things professional and add legitimacy to your case.

10. Just ask: Many women feel that their work should speak for itself. Truth is, you do not know what your work says about you. And, even if it is saying a lot of great things, you do not know that anyone is listening. Christa Quarles, CEO of OpenTable, said at her first job, she quickly climbed the ladder, but her salary stayed behind. Christa realized that she was underpaid, so she brought this to her supervisor's attention and asked for more. Her manager reviewed her salary and gave her a raise.

2020'S IMPACT ON EXECUTIVE SEARCH FOR NONPROFITS

Nancy Racette, Principal & Chief Operating Officer of Development Resources, Inc. (DRi), Reflects On How Nonprofit Was Impacted in 2020

Nancy Racette is the co-founder and chief operating officer of DRi. Driven by the belief that every person can have a fundamental impact on the world, Nancy spent decades designing innovative fundraising and communications programs to fuel the growth of sustainable non-profit organizations. In 2001, she began providing executive search and development consulting to help non-profits across the country build their own capacity to grow, thrive, and excel. Here, she shares the current state of recruiting for non-profits and how the industry was impacted by 2020.

To understand the impact of 2020 on executive search and nonprofit hiring practices, we must first address how the sector was impacted by the events of 2020. Nonprofits are not a monolithic group of organizations; how they managed through 2020 differed by sector, mission, and funding sources. In short: no organization was left untouched.

Initially, when faced with the realities of the pandemic, nonprofits focused on moving their workforce to a remote environment and how to provide their services by way of a remote staff. While challenging, moving employees to a remote environment was less complicated than anticipated and more productive than imagined. The more difficult challenge centered on socially distant service continuity.

Almost immediately, the reality of the impact on revenue began to set in with all nonprofits. Event-driven organizations initially cancelled events and then innovatively figured out how to go virtual. Many organizations were surprised how positively donors responded to virtual events, and the most creative raised more than they had in the past. Not surprisingly, the common thread for successful organizations was their focus and dedication to their donor relationships and positive, forward focus. Those with more transactional relationships suffered from the inability to connect virtually.

Nearly all nonprofits initially put a hiring freeze in place, and most executive searches were halted or placed on hold. Only the most senior-level searches went forward, and immediately faced a new reality of interviewing via video conference with perhaps a final in-person – but socially distant face-to-face interview.

Still, many nonprofits adapted to the new environment and, by mid-summer, moved forward with searches. Much of this was bolstered by their ability to receive PPP federal funding. By the fall, nonprofits either figured out how to move forward or resigned themselves to drastically reduced budgets and services.

The pandemic was not the only challenge nonprofits faced in 2020. The Black Lives Matter movement and the deaths of George Floyd and Brianna Taylor clearly galvanized the social justice movement. While the consciousness of the entire nation raised, nonprofits took a critical look at themselves and evaluated how well they reflected their communities and constituencies, and the people they served. This included considerable organizational introspection and action focused on culture, hiring practices, interview practices, job requirement compensations, and recruitment efforts.

Funders more closely examined grantees and asked direct questions centered on diversity and the respective organization's commitment to it. Organizations responded and undertook or continued in-depth internal discussions in more serious and consequential ways. Not surprisingly, diversity, bias, and culture served as the focus of what became vital albeit remote conversations.

The impact of the election and Presidential transition cannot be overstated in terms of their impact on nonprofits. Many lost senior leaders as they transitioned into Biden-administration positions. Those challenges were offset by a renewed federal interest in and commitment to their issues.

Subsequently, 2020 took a toll on leadership and staff. Leaders of organizations were forced to work quickly and creatively to meet new realities. Many are now considering retirement as their organizations have successfully navigated the storm. Emotionally exhausted staff are revaluating their career goals and ambitions, what they do for a living, and deciding if they want to do something else.

Ultimately, remote work proved to be not just productive, but a formidable and likely game-changing way nonprofits operate. Productivity increased, costs decreased, the sky did not fall, and teams figured out how to work together in the new virtual environment. The attraction of reduced administrative costs, happier employees, and a reduced carbon footprint, have made remote work viable.

What does this now mean for the executive search business and the hiring practices of nonprofits?

Hiring

Nonprofits are poised to drastically increase hiring beginning in Q4 of this year – even more so than at the up-ticked rates we have witnessed in Q1 and Q2. The trend suggests, supports, and perhaps guarantees that good people and great talent will be even more difficult to come by. Competition will likely be at an all-time high in the nonprofit labor market. Correspondingly, the demand for executive search services will increase as well. Nonprofits will need to break through the clutter and turn to an Executive Search firm to gain a competitive advantage and be as attractive as possible to new candidates.

Nurturing and training internal hires will also take on more importance. As previously mentioned, understanding that high performing teams who know and trust each other can better handle challenging situations, will drive organizations to think deliberately about grooming and training junior staff into leadership roles. Identifying and developing bright, talented, passionate and mission-aligned internal staff will have considerable benefits for nonprofit organizations.

Diversity

Presenting a diverse slate of candidates to nonprofits is now a requirement. Nonprofits will need to become partners with their executive search firm to attract diverse candidates who are looking at the entire organizational dynamic: mission, compensation, responsibilities, culture, current organizational diversity, and retention rates of diverse employees. Eliminating racial bias in interviews, job descriptions, and desired qualifications must sit atop organizational to-do lists so that meaningful conversations can be had and great hires can be made in an effort to make organizations that much greater.

Technology

The use of technology can streamline the search process, reduce costs, and simplify the candidate experience. While the final interviews will still need to be face-to-face, hiring managers and board search committees have grown more accustomed to video conference first and second-round interviews. We saw how organizations quickly adjust to video interviews and the subtle, yet beneficial nuances of the video exchange, most notably time savings and confidentiality.

Remote Work

The acceptance of remote workers as contributing key organizational leaders and players has allowed organizations to consider and add talented candidates who otherwise would not have been considered prior to the COVID outbreak. Investment in technology, to effectively build remote teams who stay engaged allows for talent bases that are no longer influenced or constrained by geography.

Not all nonprofits are comfortable with remote work, and we will see some organizations go back to the brick-and-mortar employee model. These organizations should keep in mind, however, that an already competitive labor field will – as well as their current employees – will seek flexibility, which will no doubt add to the already significant aspect of negotiations, promotions, and compensation.

Interviewing

In addition to the use of video interviews, organizations found that the transition to remote work was more manageable for teams who trusted each other and who had a previously established history of working together. Additionally, employers observed that employees who felt loyalty to the organization and felt appreciated for their contributions stepped up to meet the new work challenges. This shared experience of working through the pandemic also brought a more human component and appreciation for the whole employee, not just the part of them that came to the office. This reality will carry over into the hiring process in several ways. For organizations that are growing and expanding, the external hire interview will become less about one-on-one interviews with senior leaders and more

about, "how will this person work with our team". There is, most definitely, a trend toward observing how a potential employee will work with the team in a real-world situation in all forms: presentations and discussions with teammates to harder-to-define-or-predict "real world" scenarios. Both employers and employees will benefit from transparency on this front as it will no doubt bring greater clarity to the organization as a whole, its core constituencies, its mission, and vision.

Brand

Nonprofits have generally relied on the magnetism of their respective mission. While this is true, and 2020 has caused more people to become mission-oriented, it is not the only carrot that attracts talented individuals. Candidates seek objective statistics, measurements, and performance indicators/commitments. Two, in particular, stand out: 1) Internal hiring and promotion statistics, and 2) does the company cross-train and help employees expand and improve their skills, (and how is it measured)?

As the increased competition for talent grows, organizations will need to pay attention to their mission and external and internal brand. Executive Search firms will be called upon to work with their clients on the meaning of employer reputation and to define what makes them an attractive place to work. Organizations should consider redoubling their commitment to culture statements, core values, and employee engagement in order to ultimately attract top talent and distinguish their organization in an otherwise crowded field.

The dramatic and seemingly instant changes brought about by 2020 not only changed business models of nonprofits, but also for executive search firms who sit alongside them in their constant quest to address this vital sector's changing needs. Competition, increased use of technology, reduced time to hire, culture, and DEI are the new framework within which executive search firms must now operate to meet these challenges.

THE CHARACTERISTICS OF TOP B2C MARKETERS AT SUCCESSFUL VC-BACKED U.S. COMPANIES

Dan Weiner, Managing Partner at RevelOne, Explores the Top Characteristics of Marketers at Success Full VC-Back U.S. Companies

Dan Weiner has over 20 years experience in marketing and product development. Most recently he was VP of Product at Placeable, a local marketing automation platform for enterprise brands. Prior to Placeable, Mr. Weiner was the EVP of Marketing & Products at T3Media, a video licensing and asset management platform for major media companies and sports leagues. Before that, he was GM of New York for Red Bricks Media, a search and performance marketing agency. Mr. Weiner holds a B.A. from Harvard and an M.B.A. from The Wharton School at the University of Pennsylvania. In this chapter, Mr. Weiner explores the top characteristics of marketers at success full VC-back U.S. companies and the implications for finding and hiring your next marketing leader.

As the No. 1 marketing specialized retained search firm in the US, RevelOne is often asked by our clients how to accurately identify, or even predict, elite marketing talent. We believe identifying and hiring the right candidates takes marketing expertise and hard work, but to better address this challenge, we turned to the data.

We recently conducted a study analyzing over 100 Elite B2C Marketing Executives at high growth, consumer-focused tech companies in the U.S. to understand the skills, experience, attributes, and backgrounds that separate them from the rest. To be considered an "Elite Marketer," you have to be the Marketing department leader at a company backed by a top tier VC that has achieved or is fast approaching "unicorn" status. For each marketing leader of these outstanding start-ups, we analyzed their LinkedIn profiles for the traits that led to their success (more details on the methodology can be found at the end of this article.)

In a 6-part article series, we will dispel myths, share interesting findings from our research, discuss key takeaways, and explore if predictive indicators exist to identify who will be the most successful marketers. Below are an initial 5 findings from our research.

1. Graduating from a top university or having an MBA are not required to be a successful marketer.

The top 28 universities in the US produced 49 percent of the Elite Marketers in our study. So clearly, top universities have historically produced far more than their share, as only 6.25 percent of the 4,000 colleges and universities in the US produced basically half of the top tech B2C marketers in our study. That said, 51 percent did not attend a top university, indicating a top school is not required to be an elite marketer. In addition, our study also showed that only 38 percent of the top marketers on our list have an MBA.

So, while it may be common practice for employers to require a prestigious university on a resume, or be biased towards individuals with an MBA, the data suggests this practice may cause them to overlook a large set of Elite Marketers. From a talent acquisition perspective, many hiring managers might be using top universities and MBAs as screening criteria, we would recommend casting a wider net considering candidates who meet your skills, experience and cultural fit requirements.

2. Success is highly correlated to having experience at large and public companies.

Of all the Elite Marketers in our study, 75 percent have previous experience working at a public company. That surprised us. At first, the correlation between experience at a large, public company and success at a high growth startup may not make sense. However, these large corporations thoroughly vet employees before hiring them, invest in their skills development, offer structured training, and provide valuable peer networks available to tap for expertise on demand. All these elements create the

opportunity for marketers to develop specialization and depth of expertise in a given function, to move between roles easily gaining additional experience, and access to a sea of experts from other disciplines and functions to learn from and grow. That type of experience is arming top marketers with an arsenal of best practices, and firsthand experience of what long term success looks like.

It is also notable that 43 percent of our elite marketers worked at a marketing agency at some point in their career. This is higher than many would expect. The data suggests while a mix of in-house and agency experience may be common, it is not critical. Marketers who have spent time within an agency gain experience working with many different clients, projects and situations. Interestingly, only one of our top marketers worked at a marketing agency immediately before their current leadership position.

From our experience doing over 600 retained searches in Marketing and go-to-market roles over the past few years, the most successful hires have demonstrated success previously in a similar stage or size company. While most of our top marketers have public companies experience, we don't think this should become a requirement for top marketing searches at VC-backed tech companies, especially early to mid-stage growth companies. We encourage tech startups to stay focused on the functional skills and experience they require and concentrate on candidates with previous success at companies of a similar size or stage.

3. Top marketers don't jump from job to job.

A surprising 39 percent of Elite Marketers have never left a company in under 18 months. And, 68 percent have been at all but potentially one of their roles for at least 18 months throughout their career. Job-hopping just doesn't seem to be in their DNA.

Whether their longer tenures are due to their success and retention in a role, their own desire to see their work through, or other reasons, our analysis doesn't reveal. We can speculate, however, that some shorter stints are driven by positive outcomes, such as an acquisition. We can also speculate that some shorter stints are likely beyond a marketer's control, like challenges with company funding, lack of product-market fit, or even personal reasons outside of work altogether. Some marketers in growth companies also may enjoy earlier growth phases and choose to move in order to build somewhere else.

Only 16 percent of the elite marketers in our study have been at 3 or more jobs for less than an 18-month period. From our work with clients, we see that one short tenure is not uncommon, and two may be acceptable if the candidate has a good explanation for them, but it's worth digging in carefully when candidates have 3 or more short stints.

4. Top Marketers are evenly split between being generalists or specialists.

Top marketers whose careers have spanned a variety of marketing disciplines (a "marketing generalist") accounted for 51 percent of the elite leaders in our study. Marketers with a career strongly focused on specific marketing disciplines, like performance marketing, brand/comms, and product marketing ("marketing specialists"), accounted for 49 percent. For an elite marketer to successfully oversee the strategy and execution of all marketing initiatives – ranging from customer acquisition, retention, brand, communications/PR, and analytics – one might think a more diverse marketing background would be required. The data demonstrates otherwise. Those who have specialized in a more focused discipline, are just as capable to be an elite leader at a high-growth start-up as their more diversified counterparts. Great leaders lean on specialists on their team in areas they don't know quite as well.

However, their particular areas of specialization may matter. Brand/Communications and Performance marketers made up 72 percent of our total specialized leaders (37 percent and 35 percent, respectively). Implying while specialization in a certain marketing discipline may still prove them capable, the specialty itself significantly matters. Few of the top specialized marketers were CRM/Lifecycle or Product Marketing specialists (2 percent and 10 percent, respectively).

In total, an impressive 86 percent of our entire elite marketer set come from either a general marketing background or have specialized in Brand/Communication or Performance marketing specifically. Considering some

in our study have a background outside these three areas, we believe marketers with other backgrounds should not be discounted. But if fast-growing tech companies are struggling to narrow down their candidate search criteria, looking for one of these three types of backgrounds in their next marketing leader would be a great approach.

5. Women are well represented among Elite Marketers, however there is a definite gender gap when it comes to titles.

Women accounted for 56 percent of the Elite Marketers in our study. Compared to the US adult population in which women account for 51 percent1, and the US college graduates in which women account for 56 percent2, women are proportionately well represented when it comes to leading marketing for the country's fastest-growing and successful tech startups.

However, one finding implies things may not be so equal. *Only 34 percent of women top marketers have a C-level title (i.e., chief marketing officer or chief growth officer), while 63 percent of their male counterparts have C-level titles.*

Perhaps this could be explained by the fact that women top marketers in our study are younger? 70 percent of women top marketers have less than 20 years of experience, compared with 46 percent of men top marketers.

So, we wanted to normalize for years of experience.

For the top marketers with less than 20 years of experience, 24 percent of women have a C-level title, while 52 percent of their male counterparts have one. This is a similar disparity to our first finding.

We also looked at our more experienced top marketers with 21 years or more of experience – which represent 40 percent of our top marketers in this study. Only 59 percent of women with 21-plus years of experience have a C-level title vs. 72 percent of the men. Women are under-represented in the C suite even at this more experienced level. Combine this with an article by Business Insider stating that on average women executives make only 89 percent of what their male counterparts bring home, and one wonders if the title gap may be reflective of the same phenomenon happening in compensation.

Additional research on our top female marketing VPs could uncover if their executive team peers are also VP level, indicating an even playing field for all CEO direct reports. Or, if our top female marketing VPs are more likely to report to a COO or other C-level positions making a C-level title less likely.

Our arms-length analysis of the data doesn't provide the reasons for the disparities, or insights into the minds of the hiring managers, but we certainly hope there is not a bias toward withholding C-level titles from women.

There are so many interesting findings from this analysis by gender, that we'll be devoting an entire article to this subject in the near future. Stay tuned for much more on this important topic.

The above findings are just a few of the high-level insights our data has uncovered. To share even more of our findings, including deep dives into key areas, we will be sharing more of our research and takeaways over the course of several articles, while focusing on a few key topics:

1. The Formal Education of Top Marketers
2. Career Experiences of Top Marketers
3. How Do Top Marketers Develop as Specialists or Generalists?
4. Women vs. Men as Top Marketers

Then, with our 6th and final article, we'll wrap up the series with highlights and the implications of the study.

We hope these insights will help hiring managers understand the skills, experience, attributes and backgrounds of the top marketing leaders in tech. We also hope that, in many cases, these findings have predictive value and can help to identify the next generation of CMOs. By identifying the critical underlying skills required for success, we believe this study can broaden the pool of qualified candidates for important roles beyond the same repeating set of "top marketers" most employers go after and further assist with diversity efforts.

If you are interested in our next articles in this series, please follow RevelOne on LinkedIn.

Methodology

We identified the most senior marketing leaders at over 100 of the highest growth tech companies in the US.

How we determined the companies: *The fastest-growing tech startups included in our study had to meet several key requirements. Companies had to be funded by a top tier VC (see list below), be a consumer-focused business, have an employee count between 100 and 5000, and have been identified as a "unicorn" ($1 billion or greater valuation) or be a "successful, high growth company" in one of the following publications: CB Insights and Fast Company 50 Future Unicorns, CNBC Disruptor 50 Companies, Forbes 25: Next Billion Dollar Startups, Forbes Midas List, or raised $50 million or more in funding within the last 2 years per Crunchbase.*

How we identified the marketing leader: *The most senior marketing leader within each company was identified based on title. They had to be in a marketing role, must be located in the US, and must have a CMO, VP, SVP, EVP, Head of, Sr Director, or Director title.*

How we conducted the analysis: Crunchbase was utilized for public company status, funding VCs, and funding amounts. Company and marketers' LinkedIn profiles were analyzed to determine company employee count, consumer focus, most senior marketers in an organization, location, titles, education, gender, work experience, years of experience, current role details, and career focus.

List of Top Tier VCs: *Accel, Andreessen Horowitz, Benchmark, Index Ventures, Sequoia Capital, Bessemer V Partners, Founders Fund, GGV Capital, Institutional Venture Partners, Greylock Partners, Battery Ventures, Union Square Ventures, Founders Fund, General Catalyst, Khosla Ventures, New Enterprise Associates, Norwest Venture Partners, Menlo Ventures, Redpoint Ventures, Spark Capital, Lightspeed Venture partners*

List of Top 28 Universities: *Princeton, Harvard, Yale, Columbia, Stanford, University of Chicago, MIT, Duke, UPenn, Wharton, Brown, UC Berkeley, Georgetown, Carnegie Mellon, Northwestern, Cornell, Cal Tech, Johns Hopkins, UVA, Dartmouth, NYU, Amherst, Williams, Middlebury, Swarthmore, Vanderbilt, Wash University, Michigan.*

WHY WE MAKE BAD HIRES

Donald J. Zinn, Senior Vice President – Executive Search at StevenDouglas, Shares Why We Make Bad Hires and the Importance of Finding Good People

Donald J. Zinn is Senior Vice President – Executive Search and a senior member of the StevenDouglas search team. Mr. Zinn focuses on helping early stage, middle market, and fast-growing companies build optimal and functional leadership teams with a focus on creating scale. Don holds a BS in Industrial & Labor Relations from Cornell University and an MBA from New York University. In the following article, Mr. Zinn shares why we make bad hires and the importance of finding good people that fit right in with the company.

Finding good people is one of the toughest challenges for business owners and managers. Turnover has an immediate and often devastating impact on the bottom line. For example, if you have a sales force of five people, each represents 20 percent of your potential annual revenue. If one or two leave, there's a good chance you won't make your yearly goal. Every employee's contribution counts.

A growth-oriented company requires a very special team to realize its full potential. To succeed, the business must be incredibly adaptable and make sustainable decisions. The kind of employee who thrives in this environment is not easy to find. Yet, we tend to make hiring decisions too easily as if they are an easy asset to not only identify, but acquire.

3 Questions You Should Ask to Evaluate the Effectiveness of your Hiring Process:

1. Do you do a thorough search to find the best person for the job or are you too often settling for the first person who comes in the door who meets minimum criteria?
2. Do you understand what your "must-have" qualifications are for the job so you have a logical barometer to measure candidates rather than merely making a gut decision?
3. What is the cost of training and getting a new employee fully up-to-speed at your company?

Companies need to understand the true cost of a bad hire in order to determine how to budget for the recruiting process.

Don't cheat yourself here – for your company, there is no more important decision than making the right hire, and the search process is critical to that decision. The opportunity cost (of failure) is far too great – and for small and middle market companies, that opportunity cost is magnified by the precious time spent "not making" progress on an essential role that needs to be filled that you can never get back.

Why does the typical process fail so often?

1. We make decisions in 90 seconds. Research indicates most of us make up our minds during a first impression and then use the rest of the interview to back up our initial judgment. First impressions are important and you do need to trust your gut, but trusting it and relying solely on it are two different things. Don't rush to judgment and make sure you create a logical case for saying "yes" and making that hire. Develop your scorecard in advance – liking the person is one area you certainly want to score, but you need to base this decision on more than that alone.
2. We fall in love with the resume. Experience is not expertise and it sure isn't attitude. You are hiring a human being who is going to be successful in only a certain kind of environment— regardless of his or her contact base and experience. Make sure you understand what it will take for the candidate to succeed— and how to manage the candidate so they will. Don't overlook the fact that a resume is a chronology, and what is most important is the solution that candidate presents TODAY. And remember, the contacts and network the candidate has are only as good as their relationship development and management skills are.
3. We don't interview for behaviors. We lack the questions needed to create an open discussion where we really get to understand how the candidate thinks, reacts and behaves.
4. We comfort ourselves with a group decision. We do not create a structured interview process, and so rather

than getting three or four different perspectives, we get one perspective three or four times because we all ask the same questions.

5. We leave the candidate in his or her comfort zone. By asking the standard questions, candidates have a distinct advantage. They are comfortable and in control, while we, the interviewers, are not. Interviews require questions that enable us to dig deeper and force candidates out of their comfort zones so we can see if they think on their feet and respond to questions in a favorable light. Prepare a few questions that are outside of the box.

- Don't ask: Tell me about your strengths?
- Ask: What makes your strengths different than someone who has a similar background to yours?

6. We don't take the time to figure out what we really need. The position description is not the same as the ideal candidate profile. Take the time to understand the ideal candidate profile and how much room around that ideal you have before you get yourself in trouble. The rule is simple:

- Skills matching can be approximate — people can learn.
- Behavioral matching must be dead on — people don't often change.

If you see anything in the above six reasons for hiring failures that reminds you of your interview or hiring process, it's time for some changes. I am always available if you want to reach out and discuss ways to ensure future successful hires.