



Talent-led transformation in a post-pandemic world

How can global business leaders deliver on ambitions of growth and reinvention?

regional analysis: **EUROPE**

boyden

EXECUTIVE SUMMARY

In this regional analysis of Boyden's global report, *Talent-led transformation in a post-pandemic world*, we highlight findings and trends in Europe with sector insight from Boyden partners.

Across Europe, business confidence is high. Margins among non-financial corporates surpassed pre-crisis levels in Q4 2021, and S&P forecasts GDP growth for 2022 at 4.5%,¹ led by Spain, the United Kingdom and Germany.

Our study data show the majority of respondents, 75%, as very confident/confident in their organisation's growth potential through 2022, with nearly half in growth or expansion mode.

However, confidence in having the right talent to align with organisational strategy is much lower, with just 42% very confident/confident. Leaders are having to 'reinvent talent,' revising talent strategies, investment, performance measurement and the cultural environment.

Lack of alignment goes up to the board level. Half of respondents think a different matrix of skills is needed on the board, yet only a third of respondents expect to invest in board assessment. This compares to 38% globally and 45% in North America.

Leadership development for high potentials is the top priority for investing in talent, followed by hiring new talent and redeploying or retraining existing people. This reflects lower confidence around talent, as well as marked concerns over recruitment and retention. Technology, digital transformation and innovation are common themes in our European data. The top three areas for hiring are technology/cloud/cybersecurity; digital (AI, robotics and machine learning); and marketing & sales. A key driver in performance measurement is fostering an innovative environment.

EXECUTIVE SUMMARY

How can organisations attract the best talent? Respondents point to a strong company reputation, purpose, and product & service innovation.

SECTOR INSIGHTS:

Consumer & retail: Highly confident in growth potential, but one of the least confident on talent and the most concerned about talent retention. A significant majority expect to invest in leadership development or assessment. The perceived need for different skills on the board is high, with this sector the most likely to invest in board assessment.

Financial services: One of the most bullish sectors on growth potential with the majority in growth or expansion mode. The highest perceived need for different skills on the board, but the lowest expectation of investing in board assessment.

Industrial: The least confident regarding talent, focusing on retraining or redeploying existing people. A significant majority expect to invest in leadership development or assessment.

Technology: Amongst the most confident sectors for growth potential, with the highest majority in growth or expansion mode. The most likely to hire new leaders, but expects recruitment challenges.

Healthcare & life sciences: The second most likely to hire new leaders. Just over half are in growth or expansion mode, and more than half perceive a need for different skills on the board.

Professional services: Majority in growth or expansion mode, and expects recruitment challenges.

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+ A closer look: talent look ahead



Throughout this report, under the segment 'A closer look', we highlight key sector and leadership insights from Boyden experts across Europe.

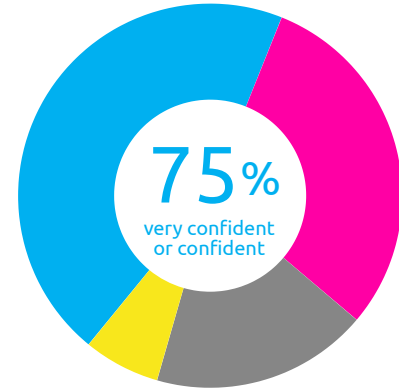
01.

A barometer on confidence

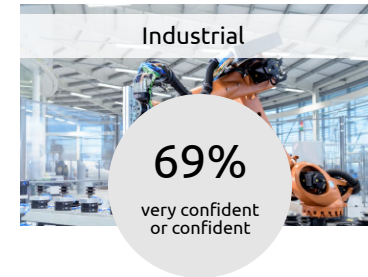


The majority of respondents in Europe, 75%, are very confident/confident about their organisation's growth potential through 2022.

Respondents in consumer & retail, financial services and technology are particularly bullish, with 81%, 81% and 79% respectively very confident/confident in their organisation's growth potential. Industrial respondents are less confident than the average, with 69% very confident/confident.



SECTOR OUTLIERS:



BOYDEN QUOTE



Transformation has eclipsed the pandemic as the main driver of change. Our volatile, uncertain, complex and ambiguous market environment requires us constantly to optimise all areas of business. There is no master plan, but 2021 presented various situational action patterns that can help leaders steer transformation: shared values, regular check-ins and quick, measurable results.

*- Patrick Naef
Boyden Switzerland*



Business approach



We asked respondents how they would describe their business approach through 2022. With confidence so high, 49% indicated 'growth or expansion mode' and 26% said 'learning or transformation opportunity'. Only 14% cited 'already adapted to the new environment,' 6% are 'waiting to get back to normal' and 5% are in 'survival mode'. Technology respondents are primarily in growth or expansion mode at 76%, while those most focused on learning or transformation are in the industrial sector at 35%. Consumer & retail and industrial organisations confirm the breadth of their sector, with respondents in almost all categories.

49%

growth or expansion mode

Technology 76%
Financial Services 65%
Professional Services 58%
Healthcare & Life Sciences 53%
Consumer & Retail 39%
Industrial 37%

26%

learning or transformation opportunity

Industrial 35%
Professional Services 26%
Consumer & Retail 24%
Financial Services 19%
Technology 9%

14%

already adapted to the new environment

Consumer & Retail 24%
Professional Services 10%
Technology 9%
Financial Services 8%

6%

waiting to get back to normal

Healthcare & Life Sciences 20%
Consumer & Retail 10%

5%

survival mode

Industrial 7%
Financial Services 7%
Technology 3%

A closer look: business approach

Boyden experts comment on sector-specific outlooks:



CONSUMER & RETAIL

At this stage in the pandemic, business leaders are now on the front foot, innovating while engaging their core constituencies, with economic recovery spurring different, fiercely dynamic organisations. Performance, sustainability, consumer behaviour and demand for digital are driving investment in talent. New leadership styles will be required, with inclusion and collectiveness cornerstones for tomorrow's organisations.

- Anne Raphaël, Boyden France



INDUSTRIAL

In a post-pandemic world, industrial companies who see opportunities early, embrace the transformation and act fast will be the winners. New technologies and manufacturing processes are driving demand for modern leadership and new skills. Humble leaders with passion, drive and the ability to co-create results with their teams fast will be much sought-after.

- Armin Meier, Boyden Switzerland



TECHNOLOGY

These figures come as no surprise; with new technologies such as quantum computing, IOT, AI and machine learning becoming mainstream, confidence levels in the sector have boomed. At the same time, legacy technology firms are experiencing a higher level of activity in a world where digital transformation is being catapulted into 2022.

- Mark Soden, Boyden U.K.



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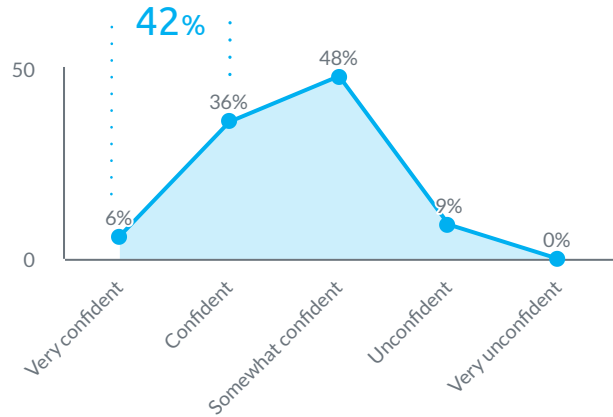


The *right* talent



Do organisations have the right talent in place?

While 75% of respondents are very confident/confident in their organisation's growth potential, just **42%** are very confident/confident that they have the right talent to align with organisational strategy.



+ Sector analysis reveals concerning gaps:

> Technology

- 79% are very confident/confident in growth potential
- 52% are very confident/confident in having the right talent

> Consumer & Retail

- 81% are very confident/confident in growth potential
- 39% are very confident/confident in having the right talent

> Financial Services

- 81% are very confident/confident in growth potential
- 46% are very confident/confident in having the right talent

> Healthcare & Life Sciences

- 73% are very confident/confident in growth potential
- 47% are very confident/confident in having the right talent

> Industrial

- 69% are very confident/confident in growth potential
- 33% are very confident/confident in having the right talent

> Professional Services

- 74% are very confident/confident in growth potential
- 48% are very confident/confident in having the right talent

A closer look: the *right* talent

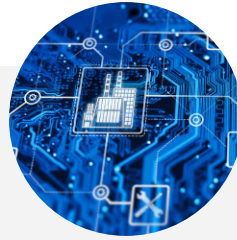
With growth potential under threat from a lack of alignment between talent and strategy, Boyden partners share their perspectives:



FINANCIAL SERVICES: FINTECH

There is a lack of talent ready for certain roles in the fintech industry. Most companies are aware of that, and those acting more quickly to align talent with business strategy will have a strong competitive advantage in the next few years. Timing is crucial.

- Lourdes Lopez, Boyden Spain



INDUSTRIAL

The industrial sector is much more skeptical. We see the discrepancy in growth potential vs. confidence in talent in today's market. Increasingly, specific talent is being recruited to improve and leverage organizational performance, with an emphasis on significant leadership and transformational skills.

- Helga Kayser-Dörr, Boyden Germany



PROFESSIONAL SERVICES

Professional services face numerous challenges in attraction and retention. Strategy consultancies also have an extremely high workload as demand has escalated, with pandemic-related transformation and restructuring topping the agenda. Competition for professionals with the right skill sets is compounded by the desire to embed sustainability and diversity in the service offering and workforce.

- Jörg Kasten, Boyden Germany



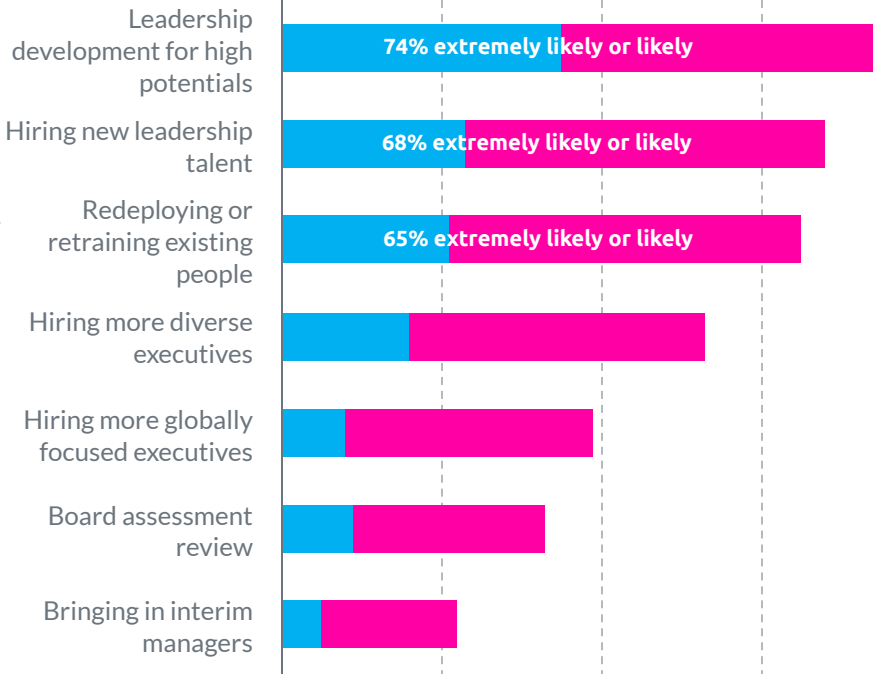
Reinventing talent



We asked respondents how likely they are to make talent-related investments over the next two years. Results indicate investment is directed towards the lack of alignment:

In reinventing talent, European responses match the top three global priorities, with leadership development for high potentials the top priority; 74% say they are extremely likely/likely to invest here.

TOP
3



“ Developing existing talent is crucial to every organisation. Investing in high potentials is the cornerstone for implementing strategic priorities, providing the organisation with a unique source of competitive advantage in a potentially uncertain future. ”

- Katia Pina, *Boyden Portugal / Leadership Consulting*

Performance measurement redefined

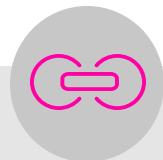


Lack of alignment is also being addressed through different approaches to measuring performance. We asked, **'In this disrupted environment, is your organisation considering new approaches to measuring executive performance?'** Across Europe, 51% answered yes, corresponding to the global response.



The pandemic has created a new paradigm in understanding the relationship between performance measurement, organisational culture and business results. This is revealed in the motivations for redefining performance measurement, with a strong focus on behaviour as well as output. "More and more companies are developing next generation leaders, firstly to attract, motivate and retain the best, and secondly, to avert a fierce war for talent in the future. Coaching is no longer seen as hype; leaders recognise the value an experienced coach brings to enable their success in changing and challenging times." - Natalia Krasnoperova, Boyden Russia

The **top five drivers** for redefining executive performance in Europe are:



Aligning culture and behaviours with business objectives

58%



Incentive targets and other KPIs for remuneration and promotion

54%



Fostering an innovative environment

51%



Increased use of flexible, competency-based teams

44%



Enhanced communications

42%



Our fast-changing environment has required enormous agility, impacting decisions on what, when and how to measure, identify progress and reward the right actions. The importance of understanding, developing and rewarding the individual and the interactions and teaming behaviours that enable progress and growth is far greater than financial KPIs. KPIs will be hard met without identifying behaviours and culture that drive success.

*- Francesca d'Arcangeli
Boyden United Kingdom*



03.



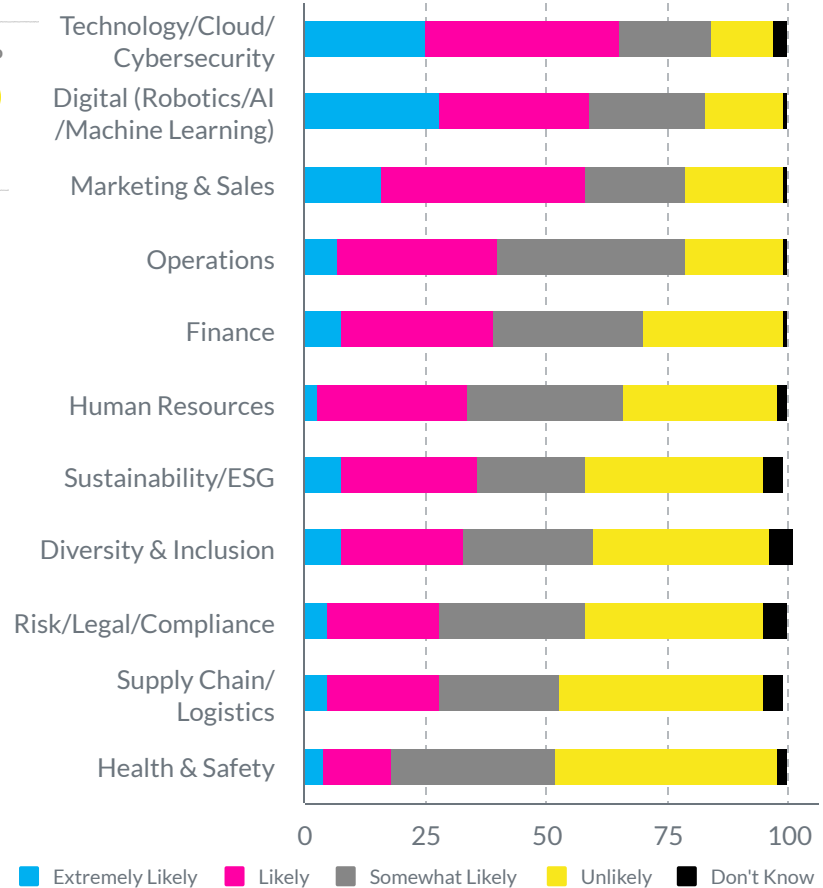
Hiring priorities



After leadership development for high potentials, hiring **new leadership talent** is the second priority for talent-related investment; 68% of respondents indicate they are extremely likely/likely to make this investment.

Into which leadership roles are they hiring? In Europe, respondents reveal an overall stronger focus on tech and digital roles. By function, technology/cloud/cybersecurity are in high demand, followed by digital (robotics/AI/machine learning), then marketing & sales.

TOP
3



Globally, top 3 areas for hiring are:

1. Marketing & sales
2. Tech/cloud/cybersecurity
3. Digital (robotics/AI/machine learning)



A closer look: hiring priorities

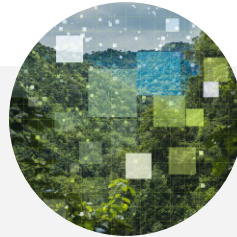
Responses reveal some areas of concern. Critical roles such as DEI and ESG leaders receive limited attention, and with disruption in the global supply chain, organisations remain exposed. Hear from Boyden experts:



DIVERSITY (DEI)

Following a ten-year recession, the Greek economy is growing rapidly, driven by construction, e-commerce and digital communication. Hiring new, more diverse talent is the top priority for investment, requiring cultural and process change in strategy, technology and marketing. Executive resilience, adaptability, rapid evaluation and decision making are essential, along with ESG and supply chain efficiencies.

- Anny S. Chatzikonstantinou
Boyden Greece & Cyprus



ESG

There is clearly a need for additional talent in areas critical for operating in a post-covid, 'new normal'. Albert Einstein famously stated: *'We cannot solve our problems with the same thinking we used when we created them'*. Do HR leaders then have the competencies to identify the right people and manage major shifts such as ESG transformation and remote working? New thinking is needed to meet new organisational needs.

- Birger M. Svendsen, Boyden Norway



SUPPLY CHAIN

Online grocery is the most rapidly growing retail segment, speeded up by COVID. Local suppliers compete against Nordic providers' agile processes and rapid delivery, enhancing development and benefitting consumers. However, online channels lag traditional stores whose supply chains have better streamlined processes and fully automated logistics. Developing channels takes time, but is a must for futureproofing.

- Carita Lahti, Boyden Finland

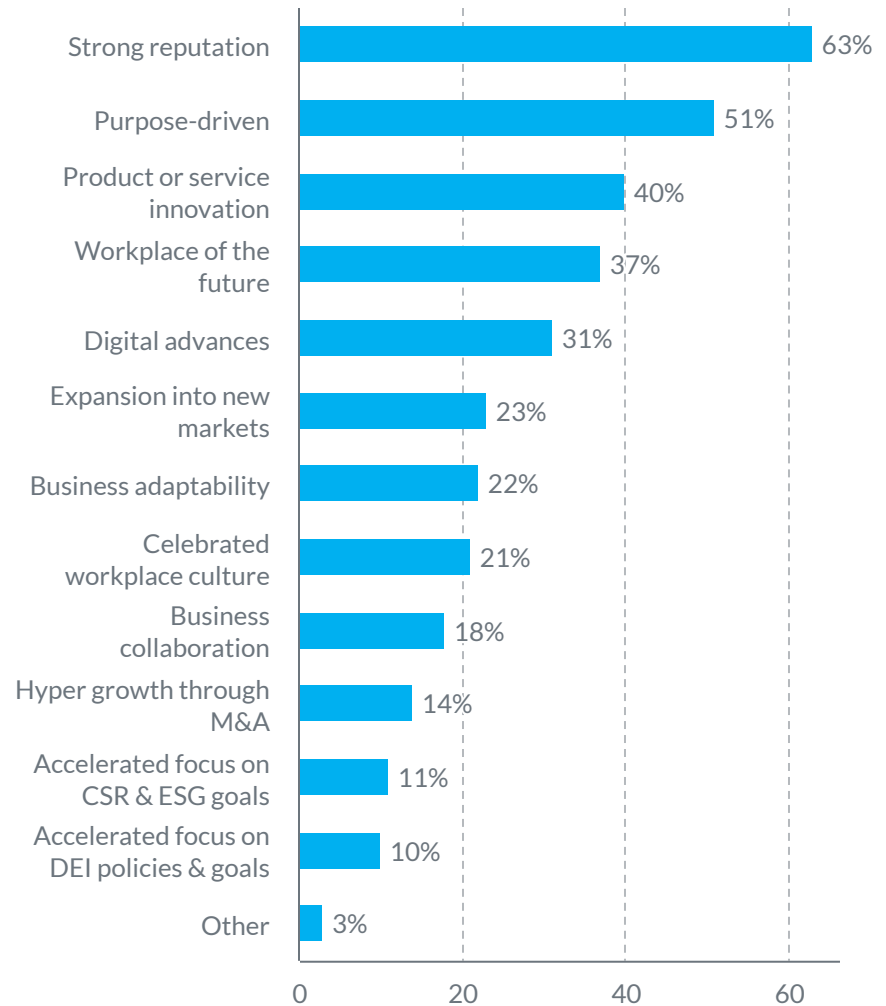
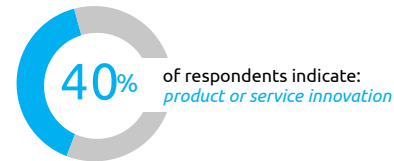
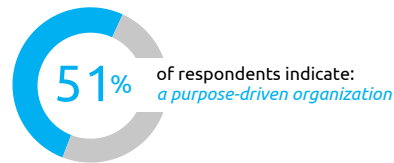
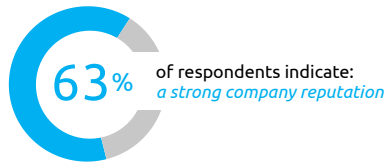


How to attract the best talent



In hiring into these mission-critical areas, how can companies attract the best talent?

The top three factors are:





BOYDEN QUOTE

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A strong, consistent reputation, authentic sensitivity to social impact and stable history are synonymous with professional growth, career opportunity and personal fulfilment among executives. The impact of non-financial indicators throughout the ecosystem is well recognised, enhancing individual and team engagement. Innovation trumps complacency, with external frames of reference needed to create integrated customer solutions.

- *Anders Lindholm*
Boyden Italy



04.



Reinventing the board



When reviewing current board composition, is a different matrix of skills needed to guide future organisational direction and growth?

50%

Yes 50%

No 24%

Unsure
26%

Inadequate alignment of talent goes right up to the board level, with half of respondents saying a different matrix of skills is needed on the board and a high proportion, 26%, saying they are unsure. One quarter, 24%, think the skills matrix does not need to change.

The variety of skills respondents suggest shows the need for a vital recalibration of the board: **agility, digital, DEI (diversity, equity, inclusion), innovation, sustainability, automation, adaptability, transformation, resilience, multicultural, disruptive approach, and remote leadership.**



A closer look: reinventing the board

Boyden's board experts are working closely with clients to review board compositions as business, innovation and talent strategies accelerate out of the pandemic:



FINANCIAL SERVICES

Financial services is at a crossroads, making bold investment decisions that will shape its long-term future and affect next-gen board leaders facing two critical parameters: Are they conscious of ESG matters, and can they implement a rock-solid ESG agenda? People, purpose, product innovation and new platforms are crucial to avoid a gloomy future.

- Joost Goudsmit, Boyden Netherlands



HEALTHCARE & LIFE SCIENCES

Clients need different board profiles for business transformation and strategic new business development, as well as leadership diversity. Executive management increasingly looks to the board for more operational involvement and a 'coaching' approach. In healthcare, industry competence and market knowledge are still needed, with a little more emphasis on business development, M&A and financial expertise.

- Kerstin Roubin, Boyden Austria



PRIVATE EQUITY & VENTURE CAPITAL

In this rapidly changing context, experience is sometimes the least important factor. Private equity-backed companies need leaders able to make transformation happen and capture full potential in a short time frame. This requires leaders who instil the trust necessary to drive shared learning and intelligence, resulting in enhanced collective performance to break old habits!

- Anita Pouplard, Boyden France



Board assessment



Just one third, **33%** of respondents, are extremely likely or likely to invest in a board assessment review in the next two years. This compares to 38% of global respondents and 45% of respondents in North America.



From a **sector perspective**, **financial services** respondents are in strongest agreement, at 58%, that different skills are needed on the board, although only 27% expect to invest in board assessment.

Consumer & retail respondents also agree, at 56%, with 40% expecting to invest in board assessment. Over half, 53% of **healthcare & life sciences** respondents agree, with only 38% expecting to invest in board assessment.

By organisation type, **private equity-backed** businesses are at the top, with 67% saying a different matrix of skills is needed on the board. However, only 39% expect to invest in board assessment.



“ We see a clear shift in requirements for board searches. With increasing global competition, companies are striving for profitability, innovation and sustainability. This sets higher demands on both the business and board competencies to include broader skills and new approaches, for example, taking a holistic view to diversity rather than remaining gender-focused, which is work in progress.

- *Elise Andström*
Boyden Sweden ”



05.

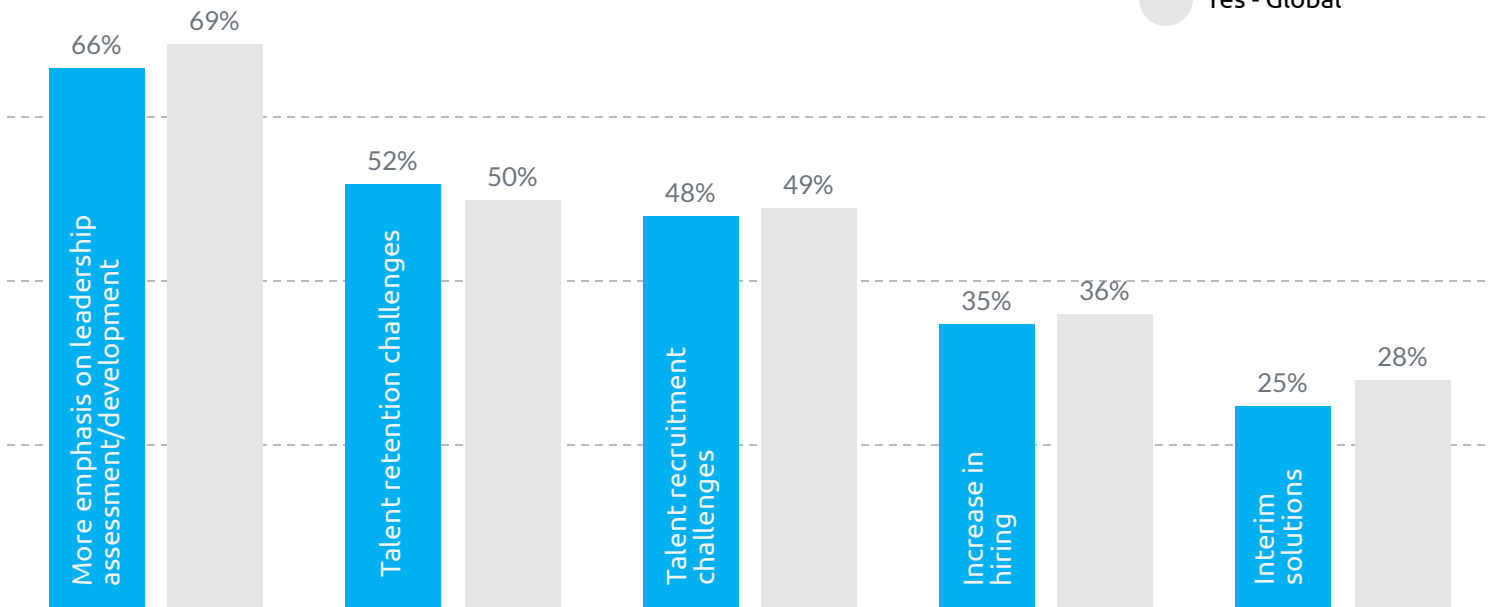
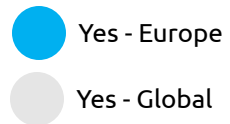


Talent look ahead



We asked respondents what talent-related initiatives or issues they anticipate through 2022: those in Europe are particularly concerned about talent retention, reflecting the very competitive environment for technology and digital capabilities.

Do you expect to experience any of the following?



A closer look: talent look ahead




Over 65% of respondents expect to see more **emphasis on leadership assessment/development**, correlating with the expected investment in leadership development for high potentials, at 74%.

Challenges in **talent retention** are expected by 52% of Europeans compared with the 50% global average. **Recruitment challenges** are expected by 48% of Europeans, and over a third, 35%, expect to see an increase in hiring, both on par with global averages. A quarter expect to see more emphasis on **interim solutions**, below the 28% global average. However, Europe is a strong market for interims and was buoyant through 2021.

Sector breakdown reveals:

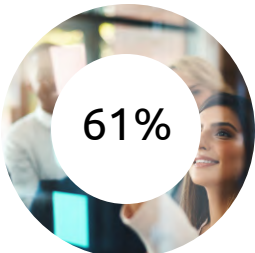
- Talent retention is expected to be a greater challenge in consumer & retail organisations (59%).
- Talent recruitment is expected to be a greater challenge in professional services firms (59%) and technology companies (52%).
- Emphasis on leadership assessment/development is higher across consumer & retail (74%) and industrial (72%).

Organisation type breakdown reveals:

A circular graphic with a white center containing the number '52%'. The background of the circle is a blurred office scene with people in a meeting.


52%

52% of respondents in private, family-owned businesses expect executive talent recruitment challenges.

A circular graphic with a white center containing the number '61%'. The background of the circle is a blurred office scene with people in a meeting.

61%

61% of respondents in both publicly-quoted organisations and private equity-backed businesses expect talent retention challenges.

A circular graphic with a white center containing the number '72%'. The background of the circle is a blurred office scene with people in a meeting.

72%

72% of respondents within private, family-owned and also private equity-backed businesses emphasize leadership assessment/development.

A closer look: talent look ahead

Boyden experts weigh in:



INDUSTRIAL

In Denmark the economy recovered from lockdowns extremely fast, followed by a historically low unemployment rate. With positive global economic trends, the need for talent has mushroomed, particularly for commercial, sustainability and digital competencies in industry. For candidates, opportunities are ample. For us, competition for talent requires ever-closer dialogue with our clients and an increased focus on the assessment of leadership skills.

- Henrik Harbo, Boyden Denmark



TECHNOLOGY

Attracting and retaining top technology executives is a challenge given market shortages, requiring us to identify candidates through our extensive geographic reach. Executives need to reinvent themselves in the evolving digital landscape, including SaaS/cloud trends, as companies recruit technology executives who not only fulfil a specific need today, but who are capable of continuous upskilling.

- Pierre Fouques Duparc, Boyden France



INTERIM

The tech sector is faced with a very competitive war for talent. More and more of the very well-funded unicorns are now turning to interim management, in addition to executive search, to stay on track with their ambitious growth plans, drive innovation and product-market fit and navigate uncertainty caused by COVID-19 variants.

- Lisa Farmer, Boyden UK/Interim
- Georg Larch, Boyden Germany/Interim



BOYDEN QUOTE

“ As leaders, we need to redefine performance and the underlying reasons for measuring it. Is it purely transactional to segment high performers for recruitment and succession planning? Or is it aspirational, about fair reward and recognition, impact on others and organisational culture? Today’s environment demands systems focused on people, agile methodologies and effective behaviour change.

- João Guedes Vaz
Boyden Portugal / Leadership Consulting



CONCLUSION



European respondents are distinguished by their sharper focus on technology and digital capabilities and culture. They believe attracting high performers rests partly on offering product and service innovation, and that performance measurement will be recalibrated to foster an innovative environment.

It is of concern that ESG leadership is not attracting greater attention or investment, but pipelines are weak and this talent pool needs to be nurtured by business-academia collaboration, search and leadership consulting experts.

Change and regulation are creating a buoyant environment for professional services, while financial services is focusing on digital and tech roles to leverage global opportunities. Consumer & retail organisations are broadly bullish, very confident in their outlook and investing in leadership development and board assessment. Industrial companies are cautious, redeploying or retraining existing people before investing in leadership development or new hires.

As organisations grapple with supply chain disruption, post-pandemic government policies and climate change imperatives, one of our respondents offers a caution to business leaders: “New challenges require more open and inclusive planning and execution; they also require executives to lead and take care of themselves first”.

Boyden Global Study

Methodology & Demographics

REPORT CONTRIBUTORS



Elise Andström
Managing Partner,
Sweden



Anny S. Chatzikonstantinou
Managing Partner,
Greece and Cyprus



Francesca d'Arcangel
Managing Partner, U.K.
Global Leader,
Industrial Practice



Lisa Farmer
Managing Partner, U.K.
Global Co-Leader,
Interim Management



Pierre Fouques Duparc
Managing Partner, France
Global Leader,
Technology Practice



Joost Goudsmit
Managing Partner, Netherlands
Global Co-Leader,
Financial Services Practice



João Guedes Vaz
Partner, Portugal
Global Leader,
Leadership Consulting



Henrik Harbo
Managing Partner,
Denmark



Jörg Kasten
Managing Partner,
Germany



Helga Kayser-Dörr
Managing Partner, Germany
Global Sector Co-Leader,
Industrial Manufacturing



Natalia Krasnoperova
Managing Partner,
Russia



Carita Lahti
Managing Partner, Finland

REPORT CONTRIBUTORS



Georg Larch
Managing Partner, Germany
Global Co-Leader,
Interim Management



Anders Lindholm
Managing Partner, Italy
EMEA Regional Leader,
Social Impact Practice



Lourdes Lopez
Partner,
Spain



Armin Meier
Managing Partner,
Switzerland



Patrick Naef
Managing Partner, Switzerland
Global Sector Leader,
CIO/CTO/CSO/CISO



Katia Pina
Senior Director,
Global Leadership Consulting



Anita Pouplard
Managing Partner, France
Global Leader, Private Equity
& Venture Capital Practice



Anne Raphaël
Managing Partner, France
Global Sector Leader, Luxury



Kerstin Roubin
Managing Partner, Austria
EMEA Regional Leader, Healthcare
& Life Sciences Practice



Mark Soden
Managing Partner,
U.K.



Birger M. Svendsen
Managing Partner, Norway
EMEA Regional Practice Leader,
Human Resources Practice