



Central Europe Executive Search Market Outlook

2024

Table of Contents

01.

Introduction

02.

Executive Search Market Review

03.

Industries and Functions in High Demand

04.

Executive Compensation Trends

05.

Additional HR Trends

06.

HR Products in High Demand

07.

Contributors



Introduction

This report calls on IIC Partners search consultants from five countries in Central Europe (Germany, Austria, Switzerland, Czech Republic, and Slovakia) to discuss the executive search industry outlook, along with other HR trends.

Despite a challenging market environment characterized by high energy prices, elevated interest rates, and geopolitical risks, the demand for executive search services remains robust. This resilience is a testament to the indispensable role of executive search firms in identifying and developing leadership teams that can navigate such complexities. Additionally, there is an increased demand for interim management solutions to meet the high demand for skilled labor and this will continue to grow through 2024.

The integration of new technologies over the last year, especially AI and data analytics, has revolutionized many HR and recruitment processes, increasing efficiency and enhancing data-driven insights. The adoption of AI tools has begun at a measured pace in Executive Search organizations as many in the sector are rightly cautious about data privacy, bias in datasets, and retaining the relationship-based focus of our work.

However, as tools mature and data privacy guidelines and protections increase, our industry is set for an incredible transformation over the months and years ahead. As outlined in this report, the "human element" will always be firmly centered by our consultants as we adapt and innovate without compromising quality.

Diversity, equity, and inclusion (DEI) continues to be a central focus for HR leaders and many of our member firms are supporting client transformations in this space by advocating for diversity-focused recruitment strategies and launching new services and training. The adoption of agile-working methods, learning and development software, and employer branding tools are also taking center stage for HR departments.

When it comes to compensation, there has been a significant shift from focusing solely on high compensation to more creative, holistic approaches that place increased importance on non-monetary incentives and broader definitions of employee satisfaction.

This report offers insights into these dynamic trends, preparing us to navigate the uncertainties and harness the opportunities of 2024. As your trusted executive search and leadership consulting partner, we remain committed to guiding you through these evolving market conditions and ensuring the right talent is in place to lead your organization into an inclusive and sustainable future.



Christine Hayward
Executive Director
IIC Partners

How was the demand for Executive Search services in 2023 and what can we expect in 2024?



Level Consulting: In addition to economic pressure, which calls for new ideas and solutions, the world of work is also preoccupied with securing skilled labour. This is reflected in the challenge of being able to offer our clients an interesting selection of candidates. This trend will continue in 2024 and increase the demand for interim management solutions. AI will also continue to make inroads and supplement processes in executive search.



Teamconsult: Despite a recession in the Czech Republic, the demand for Executive Search services has been relatively stable in 2023. Pressure on fees continued, yet on the other hand, companies are often desperate to find the right leaders and deeply value our services.

We expect 2024 to be similar to 2023, which means a difficult market environment (high energy prices, elevated interest rates, and geopolitical risks). However, a decreasing population, along with a reduced willingness to work five-day weeks, will lead to a shortage of qualified and motivated executives on the market.



Eblinger & Partner: Artificial intelligence has entered the executive search industry and has enriched our processes over the last 12 months. For 2024, we anticipate the implementation of AI software that will further professionalize our industry.



ingeniam: The key phrase is technology integration, especially with AI and data analytics being used to help identify and assess candidates more efficiently. Among topics like diversity and inclusion, and globalization, client expectations are evolving in the direction of demanding faster and more cost-effective solutions, and we may need to adapt to these changing expectations by leveraging technology and streamlining processes.

Which industries and functions are most in demand?



Level Consulting: The industries and functions most in demand are Healthcare (Board, C-suite, medical staff), IT (CIO, Head Digital Officers, IT project leaders), Finance, and Industrial (digitalization, quality management, and sales). Across all sectors, we are seeing more demand for positions in HR, including CHROs and roles that manage compensation, benefits, and digitalization in HR, which requires new skills. There is also an increasing demand for interim management.



Teamconsult: Experts for Sustainability, Sales, AI, Supply Chain, and Service functions like lawyers and tax advisors, will be most in demand in 2024. In addition, an increasing number of foreign investors have to replace their management due to retirement, as the companies mostly started in the 90s with leaders in their mid-30s.



Eblinger & Partner: We expect a high demand for Sustainability Managers across all industries. Due to the European ESG legislation, many companies need to speed up their efforts to fulfil the targets when they have to report for the first time.



ingeniam: In MedTech, Pharmaceuticals, and Biotech, the need for executives with expertise in research and development, regulatory affairs, and commercialization is on the rise again. In addition, executives with expertise in Energy and Sustainability have been in high demand and this will likely continue in 2024.



How are salaries changing in our markets?



Level Consulting: Fueled by the shortage of skilled workers, we expect compensation to rise in 2024, with non-monetary incentives and the definition of satisfaction across a broad value profile becoming increasingly important.



Teamconsult: Due to high inflation and requests from employees and unions, the pressure to increase salaries stays high. In the last two years, the net income for most people decreased as salary growth did not fully compensate for the inflation rate.



Eblinger & Partner: We anticipate requests for even higher salaries from top candidates in Austria. However, for the majority, the same salary level will apply this year as in 2023.



ingeniam: There has been a clear shift away from a focus only on “high” compensation and benefits to a far more creative approach including increased transparency, remote work, and other areas that contribute to overall work-life balance.

What are some other HR trends we are seeing?



Level Consulting: Equality and inclusion as central pillars to create diversity, and implementing the structures required for this. The development of an employee market continues, and companies must consider how they can remain attractive to applicants and stand out. That includes more flexible working models in less rigid structures and working in project organizations. Technology-driven recruitment: digital automation and AI will find their way into additional HR tasks, and data-driven HR and corresponding software will also continue to increase in personnel development.



Teamconsult: The struggle between employers and employees regarding working hours and flexible workplaces will continue. AI will change job profiles and make some jobs redundant.



Ebling & Partner: We are seeing diverse recruiting as a trend that will become a basic standard for the future. In 2024, many companies will have to invest in training for unconscious bias, and diversity, equity, and inclusion to ensure that they stay an attractive employer for potential new employees.



ingeniam: HR departments are busy with diversity, equity, and inclusion initiatives, continuous learning and development, data privacy and security as well as an agile approach towards processes and candidates.



Which HR products will see an increased demand in 2024?



Level Consulting: Companies are seeking candidates with a more complex skillset and a large intersection of technological and people management. In addition, they are seeking more diversity and gender equity at the executive level and for a better representation of women in candidate pipelines. Through this, we see the demand for executive search and selection tools, organizational development tools, and interim management solutions to remain high.



Teamconsult: Solutions to support employer branding will be in high demand to help organizations survive the war for talent. Learning and development tools are also highly requested to help upskill older employees and prepare them for a prolonged work life. Finally, talent mapping tools are in demand to be prepared for recruitment needs.



Ebling & Partner: We offer training for unconscious bias, diverse recruiting seminars, and consulting services for implementing diversity, equity, and inclusion strategies. In 2023 already some clients have booked these HR products to stay ahead in the war for talent.



ingeniam: Digital platforms and AI tools in all varieties will be in high demand for both in-house HR teams and executive search firms. We should not forget that we are human beings and as such we have to offer a decent, thoughtful, and meaningful conversation may it be framed as coaching or just during a coffee talk.

Contributors

Thank you to our consultants in Central Europe for contributing to this report.



Charlotte Eblinger-Mitterlechner

charlotte@eblinger.at

Managing Director
Eblinger & Partner
Austria



Stephan Breitfeld

stephan.breitfeld@ingeniam.de

Managing Partner
ingeniam
Germany



Sarah Calvi

sarah.calvi@levelconsulting.ch

Partner
Level Consulting
Switzerland



Oliver Schmitt

schmitt@teamconsult.cz

Managing Partner
Teamconsult
Czech Republic & Slovakia



Jakub Kuvik

kuvik@teamconsult.sk

Country Manager
Teamconsult SR
Slovakia

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