

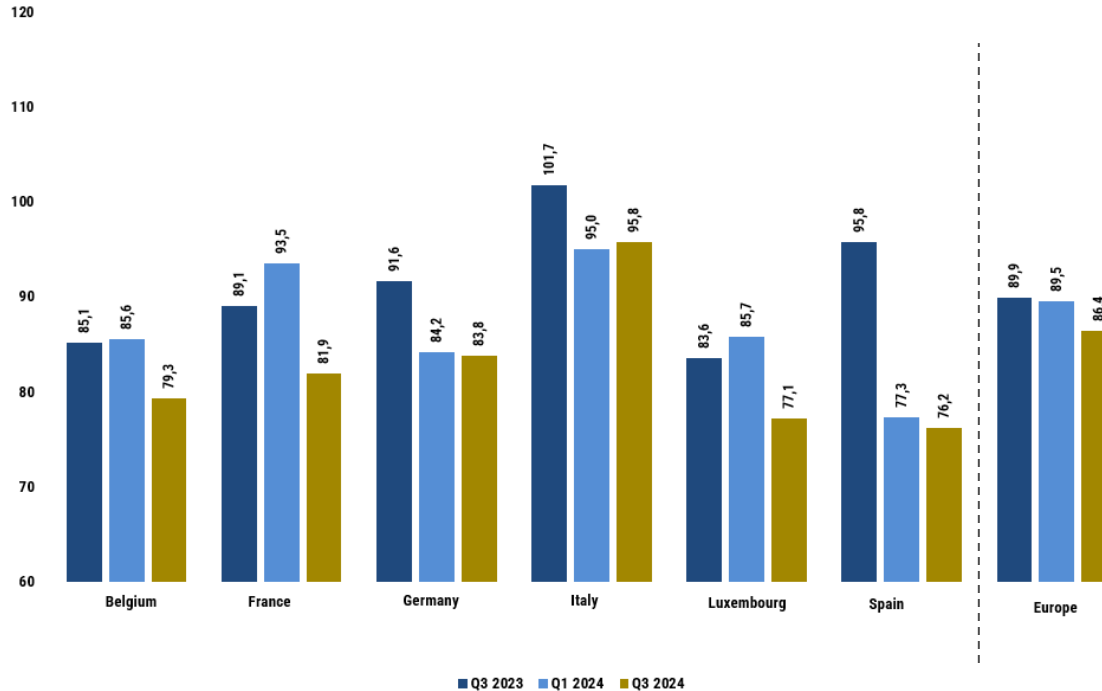


European Confederation
of Search and Selection
Associations

ECSSA State of the Industry Barometer & Additional questions

October- November 2024





ECSSA – State of the Industry Barometer



- In November 2024, the ECSSA State of the Industry Barometer revealed a consolidated index of 86,4.
- This represents a drop of 3.4 index points compared to the previous quarter

ECSSA – State of the Industry Barometer



		Belgium	France	Germany	Italy	Luxembourg	Spain
Present state of business	Good (above budget)	17%	5%	13%	23%	0%	18%
	Satisfying (breakeven)	24%	20% 	41%	51% 	40%	35%
	Dissatisfying (below budget)	59%	75%	46%	26%	60%	47%
Sales development in the past three months	Increased	17%	15%	20%	17%	30%	6%
	Remained stable	24%	25%	35%	51%	20%	35%
	Decreased	59%	60%	45%	31%	50%	59%
Current number of assignments	Large (above budget)	7%	3%	7%	3%	0%	6%
	Satisfying (breakeven)	21%	20%	34%	57%	40%	35%
	Dissatisfying (below budget)	72%	78%	59%	40%	60%	59%
Performance within the next six months	Increase	34%	13%	23%	40%	50%	6%
	Remain stable	38%	63%	44%	40% 	20%	53% 
	Decrease	28%	25%	33%	20%	30%	41%
Index 3rd Quarter 2024		79,3	81,9	83,8	95,8	77,1	76,2

Turnover development in 2023



51 %

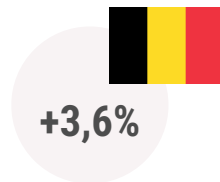
of the executive search consultancies reported a positive turnover development in 2023.

26 %

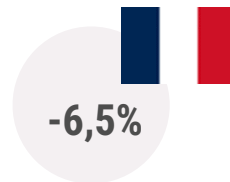
achieved a turnover growth of more than 10 percent.

35 %

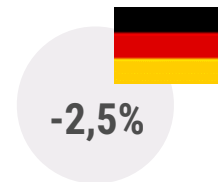
experienced a decline in turnover.



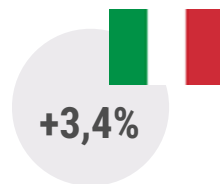
Belgium



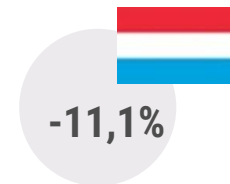
France



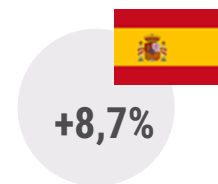
Germany



Italy



Luxembourg



Spain

Turnover forecast 2024



37 %

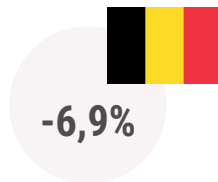
is the share of companies that expect their turnover to develop positively in 2024.

19 %

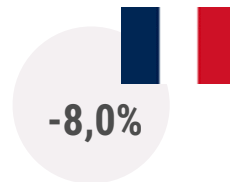
expect a turnover growth of more than 10 percent.

47 %

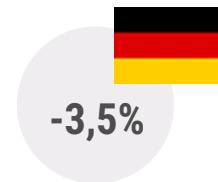
forecast a decline in turnover.



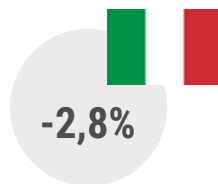
Belgium



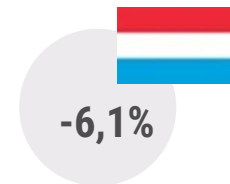
France



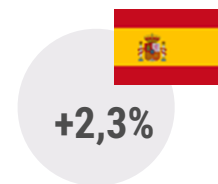
Germany



Italy



Luxembourg



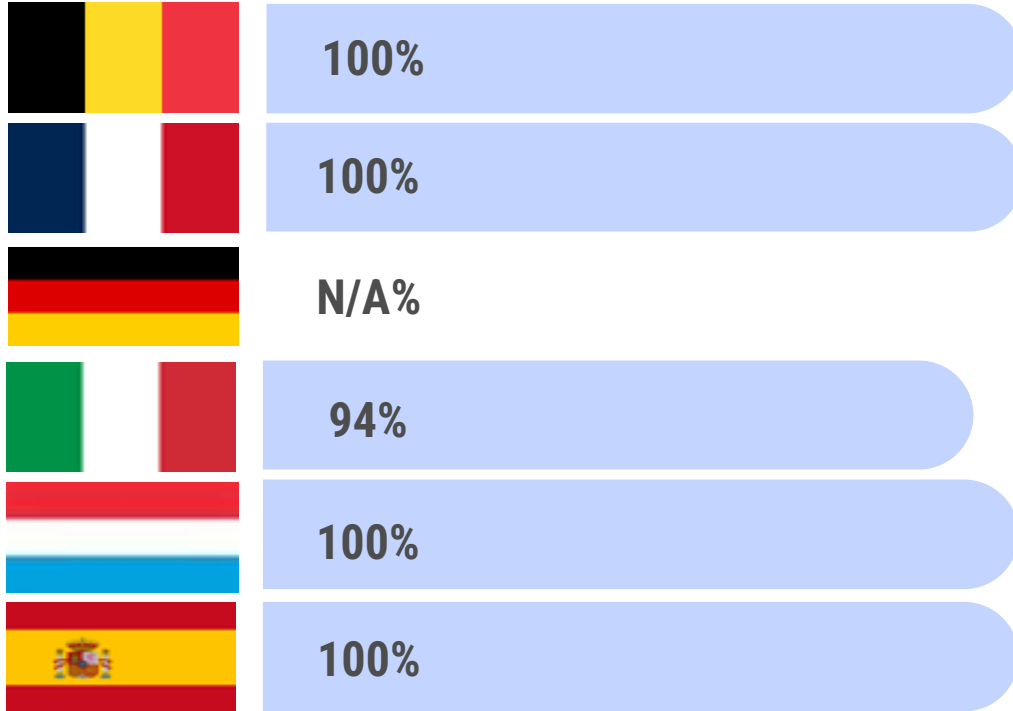
Spain

In this client sectors, it is easy to generate new mandates



	Gesamt		Belgium	France	Italy	Luxembourg	Spain
Mechanical Engineering	40%		31%	27%	63%	10%	59%
Energy and Water Supply	29%		14%	44%	43%	0%	18%
Chemical and Pharmaceutical Industry	28%		31%	24%	17%	10%	71%
Professional Services	25%		41%	5%	34%	30%	18%
Consumer Goods	21%		17%	2%	37%	20%	47%
TIMES	19%		24%	17%	17%	30%	12%
Healthcare	19%		14%	24%	14%	20%	29%
Public Sector	18%		28%	17%	14%	20%	18%
Financial institutions	17%		17%	22%	11%	40%	6%
Insurances	17%		10%	32%	14%	20%	0%
Wholesail and Retail	13%		14%	7%	23%	0%	18%
Automotive	10%		10%	7%	14%	0%	0%
Travel and Hospitality	7%		0%	10%	0%	0%	29%

Top 1: Close collaboration as Unique Selling Proposition



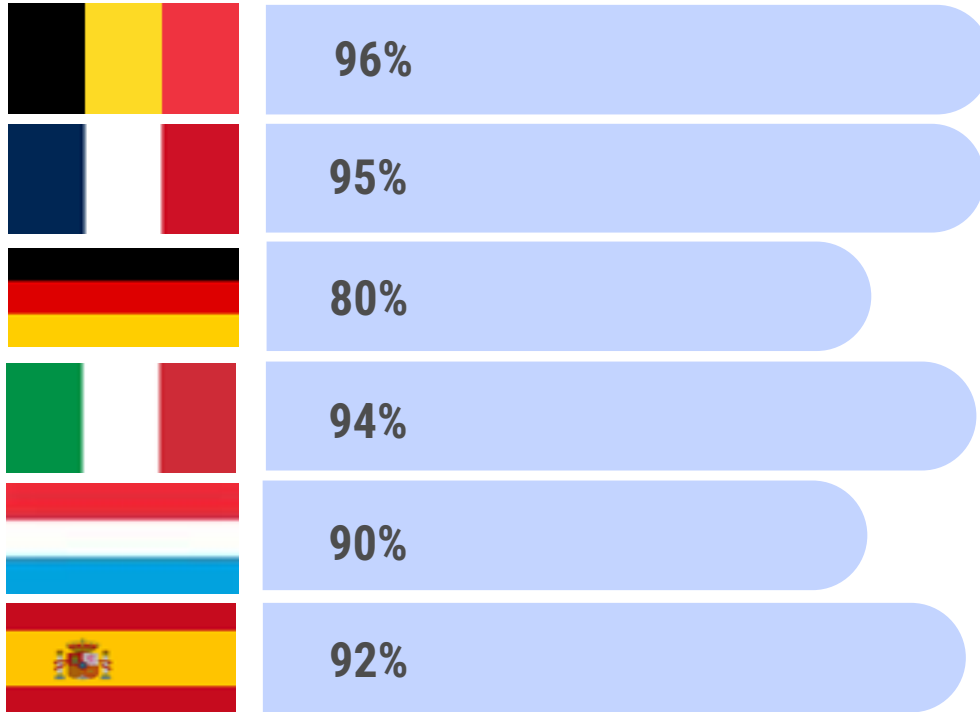
Approval overall:

98%*

Close, trust-based collaboration with clients and a deep understanding of the cultural and strategic requirements of organisations will remain the key USP of retained search and selection firms.

*Proportion of participants that "tend to agree" and "totally agree"

Top 2: Transparency and a culture of feedback



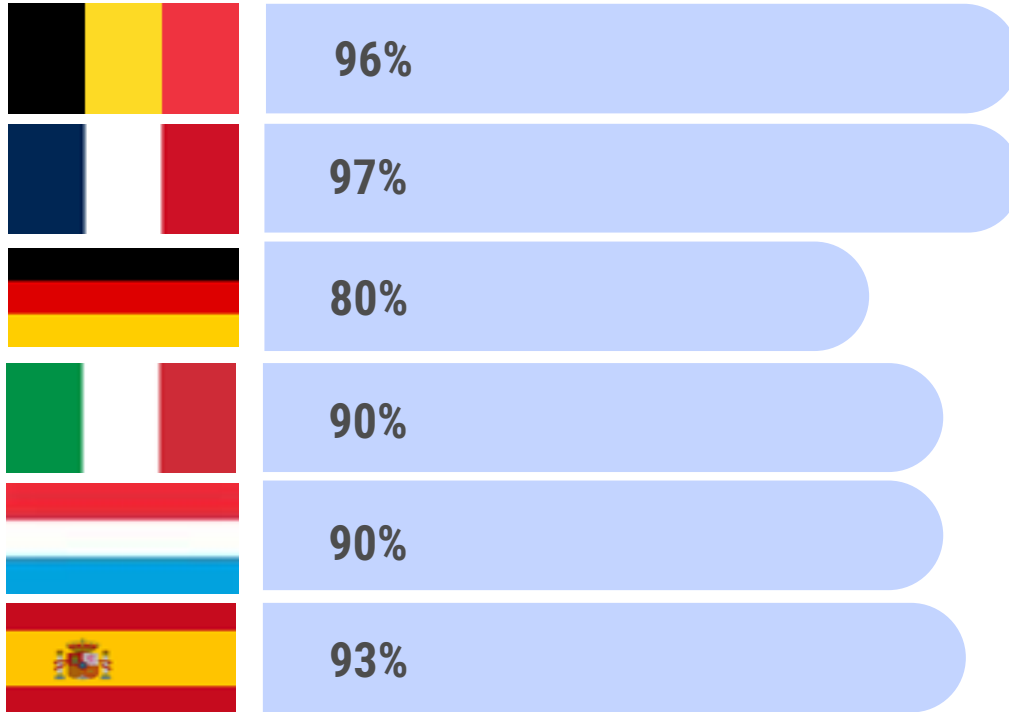
Approval overall:

89%*

Firms are expected to become much more open in their communication with candidates, particularly in relation to selection criteria and decision making. This includes regular and constructive feedback, even if it does not result in employment.

*Proportion of participants that "tend to agree" and "totally agree"

Top 3: Ethics and transparency as defining values



Approval overall:







88%*

In an industry that often operates behind closed doors, companies that practise high ethical standards and transparency will enjoy stronger client loyalty and a better public reputation.

*Proportion of participants that "tend to agree" and "totally agree"




Current and future in the Search & Selection industry



OVERALL	TREND						
1	Close, trust-based collaboration with clients and a deep understanding of the cultural and strategic requirements of organisations will remain the key USP of retained search and selection firms.	1.	1.	N/A	2.	1.	1.
2	Firms are expected to become much more open in their communication with candidates, particularly in relation to selection criteria and decision making. This includes regular and constructive feedback, even if it does not result in employment.	4.	4.	2.	1.	3.	2.
3	In an industry that often operates behind closed doors, companies that practise high ethical standards and transparency will enjoy stronger client loyalty and a better public reputation..	3.	2.	3.	3.	4.	4.
4	The importance of traditional career paths and titles continues to erode. Search and selection firms need to adapt and identify and nurture innovative, multidisciplinary talent who think in less linear careers.	6.	5.	4.	4.	10.	6.
5	Despite globalisation and digital networking, there will be a return to regional expertise, as cultural understanding and local networks are recognised as a competitive advantage.	2.	3.	7.	7.	6.	7.
6	Search and selection firms will increasingly invest in technologies that improve the candidate experience. This includes personalised communication platforms and interactive tools that guide candidates through the application process and keep them continuously informed about the status of their application.	5.	6.	6.	6.	9.	3.







Current and future in the Search & Selection industry



OVERALL	TREND								
7	Despite consolidation trends, highly specialised boutique firms that focus on specific industries or management levels will continue to thrive as they offer in-depth expertise and tailored solutions that larger generalists cannot match.	13.	9.	1.	9.	11.	9.	13.	9.
8	Search and selection companies that embed sustainability and social responsibility in their own corporate management will establish themselves as favoured partners for international corporations in the coming years.	12.	7.	N/A	5.	7.	13.	13.	13.
9	Candidates are increasingly less committed to the application process, which significantly increases the workload for executive search firms and thus reduces profit margins.	7.	13.	N/A	10.	8.	5.	8.	5.
10	Due to the shift in the world of work towards greater flexibility and the move away from traditional career paths, the search for and selection of interim managers will increasingly become an important second pillar for personnel consultancies.	8.	8.	11.	8.	2.	11.	11.	11.
11	The use of virtual reality and AI-powered assessment tools will increase significantly to efficiently evaluate candidates' personality traits, cultural fit and technical skills, especially in an increasingly globalised world of work.	10.	11.	5.	15.	12.	8.	12.	8.
12	Technology-driven startups will challenge traditional search and selection firms by offering innovative, automated search and matching tools that are faster and more cost-efficient. This disruption will lead to a fragmentation of the market.	11.	10.	8.	11.	15.	10.	15.	10.

Current and future in the Search & Selection industry



OVERALL	TREND						
13	Every search and selection organisation will need to employ cybersecurity experts by 2030 to ensure the data integrity of their candidates and business practices.	9.	16.	12.	12.	18.	14.
14	By 2030, Artificial Intelligence (AI) will replace more than 50% of traditional executive search processes, resulting in a massive shift in the role of recruitment consultants towards strategic management consultants, whose consulting services will be based on comprehensive AI-supported data analytics, among other things.	15.	15.	9.	17.	19.	12.
15	The search and selection market will see a significant reduction in the number of competitors, as smaller companies are either acquired by larger firms or exit the market, leading to fewer but stronger players.	17.	17.	10.	14.	13.	19.
16	Companies that focus exclusively on search and selection will disappear from the market in the medium term. In future, clients will expect a broader range of services that goes beyond pure executive search and also covers areas such as management diagnostics people development and training.	19.	14.	N/A	13.	16.	18.
17	The traditional retained search model is increasingly being replaced by performance-based fee models due to the growing digitalisation of processes.	16.	12.	13.	18.	5.	16.
18	In future, search and selection firms will focus more on filling top management positions, while the search for specialists will increasingly be taken over by other players.	18.	18.	N/A	16.	17.	17.
19	Automation technologies will refine the recruitment process to the point where the identification and initial approach of candidates can be done almost entirely without human intervention.	14.	19.	N/A	19.	14.	15.

Across all countries, half of the participants consider themselves only moderately prepared for the changes

