

# Boardroom Navigator 2023

To manage a business through today's and tomorrow's challenges, executive leadership teams and boards of directors in Europe need a specific set of skills and experience.

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# Leadership at a crossroads in the face of multiple crises

The world has changed for executive leaders and investors. As they attempt to recover from pandemic-induced supply chain disruption, volatile market demand, and concerns about workforce health, new problems have quickly replaced old ones. Geopolitical tensions have remodelled supply networks for natural gas, impacted the availability of food supplies and contributed to high inflation: many boards are therefore dealing with multiple crises for the first time.

Welcome to Robert Half's Boardroom Navigator 2023, which highlights the priorities, trends, and challenges for executive teams and private equity investors. It shows that recruitment of executive leaders is organisations' biggest challenge, followed by uncertainty about the economic future and business growth. Boards are concerned about change management, investors about financial management, but both cite succession planning as a top-five challenge.

In the following pages, our Executive Search Managing Directors across Europe explore the trends shaping executive leadership and business transformation.

They reveal why C-suite roles will be shaped by agile and creative decision makers, who are able to tell powerful stories, as well as lead through periods in which inflation remains at a high level on average, after reaching double-digit peaks in 2022. They explain why environmental, social and governance (ESG) issues can't be neglected, alongside diversity, equity, and inclusion (DEI), and how succession planning can be taken more seriously.

Multiple crises call for new approaches: Read on to discover more about the skills executive leaders need to navigate rough economic waters, why investors won't hesitate to make executive changes, and what really matters during the first 12 months in a C-suite role – to ensure long-term, sustainable success.

The global Executive Search team at Robert Half and I wish you an exciting read with numerous new perspectives.



DeLynn Senna



**DELYNN SENNA**

President &  
Global Head of Executive Search

# Executive Summary

Leadership is at a crossroads. The Boardroom Navigator, a survey of 400 executive leadership teams and boards of directors, and 50 private equity investors, reveals that businesses are in flux. Here are the headline findings, alongside advice from Robert Half's Executive Search Managing Directors about how to thrive in 2023 and beyond.

**Key soft skills are being neglected.** Leadership capability, strategic thinking and communication are still top drivers for recruitment. But the future belongs to executive leaders who are resilient, creative, and able to engage five generations in the workforce. The mix of soft skills needed in the boardroom is becoming much broader.

**ESG will become a career-defining skill.** Regulations will catch up with a growing number of businesses – and a generation of workers – addressing environmental, social and governance concerns. But measurement and reporting won't be enough; corporate mindsets will need to change. The mantra: business is for good, not just for profit.

**Storytelling plays a greater role in business transformation.**

Executive leadership teams and investors value communication skills, technical knowledge and experience of the change process itself. But storytelling is an important tool to encourage new ways of working and motivate people towards a common goal.

**Investors are looking for new leaders.** Multiple crises, from pandemic-driven supply chain disruption to geopolitical tensions and inflation, have tested a generation of C-suite leaders. They are learning and adapting fast, and private equity investors are on the lookout for those with crisis management experience to lead their businesses.

**Succession planning and onboarding are falling short.**

The recruitment process and handover to new leaders are important, but many businesses have yet to put plans in place. Boards will have to reflect on their investment in succession planning. A structured approach to leadership development will ultimately pay long-term dividends.

**The supervisory board can also help.** In their position providing oversight, both succession planning and onboarding can be discussed, helping executive leaders to take a more proactive approach. If a leader is finding it hard to let go, the board can provide support and an objective view.

**New leaders have a unique opportunity.** Developing relationships is key in the first six to twelve months: understanding the people willing to be influenced and those that will be harder to convince. Relationships with other businesses, in addition to the government and regulators, will allow leaders to have a voice outside the boardroom, too.

**Awareness of DEI hasn't translated into meaningful change.**

The journey doesn't start with requests for diverse shortlists; it starts with internal reflection, planning, and then action – to avoid token appointments and establish visible career paths. Businesses with a structured approach to DEI will see the benefits, and this will give them confidence.

(For more details about the Boardroom Navigator methodology, please see [page 13](#).)

# Soft skills that are currently important when recruiting for leadership positions



**VERONIQUE ELSKENS**  
Regional Director Executive Search  
BeNeLux

**“Creative thinking will help to find answers for new and complex problems”**

Leadership experience is clearly important when recruiting for executive positions, but there is evidence that key soft skills are being neglected in favour of more traditional abilities. Leadership capability, strategic thinking and communication are cited as most important, while resilience, creativity, negotiation and active listening appear to be less of a priority.

Executive teams are understandably steadying their businesses after more than three years of economic change and disruption. They are stabilising their business models, markets, and supply chains – and clearly need boardroom experience to navigate these challenges. But they now face another downturn, the ongoing digital transformation of their operations, and the march of Generation Z into the workplace.

New-found resilience and negotiation skills will be needed in the face of economic volatility; creative thinking will help to find answers for new and complex challenges; and active listening will engage a generation of people used to having a voice, on social media and beyond. These skills will help executive leaders to become more agile and adaptable when addressing a fast-changing business environment – and multiple crises.

In the long term, executive teams will benefit from leaders blending adaptability, creativity, and taking time to listen. Only then will they be able to succeed in the face of competition, convincing investors of a strategy, motivating leadership teams, and bringing employees with them on the journey.





# Technical skills that are currently important when recruiting for leadership positions

## “ESG regulation will focus attention”

Environmental, social and governance (ESG) issues have moved up the agenda for executive teams and investors. But the importance of related leadership skills appears to have taken a hit in the face of more immediate concerns. In the next two years, however, ESG regulation will focus attention on this area; for the next generation, it will become the norm.

In 2024, the EU Taxonomy, which aims to provide clarity on environmentally sustainable activities, will be extended to businesses with more than 250 employees and €50m of revenue. Legislation to protect against human rights abuses in supply chains is also being phased in. Leaders of B Corp businesses are already making decisions that balance people, planet and profit. Generation Z wants to positively impact climate change.



**CHARLIE GRUBB**  
Managing Director Executive Search  
United Kingdom

ESG introduces a wide-ranging set of skills requirements, which draw on executive leadership disciplines including finance, technology, and project management. It touches on a complex web of issues, many of which are intertwined through data, reporting and metrics and, in some cases, scientific measurements. Understanding and disclosing ESG issues will therefore require working with people outside financial reporting, as well as significant training and development across teams.

A new mindset is therefore imperative to ESG success. Measuring and reporting the metrics won't be enough; leaders need to hold themselves responsible for developing a corporate mindset which complies with this philosophy: business is for good, not just for profit.



■ Board Survey  
■ Private Equity Survey

# Skills needed in leadership positions to carry out a successful business transformation

**“Great leaders tell powerful stories”**



**DANIEL VERGARA GONZÁLEZ**  
 Managing Director Executive Search  
 Germany & Switzerland

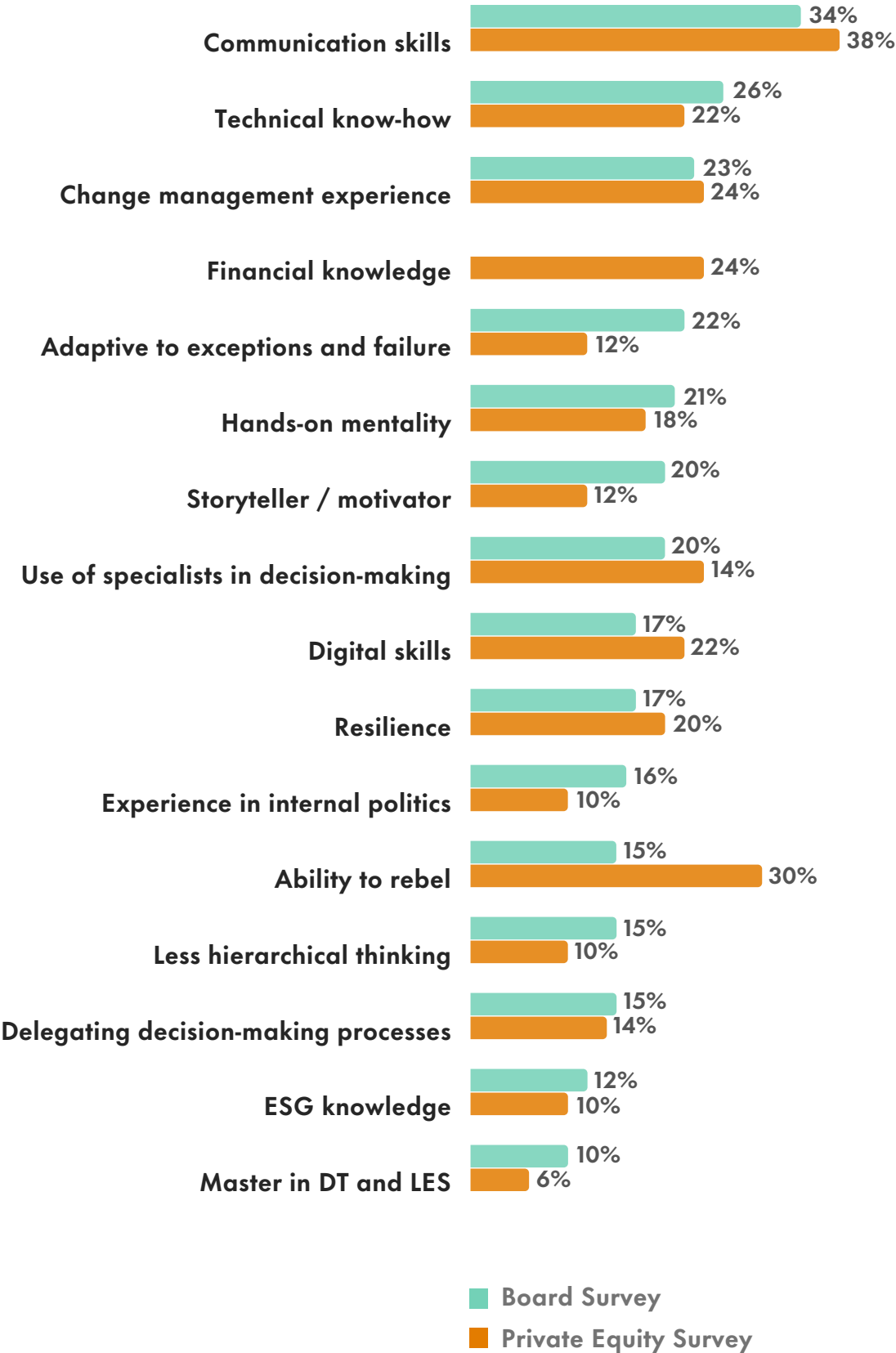
The value of storytelling in business transformation is currently overlooked in favour of broader communication skills, technical knowledge, and experience of the change process itself. While executive leaders place some value on storytelling as a tool, private equity investors are yet to realise its value.

Business transformation does start at the top, so communication skills and related experience are important. C-suite leaders can only spearhead change projects when they are willing to communicate honestly and share their vision with different teams to encourage inclusion and participation.

But storytelling can be the catalyst for change. Stories, analogies, and metaphors help people visualise the future by engaging with their emotional experience, which is vital to encourage and sustain new ways of working.

They also give people a reference point for their role in the wider change process. When people can imagine and translate their role to be part of a sports or racing team, for example, it might help them understand their impact on others and the wider business. Ultimately, this can motivate them towards a common goal.

Investors – who influence the make-up of boards – could benefit from this approach. Their portfolio businesses are going through periods of high growth and operational change, or are in distress and in need of restructuring. If executive leaders can tell powerful stories and help employees imagine their future role, they will help to transform these businesses more quickly – delivering growth and returns in the process.



# Special situation experience needed on the board today to manage current and future challenges

**“Most private equity investors are planning to make leadership changes”**

Two thirds of private equity investors are planning to make leadership changes in their portfolio businesses to navigate the current economic climate. They want candidates to deal with supply chain disruption, steer businesses through high inflation and address ongoing regulation and compliance issues.

In the past three years, the pandemic has disrupted markets, supply chains and working practices; the war in Ukraine and its subsequent impact on energy and food supplies has strongly contributed to inflation reaching a 40-year high. Consequently, many board members across Europe are in uncharted economic territory and lack experience to manage a business through multiple crises.

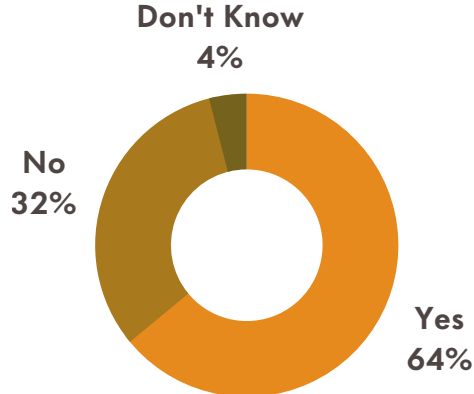


**PHILIP HENDRICKX**  
Managing Director Executive Search  
Belgium

But they are learning fast: chief financial officers are analysing data to understand how customers will respond to price increases; chief operating officers are looking for opportunities to innovate their production and procurement processes; and lessons are also available further afield. C-suite leaders in South America, for example, have decades of experience managing businesses through high inflation and are well placed to help their European counterparts now.

A combination of new and existing skills will populate private equity boards in the months and years ahead. Investors are already on the lookout for those who can lead in a crisis, adapt to economic uncertainty, and bring their historical experience to the boardroom in 2023.

C-level changes planned by PEs to better position their portfolio companies for current and upcoming crisis



Private Equity Survey



# Challenges to find a suitable candidate and the necessity of developing and implementing a thoughtful succession plan



**FABRICE COUDRAY**  
Managing Director Executive Search  
France

**“Succession is a sensitive issue, which continues to be neglected”**

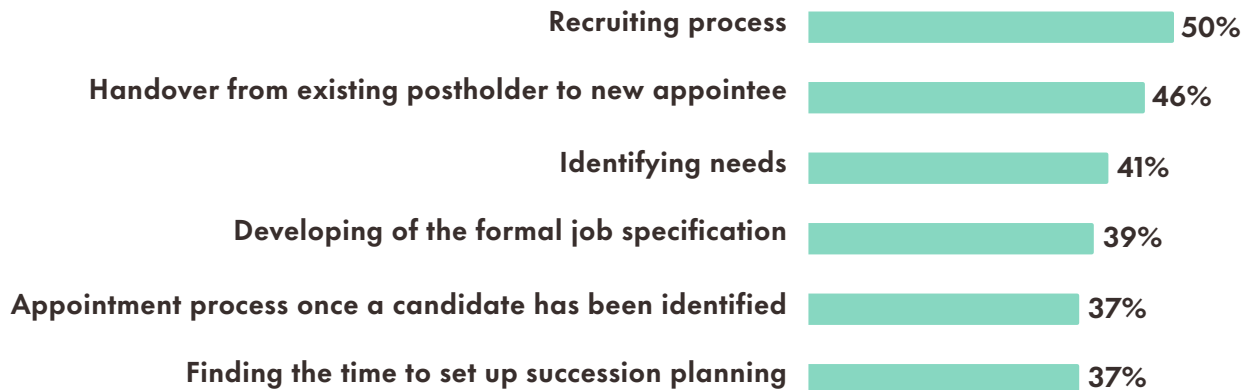
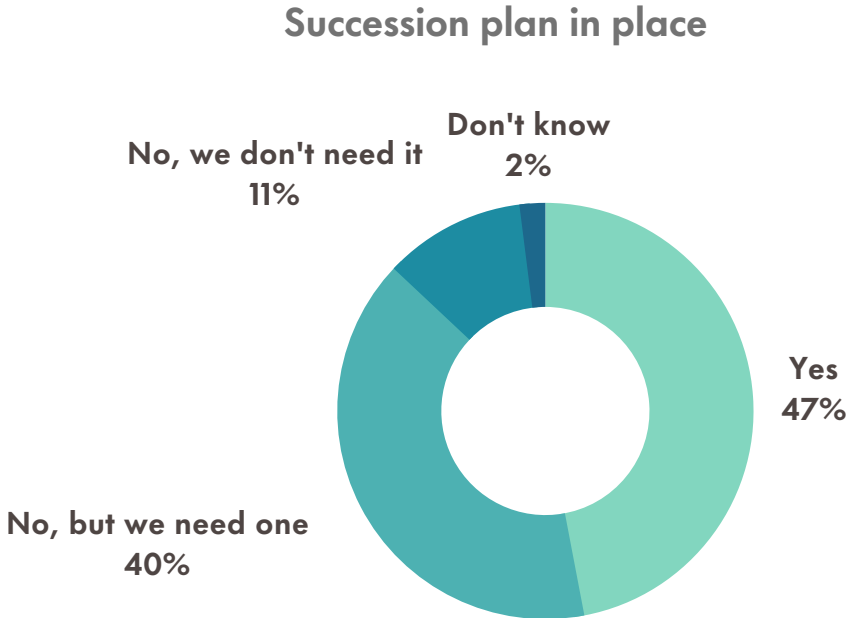
The recruitment process and handover to new leaders are the most important challenges for businesses replacing executive leaders. But, while a large group of them acknowledge the importance of succession planning, they are yet to put a plan in place. These findings suggest that succession is a sensitive issue, which continues to be neglected.

On the surface, the board has two choices to make: appoint someone from the business or look for a C-suite leader with proven experience. But in the process of finding a viable successor, they will have to evaluate their long-term approach to attracting and retaining talent, and its impact on the business. A new executive leader from outside the business can be refreshing. They will come with a raft of new ideas, immediate experience of the market, and time spent handling the demands of the role somewhere else.

In turn, this gives them the confidence to make bold decisions, execute on the agreed strategy, and establish the role as they wish.

But a leader from inside the business understands how it operates, has experience at a senior level, and will know the individual stepping down. Previous hierarchical relationships might cause challenges, but if the new leader has been developed to take on the role, they will have the advantage of building trust beforehand.

In both cases, boards will have to reflect on how much time they are prepared to invest in succession planning, and what happens if they don't. Ultimately, a structured approach to leadership development will help to pay long-term dividends: everyone, including employees, investors, and even customers, will know the company is in safe hands.



■ Board Survey

# The importance of the supervisory board's role to ensure a successful transition



**PHILIP HENDRICKX**  
Managing Director Executive Search  
Belgium

**“The supervisory board can provide both support and objectivity”**

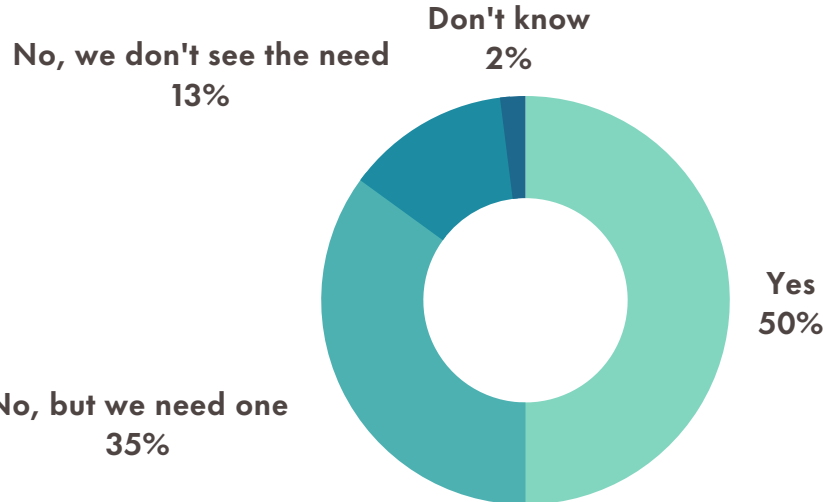
Attitudes towards onboarding of executive leaders are closely related to those of succession planning. Nearly half of businesses report the need for a smooth transition between executive leaders, but don't have a structured plan in place; while a small group say they don't need one at all. But why is that? And what can be done to change the situation?

In private or family-owned businesses, especially, the owner, often the chief executive, reaches a point when they want to step back. They might become president or chair of the board and relinquish their executive responsibilities. Their non-executive position gives them a platform to stay involved but also opens the door for others to flourish.

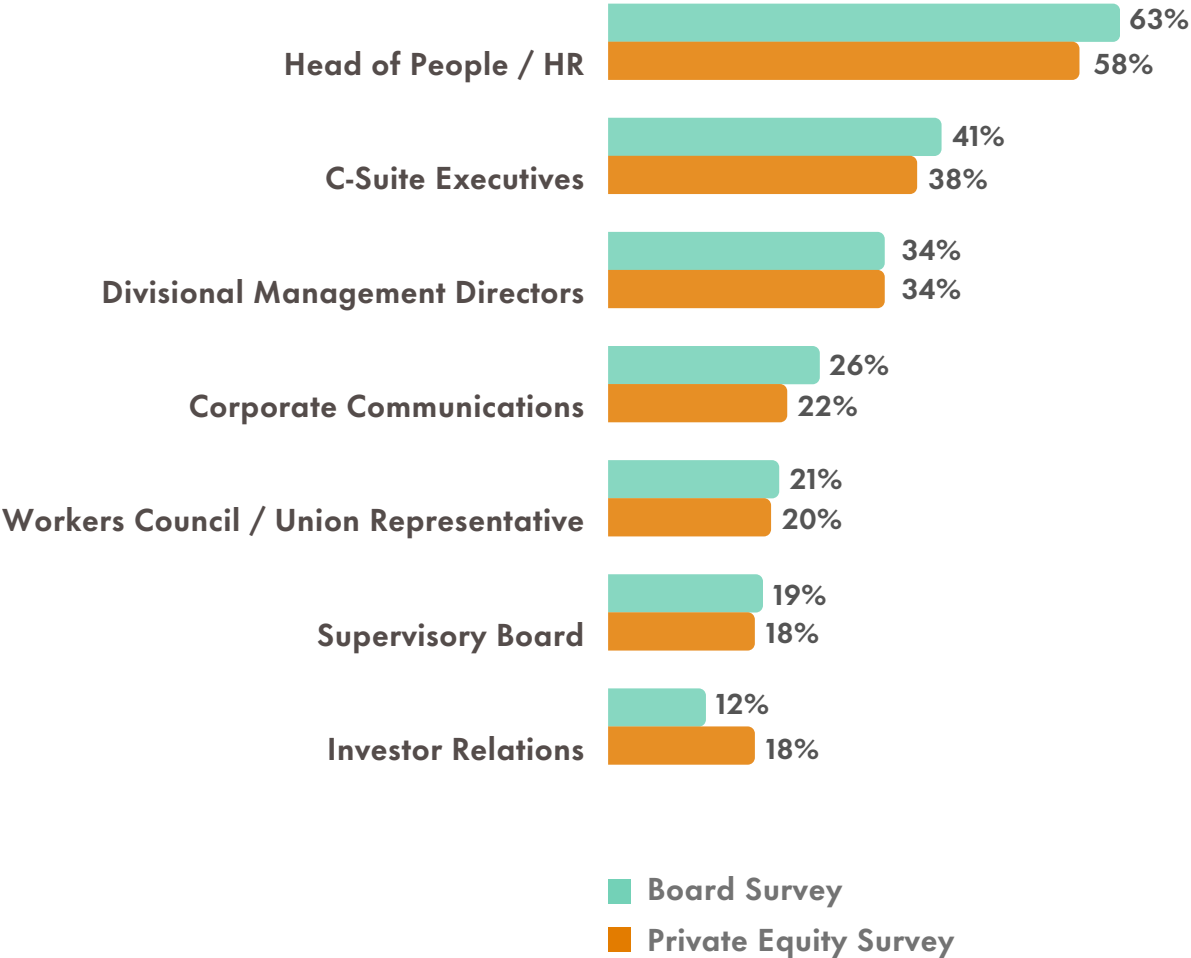
But this transition can be tough for someone who has lived and breathed their business. Leaders that have built operations from the ground up, and understand the detail of how they work, often struggle to pass on the reins of responsibility. The quality of this transition is therefore pivotal, so the business can continue to thrive.

That's why the supervisory board can play a stronger role in the process. In their position providing independent oversight, both succession planning and onboarding should be openly discussed, instead of waiting for problems to arise. If an executive leader is finding it hard to let go, then the board will be able to provide both support (perhaps coaching) and an objective view, strengthening governance and reassuring the market at the same time.

Onboarding strategy in place for new leadership positions



Involved in the onboarding of an executive in an organisation





# Most important expectations new leaders must fulfil in the first six to twelve months

**“Developing relationships, and acknowledging internal politics and dynamics, matter”**

New executive leaders have a unique opportunity to set the tone. Even if they have been promoted internally, they know that everyone is watching them and wants to hear about their plans. The first six to twelve months is therefore a pivotal time to understand the business, the people, and the networks that matter.

The history, values and people of influence provide a window into the business: owners, boards and even departing executives, will help to provide context for a new leader. Clear objectives will also provide clarity, good communication skills will connect those objectives with colleagues, and accessing key management information will aid decision making.



**VERONIQUE ELSKENS**  
Regional Director Executive Search  
BeNeLux

Developing relationships and acknowledging internal politics and unpolitical forces are therefore important: understanding the people willing to be influenced by new leaders and those that will be harder to convince. Talking with employees will help new leaders to understand the culture of a business, but also explore how it can be developed. This will be a powerful tool to help achieve their objectives.

Relationships with other businesses, in addition to the government and regulators, will also allow leaders to have a voice outside the boardroom, stay close to their industry and to the political and economic landscape.



# Efforts and actions taken to increase diversity in executive teams and resulting advantages

**“DEI starts with reflection, planning, action – not just raising awareness”**



**CHARLIE GRUBB**  
 Managing Director Executive Search  
 United Kingdom

Diversity, equity and inclusion (DEI) is increasingly familiar to executive leaders. Some organisations are criticised for having all-male, all-white, boards; others are following quotas to improve their gender and ethnic representation; nearly all are aware of studies positively linking DEI with profitability and decision making.

This groundswell of attention has created advocates in the business community and many leaders are actively developing their approaches to DEI. But there is also a majority treating it as an aspiration, and well-meaning awareness raising hasn't yet translated into concrete action or evidence of meaningful change.

The key to addressing this gap: boards need to look inward first, to understand themselves, their employees, and their recruitment methods. The journey doesn't start with requests for diverse shortlists; it starts with internal

reflection, planning, and then action – to avoid token appointments and establish visible career paths.

Here are some key questions that executive leaders should therefore ask themselves: What is the demographic of our current workforce and how well do we know that? What are we doing to promote DEI and how well is it working? What's our vision for the business in five to ten years' time? What will we need to change, or do differently, to deliver this vision? What are the skill sets we need and how does that allow us to work with under-represented groups?

DEI is thankfully moving into the mainstream language of boardrooms and investors. But looking ahead there is still plenty of work for executive teams to do. By starting with themselves, being honest about what they find, and developing a long-term plan, they will be able to embrace the steps and experience needed to improve opportunities for everyone.





# Increasing diversity holistically unleashes unimagined forces for the benefit of all stakeholders



**RENÉ AMRHEIN**  
 Managing Director Executive Search  
 Switzerland

**“Candidates become self-selecting because they can see the evidence”**

The business benefits associated with diversity, equity and inclusion (DEI) are acknowledged by executive teams and investors: employee engagement, while positive change and employer branding are important for executive teams. However, investors recognise the link between DEI and creativity, and the attraction and retention of top talent, more clearly.

Businesses with deliberate intentions, and a structured approach to DEI with practical, visible examples, will see the benefits more quickly than their peers. Evidence of progress will also give them confidence to develop their diversity programme further.

By promoting women and people from ethnic minorities into leadership roles, for example, potential candidates will become self-selecting because they can see the

evidence for themselves. But neurodiversity, a balance of thinking styles and learning approaches, is also important; a diversity of interests and backgrounds is often overlooked; and widening gender to include non-binary matters, too. All these steps will bolster creative thinking.

We should therefore encourage executive teams to think broadly about DEI as they progress and gain confidence. This will help them to see the linkages between areas of diversity and actively explore them. If they can understand people’s backgrounds, interests and experiences – and combine them with other characteristics – they will deliver change, develop creative thinking, and attract a diverse range of top talent in the process.

Biggest advantages in increasing diversity in the executive team



# Methodology

Robert Half commissioned UK-based Rigour Research Ltd to conduct an online survey in Q1 2023 across Europe among 400 members of executive leadership teams and of board of directors as well as 50 private equity investors who are responsible for, or involved in, hiring decisions at senior executive level of their portfolio companies.

Respondents from executive leadership teams and of boards of directors are drawn from a wide selection of commercial areas and represent businesses with at least 50 employees. All respondents come from Belgium, France, Germany and the UK.

The survey is based on prompted questions. The charts show a ranking for which the participants were first asked to select all answer options that apply to their company. In the next step, they were asked to rank the top three of their previously made selections.



## OUR PARTNER

An established, experienced and fully accredited data collection and analysis agency.



# About us

## THE EXECUTIVE SEARCH TEAM AT ROBERT HALF

Robert Half's Executive Search practice is one of world's leading advisories for board of directors and supervisory boards. Our bespoke advisory model stands-out with combining a hands-on boutique approach with our global strength and versatility.

Through our years of experience and in-depth knowledge of the industries, we act in a dual function for our clients, as market barometer and trustworthy ambassador, and business advisor. Today we can demonstrate with pride a track record of filling mission-critical executive positions for our clients – in particular for SMEs and mid-sized companies, whether they are listed, private-, family-, or private equity owned.

We advise and accompany our clients beyond the mere search assignment – both the company and the candidate – because we are convinced that finding the right candidate is just the beginning of building a future-oriented and sustainable company management and leadership approach.

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