

Egon Zehnder:

A short look behind the scenes of a global
top-5 executive search & leadership advisory firm

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1. The situation – Egon Zehnder's corporate history

Egon P. S. Zehnder was born on April 12, 1930, in Zurich and graduated from Harvard Law School. After having worked for 5 years at Spencer Stuart (establishing their business in Europe), at the age of 34, he started a business in Zurich that became a major player in the executive search industry worldwide over the course of his life. Zehnder adopted a parity partnership early on, in contrast to the competition, as part of a well-defined and still relevant value framework. He gave equal partners ownership of his shares in 1976, and he left the business in 2000, though he remained in close contact. "His personality shaped one of our company's core values: generosity," says Jill Ader, Ex-CEO. Adds current CEO Ed Camara: "Our One-Firm model is made possible by the entrepreneurial pioneering spirit of Egon. His principles still function as a foundation for our business, which bears his name."

If equal ownership was not enough, Egon Zehnder operates as a one firm profit-center without any individual bonus paid. With this special organization Egon Zehnder is a 'solitaire' in the industry and as a big-5 executive advisory firm, it belongs to the so-called SHREK (Spencer Stuart, Heidrick & Struggles, Russell Renolds, Egon Zehnder, Korn/Ferry).¹

2. A deeper dive – selected key services by Egon Zehnder

Executive Search

Egon Zehnder is a renowned executive search firm that specializes in executive search and selection. They work closely with companies to understand their specific requirements and identify highly qualified candidates. Egon Zehnder is characterized by its global presence, many years of experience and extensive network. The consultants follow an individual and customized approach to find the best possible candidate for each position. Their expertise and commitment make them a trusted partner for companies looking up for top executives. Executive Search is a term deliberately used by Egon Zehnder. It refers to the process of searching for and selecting executives for companies. Potential candidates are matched with the requirements of the position and carefully selected. Executive Search by Egon Zehnder involves the identification, assessment and recruitment of executives – and also talents – to ensure that companies find highly qualified and suitable candidates for key positions.

Leadership Advisory

In today's business world, an exceptional leadership culture plays a crucial role in the success of organisations. Beyond individual excellence, the focus is on the team, the culture and the organisation, aspects that are often overlooked.

Successful companies are characterised by an exceptional leadership culture. It comprises more than just the best individual players. The importance of the team, the culture and the organisation is often neglected.

Together with its clients, Egon Zehnder finds ways to unleash the potential of an organisation's leaders and thus ensure greater innovation, efficiency and long-term success.

Egon Zehnder believes that every leader can benefit from individual development, and has several core beliefs that drive our approach:

- Potential to grow: everyone has the potential to grow. Most leaders can develop significantly if they have a clear development plan.
- Different approaches: People learn and develop in different ways; therefore, development approaches should be tailored and individualised.
- Strengths and development opportunities: To be the best leader, it is critical to capitalise on unique strengths as well as address key gaps.
- Ongoing journey: Development is not a one-time event, it is an ongoing, continuous process with phases of progress as well as plateaus.
- Impact: Any development planning should have the added benefit of improving collaboration, business and performance.

Advancing Governance / Board Consulting

Board Review:

High-performing boards enhance effectiveness through professional-guided self-assessments. These confidential reviews analyze structure, functioning, and improvement areas, including interviews with the chair, CEO, and all directors. Dimensions like professional competencies, committee effectiveness, leadership, organization, and board dynamics are assessed, providing a benchmark against corporate governance best practices. The process fosters reflection on culture and goals, contributing to the board's understanding of psychological safety and inclusion.

Board Development:

As corporate directors' roles expand, there's a growing need for continuous development due to increased expectations from shareholders and society. The organization, in collaboration with the University of St. Gallen, offers specialized programs for Europe's top boardrooms. The three-day St. Gallen Board Retreat enhances excellence in the boardroom for chairs and non-executive directors, while the three-and-a-half-day St. Gallen Board Academy focuses on developing the next generation of board members for their initial non-executive mandates. Customized development is also provided for board chairs, recognizing their role as skilled navigators and advocates. These initiatives aim to address evolving corporate leadership demands and promote effective governance.

Board Advisory:

Shareholders and society's heightened expectations for boards of directors have led to increased scrutiny of institutions. Senior executives now seek boards that provide valuable judgment and wisdom, navigating global and technological opportunities for sustainable growth. Egon Zehnder, with over 3,600 international board-consulting assignments in the last five years, offers expertise in building optimal boards. Beyond executive search, the firm's 50 years of experience focus on maximizing the impact of board directors, emphasizing creativity and diversity in leadership talent globally. With 63 global offices and consultants possessing significant business backgrounds, Egon Zehnder aims for better leadership in the boardroom through a global reach and an equal partnership compensation model. The firm invites collaboration to create more effective boards.

Considering that the aforementioned, highly specific services are being delivered with the utmost quality at virtually any place around the globe, it becomes obvious why Egon Zehnder, along with the fellow SHREKs, enjoys this outstanding reputation and market position.²

3. Outlook – Will artificial intelligence (AI) replace the SHREK firms?

Currently, AI is seen as a potential threat to virtually any industry – so does that apply to the ever-dominant SHREK firms and their unmatched networks to both candidates and decision-takers? The seminar group tends to think that AI is no danger to the SHREK firms. Let us take a closer look at the reason.³

AI offers the possibility of analyzing large amounts of data in a short time and recognizing patterns that would cost human consultants a lot of time or could be missed. By working efficiently and using a large amount of information, AI is able to make decisions. In terms of data, AI will have an advantage over human advisors and offer great support.

Skills such as interpersonal relationships, empathy and emotional intelligence, on the other hand, require human advisors. These skills are key qualities and are crucial when it comes to recruitment. Recruitment consultants can understand an applicant's needs and motivations and act individually. This understanding has led and will lead to successful placements and long-term employment relationships. AI, on the other hand, lacks the emotional intelligence and has no empathy to recognize human needs and motivations and convey them to the applicant in a profitable way.

Our conclusion: It is very likely that AI systems and human recruitment consultants will work together in the future to speed up and, in some cases, simplify processes. When collaborating, both parties can contribute their strengths and thus work more efficiently.

Annotations

This essay was inspired by the seminar group's excursion to the Duesseldorf office of Egon Zehnder on 5 December 2023.

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¹ Explanation added by the Editor.

² Ibid.

³ Ibid.