



Talent-led transformation in a post-pandemic world

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

boyden



CEO MESSAGE

In Q2 2021, Boyden undertook a global study to research the business outlook among CEOs, boards and other senior leaders, and explore talent trends, priorities and investment in the wake of the pandemic through 2022.

The research was conducted during a six-week period, involving more than 525 business leaders across the Americas, EMEA and Asia-Pacific regions. We gathered responses from a range of sectors and organisation types: publicly quoted, private, private equity backed and start-ups.

We sincerely thank the participants in our research, who generously shared their time and perspectives. Our research findings highlight interesting differences across regions, as well as sectors and organisations.

Business leaders already face major challenges, such as CSR, ESG, DE&I, and climate change. Our findings show the pandemic has sharpened the focus on transformation across every area of the business, particularly leadership.

We hope you find this research valuable as we all navigate the opportunities and threats coming out of the first 'survival-economic well-being' global crisis to hit individuals, business and society in the 21st century.

Trina D. Gordon
President & CEO, Boyden

EXECUTIVE SUMMARY



Reinventing the concept of 'growth'

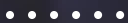
The COVID-19 pandemic has fundamentally changed the relationship between organisation and employee, and further blurred the lines between home and work. Employers have discovered higher levels of trust in their teams as managers and executives have found ways to deliver on customer needs. The 'acceleration trap'¹ that dominated the last decade, during which the number and speed of company activities, performance goals and innovation cycles became extreme, has given way to a more patient, considered way of working and interacting with each other.

The result? Our findings from this study confirm an overarching hypothesis that leaders have become more human. Big data, analytics and process had previously taken us down a path dominated by algorithms, KPIs and standardised approaches. Today, leaders increasingly understand the value of being human, as managers find innovative ways of doing things and executives have a different context in which to explore creativity.

Consequently, organisations are better placed to realise a broader, more connected purpose in society. This makes global business not just about talent, leaders and executives but about society, community and people. Through the pandemic, leaders have grown as human beings, not just as leaders, so that at the organisational level, we are all **reinventing the concept of 'growth'**.

[1] <https://hbr.org/2010/04/the-acceleration-trap> by Heike Bruch and Jochen I. Menges, from Harvard Business Review magazine, April 2010

EXECUTIVE SUMMARY



Here is a summary of what is driving that reinvention:

Confidence is high, with 77% of respondents very confident or confident about their organisation's growth potential over the next two years.

We asked respondents how they would describe their business approach to 2022. With confidence so high, half of respondents describe it as **'growth or expansion' mode** and a quarter describe it as a 'learning or transformation opportunity'.

As leadership and talent advisors, our next question in this bullish scenario was, 'How confident are you about having the **right talent** to align with organisational strategy'? The tone significantly changes, with the majority uncertain, replying somewhat confident, unconfident or very unconfident.

How are organisations addressing this? What we begin to see is a strong focus on 'reinventing' talent. Nearly three quarters, 74%, will **invest in leadership development** for high potentials. The next two priorities for investment are hiring new leaders, and redeploying or retraining current leaders.

Business confidence is high



'Growth or expansion' business approach



Executive talent needs realignment



Investment in leadership development



EXECUTIVE SUMMARY



The theme of reinvention carries over to the board level: 52% think that a **different matrix of skills** is needed, and 38% are extremely likely or likely to invest in board assessment. In terms of sector, a higher proportion of private equity firms see the need for a different matrix of skills.

Reinvention is a key theme across the business. A number of respondents comment on the need to sustain revenue streams and diversify products and services. **Hiring new leaders** will therefore focus on sales & marketing as the top priority, followed by technology/cloud/cybersecurity, and digital leaders (robotics, AI, machine learning).

Did these priorities shift in direct response to the pandemic? To some extent. Commentary reveals that hiring new leaders in these areas was already under consideration, as well as pursuing tech and digital opportunities, and fast-tracked by the impact of the pandemic.

How can organisations **attract the best leaders**? Two very clear factors stand out: 'having a strong company reputation,' and 'being a purpose-driven organisation'. Those in consumer and industrials also point to 'product or service innovation' while social enterprises point to a 'celebrated workplace culture'.

**Board-level
reinvention**



**Board
composition
top of radar**



**Marketing &
sales, tech,
and digital
in high
demand**



**Reputation
and purpose-
driven are
top talent
attractors**



EXECUTIVE SUMMARY



Once hired, leaders will be subject to different approaches to **performance measurement**, with more than half of respondents reconsidering this in the disrupted environment. Again, alignment is the key driver here, tying culture and behaviours to business objectives. This is followed by 'incentive targets and other KPIs', and 'enhanced communications'. Geographic variations show that new approaches in North America are focused on 'the effectiveness of DE&I policies'; in Europe on 'fostering an innovative environment'; and in Asia-Pacific on the 'increased use of flexible, competency-based teams'.

What's on the **horizon for talent** over the next year? Nearly 70% of respondents expect to see 'more emphasis on leadership assessment/development' and around half expect 'talent retention challenges' and 'talent recruitment challenges'. Companies most alert to leadership development are in healthcare, social enterprises and private family-owned businesses.

An unsupported hypothesis is that virtual working would encourage organisations to seek talent in more remote, **international talent pools**. This scores only 3.5 out of 10, indicating a low appetite for significant change.

In conclusion, achieving growth and reinvention calls for new ways of thinking, working, networking, communicating, and collaborating with people who are culturally, ethnically, ably, and neurologically diverse; in other words, **reinventing the mindset**.

Performance measurement redefined



Talent retention & recruitment challenges



Low appetite for remote, int'l talent pools



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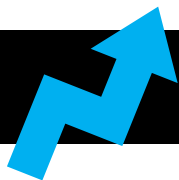
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+ A closer look: talent look ahead



Throughout this report, under the segment 'A closer look', we highlight the 'outliers' – those with significantly different scores – by region, sector and organisation type.

01.

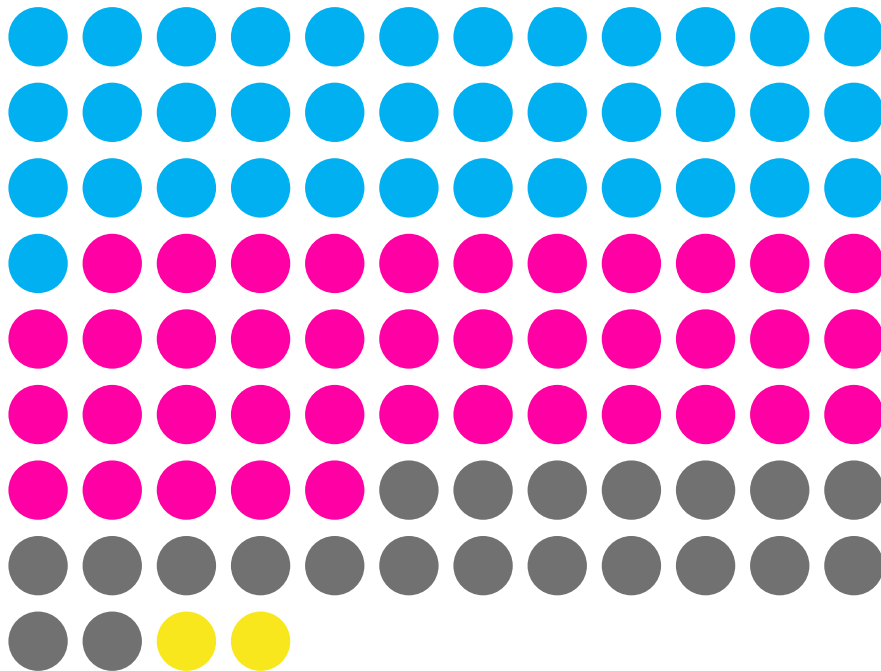







A barometer on confidence



Globally, 77% of organisations are very confident or confident.

Organisational confidence in growth potential over the next two years is high, with more than three quarters of respondents, 77%, saying they feel very confident or confident.

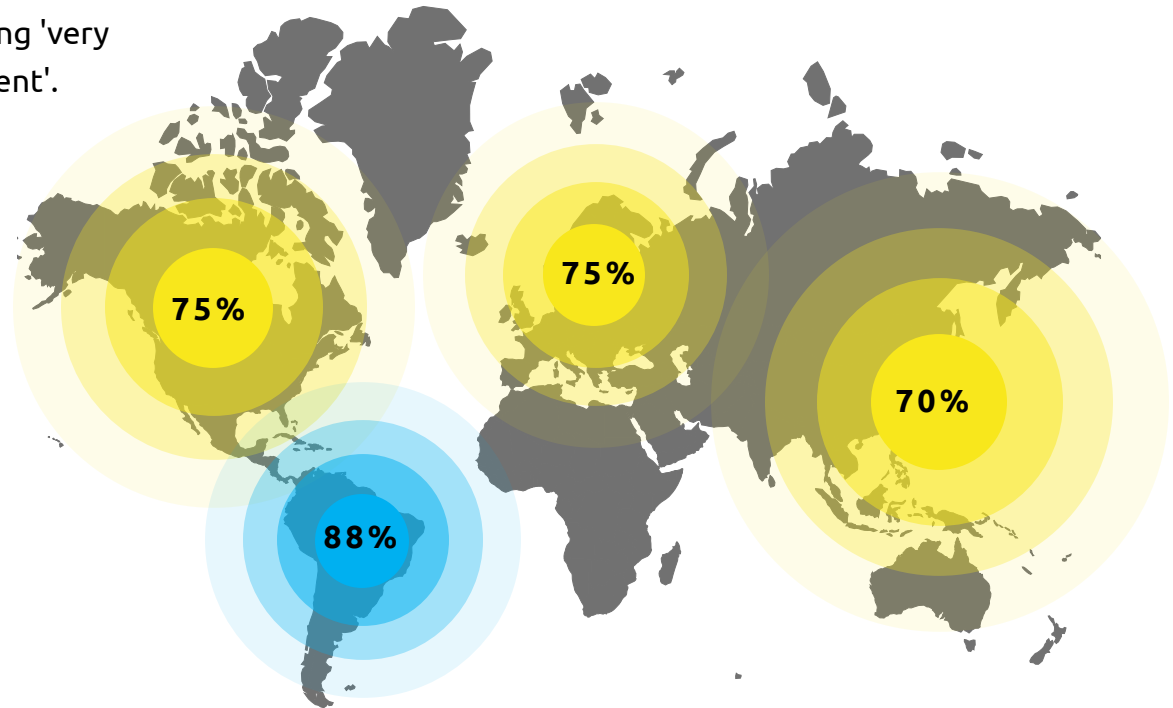




-  Very confident (36.93%)
-  Confident (39.58%)
-  Somewhat confident (20.83%)
-  Unconfident (2.46%)
-  Very unconfident (0.19%)

A closer look: confidence by region



Regional response percentages indicating 'very confident' or 'confident'.



 Below global average
 Above global average

Business approach



We asked respondents how they would describe their business approach to 2022. With confidence so high, 50% of respondents describe it as growth or expansion mode and 26% describe it as a learning or transformation opportunity. 12% have 'already adapted to the new environment,' 7% are 'waiting to get back to normal' and 5% are in 'survival mode'.

50%

growth or
expansion
mode

26%

learning or
transformation
opportunity

12%

already
adapted to
the new
environment

7%

waiting to
get back to
normal

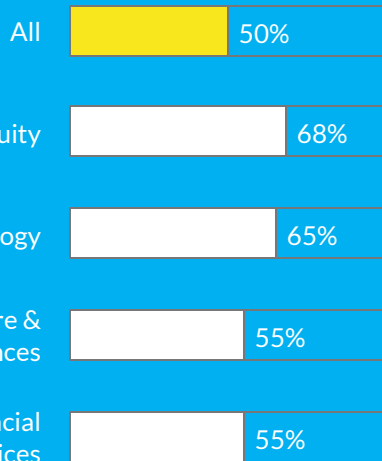
5%

survival
mode



A closer look: business approach

The outliers in 'growth or expansion mode'



More outliers:

..... social enterprise

Social enterprises are the most polarised. While a higher number are pursuing a learning or transformation opportunity, at 35%, 26% are either 'waiting to get back to normal,' or in 'survival mode'.

..... consumer companies

Consumer companies are doing better in adapting to the new environment with 18%, compared to 12% of all respondents.

..... Asia/Pacific

Respondents in Asia-Pacific (APAC) represent the largest group waiting for normality to return, with 13%, compared with 7% of all respondents.

RESPONDENT QUOTES



All the work we did surrounding communication styles and emotional intelligence paid off. Our leaders were flexible and sensitive and our organisation and staff adapted.

My current organisation is stuck and unwilling to see the changes occurring around them or unwilling to address the changes.





Some companies have been constrained during the pandemic by fear rather than by the pandemic itself. Other, more proactive companies have exploited the last few months to prepare themselves post pandemic, increasing capacity, revising their product portfolio and so on. They have made smart decisions.



02.



The *right* talent



Do organisations have the right talent in place?

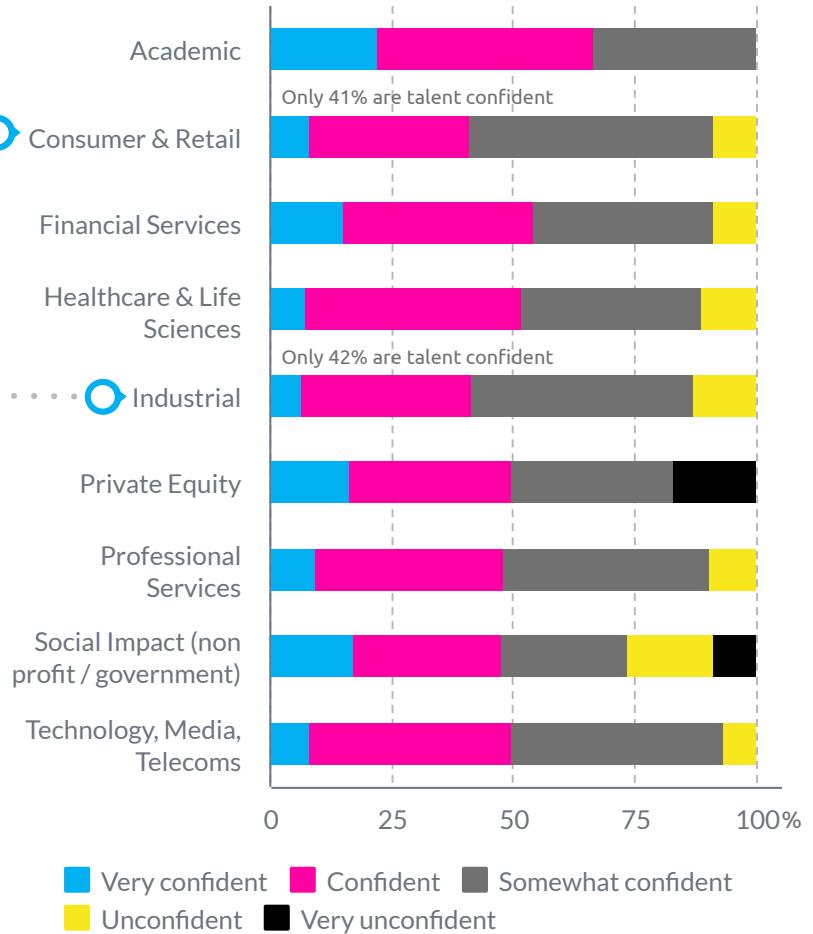
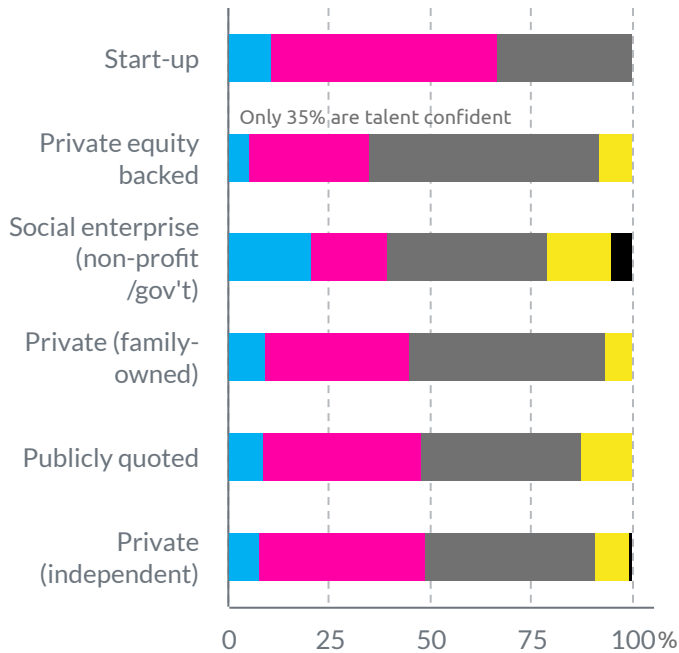
While 77% of respondents are feeling very confident or confident in their organisation's growth potential, just 47% are very confident or confident that they have the right talent to align with organisational strategy.



- Very confident (9.49%)
- Confident (37.19%)
- Somewhat confident (43.07%)
- Unconfident (9.68%)
- Very unconfident (0.57%)

- For industrial and consumer companies, this drops to 42% and 41% respectively.

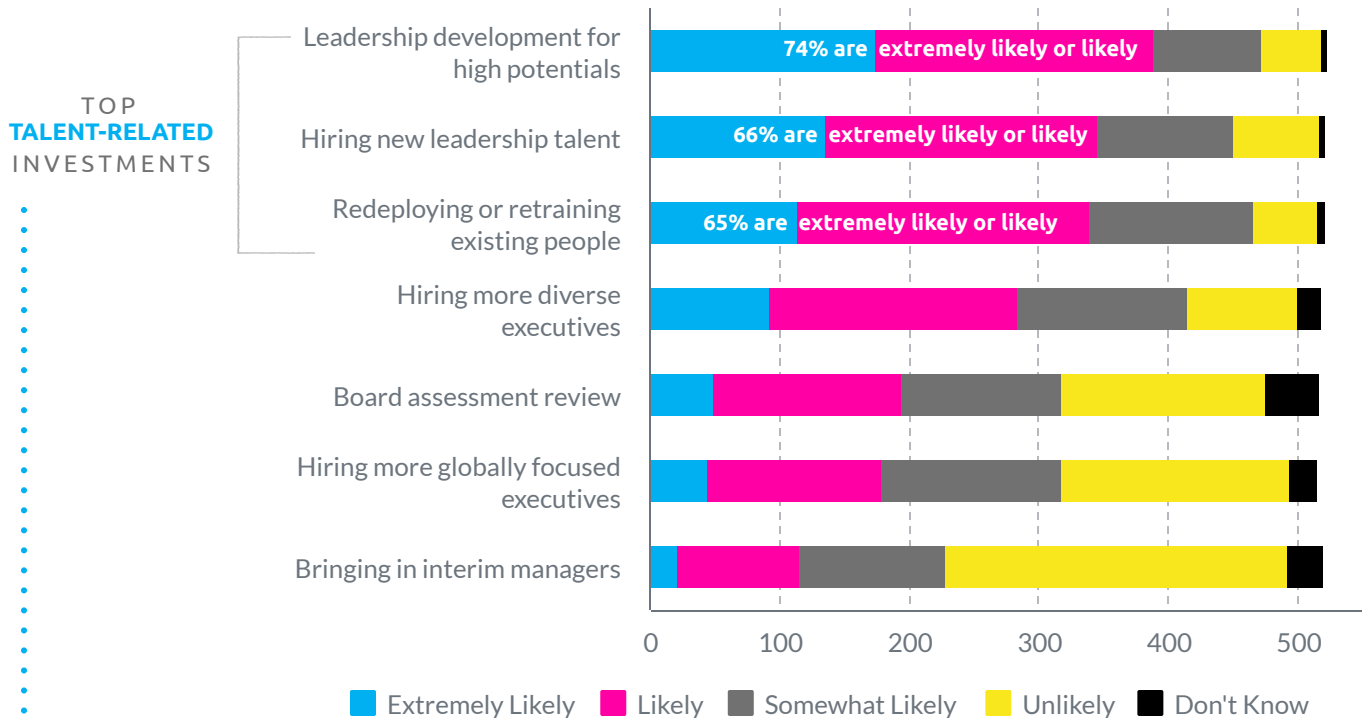
A closer look: talent confidence by sector



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 this lack of alignment:



A closer look: reinventing talent



1 Outliers in investing in leadership development for high potentials

South America is an outlier; here respondents are most confident about having the right talent and likely to make the greatest investment in leadership development for high potentials at **85%**, compared with **74%**.

By sector, **83%** of private equity respondents are extremely likely or likely to invest in leadership development for high potentials, followed by financial services and consumer & retail at **81%**, and healthcare & life sciences organisations at **80%**.



3 Outliers in redeploying or retraining existing people

South America will be the most active in redeploying or retraining existing people, with **77%**, compared to **65%** of all respondents.

Among sectors, consumer & retail and industrial companies will be more active in redeploying or retraining existing people.

The outliers

2 Outliers in hiring new leadership talent



All regions are comparable here, except for APAC, where there will be less hiring, at **54%**, compared with an average of **69%** across Europe, North America and South America.

More outliers in...

...hiring globally focused executives
Other investments include more than a third, **35%**, hiring more globally focused executives, with those in Europe higher at **40%**. Among organisation types, start-ups are the outlier at **67%**.

...interim managers

Interim managers, an immediate, effective and financially efficient solution to lack of alignment, are perhaps a priority for 'believers' or those with experience in this area: Just over a fifth, **22%**, are extremely likely or likely to bring in interim managers.



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?'** Just over half, 51%, answer yes.



Yes 51%

No 36%

N/A

The pandemic has created a new paradigm in understanding and measuring performance. One respondent comments, *"Remote work 'works,' but it means learning to manage performance, not presence – a lesson that is difficult for many to absorb"*. Performance measurement will become more nuanced, with behaviour as well as output measurements.

In exploring this further, across all respondents the **top three drivers** are:

1. Aligning **culture and behaviours** to business objectives
2. **Incentive targets** and other KPIs for remuneration and promotion
3. Enhanced **communications**

The top driver, aligning culture and behaviours to business objectives, reflects the concern among the majority of respondents that they do not have the right talent aligned to organisational strategy. In the pandemic, the value of communications, particularly in leading teams, has come sharply into focus.



RESPONDENT QUOTES

From an HR perspective, we will be re-engineering our processes such as performance reviews, merit increases, succession planning. The goal is to remove forced rating systems such as the nine-box grid to evaluate performance.

Increased communication and supporting leaders to lead in a virtual manner is key. Leading is sometimes taken for granted. We can't do that anymore.

We need to foster communication and alignment through the entire organisation, being fast and transparent. Decisions taken by the leadership team must be supported by inputs from all available sources and those decisions must be communicated quickly and often by the CEO themselves.



A closer look: performance measurement redefined

The Outliers: Regional breakdowns show that in North America the effectiveness of DE&I policies is in the top three drivers, while in Europe fostering an innovative environment is in the top three. In APAC, increased use of flexible, competency-based teams is the second-highest driver.

Sector breakdowns show the same top three drivers, except in consumer & retail, where 'use of flexible, competency-based teams' and 'fostering an innovative environment' are joint third. Furthermore, variances are apparent when comparing organisation type, specifically, publicly quoted and private, family-owned companies.

Consumer & Retail



- Aligning culture and behaviours to business objectives
- Incentive targets and other KPIs for remuneration and promotion
- Competency-based teams, and fostering an innovative environment

Publicly quoted companies



- Aligning culture and behaviours to business objectives
- Ensuring inclusion in company culture
- Fostering an innovative environment

Private, family-owned companies



- Incentive targets and other KPIs for remuneration and promotion
- Aligning culture and behaviours to business objectives
- Increased use of flexible, competency-based teams

03.



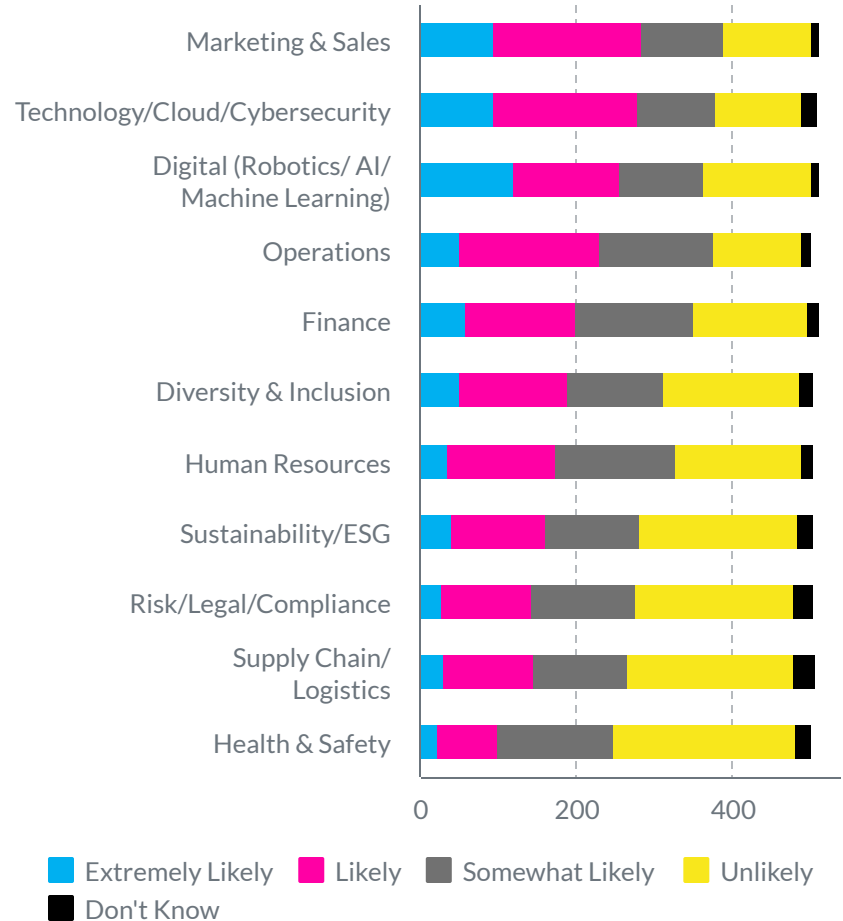
Hiring priorities



Following leadership development for high potentials, **hiring new leadership talent** is the second priority with two thirds, **66%**, of survey respondents extremely likely or likely to make this investment.

Into which leadership roles are they hiring?

The top **3** priorities are



A closer look: hiring priorities



With all businesses under pressure during the pandemic, marketing & sales became the top priority, followed by tech and digital solutions to support revenue generation, virtual collaboration, communication and innovation.

There are interesting correlations in the regional breakdowns and other notable differences between sector and organisation type.

+ Further differences emerge in the data based on respondent job function, which place roles in diversity, equity & inclusion, sustainability, and supply chain further down the list of priorities than perhaps expected.

Regional breakdown reveals:

- Europe is the most focused on tech, cloud, cybersecurity and digital (robotics, AI and machine learning). This resonates with the region being most likely to hire more globally focused executives.
- Organisations in South America are more focused on HR, with 43%, compared to the all-respondent average of 35%. This correlates with that region's stronger focus on leadership development of high potentials, redeploying talent, and considering new approaches to measuring executive performance.

Sector breakdown reveals:

- Technology, consumer and healthcare companies are more focused on marketing & sales; private equity, financial services and technology are more focused on tech, cloud and cybersecurity.
- Technology, consumer and financial services organisations are more focused on digital (robotics, AI and machine learning).

Organisation type breakdown reveals:

- Start-ups, private equity-backed businesses and private family-owned businesses are the most focused on marketing & sales.
- Private equity-backed and publicly-quoted businesses are the most focused on tech, cloud and cybersecurity.
- Publicly-quoted organisations are the most focused on diversity, equity & inclusion.

A closer look: hiring priorities

Priorities in hiring new leadership talent reveals lack of alignment across the leadership team, particularly around three major issues:



DIVERSITY

57% of marketing and 47% of HR leaders think it is extremely likely or likely that their organisation will hire talent into diversity roles, compared with only 35% of CEOs.



SUSTAINABILITY

42% of marketing leaders think it is extremely likely or likely that their organisation will hire talent into sustainability roles, compared with 31% of CEOs.



SUPPLY CHAIN

37% of finance leaders think it is extremely likely or likely that their organisation will hire talent into supply chain roles compared with 29% of CEOs.



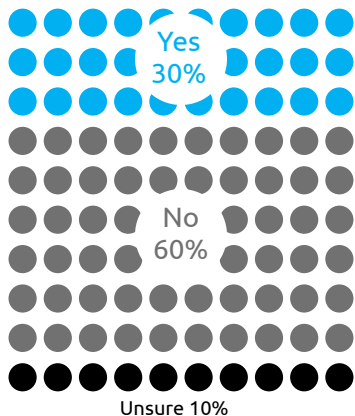
The world, after COVID, has significantly changed; organisations and people need to reinvent themselves, which leads to different profiles.



A closer look: hiring priorities

When asked if these executive priorities shifted in direct response to the pandemic, almost a third, 30%, say yes, with 60% saying no. However, 40% of respondents in APAC say yes. By sector, private equity is higher with 50% replying yes, as is healthcare, where 41% reply yes.

Commentary reveals that in general the pandemic has changed global vision, the scope of leadership roles, and skillsets. While a shift in focus had been planned or was already underway before the pandemic, the crisis sped it up. At the same time digital developments spurred on digital transformation and digital strategy to drive sales and enhance communication.



Have executive talent
priorities shifted in direct
response to the pandemic?

RESPONDENT QUOTE

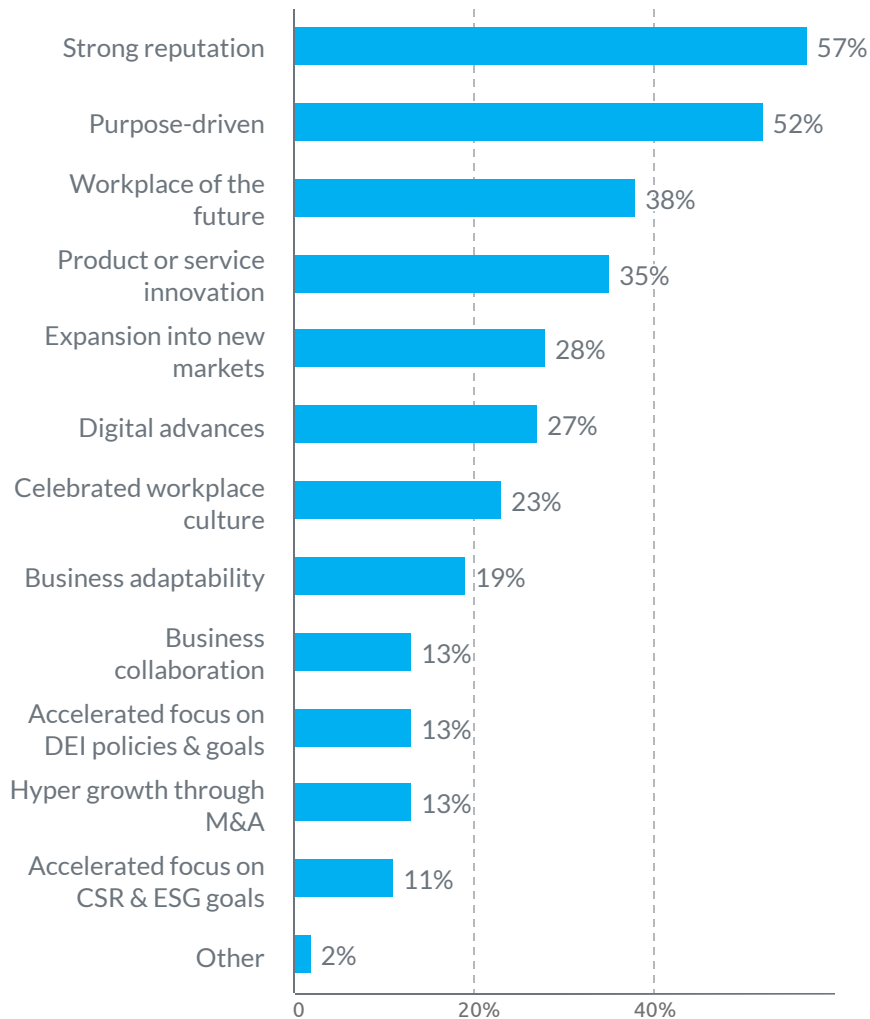
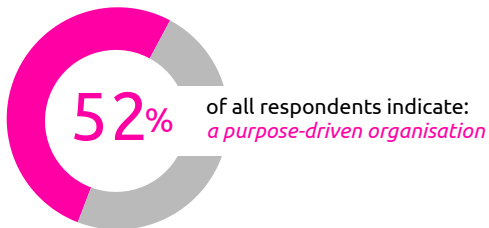
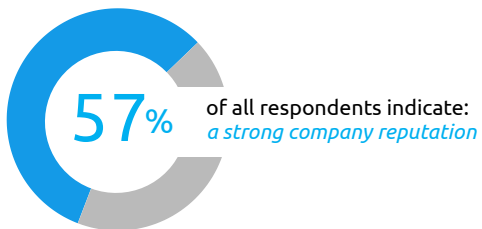
Leadership development has become a priority due to the pandemic, which also encouraged a focus on technology for remote management and learning.

How to attract the best talent?



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

Two very clear factors stand out:



A closer look: how to attract the best talent?

One respondent insists, *"It is all about purpose. Having a purpose and reinforcing it in all interactions makes us perform, even though sixty percent of the team has never met in person"*.

Another respondent imagines the appeal of transformed leadership in a virtual environment: *"A strong purpose with a clear strategy to align to is important when the organisation gets more dispersed, working from home and not meeting in real life. The connection between higher engagement and higher trust, when leadership is capable of transforming to meet the new requirements of managing remotely, with less control, is very appealing"*.

Hybrid working practices, blending working from home and office, have proved popular, as reported widely in the media, with **38%** of our respondents pointing to the attraction of a 'workplace of the future' reflecting this preference.

Explaining the importance, once respondent says, *"There is general recognition that much can be done remotely and a sense there will be a return to a 'new normal' – we learned to onboard new leaders virtually and it worked; however, the desire to have in-person collaboration remains high. It will be a hybrid approach going forward"*.

This may be part of the reason that respondents are not encouraged by remote working to **recruit from more remote international talent pools**. On a scale of one to 10, the likelihood is put at 3.5.



Other hiring attractions are identified as 'benefits, particularly stock options'; 'authority with "extreme delegation"'; a 'customer-centric approach' and 'disruptive transformation of the business'.

Sector breakdown shows other priorities in addition to reputation and purpose:



Consumer & retail, technology, and industrials point to 'product or service innovation'.



Social enterprises point to a 'celebrated workplace culture'.



Private equity firms focus almost purely on purpose.

04.



Reinventing the board



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

52%

Yes 52%

No 23%

Unsure
25%

Inadequate alignment of talent goes right up to board level, with more than half of all respondents, 52%, saying a different matrix of skills is needed on the board and a high proportion, at 25%, saying they are 'unsure'. Under a quarter, 23%, think the skills matrix does not need to change.



From a **sector perspective**, private equity companies are the biggest outlier, with 66% seeing the need for a different skills matrix. Industrials are at 55%.

Among private, family-owned businesses, 29% think there is no need to change the skills matrix on the board.

One respondent counsels:



Few family businesses are willing to relinquish control to a professional, or even to the second generation in the family. This seriously hampers their ability to grow and scale.



Board assessment



While 77% of respondents are very confident or confident in their organisation's growth potential, the same number, 77%, are unsure or think that **a different matrix of skills** is needed on the board. This lack of alignment, and insufficient investment planned to address it, could hinder ambitions of growth and reinvention.



Despite **52%** of respondents seeing the need for a different matrix of skills on the board, just **38%** of respondents intend to invest in a board assessment review in the next two years. Regional breakdown reveals a greater intent in North and South America at **45%**.



A closer look: board assessment



What are the different skills needed at board level? There is a strong consensus on areas of concern that have been voiced over the last few years, with the addition of new soft skills: *innovation, digital mindset, agility, adaptability, fast decision-making, people skills, global experience and mindset, multicultural outlook, self-leadership, disruptive thinking, communications and emotional intelligence.*



One respondent considers emotional intelligence and people skills. *"The pandemic has put us all on a level playing field in some ways, forcing us to think more about the human element of our jobs as leaders and how to truly collaborate in order to succeed"*.

A multicultural outlook is increasingly important, along with a nuanced local approach. *"In spite of the organisation adjusting well to the remote environment, employees are still looking for and rely on local level leadership. Cultural differences are more noticeable between countries since the beginning of the pandemic. We implemented weekly town halls and frequent global roundtable discussions to collect local feedback"*.

In addition, commercial diversity is an emerging theme, spurred by pressure on revenues during the pandemic. Respondents stress the need for new products and new markets, new business models and collaboration, partnerships and business development for new ways of doing business. Faster and widespread transformation is called for.

Respondent Quote



The pandemic has expanded the way we look at each other and what is important to life. This somehow touched leaders in a way that they were required to rethink and adapt their leadership traits. Be more relaxed, emphatic and build trust among the teams to reach the company's goals. At the end, we learnt how to be more human.



05.

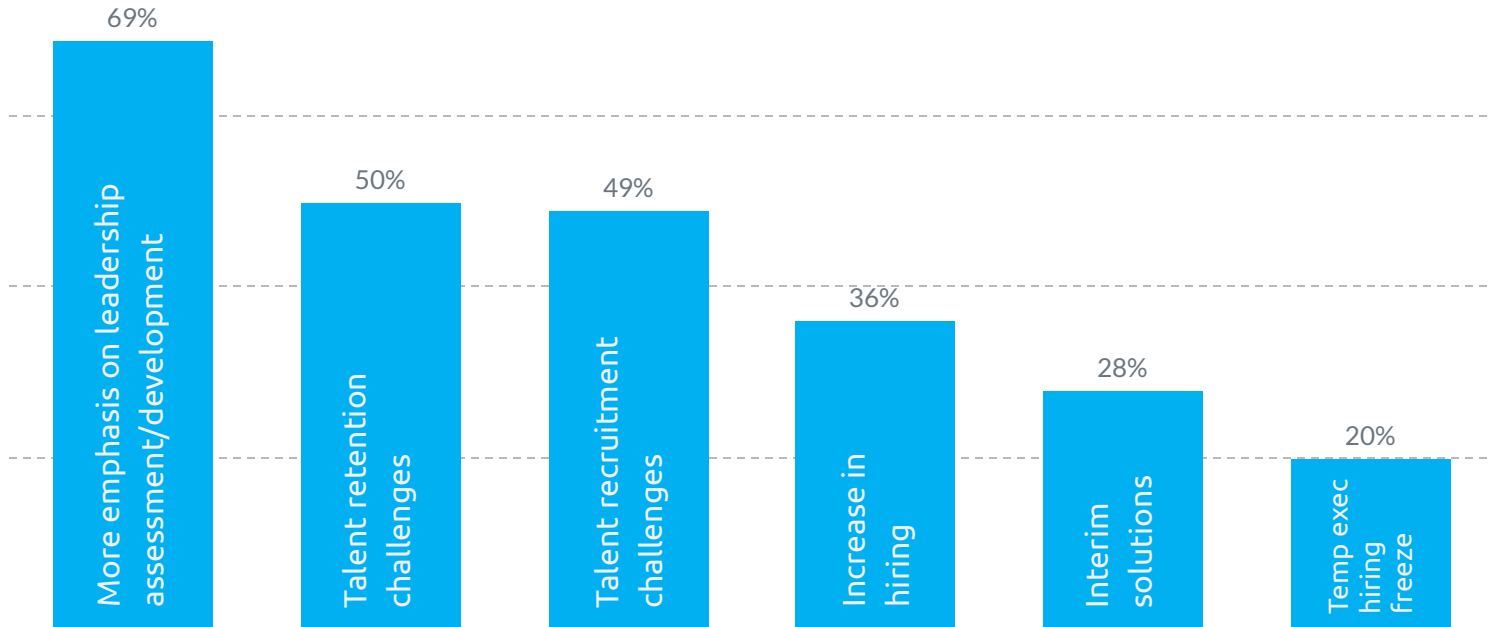


Talent look ahead



In looking ahead over the next 12 months, we asked respondents what talent-related initiatives or issues they anticipate.

Do you expect to experience any of the following?



Respondent Quote



“ Learn to control yourself before trying to control your organisation. It was definitely a challenge to initially understand what was going on, how the future was going to be and what actions should be taken. But, before anything, self-control is needed to ensure proper decisions are taken. ”

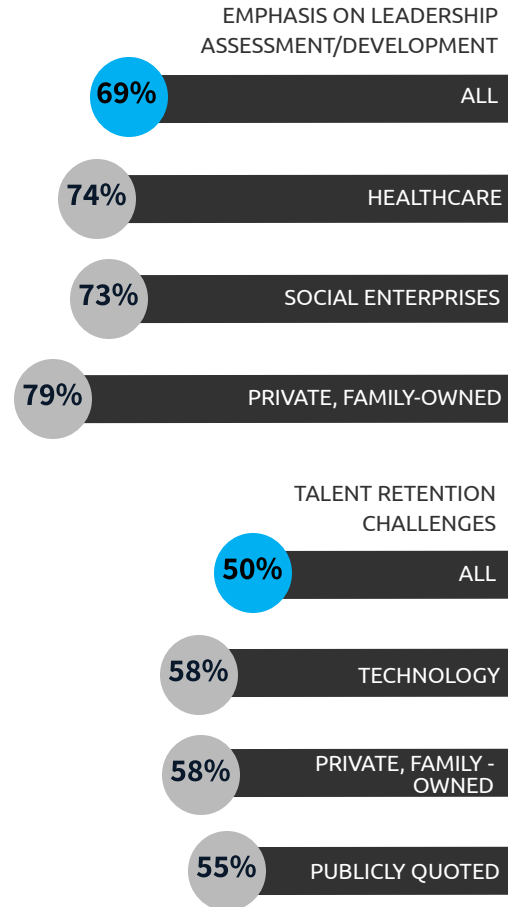
A closer look: talent look ahead



Nearly 70% of respondents expect to experience more **emphasis on leadership assessment/development**, strongly correlating with the expected investment in leadership development for high potentials, at 75%. Talent retention challenges are expected by 50% of respondents.

One respondent says, "*Be compassionate and listen to your employees if you want to retain them*".

Another comments, "*Leaders must trust and care for people's well-being. It's not new, but it has been proven to be the truth*".



A closer look: talent look ahead

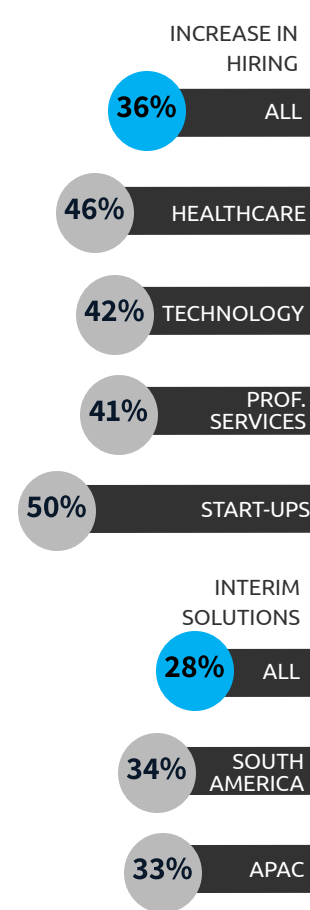


Talent recruitment challenges are expected by 49% of respondents. Over a third, 36%, expect to see an increase in hiring and over a quarter, 28%, expect to see more interim solutions.

From a regional perspective, respondents most likely to use interim solutions are in South America and APAC, with 34% and 33% respectively.

In looking ahead, organisations are bullish.

Media reports state that CEOs and other leaders are at their most confident for many years. The pandemic has enabled transformation, pushed the fast forward button on tech and digital progress, and challenged leaders to be more flexible and wide-ranging in interacting with their teams.



CONCLUSION



Reinventing the mindset

After a Herculean effort to sustain business through the pandemic by leaders, managers and their teams, the vast majority of respondents are confident in the growth potential of their organisations. However, lack of talent aligned to strategy is a major challenge and threatens recovery through 2022. Findings also show a lack of alignment at board level, where the matrix of skills is in question, and across the leadership team, where there are serious discrepancies in thinking.

For leaders to deliver on ambitions of growth and reinvention, it will be crucial to address this lack of alignment.

The good news is that leaders are investing in realignment of talent. They are prioritising leadership development for high potentials, leadership assessment and development across teams, hiring new talent, and revising performance measurement to align culture and behaviours with business objectives. However, board assessment, essential for delivering on growth potential, is insufficient. Achieving alignment across the leadership team is an ongoing challenge.

CONCLUSION



Strong concerns over retention and recruitment will be abated somewhat for organisations that have a strong reputation and demonstrate a sense of purpose, underlining the importance of external as well as internal communication. In hiring leaders through executive search, valuable intelligence is gathered throughout the search process, revealing how brands are perceived in the market, which competitors are favoured as potential employers and why. With leaders reticent to move in this market, shaping the right proposition has never been more important.

Methodology

The survey was distributed to senior executives worldwide from April 1, 2021 to May 14, 2021. A total of 528 complete responses comprise 43% from Europe, 35% from the Americas, and 18% from APAC. Respondents include 37% board/president/CEOs, 23% division or country head executives, 22% heads of human resources, with a remainder of executives across multiple functions including finance, operations, marketing and technology. Industrial sector and consumer & retail each account for 23% of responses, followed by 14% within professional services, 12% from technology/media/telecoms, 11% from financial services, and 10% from healthcare & life sciences. The remainder of responses are from private equity, social impact (non-profit/government), and academic sectors. By organisation, 27% are from publicly quoted, 35% from private/independent, 20% from private/family-owned, with the remainder from social enterprise, start-up and private equity backed.

