

**AESC Insights**

# Leading Through Uncertainty

Guidance for Business Leaders  
in the Wake of Brexit



The Association of Executive Search  
and Leadership Consultants

# Leading Through Uncertainty

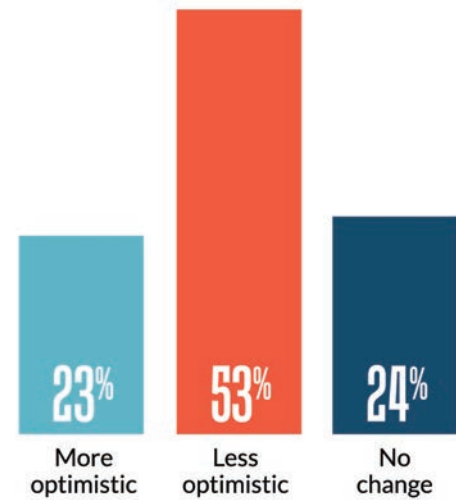
## Guidance for Business Leaders in the Wake of Brexit

### What is the current landscape?

How the UK's Brexit vote to leave the European Union will impact the business environment, not only in the UK and throughout Europe, but globally, is still unfolding. The Brexit process will be lengthy and as the political environment evolves, a clearer picture of the economic effects will come into focus. Following the vote however, it is clear that a mood of uncertainty has penetrated across sectors, from Financial Services to Industrial. Organizational leaders are being influenced by the current climate and it is having an impact on decision making. According to a survey of 133 AESC member executive search and leadership consultants based in Europe, the majority (74%) felt less optimistic about the European economy than they did just six months prior. Although the general mood is cautious, AESC members offered proactive guidance to business leaders on what they can do now to remain successful throughout this period of uncertainty.

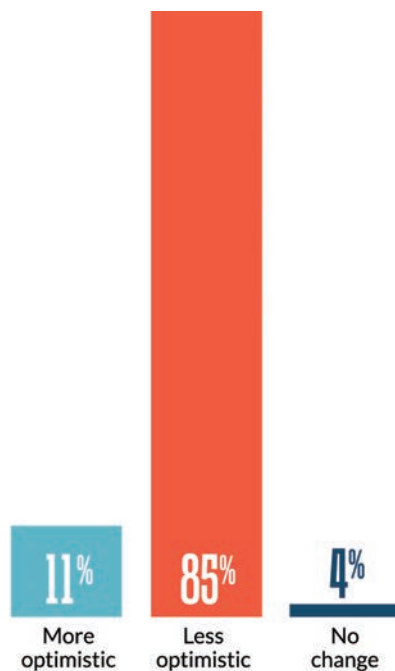


Are you more or less optimistic about your country's economy now compared to six months ago?

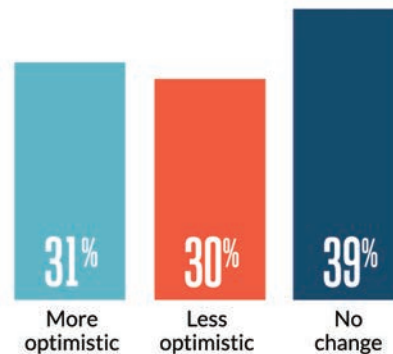


### Comparing Optimism UK vs. EU

#### UK Outlook



#### Rest of EU Outlook



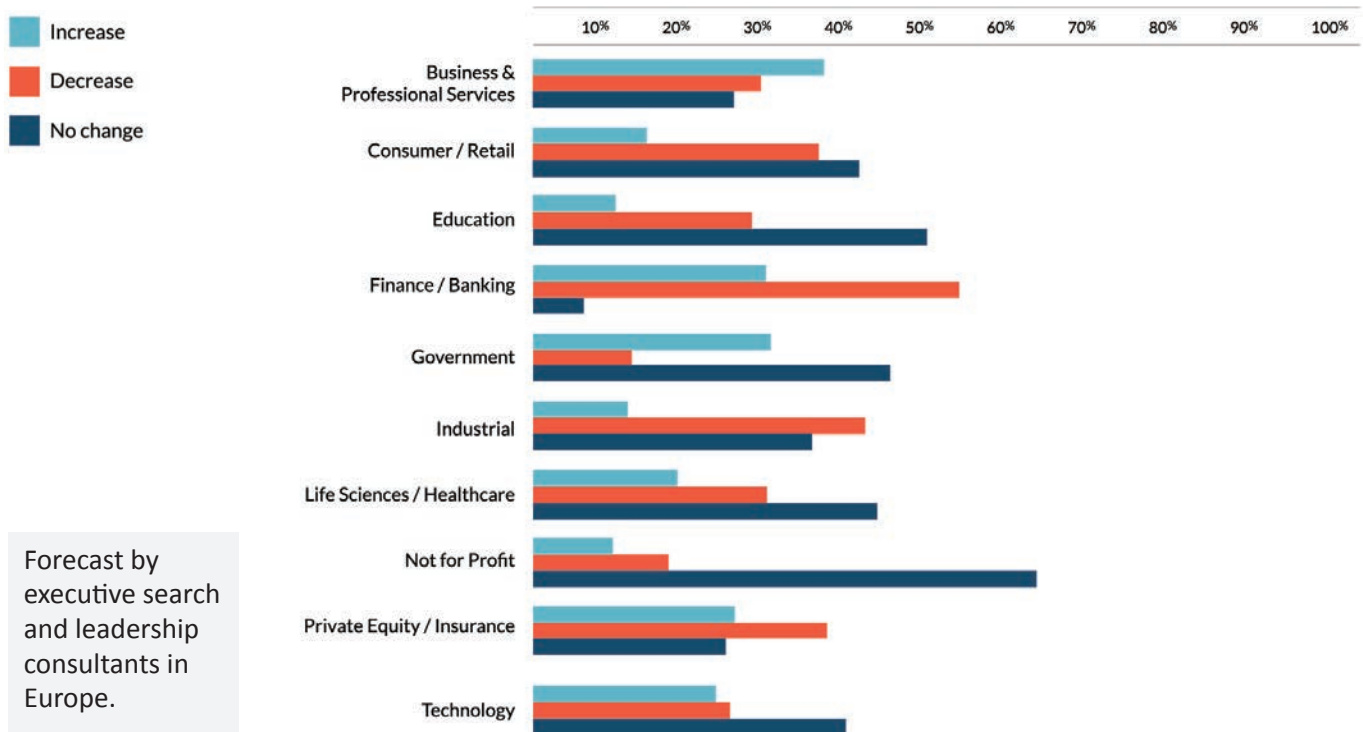
Outlook of executive search and leadership consultants in Europe.

## Sectors at a Glance

The majority (59%) of executive search and leadership consultants participating in AESC’s survey expected Finance/ Banking to be most impacted, anticipating negative growth within the sector in the wake of Brexit. When surveying those based in the UK, the percentage rose to 86% expecting negative growth for the sector. The Industrial sector was also expected to experience a slowdown, with 46% of those surveyed expecting negative growth (rising to 57% when surveying those based in the UK). On a positive note, most other sectors were not expected to experience any negative change in their growth rates for the foreseeable future, and more than a third (39%) of survey respondents expected Business & Professional Services to grow, indicating optimism within the sector as businesses focus on issues related to Legal and Compliance post-Brexit vote and seek outside expertise and counsel.



### How do you anticipate growth of the following sectors will be impacted by the Brexit vote?



Dirk Friederich, Managing Partner, **Boyden**, based in Frankfurt, commented: There will continue to be a high degree of uncertainty within the Banking sector, specifically regarding market access, capital requirements and new EU legislation for bank defaults, through at least November 2016, causing some executive hires to be postponed. However, as more clarity develops around the political situation post-Brexit vote, there will likely be a shift in regional talent needs and top executive talent will be in demand.

Andrew Kris, Founding Partner, **Borderless for leaders**, based in Brussels, commented: CEOs of UK-based Industrial companies have become used to tapping global talent pools and there is no way they can afford to pause. Despite the home-grown talent available in the UK, executives have a duty to run international companies for the needs of a global marketplace. And for that, they need an international mindset, curiosity and cultural breadth. Experience tells us that barriers to free movement of skills in a borderless world are costly; they represent a risk to growth. We must retain the breadth of thinking that comes through first-hand understanding of the benefits of cultural diversity.

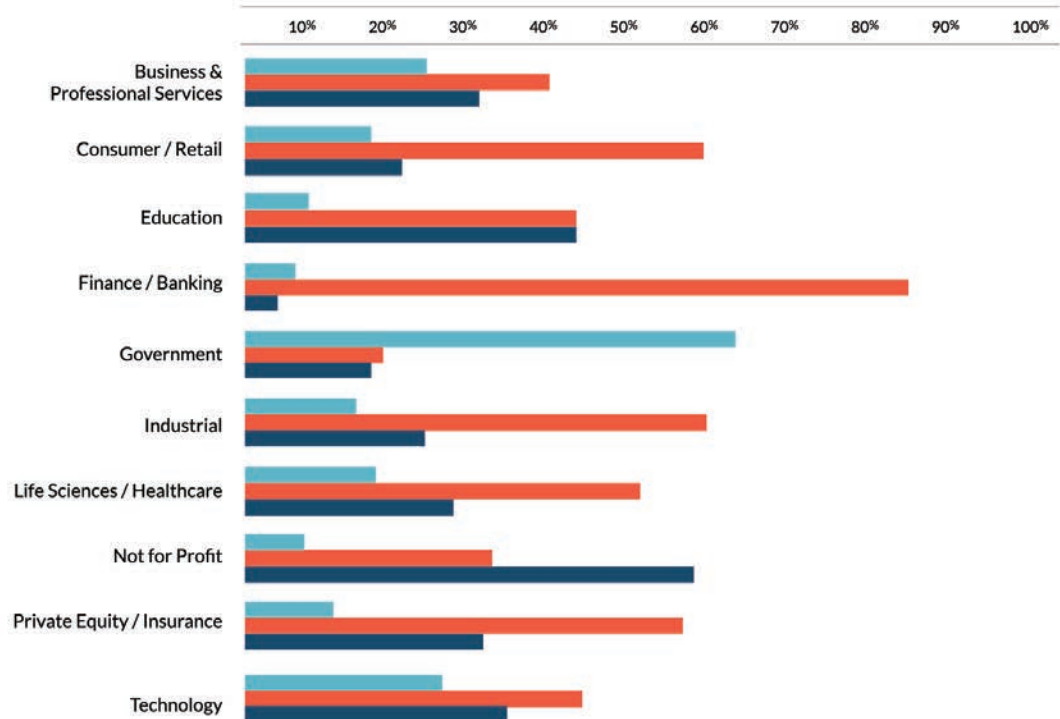


# How do you anticipate growth of the following sectors will be impacted by the Brexit vote?

## Comparing Sector Forecast UK vs. EU

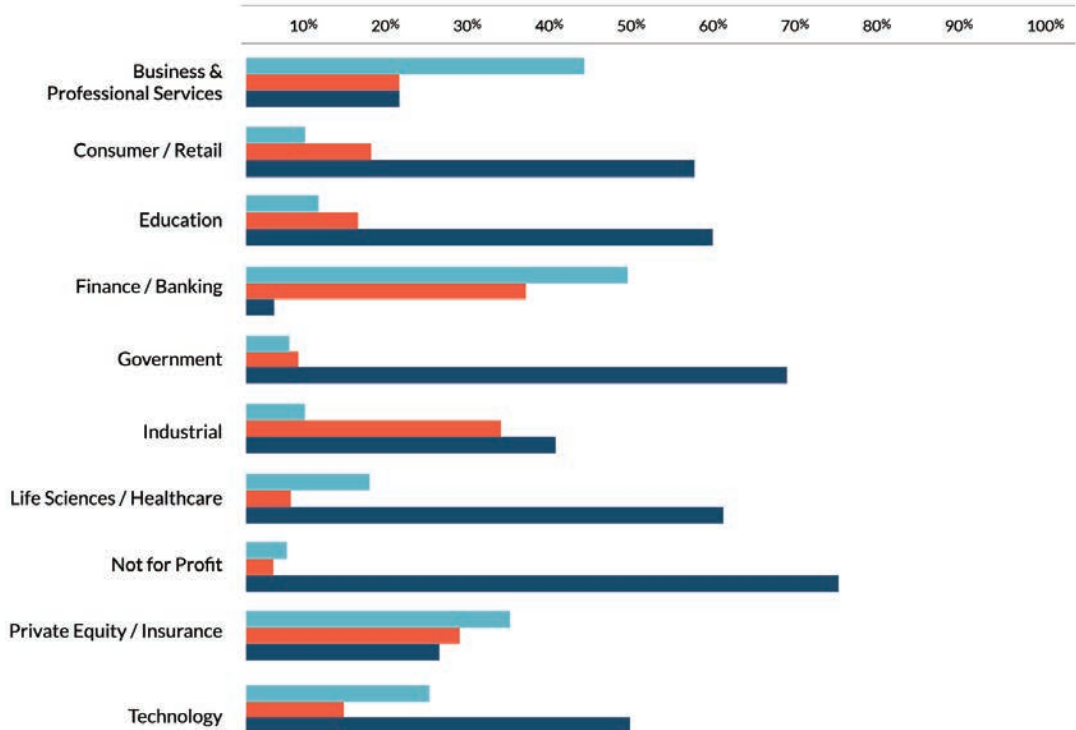
### UK Forecast

- Increase
- Decrease
- No change



### Rest of EU Forecast

- Increase
- Decrease
- No change



Forecast by executive search and leadership consultants in Europe.

Michel de Boer, Global Practice Lead, Healthcare and Life Sciences, **TRANSEARCH** based in Amsterdam, commented: There is already increased demand for Legal, Banking and Professional Services talent to help organizations navigate Brexit-related issues. The new Brexit unit is hiring top lawyers at up to £5,000 a day as ministers begin spending the half a billion pounds it is anticipated will be required each year for the UK's exit out of the EU. In the Healthcare sector there will be strong demand for lobbyists with a solid understanding and network in the specific and most complex divisions of the Health and Life Sciences sectors.

Emanuela Aureli, Technology, Media & Telecommunications Practice, **Spencer Stuart**, based in London, commented: Technology as a sector is still as vibrant as ever, and continues to be driven by innovation, growth, a fast pace and investments. However, Brexit has brought a significant level of uncertainty across the board, not just for Technology. Companies that need to attract new leaders are becoming more conservative and cautious in their hiring, focusing more and more on mitigating risk. Candidates are also much more cautious when making moves and decisions about their careers. It is still too early to foresee how Brexit will impact the Technology sector in the longer term but we are realistic and prepared for some softening in the short term.

## What can organizational leaders do now?

In AESC's survey, executive search and leadership consultants across Europe provided insights to business leaders on what they can do now to be best prepared in the post-Brexit environment. Recommendations include:

- **DEVELOP A CLEAR TALENT ATTRACTION STRATEGY.**  
Consider how to attract top talent equipped to handle volatile business conditions; Develop attractive compensation packages that will attract cross-border talent when required.
- **ENSURE A TALENT RETENTION PLAN IS IN PLACE.**  
Organizations don't want to lose top talent they already have or experience organizational brain drain; Have a plan for retaining foreign nationals.
- **CONTINUE TO DEVELOP CURRENT TALENT.**  
Home-grown talent becomes even more critical in times of uncertainty; Failing to develop current talent can make organizations more risk-prone and unprepared to deal with volatility.
- **LEAD WITH AGILITY.**  
The current climate will require leaders who can lead through ambiguity; Ensure your executive team is properly coached in adaptable leadership and able to respond and change directions quickly based on market conditions.
- **MAP TALENT FOR THE FUTURE.**  
Don't delay having a strategic plan in place that maps the talent required for the future of your organization; A talent map is a competitive business advantage that prepares you to act opportunistically when situations arise and allows you to seize talent required to propel your business forward.

Ineke Arts, Partner, **Hoffman & Associates/IICPartners Executive Search Worldwide**, based in Brussels, commented: It is key in times of instability that organizational leaders increase their focus on keeping a healthy balance between a strong retention policy and a strong attraction of external expertise and leadership skills. Despite the impact of Brexit on foreign nationals, it is of utmost importance for international organizations to keep the right balance in multicultural and diverse profiles throughout the organization. Corporate leaders joining an organization throughout both pre-and post Brexit times need to possess the right mindset and leadership skills to integrate successfully in changing and uncertain business settings.

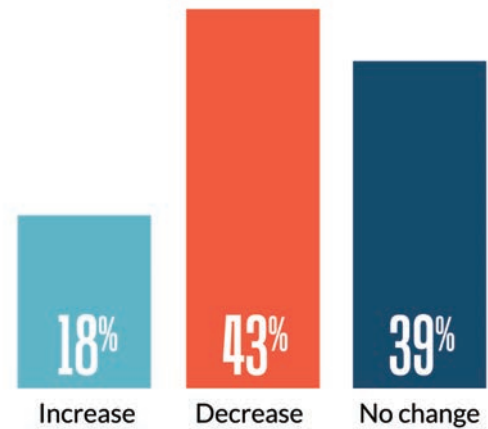
## What can executive-level candidates do now?

In AESC's survey, less than half (43%) of executive search and leadership consultants expected the Brexit vote to impede executive mobility within Europe. Nearly the same amount (39%) anticipated the rate of executive mobility to have no change post-Brexit vote.

On a regional level, more consultants in the UK expected the vote to impede mobility within the UK (71%), while 51% of consultants in the rest of the EU expected no change, while 23% expected the vote to impede executive mobility within their home countries. The indication is that both candidates and organizations may be more risk averse within the UK at least temporarily compared to other EU nations, slowing hiring and candidates' appetites to make a move.



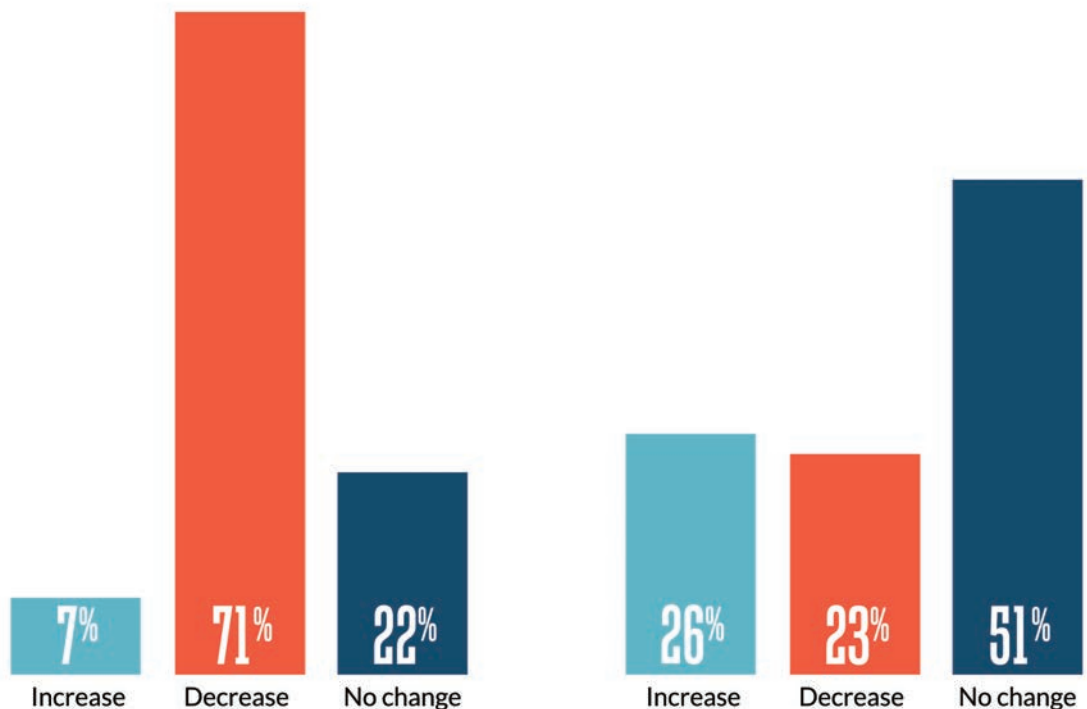
### How do you predict the Brexit vote will directly impact executive mobility (hiring) in your country?



### Comparing Mobility Forecast UK vs. EU

UK Forecast

Rest of EU Forecast



Forecast by executive search and leadership consultants in Europe.

During periods of uncertainty or volatility, it is more important than ever for executives to have a clear career management plan in case of contingencies. According to Glenda Brown, Director of AESC's **BlueSteps** executive career service, executives should consider the following:

- **BE PREPARED FOR CHANGE.**  
Make sure your career documents are not only up-to-date, but impactful enough to stand out from other executives in this competitive environment. This includes reworking your resume, LinkedIn profile, cover letter and executive bio.
- **BE PROACTIVE AT NETWORKING.**  
Executives should build and develop their networks throughout their careers, both offline and online. Your LinkedIn profile should be fully-optimized with industry-specific keywords to attract new opportunities, and position you as an industry thought leader.
- **BE STRATEGIC.**  
During times of uncertainty, it can be good practice to take a step back and assess the bigger picture. What do you need to do now to ensure you have a career management plan in place? If you need help or advice on how to tackle these bigger questions and create a more advanced strategy, career coaching may be a good option.

Juncal Garrido, Executive Director, **Russell Reynolds Associates**, based in Barcelona, commented: Experience tells us that, to remain competitive in times of uncertainty, leaders need to adopt a model that facilitates quick response to the changing business environment. Executives who are successful at that demonstrate high levels of transformational leadership. The transformational leader has the ability to motivate others, inspiring and building trust within their teams. Under stressful conditions, there is a natural tendency in organizations, despite their usual culture, to become more hierarchical and less transparent in internal communications, and that is precisely a distortion that needs to be avoided by leaders who need their teams to be more aligned than ever.

## Emerging Roles

When asked about emerging opportunities in the wake of the Brexit vote, executive search and leadership consultants forecasted more opportunities for Interim Management, new Legal and Compliance roles, as well as a need for Brexit Officers to lead specific Brexit-related initiatives within certain organizations. According to AESC member **Heidrick & Struggles** in their recent report *Agility at a Premium: Talent Implications in the Aftermath of Brexit*, in-demand management skills will include cross-border expertise, turnaround and private-equity-backed experience.

David Webber, Partner, **Oggers Berndtson**, based in Brussels commented: Post Brexit we have seen a sharp increase in demand for short-term contract and interim professionals to support major UK and non-UK firms in public affairs and corporate communications. Already businesses were starting to invest more in external affairs and regulatory compliance, given the impact of these elements on brand reputation, the Brexit referendum has added the additional dimension of political uncertainty. For the time being, most organizations are looking at the short-term implications of Brexit for their business and industry, hence the desire for temporary experts. However, many now start to see that navigating political uncertainty is critical to business continuity and longer-term, more permanent, solutions may be required.

## How can AESC members help?

When asked about the top concerns executive search and leadership consultants across Europe are hearing from client organizations, most cited the following:

- **AN UNCERTAIN CLIMATE INHIBITING THE ABILITY TO MAKE DECISIONS.**
- **WORRIES OVER EXECUTIVE MOBILITY AND BEING ABLE TO ATTRACT AND RETAIN TOP TALENT.**
- **IMPACT OF CROSS-BORDER TALENT AND RETAINING FOREIGN NATIONALS.**
- **STAYING COMPETITIVE.**

Others also mentioned concerns over trade issues and how imports and exports might be affected, as well as losses in investment.

Leading with confidence is critical in times of economic and geo-political volatility to best remain positioned for business success. For business leaders, having a trusted advisor who can bring deep industry expertise and broad access to transformational talent can be a key differentiator and bring an added level of confidence required to make key decisions.

When it comes to attracting top executive talent, candidates are typically more candid with an independent third party than they are to direct outreach from the hiring firm. Top executives trust the confidentiality they know they receive from an experienced independent third party. They are more likely to consider opportunities, especially in a more uncertain economic climate, with the persuasion of someone they trust.



AESC members provide companies with a competitive advantage—the ability to find, attract and develop the best talent in the world and ensure that executives are successfully integrated. By virtue of selecting an AESC member, clients can be secure in their choice of consulting firm, and can reap the benefits that only a trusted advisor can deliver. To learn more about AESC and to view a list of AESC members, visit [www.aesc.org](http://www.aesc.org). To learn more about AESC's career service for executive-level candidates, visit [www.bluesteps.com](http://www.bluesteps.com).