

## The Year Ahead: 2023 Business, Leadership and Executive Search Outlook

*NGS Global Senior and Managing Partners*  
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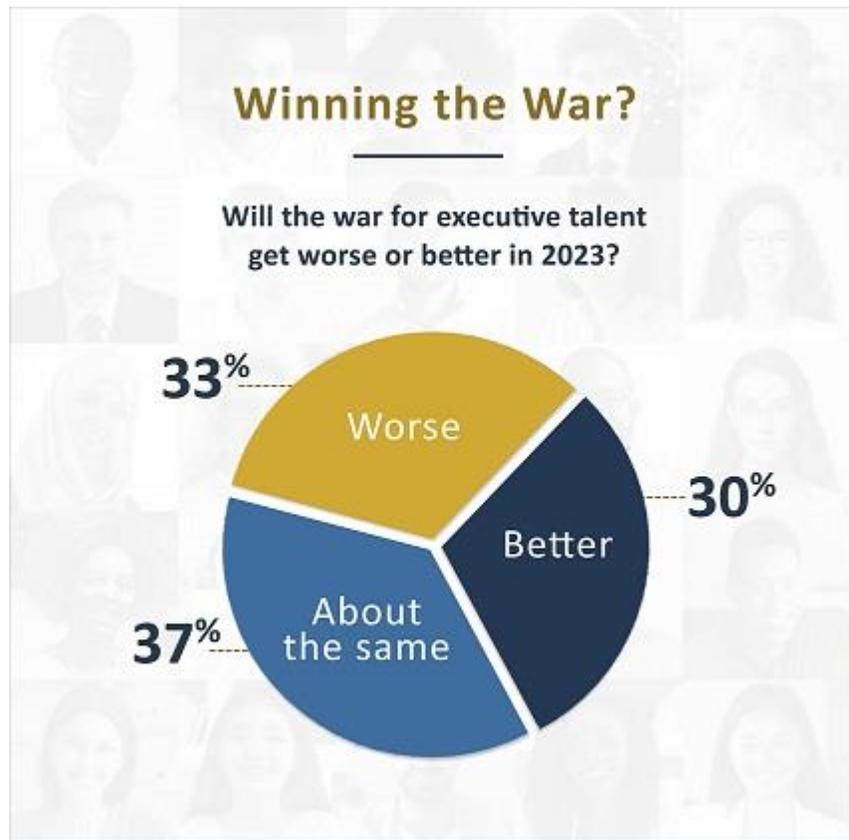
**We are ending 2022 amidst considerable uncertainty, yet for most organizations, the race for hiring senior talent remains extremely strong. We unpack some of the key economic, leadership and executive search trends that will unfold across the next 6-12 months – and what that means for businesses.**

### **Current Environment**

In many ways, 2022 was a year of extremes. War dramatically escalated in Europe with Russia's invasion of Ukraine in February. Inflation is still rampant in many geographies, and is showing near to no signs of abating, despite central banks trying to rein in escalating consumer prices and living costs. At the same time, the unemployment rate for OECD countries is just 4.9%, which is the [lowest since records began](#), and a far cry from the 8.8% peak at the start of the COVID-induced unemployment crisis.

Whilst low jobless numbers have gone some way to abating the impacts of inflation across many aspects of the global economy, this also means it is much more challenging for organizations to attract and employ top talent. This is particularly the case at the executive level, where today's leaders are looking for much more than just a pay packet as part of their compensation. Within this context, opportunities continue to be available to companies who are creative and compelling in their employment pitches to leaders.

We recently asked our broader network what they thought would happen in 2023 with regards to the executive hiring market. The results were very evenly split, with 33% saying it is only going to get worse and even more competitive, 30% saying that it will get better and calm down, and 37% saying that it will stay about the same.



Our global group of 38 Senior and Managing Partners across Europe, Asia Pacific, the Americas, Africa, and the Middle East laid out their 2023 predictions for leadership, the broader economy and executive search in 2023.

**Talent Demand to Stay Strong**

Despite economic headwinds and the threat of a prolonged global recession, hiring for executive talent remains very strong. Our partners group have detected a small demand slowdown in the business-to-consumer (B2C) market for senior leaders, but the business-to-business (B2B) market is as strong as ever. The majority see this as continuing throughout next year.

“Clients are and will continue to be offensive for the future in 2023,” explained Karla Dorsch, Managing Partner at NGS Global’s operations in the Middle East. “Businesses need to stay competitive by being ready to combat whatever is ahead of them, and stay at the top of their game. With so many aspects of the macroeconomy currently uncertain, having the right executive leadership in place is arguably the most critical component of positioning an organization for success in the future.”

**Expectations on Executives to Increase**

At the same time, there is an entire generation of leaders that have not operated with the types of



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inflation that we are currently experiencing. Throughout 2023, these challenging operating and commercial conditions, particularly with regard to a fast-increasing cost base and ongoing supply chain issues, mean that both the expectations and performance demands on senior leadership will increase.

“The need for executives who can do more with less - in other words, deliver better results per unit of cost - will be paramount next year,” explained Soumitra Agarwal, Managing Partner of NGS Global’s India team.

Other partners added that if recessions do hit, the emphasis on executive performance will also shift from sales-led growth to a wider range of priorities, including change management, prudent financial management, best use of resources and, of course, inspirational leadership.

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- Soumitra Agarwal, Managing Partner,  
NGS Global India

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### **Rapid Growth Industries and Roles**

2023 will see NGS Global clients who are determined to continue growth during this uncertain period by taking market share off their competitors, and others where market forces are providing growth opportunities (such as 5G, Cybersecurity, the Internet of Things and FinTech).

The past two years has seen a significant uplift in the demand for talent in the cleantech, sustainability, recycling, and solar sectors, with NGS Global delivering executive search projects for a wide variety of companies in this area, including placing a range of executive roles at a [leading electric vehicle automotive company](#).

Cleantech is a very rapidly maturing asset class. The level of private equity and venture capital investment, governmental policy support, and innovation will only increase in subsequent years, making the sector almost recession-proof. Currently, more than one quarter of all global venture capital [is going to climate tech](#) start-ups, totaling US\$77 billion for the last 12 months (by comparison, 2018 saw less than half this level of investment – US\$36 billion). “This growth will see a subsequent surge of increased



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demand for executive leadership and talent in the next two to three years and beyond,” explained Steve Lavelle, Managing Partner at NGS Global’s UK office.

We also predict that 2023 will also see a significant demand for both cybersecurity companies and senior roles.

### **Geographical Winners and Losers**

At US\$16 trillion in GDP, China is the second largest economy in the world, and will add US\$640 Billion in GDP next year, the largest contribution to global growth by any nation state. After Chinese New Year in Q1, the country will reopen to international travel in Q2. However, travel into and out of the country will be more controlled and not return to pre-pandemic freedoms.

More broadly, there has been a considerable degree of downsizing by foreign companies in China. Volkswagen, for example, which has a large presence in the country, plans to shed 30% of its expatriates in China over the next two to three years, down to about 1,000 people.

“Singapore is the net winner of political changes in Hong Kong, as well as China’s ongoing strict COVID elimination policies,” explained Julian Buckeridge, Managing Partner at NGS Global’s operations in China. “In the last 12-24 months, many firms have moved their Asia Pacific headquarters from these two markets into Singapore. Specifically, many internet and media companies have moved to Singapore, whilst much of the APAC asset management industry has also moved there to preserve wealth and shore-up stability.”

Europe is entering into a period of considerable uncertainty, with the war in Ukraine ongoing, high-inflation, skyrocketing energy prices, inconsistent central bank policies, and low consumer confidence. 2023 will be a challenging year for some firms throughout the region, particularly B2C companies. The companies that have the most agile operating structures and are fairly flat hierarchically will have the best chance of success, particularly those that are led by executives who have high levels of emotional intelligence, cultural fit, digital nous and change management expertise, as evidenced in our recent [CEO and board member survey](#).

Another geographical winner is the current migratory and investment influx to the Middle East, particularly to the UAE, and especially Dubai. [We have previously reported](#) on the UAE’s foreign direct investment boom and national reputation uplift, and this trend is set to continue throughout 2023, due to the country’s political stability, business friendly culture, and recent changes in residency and property laws. The UAE is seen as a viable, thriving country welcoming businesses and entrepreneurs. The country is at the forefront of embracing new technology and ideas across multiple sectors.

India is an additional bright spot; the country not only sailed through 2022, but has emerged as a promising market and investment destination, with inflation at about 7%, lower than that of many economies. The Indian economy was forecast to expand by 6.8% for the full year, and measured in dollars at current prices, it is now the world's fifth largest economy, aiming to become the third largest by 2030. India offers an excellent alternative to China in keeping global supply chains running, which we expect to create several new opportunities for senior executives in 2023 and beyond.

### **Other Features of 2023**

With regards to executive search, additional components that the partner group also felt would feature throughout 2023 include:

- clients' interest in and flexibility towards allowing placements to work on a largely remote basis will continue
- that being said, clients are now showing a renewed interest in arranging face-to-face meetings again, especially with candidates, and that will increase throughout 2023
- the emphasis on producing diversity candidates will continue to gain momentum, and is now a regular KPI for the majority of hiring teams
- clients are continuing to explore how to be more efficient and quicker in their acquisition of talent through the use of technology tools.

*NGS Global delivers partner-led executive search and leadership advisory services worldwide.*