



INTERVIEW

2022, CHALLENGES AND OPPORTUNITIES FOR LEADERS

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1. 2021 is about to end and we are still under the influence of the COVID-19 pandemic. How do you see 2021 versus 2020 from a business point-of-view?

After the inevitable drop of first 2 quarters due to pandemic in 2020 when several projects were placed on hold, since Q3 2020 our executive search and interim management businesses showed a continuous recovery and growth. The fact that we were digitized long before the pandemic started was of much help, the transition to the “new way of work” was very smooth and fast. One shifts in our industry yielded most on our company’s growth: the pandemic revealed that business transformation needs different leadership attributes especially during a period when companies must redefine their employee value proposition to stop their best people from leaving in the first place and retain them for longer periods. We, as executive search consultants, have an obligation to improve the way businesses are led. To grow a business, leadership teams need extraordinary talent and a future-focused orientation. Our job, as executive search and leadership advisors is to help our clients achieve their future aspirations, follow the trends, spot opportunities, and move forward.

2. Digital Transformation is on every CEO’s agenda these days. How is Digital Transformation changing executive recruitment processes?

Executive search remained one of the most traditionalist and conservative industries but, lucky us, Covid-19 changed dramatically the way industry works, from almost entirely based on personal contacts, assessments, and face-to-face interviews to almost entirely online, with video interviewing becoming the primary communication mean. The online tools have broadened the horizons for executive recruiters and have allowed all executive candidates (local, national, global) to be evaluated consistently against each other through virtual interviewing. The pluses are multiple for our industry: the headhunting process runs on a global scale, velocity of processes increase, technology adds more value and shorten the time to research and evaluate candidates without losing the quality, recruiting biases are decreasing.

Our role when searching for the top management positions is to draw a line where digital assistance no longer provides extra efficiency or value in a candidate search. We, at Pendl & Pischwanger Intersearch, take advantage of digital tools to begin the search, then continue the process using a deep understanding of the client, their needs, and what selected candidates can bring to the client’s company. Our experience proved that embracing the benefits of digital technology while keeping a balance between the digital and human interface we embarked in a new era of hyper-targeted executive recruiting that help us build successful

“The best way to predict the future is to create it” Abraham Lincoln

leadership teams for our clients. For us it is important to avoid becoming lazy and relying too much on digital tools and underestimate the power of human touch as the consultant’s personal competence will remain a prerequisite for successful matches. After all, an algorithm is as good as its user.

3 ■ Hybrid Work should bring the best of both worlds - the benefits of working from home with the benefits of working on-site with ad-hoc teamwork. What skills are needed for employees and executives to capitalize the benefits of Hybrid Work?

Since Microsoft announced in October its intention to let more employees work from home post-pandemic, “hybrid workplace” has become a business buzzword. Hybrid workplace policies allow for a more flexible work arrangement, with some employees working from home, others in an office and perhaps some coming in for specific situations and/or a designated percentage of the time. Companies are realizing the opportunity to reshape their cost model as lower real estate costs and productivity benefits of remote employees. The downside of keeping a hybrid model is that the managers used with a traditional business model are not necessarily ready to manage in this new world and many of them did not rise to the challenge. Managing a remote team or a hybrid team is far harder than managing a team in the office and is forcing managers to be far more deliberate in everything they do.

Different work models mean different access to information, communication channels, formal and informal relationship-building opportunities, networking, and social connection. To succeed in managing successfully in a hybrid environment we believe there are few mandatory skills.

- Inclusive leadership that foster participation within the team
- Clarity in communication which allow managers to provide a clear purpose / objective but also proactively communicating about priorities and changes, proactively touch base and provide space for tough conversations
- Human touch which means finding time and

ways to interact and let team members know each other as people, not only as participants in a process

- Empathy. Might sound as a cliché but pandemic proved that empathic leaders were much more successful than those who were not. More than ever employees expect to feel understood and appreciated, to work in a company which fosters curiosity and being open to the different opinions and experiences of others.

What we remind executives we are working with is that their responsibility is not anymore only for productivity and profitability but they are more responsible than ever to keep the companies’ cultures alive and support their teams to navigate through all challenges of the new work models.

4 ■ Many companies think that Digital Transformation is driven by technology and processes, but the truth is that Digital Transformation cannot be successfully completed without having everyone on-board. What do you think is the role of HR in this process?

Indeed, with the new sets of data being collected, HR will be able to predict the organizational outcomes and we, in our global networks InterSearch and SeniorManagement Worldwide, are discussing the visible trend of HR getting real power and new authority which bring them much closer to the CEOs. The outlook is that HR will become more organizational designers and leaders of change who will promote flexibility in their organisations by breaking down hierarchies and streamlining processes. This trend will require HRs with lot of business acumen and digital and transformational skills, ideally gained outside HR, to drive business-centred decisions, such as how overhead costs can be saved or what form of organisational development makes sense. More and more we believe that HR leaders will have to become more business leaders than functional ones.

As all other business leaders, HR will have to master data and analytics and cultivate a full understanding of available tools and digital strategies.

5. A survey published in The Guardian showed that almost a quarter of workers are actively planning to change employers in the next few months, as part of a “great resignation” prompted by a high number of vacancies and burnout caused by the pandemic. Do you see this trend in Romania as well? What should managers do to retain their top talents?

Indeed, there are lot of talks about the “great resignation” but we have to look at these titles with realism. Yes, it seems that in Romania is a candidate market too and more people are quitting their jobs, but we should avoid incorrect generalisations because many of the big headlines are coming from the intent to resign. Talking or thinking about quitting and actually quitting are two very different things. And, looking back in the past, resignations generally climb when economies rebound. However, the causes of the great resignation are multi-faceted, and companies should look at what causes resignations and act. The solution we strongly recommend our clients is to solve the talent shortage from inside out, focusing on internal mobility, reskilling, and upskilling existing employees and create a climate which nurtures building and strengthening relationships of leaders with each individual talent. In short words, companies, through their leaders, need to become more people centric, to act more human and give employees a more individualized experience.

To transform the “great resignation” in a “great opportunity” there is no one-size-fits-all solution and managers need to innovate and “see” their people. They must invest in upskilling, clear career path, address burnout and focus on wellbeing, define employee value proposition, getting the right balance of remote vs on-site working, break down silos and overcome remote working challenges to make people feel connected to the company, flatten the structures and make performance management more flexible, project focused and on-going process.

Managers could use the huge amount of soft data companies have collected to build in-depth knowledge of their people by moving from talent segments based on demographics towards those based on values like career path, collaboration, wellbeing, financial security, purpose. Listening to their subordinates is the key and one tool that is very effective is “stay conversations” where

managers can identify controllable variables such as how employees prefer to be recognized and which learning experiences best match employees’ career aspirations.

The unprecedented shift of work habits imposed by the pandemic bring another challenge to managers and companies especially in companies with production sites. Each company needs to find the optimum balance of hybrid, remote or on-site especially in manufacturing companies where the biggest danger, as pointed out by Kevin Sneader, Global Managing Partner at McKinsey, is to create an “us and them” culture. “Only about 25 percent of workers can do their jobs without being on-site. This is a group that takes a shower before work. We cannot forget that most people take a shower after work, so there is a risk of a growing divide between those two groups.”

6. You launched a new business line called Interim Management. Why should top execs care about establishing a succession plan and how can your company help?

More than ever, the pandemic showed that circumstances can rapidly change in ways that are beyond the control of anyone and a succession plan is crucial for any business, no matter the size or type. And, what seems the danger is that, especially in CEE region, most business leaders do not have a succession plan, at least not one documented and openly communicated to all parties involved.

In situations such as the restructuring of an organization, launching of new projects, relocations of factories, a gap in the management due to sudden leave of a manager, or a company experiencing such fast growth that they cannot keep up to speed, can cause alarming problems and overwhelm the resources at hand. Companies tend to look for external services that provide expert knowledge in order to deal with the challenges that arise out of such situations like the ones listed above. This is where usually an interim manager comes into play.

7. What are the differences between an Interim Manager and a Management Consultant?

Choosing whether to take an Interim Management approach or hiring a management consultant can be difficult because the two concepts resemble one another. Although there are some similarities between the management consultant and the interim manager, we see that more senior directors

choose to go for the Interim Management solution rather than going for a management consultant. This is because there are some clear advantages to hiring an interim manager instead of a consultant. One could say that an interim manager is a management consultant, but a management consultant is not an interim manager.

An interim manager is hired as an independent professional based on own personal abilities, experience and reputation while a management consultant is hired based on the firm's reputation.

An interim manager does not only the analytical and strategic part of the job as the management consultant does but also implements measures to solve the problem was brought onboard for.

An interim manager reports directly to the employer so conflicts of interests are avoided while a management consultant reports back to the company who then reports to business, costing valuable time and sometimes additional resources.

An interim manager works with the employer's teams and adapts to existing resources while a management consultant chooses the people and might bring additional resources.

Interim managers are usually experts in their fields or industries bringing a broad experience which relates to the particular field of the employing company while management consultants are rarely specialized in one area, they base their skills most

commonly on methods, processes and analysis that is laid out by the consulting firm. Shortly, the main difference is that while management consultants advise, interim managers are doing.

8 What are top 5 opportunities you see in 2022 for companies in Romania?

■ As post-pandemic recovery will continue in 2022, even though as announced by several analysts at a slower pace, selecting and recruiting candidates for management roles with the new skills required by the shift of work models is a challenge for most companies, and this market trend will reflect in the growing demand for management recruitment.

Industries such energy, retail, IT, education, healthcare, FMCG, Transport, logistics and agribusiness will continue their growth which will increase the demand for executives and niche specializations.

Even though FDI projects decreased the trend will reverse and supply chain and manufacturing will remain most probably the most popular investment projects, as mentioned in the most recent EY Attractiveness Survey Romania 2021.

PNRR, decarbonisation, digitalization and automation are also opportunities for companies in 2022 and beyond and those who will know to turn opportunity into results will be worth to follow also I the years to come.