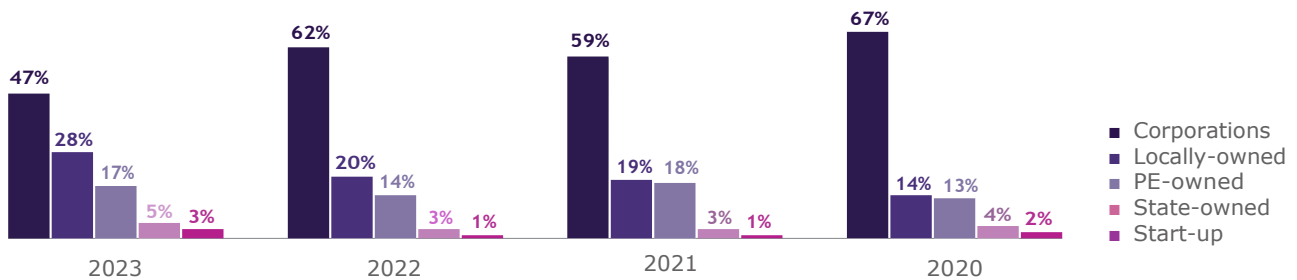




ANDERSON WILLINGER EXECUTIVE SEARCH SUMMARY OF THE HIRING TRENDS WITHIN LOCALLY OWNED COMPANIES, PRIVATE EQUITIES, VCS, CORPORATIONS, STATE OWNED COMPANIES, START UPS FOR EXECUTIVE ROLES IN CZECHIA 2023

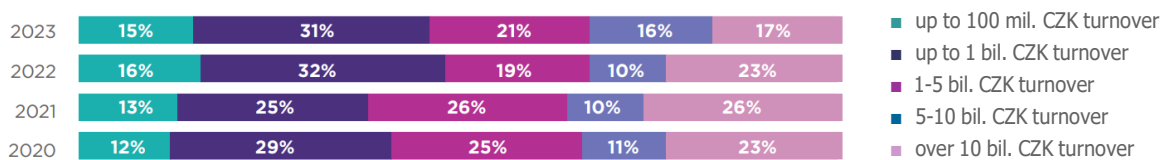
Compared to the year 2020, there has been a 20% decrease in corporate company recruitment in 2023. Private companies have become more active in recruitment instead.



LOCALLY-OWNED COMPANIES

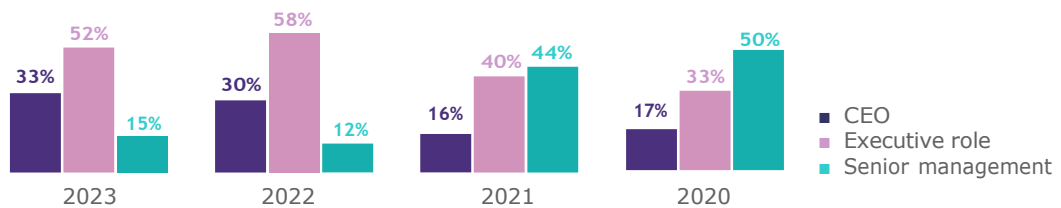
What size?

In the last two years, companies with a turnover of up to 1 billion CZK have played a prime role.



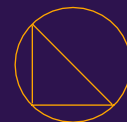
In 2023, CEO, Financial and Sales roles were filled most often.

There are significant differences in seniority distribution between 2020/2021 and 2022/2023



In the period of the pandemic, locally-owned companies primarily refreshed their management. In the past two years, CEO transitions have directly influenced top management positions within companies.





This is due to several factors:

- Generational change, especially in companies founded in the 90s.
- By changing the business environment with management, that is able to manage the company in new conditions and adapt to new trends and challenges in the business world.
- Growth opportunities that have arisen as a result of changes in market conditions and expansion into new markets.
- Investment pressure that requires a change in strategy or a higher return on investment.
- The interest of the owner to leave the executive management of the company.

External recruitment prevailed, accounting for 65%, which exceeded the market average by 10%. At the same time, 76% of these managers originated from fields other than direct competition. An equal percentage of new CEOs also came from external fields.

The companies most active in recruitment, in 2023, were in the field of:

- Manufacturing, especially Engineering
- IT, mainly consulting-software companies, suppliers of data centers and infrastructure and integrators
- Financial institutions – smaller, locally managed banks
- Real Estate
- E-Commerce
- Retail
- Logistics and Last Mile

Compared to 2022, there were fewer transitions in E-Commerce and Media sectors.

In 2023, the average length in a role, including both internal and external recruitments, stands at 3.8 years, aligning with the market average. This duration is slightly longer compared to previous years.

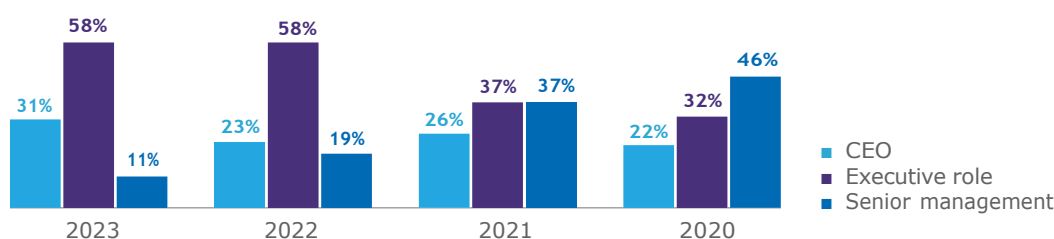
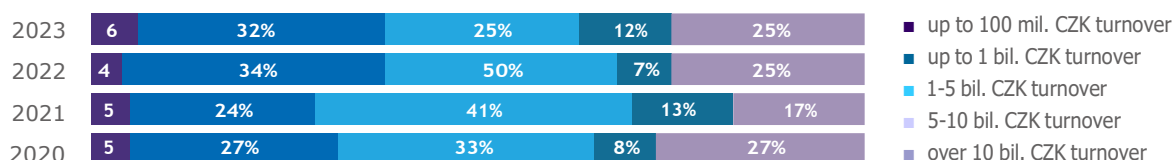




PE A VC OWNED COMPANIES

What size?

The distribution of company sizes based on turnover has remained consistent for several years, with no significant fluctuations or major changes.



In contrast to locally-owned companies, those with higher recruitment activity tend to be larger in terms of both turnover and the number of employees. Over half, 54%, of new directors and senior managers were appointed in companies with over 500 FTE.

Within the direct reporting line to the CEO, there was a notable demand for new CFOs/FDs and Sales Directors - accounting for 30% of all changes. This remains consistent with the previous year.

The ongoing demand for new CFOs may primarily stem from:

- Increased emphasis on financial stability by PE funds.
- Private equity funds seeking CFOs capable of enhancing communication with Investment Directors and instilling confidence in the company's financial outcomes and strategies.
- The ongoing restructuring and reorganization of a company, which requires a change in the area of financial management.
- A response to emerging regulatory requirements.
- improving performance and efficiency especially due to the organic and inorganic growth of the company.
- The growing importance of digital transformation and technological innovation in the finance sector prompts companies to seek CFOs equipped with contemporary expertise in financial management, data analysis, and process automation.

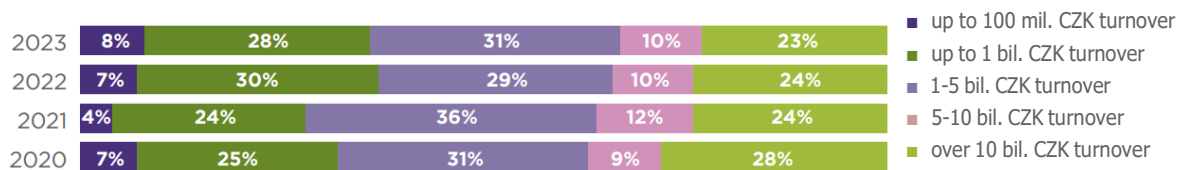




- ▶ External recruitment aligns more closely with the market average at 56%. Similarly, as with locally-owned companies, the majority of managers (72%) came from outside direct competition. The average tenure in the role remains unchanged at 3.7 years.
- ▶ In comparison to the market average and locally-owned companies, there was a lesser representation of women, with 7% fewer than the market average and 9% fewer than locally-owned companies.
- ▶ The most actively recruiting companies in 2023 operated within the following sectors:
 - ➔ Manufacturing, above all in Engineering and Aviation Technology
 - ➔ E-Commerce a Q-Commerce – especially Marketplace, Comparison sites and Last Mile
 - ➔ Media
 - ➔ Financial Services

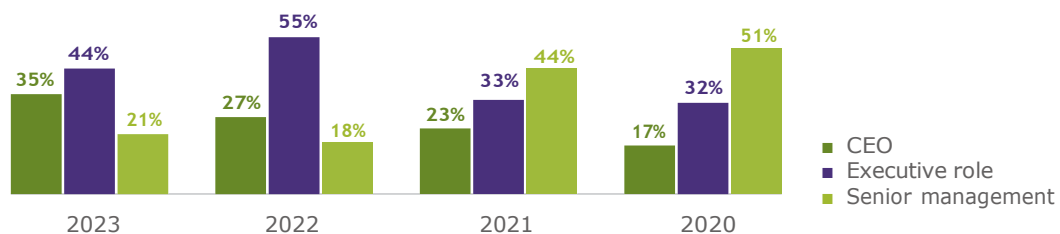
CORPORATIONS

- ▶ What size?
The distribution of recruitment in corporations, according to their size, remains stable over the years.



- ▶ Similar to locally-owned companies, the distribution of seniority in corporations reflects the period of the pandemic, during which companies in 2020 and 2021 exhibited considerable restraint in altering their CEO or top management positions.

On the contrary, role changes at the management level prevailed. However, this trend has gradually shifted since 2022, with an increase in new CEOs and changes occurring at the TOP Management level.





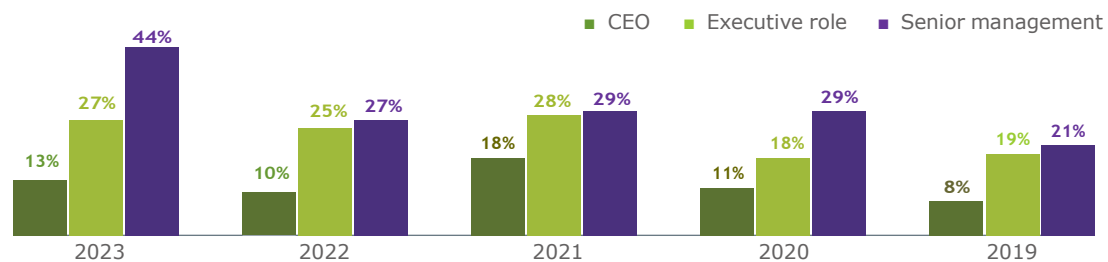
▶ Regarding recruitment size within Corporations, **companies with over 500 FTE dominated**, accounting for 45% of all changes.

▶ **External recruitment in 2023 in corporations was lower than the market average at 47% (average is 55%)**. Compared to previous years, we observed a tendency for corporations to promote or change their managers internally. External recruitment has been gradually declining since 2019, when it reached its peak of 59%. In 2023, majority of corporate CEOs (64%) were promoted internally, with the percentage steadily increasing year by year. In 2021, it was 51%, a year later already 56%.

▶ Unlike privately held companies, which strive for creativity in director hiring, **corporations largely maintain a preference for recruiting directors from the same or similar field** - only 32% originated from a different segment. This percentage remains relatively stable over the years.

▶ **Corporations are pushing to hire more women**. In 2023, there has been a significant increase in the number of women at the management level compared to previous years, providing corporations with a stronger pool of female talent for future promotions. Both external recruitment and internal promotion were equally considered for women.

PERCENTAGE OF WOMEN OF TOTAL CHANGES IN CORPORATIONS



▶ **For external recruitment, the duration of the previous role aligned with the market average of 3.8 years**. However, for internal promotions, the corporation retained its managers in one role for approximately six months longer.

▶ In 2023, the most sought-after expert positions in corporations continue to be in Sales, HR, Finance, and Marketing, a trend that remains consistent with previous years.



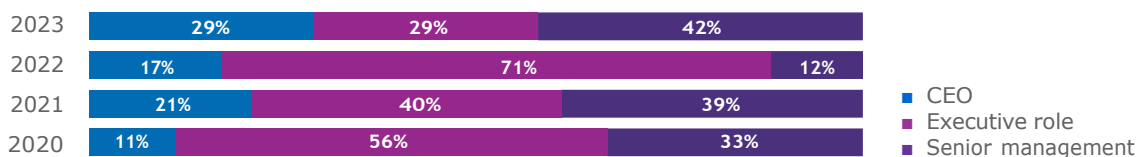


STATE-OWNED COMPANIES

▶ Hiring in state- or city-owned companies increased slightly in 2023, but generally lags behind other organizations. These companies tend to be the most conservative in recruitment practices and exhibit infrequent changes in Director roles.

▶ Recruitment is primarily led by companies with a size of 1 billion CZK or more, attracting 80% of all new managers, while less than half of them are hired by companies with a size exceeding 10 billion CZK.

▶ Contrary to 2022, when recruitment predominantly focused on executive roles, there was a substantial shift in seniority distribution in 2023. Recruitment at the management level notably surged, accompanied by a rise in new CEOs, while there was a decrease in new directors at the top management level.



▶ Significant shifts occurred in the Media sector during 2023, primarily stemming from the CEO change at Czech Television and its consequential management adjustments. Simultaneously, other transformations were observed in the Energy sector.

▶ Apart from CEO positions, roles in the Finance sector dominated recruitment efforts. Additionally, there was an increased demand for new managers in the Communications field. On the other hand, strategic positions experienced a decrease in recruitment activity.

▶ It is the sole type of organization where there is a zero presence of expatriates. Compared to previous years, there was also an 8% decrease in the number of women.

▶ External recruitment nearly aligned with the market average, with 57% of new directors coming from outside the organization. Similarly to corporations, state-owned firms exhibited reluctance in recruiting managers and directors from outside their sector, with only 37% coming from external competition.





START-UPS

- ▶ Most transfers occurred in companies with a turnover of up to 100 million CZK.
- ▶ The roles most frequently requested include those at the CEO, Sales, Marketing, and Operations levels.
- ▶ The key area is Technology and E-Commerce.
- ▶ Start-ups predominantly enhanced their management team with external hires, with 77% sourced externally. Additionally, in this dynamically evolving environment, management turnover occurs more frequently. The average tenure in a single role is two and a half years.
- ▶ Men were more predominant in the management of start-ups, with only 9% being women.
- ▶ Generally, start-ups encounter the challenge of securing management capable of swiftly adapting to changes, introducing fresh ideas and innovative methods, all while upholding the company's culture and values.





We are Executive Search.

Business Intelligence is fully integrated into our operations and practices. We consistently monitor and analyze trends within our leadership community.

We are in the process of developing a tool based on Artificial Intelligence, designed to forecast the success of a leader in a particular role and business, aligning with the company's culture and values.

A crucial component of our operations involves comprehensive psychological testing, aimed at evaluating and enhancing leaders while facilitating their successful integration. Collaborating with colleagues from INSEAD, Anderson Willinger has identified vital areas, including personality traits, essential for navigating organizations amidst today's turbulent times, whether through external recruitment or internal promotion.

Leveraging this insight, the AW team has curated top-tier global tools to discern the current status of both the company and its leaders, pinpointing critical areas for development.

We not only provide our clients with assistance in setting a strategy and selecting key executives; we also serve as partners in educating and inspiring top management about current global trends.

In addition to our market research on Executive Education, here is a list of our premium workshops.

- AI, People Analytics, Data Analysis and use of ChatGPT for HR Directorship
- AI, People Analytics for CEOs
- Positive Intelligence Workshop
- Leader 's Shadows Workshop

